



gar

agribusiness and food

GOLDEN AGRI-RESOURCES LTD



CULTIVATING EXCELLENCE

INNOVATING GROWTH

ANNUAL REPORT 2023





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Annual Report 2023 online

CONTENTS

PROFILE

Vision, Mission	01
Global Integrated Operations	02

BUSINESS STRATEGY AND REVIEW

Financial Highlights	04
Creating Long-Term Value Responsibly	06
Chairman's Statement	10
Awards and Accolades	15
Operations Review	16
Financial Review	23
Nurturing Talent Enabling Business Growth	26

ESG

Our Approach to Sustainability	28
Board of Directors	32
Executive Leadership	37
Enterprise Risk Management	38
Corporate Governance Report	48
Corporate Directory	78

FINANCIALS

Consolidated Financial Statements	79
Financial Statements	171

OTHERS

Shareholding Statistics	197
Notice of Annual Meeting	199
Proxy Form	



CULTIVATING EXCELLENCE INNOVATING GROWTH

As a palm oil industry leader, Golden Agri-Resources (GAR) upholds ethical practices and elevates operational excellence throughout its entire business value chain. At GAR, we focus on adding value to our products and services to enhance our competitive edge. Investments in innovation and sustainability reinforce our ability

to generate long-term value for our stakeholders. GAR sees partnerships with our stakeholders as essential - helping us cultivate excellence and innovate for growth to allow us to navigate this dynamic industry effectively and strengthen the resilience of our business for the future.



VISION

Be the best, fully-integrated, global agribusiness and consumer product company – **the partner of choice**

MISSION

We efficiently provide sustainable and superior quality agribusiness and consumer products, solutions and services to create value for all our stakeholders

GLOBAL INTEGRATED OPERATIONS

Listed on the Singapore Exchange since 1999, Golden Agri-Resources Ltd (GAR) is one of the leading integrated palm oil plantation companies in the world generating revenue of US\$9.8 billion and underlying profit of US\$328 million in 2023.

GAR's integrated operations focus on the technology-driven production and distribution of extensive portfolio of palm-based products throughout its established international marketing network. GAR encompasses an efficient end-to-end supply chain, from responsible production to global delivery. Our primary activities start from cultivating 532 thousand hectares of oil palm plantations in Indonesia, including plasma smallholders; harvesting and extracting fresh fruit bunches into crude palm oil and palm kernel; to processing it into a broad range of value-added products such as cooking oil, margarine, shortening, biodiesel and oleochemicals; as well as merchandising palm products globally.

GAR has global market presence with destination refining, ex-tank operations and sales representative offices in many large consuming countries. GAR's products are sold globally to a diversified customer base by leveraging its extensive distribution network, strong merchandising, branding, and destination marketing. Our shipping and logistics capabilities are bolstered by our ownership of vessels, sea ports, jetties, warehouses and bulking facilities in strategic locations. GAR also has complementary businesses such as soybean-based products in China, sunflower-based products in India, and sugar businesses.

OIL PALM PLANTATIONS
Estates

532k ha

Palm Product Output

2.94mn MT

PROCESSING AND PRODUCT CUSTOMISATION

- + Refineries
- + Kernel crushing plants
- + Biodiesel plants
- + Oleochemical plants
- + Soybean crushing plant



**LOGISTIC EXCELLENCE AND
DESTINATION MARKET EXPERTISE**

- + International sales offices and ex-tank operations
- + Global distribution logistics
- + **>30** consumer brands
- + Sold in **>100** countries



2023 TURNOVER

US\$9.76 billion

12%	China
20%	Indonesia
14%	India
27%	Rest of Asia
12%	Europe
15%	Others



FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020
Consolidated Income Statement (US\$'000)				
Revenue	9,756,197	11,438,798	10,182,536	7,077,888
Gross profit	1,851,296	3,025,578	2,354,610	1,150,042
EBITDA ^{1,2}	985,578	1,826,109	1,214,017	669,007
Underlying profit ^{2,3}	327,548	921,907	602,862	230,187
Net profit attributable to owners of the Company	197,601	782,103	476,179	31,755
Weighted average number of shares (million shares)	12,682	12,683	12,692	12,700
Underlying profit ³ per share (US\$ cents)	2.58	7.27	4.75	1.81
Earnings per share (US\$ cents)	1.56	6.17	3.75	0.25
Dividend per share for the current year's underlying profit (S\$ cents)	0.613	1.791	1.605	0.480
Consolidated Statement of Financial Position (US\$'000)				
Total assets	9,716,488	9,902,072	9,608,111	9,126,380
Total current assets	3,916,771	4,158,498	3,432,157	3,357,716
Total current liabilities	2,757,953	3,193,889	2,934,793	2,889,177
Total non-current liabilities	1,778,631	1,453,834	1,781,314	1,805,589
Non-controlling interests	253,503	252,888	214,613	185,687
Equity attributable to owners of the Company	4,926,401	5,001,461	4,677,391	4,245,927
Financial Ratios				
Gross profit margin	19.0%	26.5%	23.1%	16.2%
EBITDA ¹ margin	10.1%	16.0%	11.9%	9.5%
Underlying profit ³ margin	3.4%	8.1%	5.9%	3.3%
Net profit ⁴ margin	2.0%	6.8%	4.7%	0.4%
Return on equity ⁵	6.6%	18.4%	12.9%	5.4%
Return on assets ⁶	3.4%	9.3%	6.3%	2.5%
Current ratio (times)	1.42	1.30	1.17	1.16
Debt to equity ⁷ (times)	0.59	0.57	0.61	0.71
Net debt to EBITDA ⁸ (times)	0.40	0.08	0.80	1.66
Receivable turnover ⁹ (days)	27	25	27	32
Inventory turnover ¹⁰ (days)	71	64	54	60
Other Information				
Average CPO price - FOB Belawan (US\$ per tonne)	901	1,248	1,168	691

1 EBITDA = earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss and exceptional items

2 Includes net fair value gain or loss on financial assets in accordance with IFRS 9

3 Underlying profit = net profit attributable to owners of the Company excluding net effect of net gain or loss from changes in fair value of biological assets, depreciation of bearer plants, exceptional items, foreign exchange gain or loss, and deferred tax expense

4 Attributable to owners of the Company

5 Return on equity = underlying profit / equity attributable to owners of the Company

6 Return on assets = underlying profit / total assets

7 Debt to equity = interest bearing debt / total equity

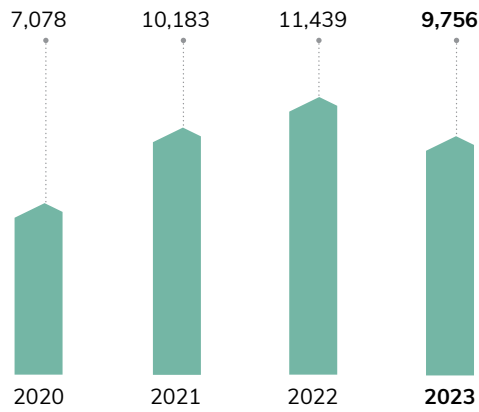
8 Net debt to EBITDA = (total borrowings - cash and cash equivalents - short-term investments - liquid working capital) / EBITDA

9 Receivable turnover = average trade receivables / revenue x 365

10 Inventory turnover = average inventory / cost of sales x 365

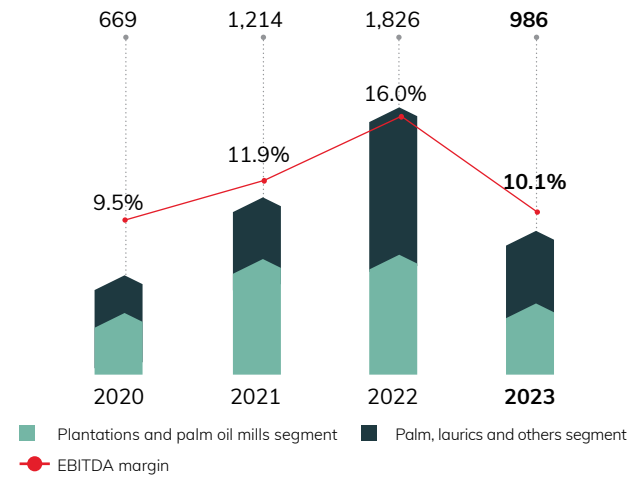
REVENUE

US\$ million



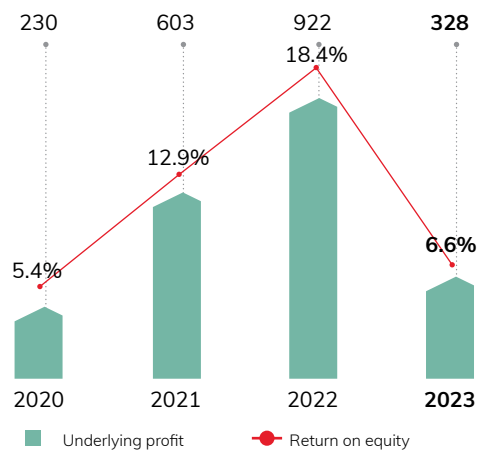
EBITDA

US\$ million, except for EBITDA margin



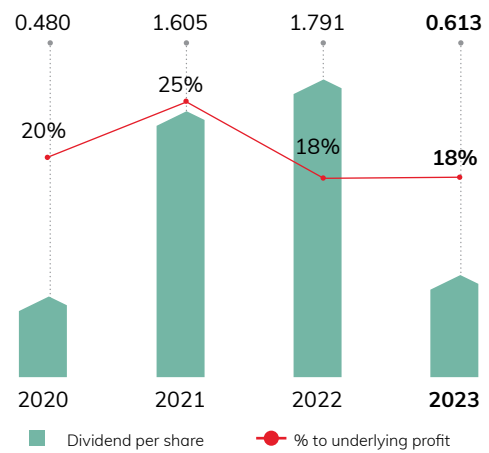
UNDERLYING PROFIT

US\$ million, except for return on equity



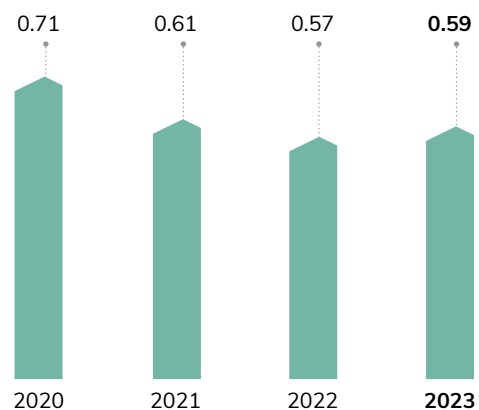
DIVIDEND PER SHARE

S\$ cents, except for % to underlying profit



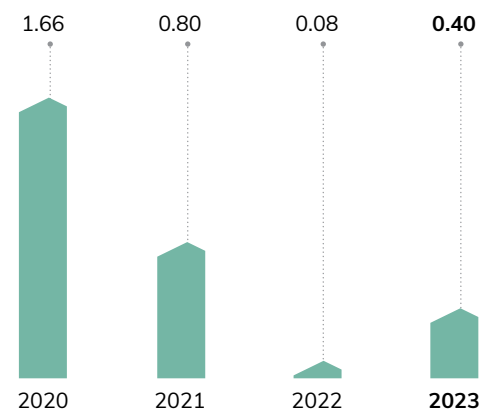
DEBT TO EQUITY

times



NET DEBT TO EBITDA

times



CREATING LONG-TERM VALUE RESPONSIBLY



Shareholders
& Creditors



Customers



Suppliers



Employees



Government



Communities



**Integrated business model provides robust profit base and
creates long-term value for our key stakeholders**

Superior at-scale Upstream

Resilient value-adding Downstream

STRATEGIC PRIORITIES

Yield Intensification

Value Added Product
Enhancement

Cost Efficiency

ENABLERS

Science and Technological
Innovation

People, Values
and Culture

ESG as Our Business
Foundation

The palm oil industry is one of the vital contributors to Indonesia's economy. Along with its economic supply chain, it provides source of income to many small farmers and other small and medium-sized enterprises (SMEs) in rural areas. The industry development has created many collateral benefits to various stakeholders, including employment opportunities for millions of people, provision of critical infrastructure and facilities such as schools and clinics in remote areas, and improved standards of living and well-being.

The industry also plays a crucial role in providing global food security in a sustainable way. Palm oil is highly versatile and the most productive vegetable oil crop per hectare, making it an important food ingredient that has seen increasing consumption to serve the everyday needs of a growing global population for decades. Aside from existing large demand for products that are affordable and of high quality, consumers' demands are evolving towards health-friendly and sustainably produced products. Palm oil is well-positioned to meet these developing demands, ensuring its growth well into the future.

Our business strategy is built on palm oil's competitiveness which is driven by the evolving global consumer preferences. As a prominent soil-to-table agribusiness player, our resilience lies in the secure supply of quality raw materials, primarily derived from our largest and high-yielding plantation base in Indonesia. Additionally, we strategically source from a diverse network of third-party plantations as our unique competitiveness benefitting from our proximity and close relationships with these suppliers. This advantage is fortified by our robust traceability to the plantation capability, ensuring the quality and integrity of our supply chain. We are leveraging our presence in major consuming countries and extending our logistic capability and processing reach to key markets. We continue to strengthen our ability in producing an extensive portfolio of palm-based products with an efficient end-to-end supply chain from sustainable sourcing to global delivery. Capitalising on this strategic competitiveness, we believe GAR can grow sustainably, creating long-term value for our stakeholders across the entire business value chain.

STRATEGIC PRIORITIES

By way of the following three strategic priorities, GAR is steadfast in fortifying its position as an innovative and leading integrated agribusiness and food player, with a superior at-scale upstream and resilient value-adding downstream businesses.

Yield Intensification

As a responsible agri-business, optimal land usage is crucial to reduce the burden on the earth while feeding the needs of a growing global population. Therefore, and in alignment with our No Deforestation commitment, our strategic priority is expansion through intensification by enhancing long-term yields sustainably. As we pursue the replanting of our older estates, we are rejuvenating our plantations with higher yielding planting materials and the required infrastructure to advance mechanisation.

Value Added Product Enhancement

We endeavour to develop an industry-leading portfolio of palm-based value-added products by continually employing new technologies in our processing plants. We serve the needs of emerging and developed markets for food, oleochemicals and bioenergy, while promoting healthier and sustainably sourced products. With this capability, GAR is well-positioned to capture growth as the world's nutrition and health needs evolve. Additionally, we aim to optimise the value of our plantation's by-products such as through the growing new demand for biomass and bio-energy alternatives.

Cost Efficiency

We pursue cost efficiencies throughout our integrated value chain. Our upstream business maintains its cost competitiveness through precision agriculture, mechanisation initiatives, and best practice plantation management. We continuously explore and adopt automation and new technology applications at our operational facilities. Our own shipping capability and management support us to independently secure and widen our market reach while maintaining cost efficiency and service level in distribution by leveraging operational scale and synergies. We consistently seek to sustain our cost leadership, bringing our operational excellence to the next level, and keeping GAR at the cutting edge of the palm oil industry.



CREATING LONG-TERM VALUE RESPONSIBLY

BUSINESS ENABLERS

Science and Technological Innovation

Science and technological innovation serve as the primary catalyst driving our strategy execution. Our commitment involves in-house development of cutting-edge technology, aimed at reshaping and revolutionising our operations, transforming them into a smart agribusiness infused with state-of-the-art "Industry 4.0" technology. We firmly assert that embracing technological advancement is imperative for systematically building advantages in our business operations. This approach will sustain our superior productivity and cost competitiveness, and will solidify our position as a frontrunner in the industry.

GAR has effectively leveraged its extensive scale by investing in research and development across both upstream and downstream operations.

- The SMART Research Institute, our world-class oil palm research and development centre, creates science-based solutions for achieving high productivity, efficiency, and sustainable agronomic practices. This includes formulation of an optimal fertiliser programme, tailored to weather patterns, tree characteristics, and soil conditions.
- Our agri-technology efforts, housed in our biotechnology centre, relentlessly researches new generations of superior planting materials with important traits such as high yield, and resistance to drought and disease through crossbreeding and tissue culture technique. This supports our endeavours to increase production without expanding cultivated land, by replanting old estates with new planting materials to enhance long-term yields.
- The fats and oils research laboratory at our refineries serves as a hub for our food technologies. Here, we strive to develop innovative new palm-based products to provide solutions to our customers seeking healthier and more sustainable alternatives in their food choices.

In pursuit of our vision, a specialised transformation team is diligently working to merge technology, digitalisation, and artificial intelligence with operational excellence to create new ways of working throughout our entire value chain. This comprehensive effort extends to the digitalisation of our estate, mill, refinery, bulking and logistic operations, ensuring a seamless end-to-end process accompanied by an analytical dashboard for optimal data-driven decision making.

Complementing our in-house endeavours, our strategic approach involves investing in and collaborating with technology companies to capitalise on the digital future. This strategic alignment provides us access to new groundbreaking technologies, allowing us to distinguish ourselves and cultivate unparalleled competitive advantages. Ongoing investments in e-logistics and e-commerce technology are pivotal, serving as a critical pathway towards our full-service distribution capability, from end-to-end supply chain management to sales and marketing.

People, Values and Culture

GAR remains dedicated to nurturing talent for business growth and expansion. Embracing the principle of placing "The Right Man on The Right Job at all times", we shape an optimally sized organisation fueled by capable, agile, engaged, and high-performing employees. We develop our human capital by instilling essential technical, professional, and business skills through curated learning management platforms and programmes. Our leaders at GAR excel as strategic business executors and adept talent developers. We consistently invest in their development through advanced leadership and soft skill trainings. To ensure a robust succession pipeline, we proactively plan and facilitate career progression, rotations, and mobility programmes, positioning our talents for growth and fulfilling their potential within the Company.

OUR SHARED VALUES

> INTEGRITY

To put statements or promises into actions so that one can earn the trust of others

> POSITIVE ATTITUDE

To display encouraging behaviour towards the creation of a mutually appreciative and conducive working environment

> COMMITMENT

To perform our work wholeheartedly in order to achieve the best results

> CONTINUOUS IMPROVEMENT

To continuously enhance the capability of self, working unit and organisation to obtain the best results

> INNOVATION

To come up with ideas or to create new products/tools/systems that can increase productivity and the Company's growth

> LOYALTY

To cultivate the spirit of knowing, understanding and implementing the Company's core values as part of the GAR family

OUR CULTURE

> PERFORMANCE

We deliver outstanding results

> OWNERSHIP

We do what is best for the Company

> COLLABORATION

We work as a team

> PEOPLE

We realise our people's potential

ESG as Our Business Foundation


As an agribusiness player, GAR understands that our long-term success relies on adopting sustainable business practices. At the heart of our approach to sustainability is the GAR Social and Environmental Policy (GSEP). This roadmap embodies our belief that economic growth, social progress, and environmental protection can and should go hand-in-hand. It also represents our strong commitment to responsible palm oil production.

To meet our sustainability commitments, we recognise we must source our raw materials from suppliers who agree to follow the same high standards of responsible production. Our purpose is not merely to command wider market acceptance and premium pricing of our products, but to promote sustainability at the source. We also develop new technology-based means using blockchain mechanism for end-to-end traceability from plantation to end products with the customer. We continue to make substantial investments in time and resources to help our supply chain transform and change for the better.

Aside from being able to tell our customers where and from whom we source our raw materials, traceability provides us with a ready-made and invaluable platform for relationship building with our suppliers. Through this, we work with them to transform our supply chain and by extension, the industry.

GAR further recognises the importance of climate change action and has committed to a 1.5°C pathway. Together with 13 other companies, GAR signed the Agriculture Sector Roadmap to 1.5°C at COP27. The roadmap aims to accelerate existing action by the agri-commodity sector on deforestation to align with global climate goals, in a way that contributes to food security, economic development, and farmer livelihoods. As agreed in the roadmap, all palm oil volumes are expected to be in the "Delivering" category of the No-Peat and No-Exploitation Implementation Reporting Framework (NDPE IRF) by 2025.

CHAIRMAN'S STATEMENT



Our strategic focus on margin optimisation across the value chain has been instrumental in our success, fortifying our cash flow resilience and maintaining a robust balance sheet.

FRANKY OESMAN WIDJAJA
Chairman &
Chief Executive Officer

DEAR SHAREHOLDERS,

We are pleased to present Golden Agri-Resources Ltd (GAR or the Company)'s achievements during the financial year 2023 (FY2023).

Following a remarkable year in 2022, we have demonstrated our resilience and delivered solid results in FY2023. This performance is a testament to our ability to navigate the complexities of our industry, including challenges such as crude palm oil (CPO) price fluctuations, unpredictable weather conditions, a dynamic geopolitical environment, and the backdrop of a slowing global economy. Our strategic focus on margin optimisation across the value chain has been instrumental in our success, fortifying our cash flow resilience and maintaining a robust balance sheet.

SOLID FY2023 PERFORMANCE

FY2023 was marked by the normalisation of CPO prices, which averaged US\$901 per tonne (FOB), a 28 percent year-on-year decline from an average of US\$1,248 per tonne in the previous year, when CPO prices peaked at nearly US\$2,000 per tonne.

Despite the price dip, the industry environment was relatively stable throughout the year, with the Indonesian government's trading policies aimed at ensuring domestic cooking oil supply while facilitating continued export capacity. Moreover, as part of its move towards energy transition, the government increased the country's biodiesel mixture mandate from B30 to B35, further supporting domestic palm oil demand.

Throughout FY2023, GAR has achieved a remarkable sales volume expansion of 12 percent, reaching a record high of 10.92 million tonnes. This is a significant achievement that we are proud of. Total revenue amounted to US\$9.8 billion, 15 percent lower than the previous year, primarily due to the price downturn. However, our EBITDA remained robust at US\$986 million, while underlying profit and net profit stood at US\$328 million and US\$198 million, respectively, underpinned by strong upstream and consistent downstream performance. Other than the lower

market prices, net profit was also impacted by a non-recurring expense related to internal streamlining aimed at maintaining an efficient corporate structure.

Normalised palm oil prices and reduced output impacted the plantation business performance. Despite these challenges, the business secured a healthy EBITDA margin of 24 percent or US\$478 million in FY2023. Our plantations produced 2.94 million tonnes of palm product output, a slight decline attributable to the reduced mature area from our replanting activities and the high rainfall experienced in the early part of the year. Nevertheless, palm product yield reached 5.3 tonnes per hectare, which is amongst the highest in the industry. To sustain plantation production growth, we will continue rejuvenating our plantations by replanting with newer-generation, high-yielding planting materials. Leveraging scale and technological advancements in precision agriculture remain integral to GAR's long-term strategy.

Downstream operations sustained robust performance, contributing significantly to consolidated EBITDA. Benefitting from integrated processing facilities, global distribution capabilities, a broad diversified product portfolio, and a large customer base, the business expanded sales volume, reaching over 100 countries. Achieving a solid EBITDA margin of 5.3 percent or US\$507 million, GAR's downstream segment underscores its resilience and adaptability to evolving market conditions.

GAR maintained a solid financial position through prudent financial management. This ensures sufficient liquidity and healthy cash flows to GAR amidst global macroeconomic uncertainties. Our gearing ratio (debt to equity) maintained at 0.59 times while net debt to EBITDA was healthy at 0.40 times. Furthermore, the rating upgrade of our Islamic Medium-Term Notes Programme into AA₂ with a stable outlook by RAM Rating Services Berhad in November 2023 reflects confidence in GAR's strong business position and ability to maintain solid credit metrics.

CHAIRMAN'S STATEMENT

The Board proposes a final dividend of 0.613 Singapore cents with total dividend distribution amounting to almost US\$59 million, or approximately 18 percent of underlying profit. This percentage is equal to the previous year's distribution ratio and aligned with our dividend policy.

CULTIVATING EXCELLENCE, INNOVATING GROWTH

At GAR, our advanced integrated business model has been instrumental in laying a solid foundation for our Company, providing us with a competitive edge in weathering market fluctuations. GAR will continue to fortify our position as an innovative and leading integrated agribusiness and food player.

Our pursuit of operational excellence knows no bounds as we strive to elevate standards across our value chain. We leverage cutting-edge technology and agri-science innovations to optimise yield productivity while maintaining cost leadership through sustainable practices. Growing our value-added businesses, GAR will continue to enhance its product portfolio to fulfil the evolving demand of our key customers, including leading multinational manufacturers and Indonesian industry leaders. In addition, by expanding our global footprint, we are penetrating new territories and demand while strengthening our market share in existing markets and segments. We are exploring additional growth from burgeoning new businesses, such as alternative biomass products, to enhance margin extraction further.

As we move forward, technology and sustainability serve as our cornerstones in our quest for excellence. We recognise the imperative to harness the transformative forces of technology to drive efficiency, foster innovation, and propel us into new realms of growth. Moreover, sustainability is not merely a green choice; it represents a strategic investment in our future, enhancing our market position and ensuring long-term profitability.

CONTINUOUSLY STRENGTHENING OUR SUSTAINABILITY EFFORTS

GAR focuses its sustainability efforts on three core areas: supporting a sustainable palm oil sector through traceability and capacity building, addressing climate change risk, and supporting community economic development.

I am proud to report that GAR has achieved 99 percent Traceability to the Plantation (TTP) for our palm supply chain in Indonesia and expects to complete 100 percent TTP in 2024. Through rigorous efforts and investment in technology, we have successfully mapped our entire palm supply chain in Indonesia. We have also started the traceability process for our global supply chain for palm and non-palm products. We will use the considerable experience we have gained in supplier support and engagement to ensure that all our suppliers are aligned with our sustainability commitments. This achievement is fundamental to GAR's ability to offer responsibly sourced products to our customers. It also positions GAR to be well-placed to respond to incoming destination market regulations such as the European Union Deforestation Free Regulation or EUDR.

The challenges posed by climate change, especially during El Niño years, are significant. Despite the heightened risk, our proactive measures and stringent fire prevention strategies have limited the impact of fires on GAR's operations. We know that communities around us need support in tackling and preventing fires, and we continue to expand our long-term collaboration with them through the Desa Makmur Peduli Api programme. Currently, 117 villages are enrolled in the programme, which trains local communities to prevent and suppress fires and educate them on the hazards of fire and haze. Beyond fire prevention, GAR has also mapped our carbon emissions footprint across Scopes 1, 2 and 3 and has, throughout 2023, begun work on its emissions reduction pathway.

We recognise the imperative to harness the transformative forces of technology to drive efficiency, foster innovation, and propel us into new realms of growth. Moreover, sustainability is not merely a green choice; it represents a strategic investment in our future, enhancing our market position and ensuring long-term profitability.

The Bright Future Initiative, aimed at supporting local communities' economic development, continues to make a positive impact, focusing on livelihood improvement and community enterprise development. We have set up around 160 projects in 102 villages across our operations in Indonesia. These include organic vegetable, livestock, and cash crop farming. We are also helping to upskill local communities and enabling them to market value-added products derived from the projects to boost their incomes.

These achievements highlight our ongoing commitment to sustainability, responsible business practices, and community engagement. The expectations of agribusiness to operate sustainably and responsibly are ever-changing and evolving, moving from voluntary standards to regulatory requirements. GAR's long-standing sustainability commitments and investments have prepared us well for these changes. At GAR, we believe we can do well and do good. Our journey towards a sustainable future is continuous, and we are grateful for the support of our shareholders, employees, and partners in this shared endeavour.



CHAIRMAN'S STATEMENT

NAVIGATING WITH OPTIMISM AND CAUTION

We are cautiously optimistic going into the year 2024. The supply and demand fundamentals of the industry are positive. Palm oil supply in 2024 is expected to be constrained due to El Niño conditions experienced in the third quarter of 2023, which brought water deficit in some regions. Persistent challenges such as ageing trees, replanting activities, and recurrent adverse weather conditions will pose continuing supply growth constraints for the industry.

Nonetheless, we anticipate sustained demand for palm oil thanks to increased market appreciation for its versatile applications. Robust demand will come from consumption for food staples and oleochemicals, while increasing bioenergy demand is another strong catalyst. Indonesia will fully implement its B35 blending mandate in 2024, while plans are underway to further increase the blending rate to B40 in the near future, depending on supply availability. Other countries, including the USA and Brazil, are also raising their blending mandates, further stimulating demand for palm oil.

While maintaining an optimistic long-term outlook for the palm oil industry, we remain mindful of uncertainties stemming from ongoing geopolitical tensions and volatility in the global economic landscape.

APPRECIATION

GAR is honoured to have received the prestigious The Edge Singapore Billion Dollar Club Awards 2023 in partnership with the Singapore Exchange. We were named the Highest Returns to Shareholders Over Three Years and Overall Sector Winner categories within the Food & Beverages, Food Processing + Food & Drug Retailing sector. GAR was also awarded the SIAS Investors' Choice Awards 2023 as the Most Transparent Company under the Consumer Staples category. We are proud that these awards reflect the investment

community's appreciation of GAR's financial performance and unwavering commitment to transparency.

The Board appreciates our valued stakeholders who have consistently provided their trust and support throughout these years. Our focus remains steadfastly on growing the Company, our people, and our stakeholders as true partners. The shared commitment of all stakeholders has driven us forward, amplifying our collective efforts to champion our values, execute our strategies, and achieve new heights of success. As we look at the road ahead, we are confident that our journey will continue to be marked by resilience, adaptability, and remarkable achievements.



FRANKY OESMAN WIDJAJA

Chairman and Chief Executive Officer
15 March 2024

AWARDS AND ACCOLADES



> MARCH 2023

8th Asia Sustainability Reporting Awards

- Gold award in Asia's Best Supply Chain Reporting
- Silver award in Asia's Best Environmental Impact Reporting
- Finalist as Asia's Best Sustainable Development Goals (SDG) Reporting
- Finalist as Asia's Best Community Impact Reporting



> NOVEMBER 2023

The Edge Singapore Billion Dollar Club Awards 2023

- Highest Returns to Shareholders over 3 years
- Overall Sector Winner for the classification of Food & Beverages, Food Processing + Food & Drug Retailing



> NOVEMBER 2023

SIAS Investors' Choice Awards 2023 as the Most Transparent Company (Consumer Staples)



> SEPTEMBER 2023

Subroto Award 2023 under the category of Biodiesel Distribution from the Ministry of Energy and Mineral Resources of the Republic of Indonesia

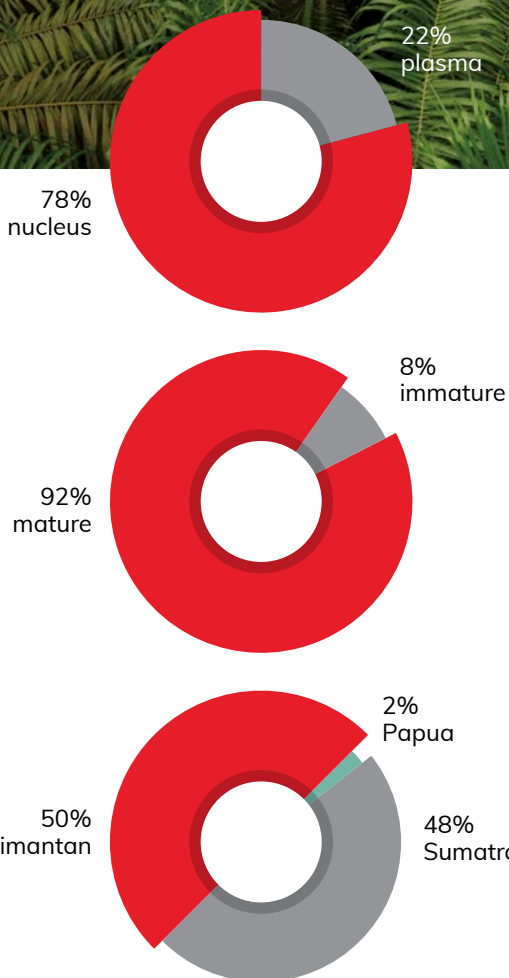


> DECEMBER 2023

Excellence and Sustainable Industry Award under the category of Emission Reporting from the Ministry of Industry of the Republic of Indonesia

OPERATIONS REVIEW

TOTAL PLANTED AREA
532k
 HECTARES



PLANTATION AND PALM OIL MILLS

LEADING OIL PALM PLANTATION GROUP IN INDONESIA WITH CONTINUOUS IMPROVEMENT IN OPERATIONAL EXCELLENCE

Golden Agri-Resources Ltd and its subsidiaries (GAR or the Company) is the leading oil palm plantation group in Indonesia with estates spanning from east to west across the archipelago. At the end of 2023, the Company managed oil palm estates with total planted area of 532,176 hectares of which 78 percent of estates owned by GAR (called 'nucleus') and 22 percent of estates owned by smallholders (called 'plasma').

Of the 532,176 planted hectareage, 58 percent was in the prime age segment of 7 to 25 years that generates the highest yields. Due to our accelerated replanting programme over the past few years, the immature and young age segments of up to 6 years totalled 96,180 hectares, expanded by two percent from the

CPO MILLS
14.4
 MILLION TPA

PALM PRODUCT OUTPUT
2.94
 MILLION MT

REVENUE
2.01
 BILLION US\$

EBITDA
478
 MILLION US\$

PLANTATIONS BY AGE PROFILE



	hectares	%
● Immature – 0-3 years	45,342	8
● Young – 4-6 years	50,838	10
● Prime 1 – 7-18 years	246,005	46
● Prime 2 – 19-25 years	63,773	12
● Old – >25 years	126,218	24

previous year. The replanted and younger estates use next-generation, higher-yielding planting materials that will further boost the growth of GAR's production in the future. During the current year, we replanted 14,200 hectares of old estates, lower than in 2022 due to the El Niño conditions in the third quarter of the year. Nevertheless, our replanting effort has further sustained the average age of our estates at 16 years and will provide a solid foundation for GAR's near to medium term growth.

GAR's estates are among the largest and best managed plantations in the industry with leading productivity and cost efficiency. Our large-scale operations are well supported by an advanced information technology system that enables management to make decisions with complete factual input in a timely manner and to gather highly detailed information as if on-site at each of our plantations.

GAR has been developing in-house technology with the purpose of revolutionising its operations by redesigning into a smart agribusiness equipped with "Industry 4.0" technology, enabling the Company to sustain its superior productivity and cost competitiveness. The transformation is a gradual process, but its progress is on track. Our newer estates undergo estate field-force enablement, where these estates are designed and equipped with infrastructure needed for effective adoption of mechanisation, automation and other new technologies.

Our world-class oil palm research and development centre, SMART Research Institute (SMARTRI) plays an essential role in sustaining our high productivity, searching for innovative solutions, and providing recommendations for continual improvement in productivity, efficiency, and environmental sustainability, particularly from the agronomy perspective. SMARTRI is accredited with ISO 9001 for quality management and ISO 17025 for excellent implementation of general requirements for testing and calibrating laboratories. Furthermore, in 2023, SMARTRI has been registered as an "Environment Laboratory" by the Government of Indonesia. This designation grants SMARTRI the authority to analyse various parameters in the plantations related to the quality of the environment and use this analysis for official monitoring and reporting of environmental quality, as required by the government.

PLANTATION OUTPUT MODERATED BY REPLANTING ACTIVITY AND UNFAVOURABLE WEATHER CONDITIONS

The year 2023 experienced erratic weather conditions, commencing with heavy rainfall in certain regions of our plantations, followed by an exceptionally dry season due to El Niño in the third quarter of the year. Combined with our land preparation activity for replanting which lowered mature area by 10,500 hectares, we saw a decline in harvested fresh fruit bunches (FFB) to 9.6 million tonnes with an average fruit yield of 19.7 tonnes per hectare.

OPERATIONS REVIEW



The harvested FFB are processed in owned milling facilities that are strategically located near the plantations with a total installed annual capacity of 14.4 million tonnes. The mills produced 2.3 million tonnes of CPO and 609 thousand tonnes of palm kernel (PK) for the year. Average palm product yield decreased slightly to 5.3 tonnes per hectare, with oil and kernel extraction rates standing at 21.2 percent and 5.5 percent, respectively. Our best-in-class plantation management ensures that our estate performance metrics are consistently above the industry average.

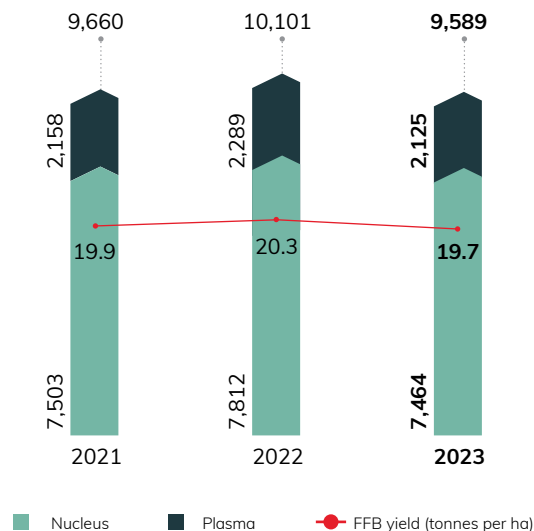
PLANTATION INVESTMENT IN LIBERIA

We have invested in Africa through The Verdant Fund LP, a private equity fund that owns Golden Veroleum (Liberia) Inc (GVL). The Liberian government has granted GVL a concession to develop land for oil palm plantations. As per end 2023, GVL's planted area stood at approximately 19,000 hectares and included a palm oil mill. GVL follows sustainable development practices as laid out in the GAR Social and Environmental Policy. GVL is also a member of the Roundtable of Sustainable Palm Oil and adheres to its Principles and Criteria.

The operations of GVL remain adversely impacted by the continuing poor state of supporting infrastructure and supply chain issues, which has resulted in below standard yields and higher production cost. Liberia's economic performance

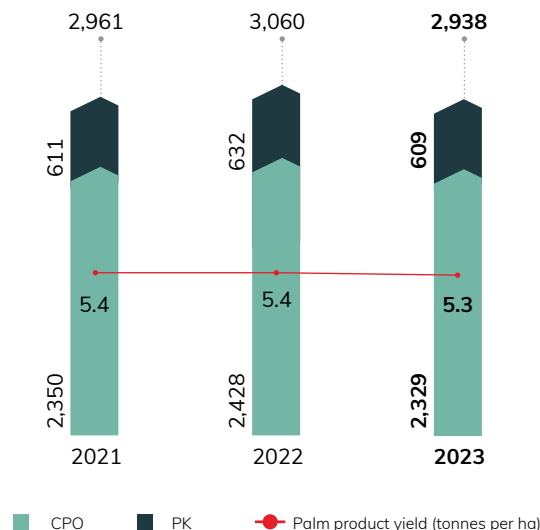
FRESH FRUIT BUNCH OUTPUT

'000 tonnes, except for FFB yield



PALM PRODUCT OUTPUT

'000 tonnes, except for palm product yield



has struggled since the devastating Ebola outbreak in 2014 followed by the COVID-19 pandemic. We continue to explore options to improve GVL's performance against the backdrop of the challenging business environment.

PALM, LAURICS AND OTHERS

REFINERIES

4.98

MILLION TPA

KERNEL
CRUSHING
PLANTS

1.76

MILLION TPA

BIODIESEL
PLANTS

1.05

MILLION TPA

OLEOCHEMICAL
PLANTS

440

THOUSAND TPA

DESTINATION
REFINING

1.19

MILLION TPA

SALES VOLUME

10.9

MILLION MT

PRODUCE

>30

BRANDS

MARKET

>100

COUNTRIES

REVENUE

9.64

BILLION US\$

EBITDA

507

MILLION US\$

OPERATIONS REVIEW



Photo by Saidil Aqil

EFFICIENT AND TRACEABLE SOURCING, END-TO-END PROCESSING AND DISTRIBUTION FACILITIES

Most of the CPO and PK produced are further processed in GAR's end-to-end processing facilities, which employ advanced technology to produce an extensive portfolio of products. The facilities are strategically located in Indonesia; close to ports, consumer markets and our plantations. They are also supported by efficient and traceable sourcing of raw materials from our own and third parties' plantations. Most of these facilities have been acknowledged for their quality both domestically and internationally, and accredited by certifications such as ISO 22000, FSSC, KOSHER, GMP+B2, RSPO, ISCC, Halal and many others.

We operated refineries with a total capacity of almost five million tonnes per annum, 1.76 million tonnes per annum of kernel crushing plants and 1.05 million tonnes per annum of biodiesel plants in Indonesia. During the current year, our refineries ran at full capacity whilst the kernel crushing plants and biodiesel plants ran at 95 percent and 87 percent utilisation, respectively.

Including our joint venture with CEPESA Quimica, S.A., our 440 thousand tonnes of oleochemical plants produce fatty acids, fatty alcohol, and glycerine supported by many international certifications.

GAR has been able to meet the various requirements of customers by offering an extensive portfolio of derivative palm products in terms of formulations, quality specifications, and sustainability certifications.

OFFERING CUSTOMER SOLUTIONS WITH BROAD PRODUCT PORTFOLIO AND DESTINATION SHIPMENTS

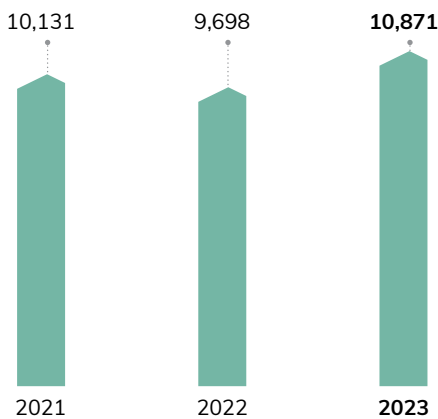
We market our products in bulk, industrial and branded form, domestically as well as in international markets. In addition to our main palm-based products, we process and market the soybean and sunflower oil-based products, especially in China and India, as well as sugar trading business.

During 2023, we successfully expanded our total volume by 12 percent reaching a record of 10.9 million tonnes. Our ability to produce a broad product portfolio and being equipped with global logistic capabilities and ex-tank operations in many destination countries has helped us to continue serving our international customers.

Our research and development plays an important role in creating new product alternatives to meet evolving customer preferences towards health-

SALES VOLUME OF PALM, LAURICS & OTHERS SEGMENT

'000 tonnes



friendly and sustainability-produced products. We continually extend our capabilities and shift the product mix to higher value-added products. Our refineries are equipped to produce low 3-MCPD (3-monochloropropane-diol) esters and low GE (glycidyl esters) refined products.

In the local Indonesia market, we have consolidated our efforts to better position and expand distribution coverage of our branded products. For cooking oil, we comply with the Indonesian Government's policy related to domestic market obligation, not only with our own brands but also the Government's Minyakita brand. This is part of our effort to support the country's availability of cooking oil at affordable prices. For the industrial market, we have focused on expanding margarine, shortening and specialty fats, as well as strengthening our relationships with customers to produce better margin.

For our biodiesel product, we were granted a higher volume allocation of 1.1 million kilo litres to fulfill the Indonesian B35 mandate in 2023, recognising our good track record in biodiesel delivery domestically. For the year 2024, we have received a similar volume allocation as the Indonesian Government maintains its B35 mandate.



OPERATIONS REVIEW

In the international markets, we have brought our products to over 100 countries with emphasis on the growing markets in China, India, Europe, the United States, Pakistan, and Bangladesh. We mostly sold in bulk, in addition to industrial and branded products. Our destination sales are supported by international sales representative offices and ex-tank operations in many large consuming countries.

We manage our fleet supported with efficient logistic and distribution infrastructure, including strategically located bulking stations, warehouses as well as owned jetty and port facilities. Golden-Agri Maritime (GM) is our chartering arm that manages transportation needs for international trade. GM, together with our joint ventures, i.e. Golden-Agri Stena, GSB Tankers, and Sinar Mas LDA Maritime play a significant role in extending our distribution and logistics capabilities to supply our products to consumers domestically and worldwide.

To fulfil the demand from the two largest consumers of edible oil, China and India, we

have destination processing in both countries. In Ningbo, China, GAR operates a crushing facility with an annual capacity of 809 thousand tonnes producing soybean meal and crude soybean oil that is, in turn, processed in our 175 thousand tonnes refinery together with other vegetable oils, mainly palm oil. GAR also operates a deep-sea port and storage facility for oils and grains, which performed well during the current year. To cater to the growing market in India, GAR expanded its refining capacity, bringing total capacity of its three refineries to over one million tonnes per annum. The refined products are sold locally in the southern part of India and Odisha, under reputable brands and through an extensive and well-established distribution network.

Our downstream operations are judiciously managed through a centralised and independent risk management team supporting clear governance. The risk management team follows a prudent and systematic approach to market risk management in line with industry best practices.



Photo by Chandra Irawan

FINANCIAL REVIEW

REVENUE

9.76
BILLION US\$

EBITDA

986
MILLION US\$

NET PROFIT

198
MILLION US\$

DEBT TO EQUITY

0.59x

NET DEBT TO EBITDA

0.40x

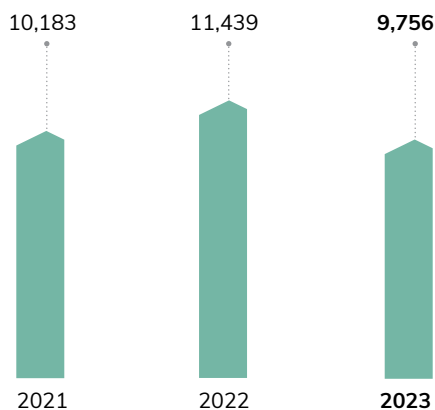


Photo by Anderson Siswanto

Golden Agri-Resources Ltd and its subsidiaries (GAR or the Company) presented a solid performance for financial year 2023 (FY2023), marking a normalisation of CPO prices following a record-high in 2022. Revenue decreased by 15 percent to US\$9.76 billion, in line with lower CPO prices that were partly offset by higher sales volume. EBITDA¹ stood at US\$986 million with a healthy 10 percent margin, while underlying profit² and net profit attributable to owners of the Company reached US\$328 million and US\$198 million, respectively. Overall, financial performance for FY2023 continued to be robust despite the year-on-year decline in CPO prices and plantation output.

GAR's financial position as at 31 December 2023 continued to be strong supported by the Company's prudent financial management. Total consolidated assets recorded at US\$9.72 billion, while debt ratios remained healthy with gearing (debt to equity) at 0.59 times and net debt³ to EBITDA at 0.40 times.

REVENUE US\$ million



SEGMENTAL PERFORMANCE

Plantations and Palm Oil Mills

The plantation and palm oil mills segment posted a 12 percent decrease in revenue to US\$2.01 billion, affected by the weakening of CPO market prices and lower production output during the year. EBITDA margin remained healthy at 24 percent to reach a total of US\$478 million.

1 Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss and exceptional items
 2 Net profit attributable to owners of the Company excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items, foreign exchange gain or loss and deferred tax expense
 3 Total borrowings less cash and cash equivalents, short-term investments and liquid working capital

FINANCIAL REVIEW

Palm, Laurics and Others

The palm, laurics and others segment refers to the processing and global merchandising of palm and oilseed-based products comprising bulk and branded products, oleochemicals and other vegetable oils.

Revenue from this segment decreased by 15 percent to US\$9.64 billion during FY2023, mainly attributable to lower commodity prices and partly compensated by higher sales volume achieved from expanded sales footprint globally and more conducive market conditions during the year. EBITDA stood at US\$507 million with a resilient margin of 5.3 percent, as GAR continues to enhance its integrated business model by pursuing higher value-added downstream products.

OPERATING EXPENSES

Operating expenses were lower than in the prior year at US\$1.38 billion mostly resulting from lower selling expenses. Selling expenses saw a 20 percent decrease to US\$986 million primarily attributable to lower export tax and levy charged in Indonesia in line with the CPO price trend. Meanwhile, general and administrative expenses were 16 percent higher at US\$389 million primarily due to increase in salaries and employee benefit expenses.

FINANCIAL EXPENSES, NET

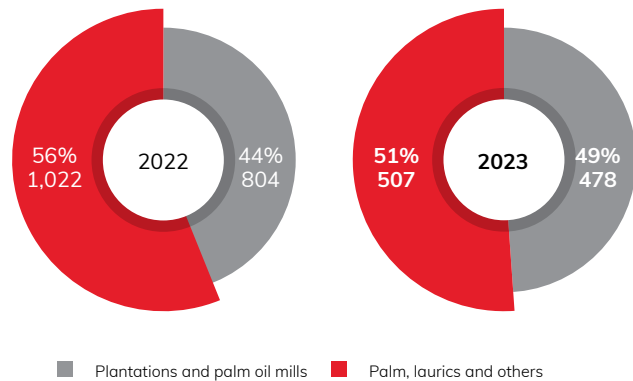
As compared to the prior year, net financial expenses were stable at approximately US\$153 million despite the increasing interest rate trend during the current year, reflecting the strength of our financial position.

SHARE OF RESULTS OF JOINT VENTURES, NET

GAR recorded a decrease in share of results of joint ventures to US\$18 million in the current year from US\$71 million in the previous year. This was mainly attributable to the lower operating performance in a joint venture in line with the declining market prices during FY2023.

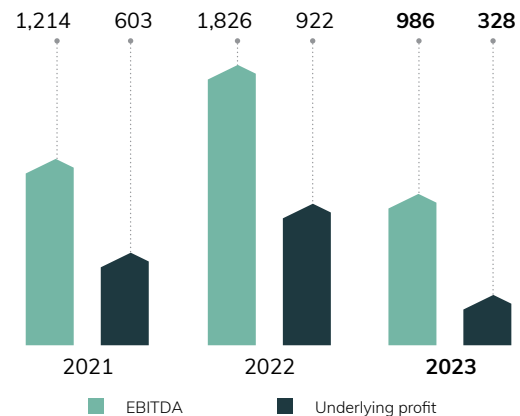
EBITDA BY SEGMENT

US\$ million



EBITDA AND UNDERLYING PROFIT

US\$ million



OTHER INCOME/(EXPENSE), NET

GAR recorded net other income of US\$40 million in the current year as opposed to net other expenses of US\$154 million in the previous year. This fluctuation was mainly due to changes in fair value of financial assets. GAR reported a much lower fair value loss on financial assets of US\$13 million in FY2023 as compared to US\$212 million in the previous year.

INCOME TAX

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of each country in which GAR and its subsidiaries operates on its taxable

profit and taxable temporary difference, as well as expenses related to streamlining of company structure. Net tax expense decreased to US\$167 million in FY2023 compared to US\$388 million in the previous year mainly due to lower taxable profit in certain subsidiaries during the year.

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

GAR recorded US\$328 million of underlying profit in FY2023, 64 percent lower than in the previous year. After including net loss from changes in fair value of biological assets, depreciation of bearer plants, foreign exchange loss, and deferred tax expense, GAR posted a net profit attributable to owners of the Company of US\$198 million for the current year, compared to US\$782 million recorded in the prior year.

ASSETS

Total assets decreased by US\$186 million to US\$9.72 billion as at end 2023 as compared to US\$9.90 billion as at end 2022.

Total current assets decreased by US\$242 million to US\$3.92 billion as at 31 December 2023 primarily due to decrease in cash and cash equivalents and lower trade receivables in line with lower commodities prices, partially offset by higher short-term investments from additional placement of time deposits.

On the other hand, total non-current assets increased by US\$56 million to US\$5.80 billion mainly due to higher tax recoverable, as well as increase in property, plant and equipment.

LIABILITIES

As at 31 December 2023, total liabilities were lower by US\$111 million at US\$4.54 billion. The decrease in total liabilities was mainly attributable to lower taxes payable following the payment made during the current year and decrease in accrued expenses, partly offset by increase in advances received.

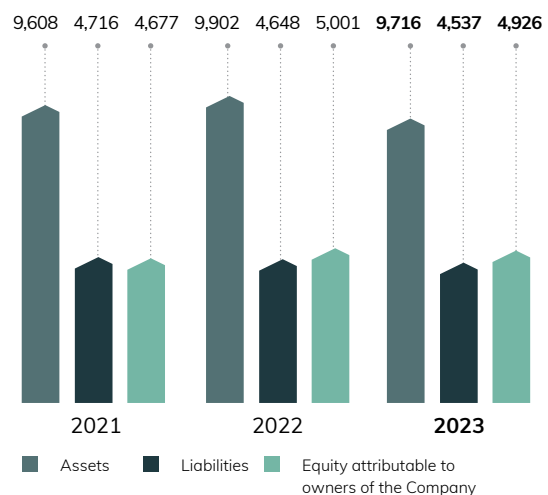
Total borrowings at the end of 2023 (including bonds and notes payables) stood at US\$3.1 billion, similar to the previous year’s level, while gearing ratio (debt to equity) remained healthy at 0.59 times.

Safeguarding creditors’ rights is our utmost priority. GAR has a dedicated team responsible for maintaining good relationships with creditors and ensuring our compliance to the borrowing covenants. During the current year, GAR complied with all borrowing covenants such as certain financial ratios; not to sell and/or transfer collateral to other parties; not to change general nature of business; and other administrative requirements. Payments for interest and principal were made according to schedule.

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Total equity attributable to owners of the Company at the end of 2023 was US\$4.93 billion, two percent lower than as at end of 2022. The decrease resulted primarily from the payment of cash dividends during FY2023 and fair value reserve from the net fair value loss on financial assets in accordance with International Financial Reporting Standard (IFRS) 9, partly offset by the current year’s net profit.

ASSETS, LIABILITIES AND EQUITY
US\$ million



NURTURING TALENT ENABLING BUSINESS GROWTH



Our Human Resources (HR) team remains dedicated to support GAR in achieving its vision and strengthening the Company's position as a world-class organisation. By aligning HR strategies with the Company's objectives, HR can contribute significantly to the long-term success and sustainability of the organisation. This year's endeavours have been marked by strategic initiatives aimed at reinforcing a healthy organisation, nurturing talents, and shaping a distinctive corporate culture.

RIGHT SIZED AND HEALTHY ORGANISATION



FOSTERING A DYNAMIC CULTURE



A properly sized and healthy organisation ensures that human capital is allocated efficiently, and employees' well-being and satisfaction are prioritised. This helps the Company improve productivity and maintain its agility and adaptability to changes in the market environment.

Building upon the successful Job Evaluation Project in Upstream business, GAR has set its sights on further refining the organisation structure. During 2023, we extended the scope of the project to Downstream business and Corporate functions. We will ensure that each talent's role aligns with our evolving needs, promote growth and adaptability for both our people and the Company.

GAR took significant strides in enhancing its corporate culture, focusing on employee engagement and shared values. A noteworthy achievement was the successful execution of the second Employee Temperature Check programme. In 2023, we observed a notable increase in employee participation, with an impressive 90 percent engagement rate. This underscores GAR's commitment to understand the sentiments of our workforce and cultivate an inclusive workplace where every voice matters.

SOLID PLATFORM FOR TALENT MANAGEMENT



Investing in talent management is important to build competitive advantage such as driving innovation and productivity. During 2023, we focused on nurturing our talents, most importantly their leadership, and conducting talent mobility for a smooth succession planning.

We introduced the “Managing STARs Workshop”, a comprehensive training programme tailored for all managerial roles. This programme is designed to enhance leadership capabilities, fostering leaders to be ready to navigate talents in their team.

As an elaboration of our commitment to continuous learning, we launched Sinar Mas Integrated Learning Environment (SMILE). Initially accessible through our intranet, SMILE serves as a centralised platform, providing easy access to learning resources for our workforce. Plans are underway to launch an online version in 2024, offering greater flexibility for continual learning and skill development.

Another central focus in 2023 revolved around the development of a robust succession pathway and talent mobility framework. This included the implementation of the Human Resources Management Development Programme for entry-level positions. Simultaneously, GAR rolled out multiple Talent Mobility initiatives, including the implementation of the “3-6-9” rotation programme in Upstream business function, and the initiation of developmental roles such as the “Executive Assistant” for Top Management. These initiatives serve as additional avenues for career growth within the organisation.

These career movement, workforce dynamics, and organisational productivity were frequently discussed with the Management, HR Leaders, and Business Leaders in regular HR Committee cadence. Through active engagement with diverse stakeholders, we ensured that our HR strategies and practices were aligned with our overarching organisational goals.

CONTINUING OUR TRANSFORMATION IN 2024



The past years have been a testament to our unwavering commitment to excellence, growth, and the holistic well-being of our people. Looking ahead to 2024, we will continue our journey in elevating GAR to a new level, through the following strategic initiatives.

The first initiative focuses on activating employer branding through Employee Value Proposition. This initiative aims to define and enhance the overall employee experience, highlighting our commitment to offer more than just jobs, whilst also fulfilling their careers within GAR. We will further revamp our reward strategy to not only ensure competitiveness but also to align it with our organisational objectives.

In the pursuit of organisational excellence, we are standardising our Organisation Design practices and centralising all Organisation Design initiatives. We also plan to integrate our shared values, culture, Care-Do-Win principles, and competency into the Sinar Mas Way. Our aim is to maintain a workplace environment that authentically embodies our shared values.

Embracing technological advancements, we will continue to standardise and fully automate talent management practices through platforms such as Workday and SMILE. This initiative ensures efficiency and transparency, offering our workforce seamless access to learning resources and talent development opportunities. GAR will also establish a technical academy focused on cultivating highly skilled individuals proficient in advanced technical capabilities.

GAR is dedicated to establish a culture of continuous improvement and innovation. This ethos will propel us to explore new frontiers, embrace change, and continuously elevate our organisational practices to remain at the forefront of our industry.

OUR APPROACH TO SUSTAINABILITY

BOARD STATEMENT

The Board considers sustainability to be an integral part of GAR's long-term strategic direction and is committed to responsible and sustainable practices across all our operations. The Board has the overall responsibility for determining GAR's material ESG topics and overseeing the management and monitoring of GAR's material topics.

All Board members attended the SGX-mandated ESG training session in 2022.

The Sustainability Committee (SC) assists and reports to the Board. The SC is a cross-functional entity comprising the senior leadership team across the upstream, downstream and corporate centre. The SC meets quarterly to oversee the development and implementation of GAR's sustainability strategy and to set and monitor goals and targets. The SC is also involved in the regular internal review of our material ESG topics and periodic materiality assessments.

GAR has consistently championed sustainable production practices within the palm sector. Pioneering initiatives such as the Zero Burning Policy in the late 1990s and the Forest Conservation Policy in 2011 marked the Company's early commitment. Recognising that the longevity of its agri-business hinges on sustainable practices, GAR places great importance on protecting the natural environment, fostering biodiversity, and sustaining vital ecosystem services.

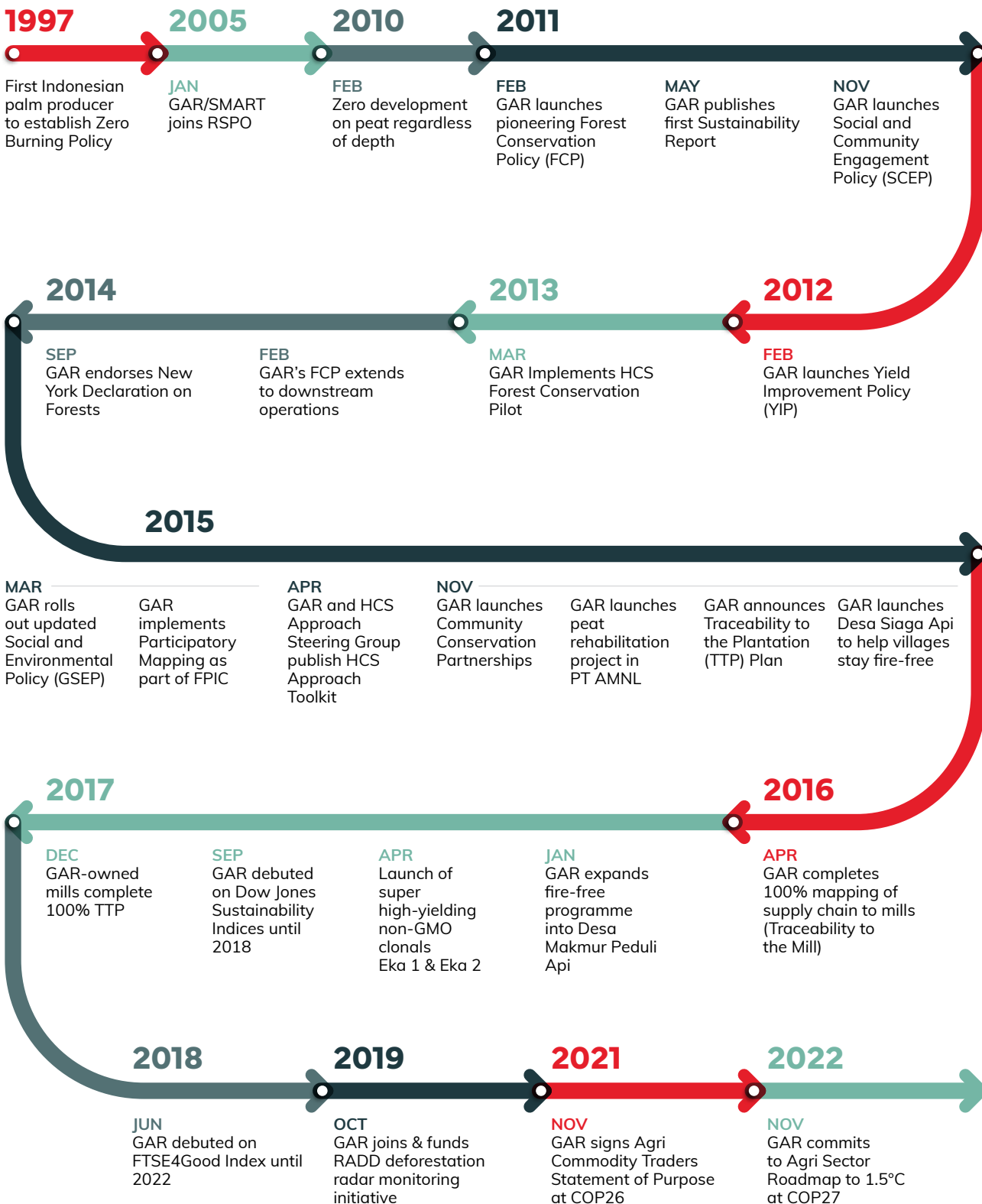
Simultaneously, GAR acknowledges the palm oil industry's role in driving economic growth and supporting millions of livelihoods in Indonesia. GAR actively strives to strike a balance between environmental conservation and economic growth, seeking to advance both.

GAR's roadmap for achieving these goals is captured in its No Deforestation, No Peat, No Exploitation (NDPE) policy known as the GAR Social and Environmental Policy (GSEP). This policy reflects GAR's belief that economic growth, social progress, and environmental protection are interconnected and must progress together.

The GSEP outlines firm commitments aligned with these beliefs. Embracing a commitment to continuous improvement, GAR regularly updates its approach to address emerging concerns and align with global and local trends. Progress against sustainability commitments is transparently reported in the annual Sustainability Report, available on the Company's website and various ESG disclosure platforms. For detailed information, readers can refer to the Sustainability Report 2023, which will be published at the end of May 2024.



SUSTAINABILITY MILESTONES



OUR APPROACH TO SUSTAINABILITY

GOVERNANCE

The commitment to sustainability within GAR is actively endorsed by the Board and senior management, encompassing various facets outlined in the GAR Social and Environmental Policy (GSEP). These include environmental management, social and community engagement, labour and occupational health and safety, as well as supply chain considerations. All Board members attended the SGX-mandated ESG training session in 2022.

A Sustainability Committee (SC) has been established to oversee responsible business matters comprehensively. It is chaired by Ms. Jesslyne Widjaja, Executive Director of Strategy, People & Transformation. The cross-functional SC comprises senior leaders from upstream, downstream, and corporate business units. The Chief Sustainability and Communications Officer (CSCO) and other members from the Sustainability and Communications Division are also integral to

the SC. Reporting directly to the Chairman and CEO, the SC convenes quarterly to supervise the development, implementation, and monitoring of the GSEP across all business operations. The CSCO attends Board meetings regularly to keep the Board informed about the latest sustainability issues and progress.

To integrate responsible palm practices into daily operations, GAR has increased resource allocation over the years. A dedicated team of over 380 staff in Jakarta and operational units is engaged in planning, overseeing, and implementing sustainability measures. Specialised professionals handle critical areas such as conflict resolution, forest conservation, fire prevention, community consent (FPIC), grievance management, and health and safety. Collaboration between the Sustainability and Communications Division, Operational Sustainability Division, and Human Resources Division ensures the implementation of fair labour practices and worker safety in alignment with the principles of the GSEP.



Photo by Roki

MATERIALITY

In 2021, we worked with a specialist sustainability consultancy to review our material sustainability topics. This process covered our entire value chain and built on our previous in-depth materiality assessment conducted in 2017. We followed a three-stage approach, including topic identification, stakeholder engagement, and analysis and validation.

The results of our assessment revealed that topics including Fire and Haze, High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas, and Labour relations and human rights continue to be a priority for GAR and our stakeholders. Climate change adaptation and waste management have

also gone up in relative importance. In addition, we also identified two new topics: Energy, and Cybersecurity and Data Protection.

We are preparing to carry out a fresh assessment in 2024, aligned with the requirements of upcoming reporting regulations such as the International Sustainability Standards Board (ISSB).

For more information on our materiality assessment, see our [website](#).

Full details of our sustainability initiatives and progress to address our material issues can be found in our Sustainability Report 2023, which will be published in May 2024.

GAR'S MATERIAL SUSTAINABILITY TOPICS

› PRIORITY ESG TOPICS

Topics of highest importance to our stakeholders and greatest importance for GAR operating performance and enterprise value.

- Climate change adaptation
- Community relations and empowerment.
- Corporate governance, ethics and integrity
- Fire and haze
- Greenhouse gas (GHG) emissions
- High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas
- Labour relations and human rights
- Occupational health & safety and employee well being
- Rights of communities and Indigenous Peoples
- Supplier inclusiveness and smallholder livelihoods
- Supply chain traceability and transformation
- Women, diversity and inclusion
- Yield improvement

› RELEVANT ESG TOPICS

Topics important for some of our stakeholders and with moderate importance to our operating performance and enterprise value.

- Cybersecurity and data protection
- Energy
- Product quality and safety
- Talent attraction, retention and development
- Use of fertilisers, pesticides and chemicals
- Waste
- Water

BOARD OF DIRECTORS

FRANKY OESMAN WIDJAJA

Chairman and
Chief Executive Officer



Mr. Franky Widjaja is the Chairman and Chief Executive Officer of Golden Agri-Resources Ltd (“GAR”) and a member of its Nominating and Remuneration Committees. He has been a Director and Chief Executive Officer of GAR since 1996; and Chairman since 2000. His last re-appointment as Director was in 2022.

Mr. Franky Widjaja, aged 66, graduated from Aoyama Gakuin University, Japan with a Bachelor’s degree in Commerce in 1979. He has extensive management and operational experience, and since 1982, been involved with different businesses including pulp and paper, property, chemical, telecommunication, financial services and agriculture.

Mr. Franky Widjaja also sits on the board of directors of Sinarmas Land Limited (“SML”) and Bund Center Investment Ltd (“BCI”), both listed on the Official List of the Singapore Exchange Securities Trading Limited. He serves as Director of SML since 1997; Executive Chairman of SML since 2006; and Director of BCI since 2009.

Mr. Franky Widjaja is a member of the boards of several subsidiaries of GAR, SML and BCI. Since 2003, he has been the President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange.

Currently, Mr. Franky Widjaja is Co-Chairman of Partnership for Indonesia’s Sustainable Agriculture (PISAgro); Vice Chairman, Coordinator for Economic Affairs of Indonesian Chamber of Commerce and Industry (KADIN); a member of the Advisory Board of Indonesian Palm Oil Association (GAPKI) and a member of Grow Asia Business Council.

Present directorships in other Singapore listed companies:

- + Bund Center Investment Ltd
- + Sinarmas Land Limited

Other principal commitments:

Nil

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

**MUKTAR
WIDJAJA**

Executive Director
and President



Mr. Muktar Widjaja is an Executive Director and President of GAR. He has been a Director since 1999; President since 2000; and was re-designated as Executive Director and President on 1 March 2018. He was Non-Executive Director from December 2006 to 28 February 2018. His last re-appointment as Director was in 2021.

Mr. Muktar Widjaja, aged 69, obtained his Bachelor of Commerce degree in 1976 from the University Concordia, Canada. Since 1983, Mr. Muktar Widjaja has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses.

Mr. Muktar Widjaja is currently an Executive Director and Chief Executive Officer of SML, listed on the Official List of the Singapore Exchange Securities Trading Limited. Mr. Muktar Widjaja is also a member of the boards of several subsidiaries of GAR and SML. He is Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange. He is the President Commissioner of PT Bumi Serpong Damai Tbk, PT Duta Pertiwi Tbk and PT Puradelta Lestari Tbk, all subsidiaries of SML listed on the Indonesia Stock Exchange.

Present directorships in other Singapore listed companies:

+ Sinarmas Land Limited

Other principal commitments:

Nil

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

**RAFAEL BUHAY
CONCEPCION, JR.**

Executive Director
and Chief
Financial Officer



Mr. Rafael Buhay Concepcion, Jr. is an Executive Director and the Chief Financial Officer of GAR. He was appointed as Director of GAR in August 2002 and as its Chief Financial Officer in January 2013. His last re-appointment as Director was in 2022.

Mr. Concepcion, aged 57, holds an MBA from Asian Institute of Management, Philippines; and Bachelor of Science in Economics from the University of the Philippines.

Mr. Concepcion worked on regional projects and has extensive experience in corporate and financial planning. He joined PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange in 1997, and now holds the position of Vice President Commissioner. Prior to that he worked with Pilipinas Shell Petroleum Corporation for 5 years. Currently, Mr. Concepcion also sits on the boards of several subsidiaries of GAR.

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

Nil

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

BOARD OF DIRECTORS

CHRISTIAN G H GAUTIER DE CHARNACÉ

Non-Executive
Independent Director



Mr. Christian G H Gautier De Charnacé is an Independent Director of GAR, Chairman of its Audit Committee and Nominating Committee and a member of its Remuneration Committee. Mr. Gautier De Charnacé joined the Board of Directors of GAR in November 2018, and his last re-appointment as Director was in 2023.

Mr. Gautier De Charnacé, aged 74, graduated from Institut d' Etudes Politiques de Paris in Economy and Finance, and he also holds a Bachelor's degree from the University of Law in Paris.

Mr. Gautier De Charnacé currently sits on the Board of Directors of Hong Leong Finance Limited as an Independent Non-Executive Director, and on the Board of Commissioners of PT BNP Paribas Sekuritas Indonesia as an independent President Commissioner. He was an Independent Non-Executive Director on the Board of Directors of Millenium & Cophorne Hotels PLC till 10 October 2019 before it was delisted from the London Stock Exchange on 11 October 2019.

Mr. Gautier De Charnacé was CEO Investment Banking Asia Pacific at BNP Paribas Bank ("BNP") prior to retiring in 2017, having held that position since 2013. He was with BNP since 1980. When he was with BNP, he was Head of Paribas branches and region in Seoul, Taipei and Los Angeles / Western US region (1980 - 1990); Managing Director and Head of Asia Pacific region based in Paris (1991 - 1993); Managing Director and successively Head of Capital Markets and Corporate Finance for Asia Pacific based in London, Singapore, Hong Kong, Tokyo and Hong Kong (1993 - 2013). Mr. Gautier De Charnacé started his career in banking at Bank of America and he was Vice President of Multinational Division Paris and Houston (1973 to 1980).

Present directorships in other Singapore listed companies:

- + Hong Leong Finance Limited

Other principal commitments:

- + Independent President Commissioner of PT BNP Paribas Sekuritas Indonesia

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

**WILLY SHEE
PING YAH**

Non-Executive
Lead Independent
Director



Mr. Willy Shee Ping Yah is the Lead Independent Director of GAR, Chairman of its Remuneration Committee and a member of its Audit Committee and Nominating Committee. He was appointed on 1 January 2022 and his last re-appointment as Director was in 2023.

Mr. Shee, aged 75, holds a Diploma in Urban Valuation from the University of Auckland, New Zealand (under the Colombo Plan Scholarship 1968-70). He is a Fellow Member of the Singapore Institute of Surveyors and Valuers, a Fellow Member of the Singapore Institute of Directors and sits on the Panel for Inquiry Committee, Law Society of Singapore. He is also a Committee Member / Honorary Secretary / Honorary Steward of Singapore Turf Club.

Mr. Shee is currently Senior Advisor to CBRE Pte Ltd in a non-executive role since July 2016, after stepping down as the Chairman, Asia of CBRE Pte Ltd with oversight over the operations of all the offices of CBRE in Asia, a position which he held from 1 July 2005 to 30 June 2016. From 1991 to June 2005, Mr. Shee was the managing director of CB Richard Ellis (Pte) Ltd, Singapore office, and was responsible for its growth and overall operations.

Present directorships in other Singapore listed companies:

- + Bund Center Investment Ltd
- + Sinarmas Land Limited

Other principal commitments:

- + CBRE Pte Ltd (Senior Advisor)

Past directorships in other Singapore listed companies (2021 – 2023):

- + Sabana Real Estate Investment Management Pte Ltd (as Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust)

**SOH HANG
KWANG**

Non-Executive
Independent
Director



Mr. Soh Hang Kwang is an Independent Director of GAR and a member of its Audit Committee. He was appointed on 1 January 2022 and his last re-appointment as Director was in 2022.

Mr. Soh, aged 65, graduated from The National University of Singapore with a Degree of Bachelor of Accountancy in 1983. He was previously an Independent Director of Neuberger Berman (China) before stepping down on 30 June 2022.

Mr. Soh was with Rabobank ("Rabobank") from January 2010 to December 2020. He was Chief Executive Officer ("CEO"), Rabobank Singapore (2010 to 2011); and CEO, Rabobank Hong Kong (2011 to 2012). His most recent position in Rabobank was Vice Chairman and Regional Head Global Corporate Clients Asia, a post he held since 2012 before retiring in December 2020. Before joining Rabobank, he has held senior roles in Royal Bank of Scotland (2003 to 2009); Citigroup (2000 to 2002); and ABN-AMRO Bank (1986 to 2000). Mr. Soh started his career with Chemical Bank (1983 to 1986) as a Management Associate in New York; and then as Deputy Representative in Indonesia.

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

Nil

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

KHEMRAJ SHARMA SEWRAZ

Non-Executive
Independent
Director



Mr. Khemraj Sharma Sewraz is an Independent Director of GAR. He was appointed on 15 November 2019 and his last re-appointment as Director was in 2023.

Mr. Sewraz, aged 73, is a fellow member of the Chartered Association of Certified Accountants (FCCA), and a member of the Society of Trusts and Estate Practitioners (STEP). He trained and worked in London, and has over 30 years' experience in the audit, tax and advisory fields.

Since August 1989, Mr. Sewraz is the Managing Partner of Crowe ATA, Mauritius, which provides professional services. He is also a Director of Crowe Mozambique Limitada, Chexsys Consulting Ltd and HS Corporate Services Ltd.

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

- + Managing Partner of Crowe ATA, Mauritius
- + Crowe Mozambique Limitada
- + Chexsys Consulting Ltd
- + HS Corporate Services Ltd

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

MARIE CLAIRE GOOLAM HOSSEN

Non-Executive
Independent
Director



Ms. Marie Claire Goolam Hossen is an Independent Director of GAR. She was appointed on 29 April 2021 and her last re-appointment as Director was in 2022.

Ms. Marie Claire, aged 53, a Certified Practising Accountant, is a member of CPA Australia, the Mauritius Institute of Professional Accountants, an associate member of the Governance Institute of Australia and a fellow member of the Mauritius Institute of Directors. She obtained her Bachelor of Business – Banking & Finance from Monash University, Melbourne, Australia in 1993.

Ms. Marie Claire has a combination of commercial experience in the financial services (global business) of Mauritius and in senior finance/accounting roles in Australia.

Presently, Ms. Marie Claire is the Group Finance Manager of Elta Group (Asia Pacific) Pty Ltd, a privately held company in Australia since mid-August 2021. She is fluent in both English and French.

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

- + Group Finance Manager of Elta Group (Asia Pacific) Pty Ltd

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

EXECUTIVE LEADERSHIP

> FRANKY OESMAN WIDJAJA

Chairman and
Chief Executive
Officer

> RAFAEL BUHAY CONCEPCION, JR.

Executive Director
and Chief
Financial Officer

> KETTINGER ANTHONY LEE

Chief
Operating
Officer

> JESSLYNE WIDJAJA

Executive Director
of Strategy,
People &
Transformation

> CHEN SAU HUA

Deputy Chief
Financial Officer

> PEDY HARIANTO

Head, Controllership
and Compliance,
Chief Human
Resources Officer

> ANITA NEVILLE

Chief Sustainability
and
Communications
Officer

> KHOO KOK YEOW

Chief
Information
Officer

> IRWAN TIRTARIYADI

Head,
Upstream
Operations

> PAUL JOHN HICKMAN

Head,
Downstream
Operations

> FRANCISCUS COSTAN

Managing
Director,
Upstream
Operations

ENTERPRISE RISK MANAGEMENT

Risk management is a key component of the Company’s decision-making process in a changing business environment. Enterprise Risk Management (ERM) enables the Company to build resiliency and sustainability. It is an evolving process that requires constant monitoring as the Company grows. Whilst even the most comprehensive system of risk management and internal controls cannot fully eliminate all risks, the framework enhances the Company’s understanding and articulation of risk-reward trade-offs for decision making that is commensurate with its risk tolerance.

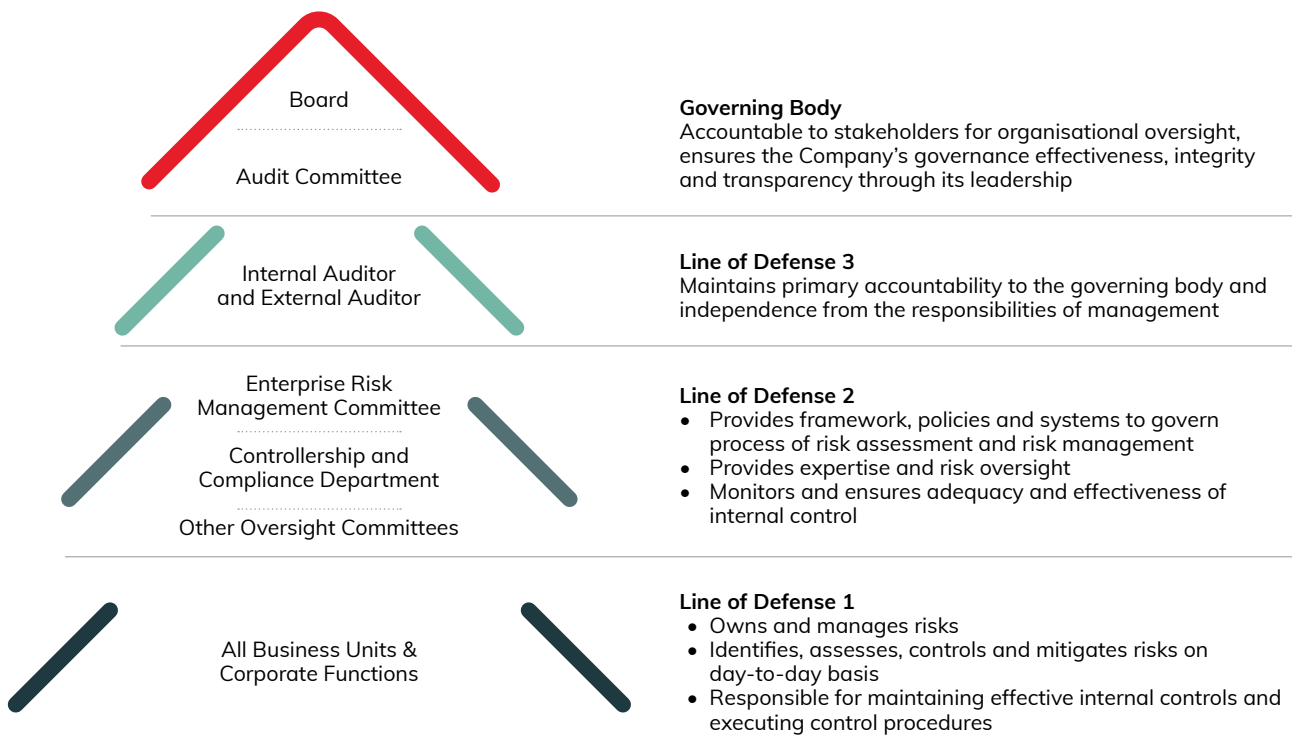
The Board of Directors of the Company (Board) is ultimately responsible for the governance and oversight of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders’ interests and the Company’s assets. It determines the nature and extent of the significant risks the

Board is willing to take in achieving strategic objectives. The Audit Committee assists the Board in carrying out its responsibility for risk management and internal controls.

The ERM Committee (ERMC) assists Management in its role of managing risks, as part of the Company’s efforts to strengthen the risk management processes and enable accountability for its adequacy and effectiveness.

The ERMC currently comprises of seven senior Management. They are the Chairman and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Executive Director of Strategy, People & Transformation, Head of Controllershship and Compliance, Head of Upstream Operation, and Head of Downstream Operations. The ERMC, reports to the Audit Committee which, in turn, reports to the Board.

RISK MANAGEMENT HIERARCHY AND CADENCE



ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Company operates an integrated business model that includes production, processing, marketing and sales, and distribution of palm oil and its related products. The integrated nature of our business model enables an enterprise-wide approach towards the management of risk. All the activities that take place along the value chain are subject to a variety of risk factors. These risk factors affect not only our businesses but may have an impact beyond the palm oil and agriculture industry.

The ERM oversees risk management activities across the business segments, including climate-related risks, and directs the efforts of the risk management and other related committee teams to continually identify, evaluate and mitigate risks together with a focus on operational improvements appropriate for the business and external environment. Our activities are exposed to a baseline of business and strategic, market, credit and operational risk factors. For each of these risk exposures, appropriate risk management strategies and internal controls are put in place to mitigate against such risk.

The Company's operations are prudently managed through a seasoned and commercially focused management team that is supported by a risk management function with clear governance. Our senior leadership team routinely identify, discuss, review, and take proactive steps to mitigate business and strategic risk which may arise from time to time during our business operations. At the business level, our market, credit and operational risk teams operate independently and adopt some of the finest industry practices in their respective risk management functions. The overall risk management framework provides senior Management and the ERM with the ability to review these risks holistically and assess the balance between risk appetite and appropriate rewards in order to maximise shareholder returns.

The ERM Framework is managed through a disciplined structure of Steering Committees

(SC) and operational reviews called Executive Meetings (EM) at the business unit levels. These meetings serve as forums for senior Management to review with the Executive Directors, matters concerning the discovery of new risks, analysis and evaluation of risks determined as material and appropriate metrics. The need for additional work streams is determined during these forums which may subsequently be managed under separate governance structures; however, progress is usually reported in the SC or EM and guidance/direction from the Executive Directors is sought.

Metrics that track key risks and mitigation measures are reported as part of operational performance reviews to ensure effectiveness of risk management processes. EM and SC meetings are held at least quarterly or more frequently, as required, during which the Executive Directors evaluate strategic opportunities and review the performance of various business units through a series of reports that contain quantified metrics and qualitative discussions.

BUSINESS CONTINUITY AND CRISIS MANAGEMENT

The Company enhanced its formal business continuity plans and guidelines (BCP) lead by the BCP Committee supported by a multi-disciplinary Crisis Management Support Group (collectively called 'BCP Team'). The BCP Team is responsible for ensuring the Company's preparedness in responding and managing potential unplanned business disruptions. Reviews are carried out to continuously strengthen the Company's resilience capabilities against costly disruptive events.

KEY RISK EXPOSURES

The following table details the key risks that are applicable to the Company's business and performance. The potential impact and long-term mitigation initiatives are regularly reviewed so that they are continue to be relevant with the Company's and industry dynamic developments.

ENTERPRISE RISK MANAGEMENT

DESCRIPTION	POTENTIAL IMPACT	MITIGATION
Strategic Risk		
Business and Strategic Risk		
<p>Business and strategic risks expose the Company’s ability to generate adequate returns from its investments to grow its businesses which can be executed in the form of direct capital expenditure, acquisitions, investment in joint ventures, or other investment ventures.</p>	<p>Changes in macroeconomic conditions, competitive pressures, government policies, environmental regulations, and geopolitical shifts may impact our capacity to meet our financial targets.</p>	<p>The Company closely monitors the development of macroeconomic trends, global supply and demand outlook, and formulates a strategic business plan accordingly. We constantly strengthen our competitiveness through market positioning, operational efficiency, and leveraging our distribution channels and marketing capabilities.</p> <p>The Company seeks to continually manage these risks and minimise effects on our financial results. Comprehensive reviews and evaluations are conducted before investment decisions are made, and the performance of investments is monitored and tracked regularly.</p>
Financial Risk		
Foreign Currency Risk		
<p>As a group with multiple subsidiaries located in different countries, GAR is exposed to foreign exchange fluctuation risk.</p> <p>Our financial statements which are presented in US dollars, requires accounts of some of our subsidiaries to be translated to US dollars for consolidation purposes.</p>	<p>Any fluctuations in currency exchange rates will result in exchange translation gains or losses.</p>	<p>We seek to manage our foreign currency exposure by constructing a natural hedge where it matches revenue and expenses in any single currency or through financial instruments, such as forward exchange contracts and cross currency swap contracts.</p>
Interest Rate Risk		
<p>Interest rate risk arises primarily from floating rate loans and borrowings.</p>	<p>Any fluctuations in interest rates will result in higher or lower interest expenses.</p>	<p>The Company closely monitors, updates, and ensures interest rate exposure is managed within our risk appetite using interest rate derivatives.</p>

DESCRIPTION

POTENTIAL IMPACT

MITIGATION

Financial Risk (cont'd)

Credit Risk

Credit risk is risk of financial loss arising from the failure of a counterparty's ability or willingness to meet its contractual obligations.

With the nature of fluctuation in commodity prices, the task of monitoring the continued and consistent interest of GAR's counterparties in performing their buying commitment has been of utmost priority. Global macroeconomic conditions play a significant part in the continued volatility in the commodity and financial markets that accompany the changing conditions of counterparties we conduct business with.

Any customer defaults may result in allowance for bad debts or in severe cases may result in receivable write-offs which may eventually impact the Company's profitability.

The Company has a comprehensive credit risk policy and an independent Credit Risk Team that is involved in performing counterparty due diligence, credit assessment and approvals, limits setting, and monitoring of counterparty exposure.

Liquidity Risk

Liquidity risk is a risk arising when the Company's cash flow position is insufficient to cover the liabilities which become due.

Failure in repaying matured debts and other liabilities may lead to widespread defaults.

We constantly assess our ability to meet our cash flow requirements and our overall financial position. We evaluate the projected and actual cash flows, including debt maturity profiles, and continuously assess conditions in the financial markets for opportunities to obtain optimal funding sources.

We adopt prudent strategies to always maintain adequate liquidity.

ENTERPRISE RISK MANAGEMENT

DESCRIPTION	POTENTIAL IMPACT	MITIGATION
Operational Risk		
Fluctuations in commodity prices		
<p>Global prices of our products fluctuate. They are affected by the availability of agricultural commodities that are subject to uncontrollable factors affecting supply such as global weather conditions, and factors affecting demand such as changes in population growth, standards of living, global production of substitute and competitive crops, as well as crude oil prices.</p> <p>Other aspects like macroeconomics, geopolitical shifts, environmental and conservation regulations, trade tariffs, outbreak of a disease, and natural disasters, also play a part in the price determination.</p>	<p>Any fluctuations in agricultural commodity prices may directly impact the Company's financial performance.</p>	<p>We constantly analyse and monitor the global demand and supply patterns for crude palm oil (CPO) and other agricultural products to make prompt and informed decisions regarding our production and sales levels.</p> <p>The Company has a comprehensive market risk policy in place, which provides controls and ongoing management of key market risks inherent in its business activities. Risk limits are established centrally at the corporate level in accordance with the Company's risk appetite and allocated across business units. These limits include relevant business and performance related risk metrics and are tracked daily. A key statistical risk measure called Value-at Risk (VaR) is used to estimate the potential loss from adverse market moves in a normal market environment over a one-day holding period.</p>
Climate change		
<p>As an agribusiness, climate change is a key risk that has the potential to impact our operations, infrastructure and supply chain directly, as well as the safety and productivity of our employees. The frequency and severity of extreme weather phenomena have seen an increasing trend.</p> <p>Apart from physical risk, there are also transition risks associated with the shift towards a low-carbon future. This includes more stringent regulations and/or requirements to support a low-carbon economy and society.</p>	<ul style="list-style-type: none"> Excessive rainfall or an extensive period of dry weather will lead to a decrease in the overall yield. Excessive rainfall could lead to poor pollination of palms, reduce the effectiveness of fertilisers, soil erosion, and/or lower the productivity of our employees. Flooding and extreme high tide could also disrupt the logistics supply chain. Drought season could result in fewer fruit bunches and lower oil extraction rate. Extended drought might also trigger fire outbreaks in the plantations. 	<ul style="list-style-type: none"> Various measures have been implemented to reduce the impact of weather conditions on our plantations, including the construction of drainage and irrigation systems, building embankment in flooding area, ensuring road quality in the plantations before rainy season, and the establishment of certain planting patterns. We also continue our R&D efforts in developing a more drought resistance planting materials. Historically, CPO prices increase when supply is adversely affected by weather conditions, reducing the impact of the decrease in productivity on financial performance. We also extend our efforts around long-term fire prevention

DESCRIPTION	POTENTIAL IMPACT	MITIGATION
Operational Risk (cont'd)		
Climate change (cont'd)		
<ul style="list-style-type: none"> • Regulatory: As governments transition to low-carbon economies, regulations are likely to become more stringent with new requirements related to emission reduction and/or carbon taxes. • Market: Customers and consumers awareness and expectations on climate change management grows. Hence, customers could impose climate-related terms in their contracts. There could also be a shift in consumer consumption patterns away from agri commodities perceived to have a high impact on climate change. Lower-carbon alternatives for agricultural commodities may also be developed, creating a more intense competition. 	<ul style="list-style-type: none"> • Failure to comply with applicable climate-related regulations could impact our business, including fines, license revocation, higher costs or reduced flexibility of our operations, destroy brand image and reputation. • Increasingly stringent or new requirements from customers and regulator on sustainability practices or carbon emission reduction could result in more costs incurred and/or new investment required to comply with the regulations or requirements. Failure to meet those requirements could also lead to litigation costs, loss of business, or opportunity loss due to inability in capturing new markets. Our supplier pool could also be reduced if suppliers are not able to meet market expectations. 	<ul style="list-style-type: none"> • We continue our strict adherence to NDPE policies, and ensure suppliers are also compliant. • We view the importance of climate action and related regulations. We have a separate department that closely monitors and updates current regulatory requirements. We ensure our compliance with relevant regulations to avoid any liabilities that may incur in the future. • To address long-term risk, we strengthen our response to climate change and step up efforts to reduce greenhouse gas emissions, including implementing the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. More details can be found in our 2023 Sustainability Report, which will be published in May 2024. • We continue to carry out R&D on climate change mitigation and adaptation. • We regularly review our climate risk management and update our strategy in response to climate change.

ENTERPRISE RISK MANAGEMENT

DESCRIPTION	POTENTIAL IMPACT	MITIGATION
Operational Risk (cont'd)		
Human rights issues		
<p>Human rights concerns remain high in the palm oil industry and continue to be scrutinised.</p>	<ul style="list-style-type: none"> Any human rights or social incidents/allegations in our Company or our suppliers may have negative impact on the Company's image and reputation. Failure to comply with applicable regulations related to labour, human rights, and indigenous people, could negatively impact our business operations, such as fines, business license revocation, strikes, conflicts, etc. 	<ul style="list-style-type: none"> We continue our strict adherence to GAR Social and Environmental Policy (GSEP), particularly under Social and Community Engagement as well as Work Environment and Industry Relations. We take key areas such as conflict resolutions, community consent (FPIC), grievance management and health and safety seriously. Our human resources team closely monitors labour issues and ensures fair labour policies and practices are upheld in line with GSEP and prevailing regulations. We carry out Environmental and Social Impact Assessments (EIA and SIA) at the site of our operations before any new developments. Our suppliers are also subject to this requirement. We develop a comprehensive community engagement and development plans for the area surrounding our operations. We require all our suppliers to adhere to our GSEP, ensure their compliance, and engage them through provision of support and guidance to meeting our requirements.
Pest outbreak		
<p>Pest outbreak in our plantations may reduce production level. Generally, pests that attack oil palm trees are nettle caterpillar, rat, wild boar and ganoderma fungus.</p>	<p>Severe pest outbreak may impact the Company's production level, revenue, and profitability.</p>	<p>We closely control and protect our plantations from pests. To specifically handle pest attack, we apply an integrated pest management approach that prioritises the use of biological controls over pesticide. Our agronomists from SMARTRI give immediate additional protective care to trees that are attacked by pest to prevent dissemination.</p>

DESCRIPTION	POTENTIAL IMPACT	MITIGATION
Operational Risk (cont'd)		
Revocation or restriction of land rights granted by the Indonesian Government		
<p>Our plantations have been granted Hak Guna Usaha land rights (rights to cultivate land for agricultural purposes) by the Indonesian Government. Depending on the plantation, these rights could be extended for up to 95 years, and most will expire after year 2045. We also hold land rights in the form of Ijin Lokasi and Panitia B. These are intermediate land rights granted by the Indonesian Government during the initial stages of the land rights approval process. These rights are less than the full rights over the use of the lands represented by Hak Guna Usaha land rights.</p>	<p>Failure to extend Hak Guna Usaha land rights could disrupt the Company's plantation operations.</p>	<p>We believe that we have complied with all relevant requirements in relation to the plantations and will take all necessary steps to ensure that our land rights for such plantations are extended.</p> <p>A dedicated team monitors and takes necessary action should there be any changes in regulation related to land rights impacting current business.</p>
Geopolitical risk		
<p>Our global operations expose us to any geopolitical events that may result in global economic uncertainty, or specifically disrupt the economic condition of the Company's target markets. It also may adversely impact the industry supply chains.</p>	<p>Failure to recognise and timely respond to the indicative impact of any geopolitical development could directly impact profitability.</p> <p>It is an ongoing challenge and the impact will depend on the duration and severity of the geopolitical repercussions.</p>	<p>The Company closely monitors the development of geopolitical events and will take any appropriate and agile mitigating actions to minimise the impact to our financial results.</p> <p>We conduct macro-level research on geopolitical trends before entering or commencing business activities in countries that are vulnerable to political conflict.</p>

ENTERPRISE RISK MANAGEMENT

DESCRIPTION	POTENTIAL IMPACT	MITIGATION
Operational Risk (cont'd)		
Disruptions in transportation infrastructure		
<p>We depend on transportation services partly provided by external parties to transport raw materials to processing and storage facilities as well as to deliver our products to customers.</p> <p>Disruption of transportation services could happen due to some factors such as unfavourable weather conditions, labour unrest, significant downtime arising from major and unexpected repairs, or any other events.</p>	<p>Any disruption of transportation services might impair our production process and affect the quality of products and our ability to supply products to customers on time.</p> <p>Repeated failure or delay in supplying products to customers may result in contractual claims against GAR and in the long run, may affect product demand, reputation, business and financial position of GAR.</p>	<p>We continuously strengthen our internal transportation infrastructure to minimise dependence on external parties, and regularly monitor availability against demand.</p>
Commercial availability		
<p>Our business may be impacted by disruptions in the commercial availability of our internal (refining, crushing and processing facilities) and external assets (access to shipping, storage and pipeline facilities).</p>	<p>Any disruption in commercial availability might impair our production process and affect our ability to supply products to customers on time.</p> <p>Repeated failure or delay in supplying products to customers may result in contractual claims against GAR and in the long run, may affect product demand, reputation, business, and financial position of GAR.</p>	<p>We implement key operational controls across our assets and facilities, including comprehensive storage, inventory guidelines and operational processes, to ensure maximum commercial availability.</p>

DESCRIPTION

POTENTIAL IMPACT

MITIGATION

Operational Risk (cont'd)

Changes in regulations by the Indonesian Government and/or importing countries

Regulations relating to palm oil in Indonesia such as export tax and levy, import tariffs, other taxes and restrictions imposed by Indonesia or importing countries might impact the Company. In line with social and economic policies, the government may impose new policies on the palm oil industry from time to time.

Import tariffs and taxes and other import restrictions imposed by importing countries will affect the demand for CPO and its derivative products and can encourage substitution by other vegetable oils. If importing countries ban imports of CPO from Indonesia, tax competing substitute products, such as soybean oil, at a lesser tax rate, the competitiveness of imported CPO and derivative products can be adversely affected, which can affect the demand for and the price of our products. Hence, this can eventually impact the Company's financial performance.

GAR keeps abreast of changes in Indonesian Government and international regulations and analyses the impact of these changes to be able to make immediate and appropriate business-related decisions.

We are also actively involved in oil palm-related organisations and collaborate with industry stakeholders in providing positive inputs to the Indonesian Government in order to create conducive regulations for the palm oil industry, and to other stakeholders both domestic and international.

Dependency on technology in data processing and communication

Most large organisations including ours are becoming more and more dependent on technology to run their day-to-day operations.

Cybersecurity threat has been evolving and becoming greater in the last few years.

Any significant outages will affect the operations of our Company.

Any breach to cybersecurity may compromise the Company's strategic and business data or information.

We have progressively implemented best-in-class solutions that address data and cybersecurity risk. We adopt a holistic approach in our cybersecurity initiatives, not just from an information technology angle, but also from a risk and compliance perspective to ensure that controls and mitigations are adequately established.

Dependency on retaining key personnel and attracting additional qualified persons

Our continued success relies on the capabilities and experience of our Directors and senior Management. Competition for such key personnel is intense in the industry and the loss of any of our key personnel is a possibility.

Any failure in retaining key personnel and attracting qualified persons may result to opportunity lost and high cost caused by regrettable attrition, internal talent gap and higher hiring cost.

Our Human Resources Department implements a comprehensive talent management programme, which includes talent development, retention, and succession planning.

Senior Management also plays an important role in maintaining relationships with our key employees as well as outlining and executing our overall business strategy.

CORPORATE GOVERNANCE REPORT



Photo by Firman Kurniawan

Golden Agri-Resources Ltd (the “Company” or “GAR”) and together with its subsidiaries (the “Group”) is committed to observing high standards of corporate governance, to promote corporate transparency and to enhance the long-term value of the Group to its shareholders and other stakeholders, with guidance from the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the “Code”).

Rule 710 of the listing manual (“Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) requires an issuer to describe its corporate governance practices with specific reference to the principles and provisions of the Code. Issuers must comply with the principles of the Code.

Described in this report, is the Company’s corporate governance practices and structures in place during the financial year (“FY”) ended 31 December 2023 (“FY2023” or “2023”). In support of good corporate governance, the Company participated in the annual Corporate Governance Statement of Support 2023, organised by SIAS.

The principles of the Code are set out in this report. Where the Company’s practices vary from provisions of the Code, specific disclosures will be provided.

BOARD MATTERS (PRINCIPLES 1 TO 5)

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

1.1 The Board’s Role

The Board of Directors of the Company (“Board”) heads the Company to provide effective leadership and direction, and works with Management to enhance the long-term success of the Group.

The Board has the responsibility to fulfil its role which includes the following:

- (a) provide entrepreneurial leadership, and set strategic objectives, which include appropriate focus on value creation, innovation and sustainability;
- (b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- (c) ensure that the necessary policies, standard processes and monitoring mechanisms are in place to comply with legislative and regulatory requirements;
- (d) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Company performance;
- (e) constructively challenge Management and review its performance;
- (f) instill an ethical corporate culture and ensure that the Company’s values, standards, policies and practices are consistent with the culture;
- (g) oversee and review corporate governance;

- (h) ensure transparency and accountability to key stakeholder groups;
- (i) consider sustainability and climate-related issues as part of the Group's strategy; and
- (j) assume responsibility for determining material ESG topics and oversee the management and monitoring of material topics.

1.2 Scope of Director Duties, Code of Conduct, and Policy on Directors' Conflicts of Interest

All Directors of the Company ("Directors") are expected to be cognizant of their statutory duties, and to discharge them objectively in the interest of the Company. For new Directors, training is compulsory if a Director is appointed for the first time to a Singapore listed company. To establish appropriate tone-at-the-top behaviour, there is in place a code of conduct known as the GAR Code of Conduct ("GAR Code") which spells out the standards expected of all employees of GAR and the Group to follow, and the behaviors expected of its officers and employees.

Directors are regarded as Executive, Non-executive and Independent according to their differing roles, although all Directors have the same statutory duties. All Directors noted the different roles they have in the Company.

Directors are required to refrain from discussion and decision-making, and to abstain from voting on any agenda item in which they have conflict of interest. To assist Directors, the Board has adopted a comprehensive Policy on Directors' Conflicts of Interest setting out guiding principles for Directors when faced with an actual or potential conflict of interest situation. If uncertain about the possibility of a conflict, Directors should discuss and seek advice.

1.3 Training and Development of Directors

The Company takes note to provide Directors with opportunities to develop, maintain and upgrade/ update their skills and knowledge. To this end, the Board has approved a framework for Directors' training and to fund any Director's participation/ attendance at seminars and training programmes that are relevant to his/ her duties as a Director. The NC reviews the training programme annually which also sets out Singapore Institute of Directors ("SID")'s calendar of professional development for that year. The Company provides administration support that facilitates with Director's training arrangements.

The Director's overall training framework applied a 3-step approach to training as follows:

- (1) Externally conducted courses on audit/ financial reporting matters, audit committee's role, corporate governance, regulatory changes, sustainability, and other relevant topics, subject to course availability;
- (2) Quarterly management updates on operations and industry-specific trends and development; and
- (3) Quarterly continuing education on regulatory changes and updates, including extraction of relevant case studies on corporate governance, and external auditors' briefings on changes to accounting standards and issues.

CORPORATE GOVERNANCE REPORT

1.4 Training and Orientation for New Directors

As a standard procedure, newly appointed Directors are issued with a formal appointment letter setting out the terms of appointment, general duties and obligations including expectations of the Company. They are also given the current year's meetings schedule, contact particulars of senior Management, relevant governing documents of the Company, and a web address to the Listing Manual. Those without prior experience as a director of a Singapore listed company, are mandated to attend either the Listed Entity Directors Programme conducted by SID or the Board of Directors Masterclass Programme conducted by the Institute of Singapore Chartered Accountants and SAC Capital in relation to the roles and responsibilities of a director of a listed company in Singapore.

All new Directors are also required to undertake to comply with SGX-ST's listing rules.

Non-executive Directors who are newly appointed may not be familiar with the Group's business. Upon recommendation, they may be provided with orientation through overseas trips to familiarise them with the Group's operations, including briefing(s) by Management on the Group's business as well as governance practices.

1.5 FY2023 Training for Directors

Attendance by Director(s) of externally conducted courses during FY2023 were via online live webcast or in person. Having attended the trainings, Directors in turn, shared their key takeaways with their fellow Directors at the subsequent Board meeting. The various training sessions attended by Directors in 2023 included the following:

External Training

- (1) Audit and Risk Committee Seminar 2023: Sustainability: Opportunities, risk and governance (January 2023);

- (2) Current Topic – Bringing Digital to the Boardroom (May 2023);
- (3) Current Topic – The Board's Role in Leading Successful Transformation (September 2023);
- (4) Auditors and Audit Committee New Trends (conducted by Mauritius Institute of Directors) (November 2023); and
- (5) Aligning to the IFRS Sustainability Disclosure Standards (November 2023).

Internal/ In-house Training

- (1) IT Initiatives Update on IT/ Digital/ Security (May 2023).

1.6 Matters Requiring Board Approval

The Company's Internal Guidelines specify matters requiring Board approval, which include the following corporate events and actions:

- + approval of results announcements
- + approval of the annual report and financial statements
- + dividend declaration/proposal
- + convening of members' meetings
- + shares issuance
- + material acquisitions and disposal of assets
- + annual budgets
- + interested person transactions
- + corporate governance

1.7 Committees Established by the Board

Committees established by the Board ("Board Committees") comprise the Audit Committee⁴ ("AC"), the Nominating Committee⁵ ("NC") and the Remuneration Committee⁶ ("RC") with written terms of reference which clearly set out the authority and duties of each committee.

⁴ See item 10.1

⁵ See item 4.1

⁶ See item 6.1

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

1.8 Composition of the Board and Board Committees

Presently, a total of 8 Directors sit on the Board. Their other position(s) in the Company, membership (if any) on the Board Committees and directorship role are shown below:

Name of Director	Position(s)	Executive/ Independent Director
Franky Oesman Widjaja	Chairman and CEO Member of NC & RC	Executive Director
Muktar Widjaja	President	Executive Director
Rafael Buhay Concepcion, Jr.	CFO	Executive Director
Willy Shee Ping Yah	LID Chairman of RC Member of AC & NC	Non-executive, Independent Director
Christian G H Gautier De Charnacé	Chairman of AC & NC Member of RC	Non-executive, Independent Director
Soh Hang Kwang	Member of AC	Non-executive, Independent Director
Khemraj Sharma Sewraz	–	Non-executive, Independent Director
Marie Claire Goolam Hossen (Ms.)	–	Non-executive, Independent Director

Key information, including qualifications, on the Directors are found on pages 32 to 36 of this Annual Report.

Abbreviation:

CEO: Chief Executive Officer

CFO: Chief Financial Officer

LID: Lead Independent Director

1.9 Key Features of Board Processes

The Board and the respective Board Committees meet regularly on scheduled dates throughout the year to consider pre-set agenda items. To assist Directors in planning their attendance, Meeting dates together with agenda items for each new calendar year are discussed and notified to all Directors, before the start of that calendar year.

In addition to regularly scheduled meetings, ad-hoc meetings may be convened for specific purpose and on short notice, if requested or if warranted by circumstances deemed appropriate by the Board and/or Board Committees. Participation by Directors at Meetings by teleconference or similar communication equipment is permitted under the Company's Constitution ("Constitution").

In between regularly scheduled meetings, matters that may require the Board and/or Board Committees' approval are circulated, with explanatory memo(s), to all Directors and/or respective Board Committee members, as the case may be, for their consideration by way of circular resolutions, as provided in the Constitution and the terms of reference of the respective Board Committees.

CORPORATE GOVERNANCE REPORT

1.10 Number of Meetings Held in 2023 and Attendance Record

In 2023, the Board met 6 times, with the year-end meeting dedicated to strategic issues and the annual budget; the Board Committees met a total of 11 times; and 1 shareholders' meeting being the Annual Meeting ("AM"), was held. The number of Board and Board Committee Meetings held and the attendance record of Directors and Board Committee Members respectively, in 2023 is disclosed in the Attendance List below.

NUMBER OF MEETINGS ATTENDED BY MEMBERS IN 2023

Name of Director	Board Meeting	AC Meeting	NC Meeting	RC Meeting	AM	Total Attendance
EXECUTIVE DIRECTORS						
Franky Oesman Widjaja*	5/6	–	2/2	3/3	1/1	11/12
Muktar Widjaja	6/6	–	–	–	1/1	7/7
Rafael Buhay Concepcion, Jr.	6/6	–	–	–	1/1	7/7
NON-EXECUTIVE, INDEPENDENT DIRECTORS						
Willy Shee Ping Yah	6/6	5/5	2/2	4/4	1/1	18/18
Christian G H Gautier De Charnacé	6/6	5/5	2/2	4/4	1/1	18/18
Soh Hang Kwang	6/6	5/5	–	–	1/1	12/12
Khemraj Sharma Sewraz**	0/6	–	–	–	0/1	0/7
Marie Claire Goolam Hossen	6/6	–	–	–	1/1	7/7
Number of Meetings Held	6	5	2	4	1	18

* was not required to attend 1 RC meeting containing topics of personal interests

** absent with apologies for medical reasons

1.11 Complete, Adequate and Timely Information

To enable Directors to make informed decisions and discharge their duties and responsibilities, Management recognises its role to provide the Board with complete, adequate and timely information prior to Meetings and on an on-going basis. Management also provides additional information which Directors may request for, during Meetings.

As Directors prepare for a Meeting by, *inter alia*, reviewing the Meeting Papers and agenda items prior thereto, it has become a standard procedure that materials for each Board, Board Committee and Shareholders' Meeting are sent to Directors beforehand, and uploaded to a digital Board portal, which Directors may access from their tablets or desktops.

Management, the Company's auditors and other professionals who can provide additional insights into the matters to be discussed at Board and Board Committee Meetings are invited to be present at these meetings, where necessary.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis. Explanations are given by Management for material variance (if any) between any projections in the budget and actual results.

Separate and independent access to the Company's Management is available to all Non-executive, Independent Directors if they have queries in addition to that provided, and the Company arranges for meetings with Senior Management upon request from the Director(s).

1.12 Company Secretary

The Directors may separately and independently contact the company secretary or the Singapore company secretariat which organises, attends and prepares minutes for all Board meetings. The company secretary's role is defined which includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with.

The appointment and removal of the company secretary are matters requiring Board approval.

1.13 External Advice

Where Directors, either individually or as a group, in furtherance of their duties, require external advice, the company secretary or the Singapore company secretariat can assist them to do so, at the Company's expense.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

2.1 Director Independence

There is a strong and independent element on the Board with more than half of the Board comprising Independent Directors (5 out of 8) as reflected under item 1.8. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures discussion and review of key issues and strategies in a critical yet constructive manner.

When determining a Director's independence, the NC and Board considers the following:

- (1) Listing Manual;
- (2) the Code; and
- (3) any other circumstance or relationship which might impact a Director's independence, or the perception of his or her independence.

The 5 Independent Directors have declared nil relationship with the Company, its related companies, its substantial shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Group, and they are able to exercise objective judgement on corporate affairs independently from Management and its substantial shareholders.

CORPORATE GOVERNANCE REPORT

Each year, the Board examines its size, composition, skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience and knowledge. The Board comprises Directors from different industries and background, with accounting and finance, business and management experience, industry knowledge and expertise who, collectively as a group provides the core competencies for the leadership of the Company. The Company has no alternate Directors on its Board.

Taking into account the scope and nature of operations of the Group, the Board considers that the current composition, mix and size is appropriate to facilitate effective decision making at meetings of the Board and Board Committees.

2.2 Non-executive Directors

A key duty of the Board is to set objectives and goals for Management, monitor the results, and assess and remunerate Management on its performance. Executive Directors who are part of Management may face conflicts of interest in these areas. To avoid undue influence of Management over the Board and ensure that appropriate checks and balances are in place, Non-executive Directors comprise more than half of the Board (5 out of 8).

If deemed necessary by any Independent Director, the Non-executive, Independent Directors hold discussions amongst themselves without the presence of other Executive Directors and Management. After these discussions, they could highlight to Management any matters requiring its attention.

2.3 Lead Independent Director

Mr. Willy Shee Ping Yah is our LID appointed since 1 January 2022.

The LID has the following additional role:

- (1) LID is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate;
- (2) Plays an additional facilitative role within the Board;
- (3) Where necessary, he may also facilitate communication between the Board and shareholders or other stakeholders of the Company; and
- (4) Providing a channel to Non-executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

The LID may be contacted through office phone number +65 6590 0805.

2.4 Board Diversity

The Board has adopted a Board Diversity Policy relating to Directors appointment and Board composition. By practising diversity at Board level, the Directors believe that such differences may, collectively, enhance the attainment of corporate strategic objectives and to reach greater heights of achievement. However, it is noted that differences should be appropriately balanced so that the Board can function as a whole, and effectively within its leadership role in the Company. All Board appointments are based on merit of candidates.

Our Board members are business leaders and professionals with diverse expertise, experience and backgrounds in multiple industries with international exposure, comprising 5 different nationalities. There is currently 1 female Director on board. The NC plans to increase female representation on the Board by adding another female Director to make up at least 25% of Board members in 2024.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

3.1 Chairman and Chief Executive Officer

Our Chairman and CEO is Mr. Franky Oesman Widjaja. We believe that the Independent Directors have demonstrated a high commitment in their roles as Independent Directors and have ensured that there is a good balance of power and authority within the Board.

The overall role of the Chairman is to lead and ensure the effectiveness of the Board. This includes:

- (a) promoting a culture of openness and debate at the Board;
- (b) facilitating the effective contribution of all Directors; and
- (c) promoting high standards of corporate governance.

The Board notes that the Chairman provides the Group with strong leadership and vision and plays an instrumental role in developing the business of the Group.

To address the issue of the Chairman and CEO positions being held by the same person, the LID position and role were created, as set out in item 2.3. The present LID is a member of the NC and the AC, in addition to holding the position of RC Chairman. Further, all Board Meetings and Board Committees are chaired by a Non-executive, Independent Director.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

4.1 Nominating Committee Composition and Role

The NC comprises 3 Directors as follows, of whom the NC Chairman and 1 member are Non-executive, Independent Directors:

- + Christian G H Gautier De Charnacé (NC Chairman)
- + Willy Shee Ping Yah
- + Franky Oesman Widjaja

The NC's terms of reference set out its roles and responsibilities. The NC is primarily responsible for:

- (a) identifying and nominating for the approval of the Board, all Board appointments including candidates to fill Board vacancies as and when they arise; and
- (b) reviewing the independence element on the Board annually.

The NC is also responsible for making recommendations to the Board:

- (a) as regards the selection, appointment and re-appointment of any Director, and succession planning;
- (b) concerning performance criteria and related evaluation processes;
- (c) regarding training and development programmes for Directors;
- (d) concerning any matters relating to the continuation in office of any Director at any time; and
- (e) concerning setting of objectives and estimated timelines to achieve Board diversity and monitoring the progress towards such objectives.

CORPORATE GOVERNANCE REPORT

4.2 Selection, Appointment and Re-appointment of Directors

All new Board appointments are considered, reviewed and recommended by the NC first, before being brought up to the Board for approval. Potential candidates to fill casual vacancies are mostly sourced with recommendations from Directors or Management. Upon the NC's recommendation, the Board approves the new appointment. In the event that the membership of the NC falls below the minimum number of 3 members, the NC shall be dissolved, and any new nominations are channelled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

Shortlisted candidates would be required to furnish their curriculum vitae containing information such as their academic/professional qualification, employment history and experience. When evaluating a shortlisted candidate's suitability for appointment, the NC will interview the candidate to consider, *inter alia*, the candidate's competencies, commitment, independence, ability and potential to contribute to the Board's function, effectiveness and diversity.

The NC refers to a comprehensive checklist to ensure that basic standard criteria as well as the Board Diversity Policy are considered during this process of appointment or re-appointment. The requirement to maintain at least 2 Singapore resident Independent Directors, and 2 Mauritius resident Independent Directors on the Board are also factored in during the selection process.

4.3 Director Independence Review

The Board has adopted the definition of "independence" in both the Code and the Listing Manual, in its review.

An "independent" Director is one who is independent in conduct, character and judgement, and has no relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Bearing in mind the above, and the Listing Manual requirements and changes with regards independence, the NC determines on an annual basis and, as and when the circumstances require, the independence of an Independent Director. To facilitate NC review, each Independent Director is required to complete a self-declaration checklist at the time of appointment, and annually, based on the above independence criteria.

Having conducted its review, the NC/ Board has considered that the following 5 Directors are regarded as Independent Directors of the Company:

- + Willy Shee Ping Yah
- + Christian G H Gautier De Charnacé
- + Soh Hang Kwang
- + Khemraj Sharma Sewraz
- + Marie Claire Goolam Hossen

Each Independent Director duly abstained from the NC/ Board's determination of his/her independence.

4.4 Re-appointment at the 2024 AM

Under Section 138 of the Companies Act 2001 of Mauritius ("Sec138"), the office of a Director shall become vacant at the conclusion of the AM commencing next after the Director attains the age of 70 years, and he shall be subject to yearly re-appointment.

Pursuant to Rule 720(5) of the Listing Manual ("R720"), all Directors must submit themselves for re-appointment at least once every 3 years.

The Directors seeking for re-appointment at the coming 2024 AM pursuant to the respective requirement stated above, are:

- (1) Mr. Christian G H Gautier De Charnacé and Mr. Willy Shee Ping Yah will each retire at the 2024 AM under Sec138 and, being eligible, have each offered himself for re-appointment as a Director thereat; and
- (2) Mr. Muktar Widjaja, being eligible, has offered himself for re-appointment at the 2024 AM under R720.

The NC has recommended each of the above Directors' re-appointment as a Director at the 2024 AM.

In its deliberation on the re-appointment of the Directors who, being eligible, have offered themselves for re-appointment, the NC took into consideration the Director's attendance, participation, contribution, commitment and performance during the previous year, and where applicable, the retiring Director's independence.

Each member of the NC has abstained from participating in deliberations and voting on any resolutions in respect of his re-appointment as Director.

4.5 Retirement of Independent Director

At the conclusion of the 2024 AM, pursuant to Sec138, the office of Director held by Mr. Khemraj Sharma Sewraz shall become vacant. Mr. Sewraz will not be seeking re-appointment as a Director at the 2024 AM, and the NC/ Board has accepted his decision. Accordingly, Mr. Sewraz shall cease to be a Director at the conclusion of the 2024 AM.

The Board wishes to thank Mr. Sewraz for his tenure in the Company and will be appointing a new Mauritius-resident Director.

4.6 Directors' Time Commitments and Multiple Directorships

The Board believes that each Director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to personally determine the demands of his or her competing directorships and obligations, and ensure that he or she can allocate sufficient time and attention to the affairs of each company.

Annually, the NC assesses and reviews each Director's attendance record and his or her ability to allocate sufficient time and attention to the affairs of the Company. Save for a Director's absence with apologies from meetings for medical reasons, the NC is satisfied with the time commitment and effort made by the remaining Directors to attend meetings in 2023.

To address the competing time commitments faced by Directors serving on multiple boards, the Board has determined that the maximum number of listed company board representations which any Director may hold is 6 (including the Company). Currently, the maximum number of directorships in Singapore listed companies, including the Company, held by an Independent Director is 3, and of that held by an Executive Director is 3.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

5.1 Assessing Performances

The NC is tasked to carry out the processes as implemented by the Board for assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board, on an annual basis.

The Company has in place a system to assess the effectiveness/ performance of the Board and Board Committees, and acts, where appropriate, on feedback from Board/ Board Committee members, on improvements.

During the annual evaluation process, each Director is required to complete the respective forms for self-assessment as well as for assessment of the performance of the Board/ Board Committees, based on pre-determined approved performance criteria.

REMUNERATION MATTERS (PRINCIPLES 6 TO 8)

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

6.1 Remuneration Committee Composition and Role

The RC comprises the following Directors, a majority of whom, including the RC Chairman, are Non-executive, Independent Directors:

- + Willy Shee Ping Yah (RC Chairman)
- + Christian G H Gautier De Charnacé
- + Franky Oesman Widjaja

Notwithstanding the RC is inclusive of one Executive Director, the Board views that the current RC composition is adequate as a majority of its members are independent; and the RC Chairman is non-executive and independent. The Executive Director was recused from attending an RC Meeting to decide matters of his personal interests.

The RC's roles and responsibilities are described in its terms of reference. The duties of the RC include reviewing and recommending to the Board for approval, the following:

- (a) a general framework of remuneration for the Board and key management personnel;
- (b) the specific remuneration packages for each Director and key management personnel; and

- (c) the Company's obligations arising in the event of termination of Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external remuneration consultants as and when it deems necessary.

None of the members of the RC, including the Executive Director, is involved in deliberations in respect of any remuneration, fee, compensation, incentives or any form of benefits to be granted to him, or to his IFM (as defined in item 8.3).

6.2 Long-term Incentive Scheme

Currently, the Company does not have any long-term incentive schemes, including share schemes.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

7.1 Remuneration of Executive Directors and Key Management Personnel

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for Executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits. Executive Directors do not receive Directors' fees.

CORPORATE GOVERNANCE REPORT

The extent of an individual's performance and contributions towards the achievement of corporate objectives and targets, for the year under review, will largely determine that individual's variable bonus component. Other determinants of the level of remuneration include the Group's performance, industry practices, individual's contribution through engagement with governmental authorities and other stakeholders, and personal advancement of an appropriate work and corporate culture including sustainable practices.

Total compensation for top Executives is also benchmarked against that by other major Singapore listed companies.

The use and application of clawback provisions in remuneration contracts of Executive Directors and key management personnel is subject to further consideration by the Company.

7.2 Relationship between Remuneration, Performance and Value Creation

GAR's remuneration philosophy supports the Company's strategy and enables it to achieve its business objectives. To ensure the "reward for performance" principle, GAR aligns its strategic goals to performance indicators, sets proper targets, and identifies plans and actions to achieve value targets, monitors and finally reward performance achievement. There is an annual budget for all business units under GAR with comprehensive operational and financial targets, to enable a right set of culture and 'way of working' as follows:

- + Alignment of objective – company wide
- + Focus on the right result, prioritise the right actions to achieve that
- + Driving the right day-to-day behaviour by linking rewards to results
- + Proper rhythm for monitoring to ensure progress and accountability

Each business unit has a budget that reflects challenging yet achievable targets. Noting innovation drives optimum value creation, each business unit also has strategic targets to implement transformational initiatives that will significantly improve their overall operational capability and subsequent financial results.

The annual budget will then be cascaded down to each person within the organisation in the form of Key Performance Indicator ("KPI") target every year. Each person within the organisation will be assessed based on his/her actual achievement against the KPI.

7.3 Remuneration of Non-Executive, Independent Directors

Non-executive, Independent Directors receive Directors' fees, which are subject to shareholders' approval at AMs ("Directors' Fees").

Directors' Fees are structured according to the roles performed by the Non-executive, Independent Director, and whether they hold any Board Committee position, basing the payment on a scale of fees comprising a base fee, fee as AC Chairman, AC member, RC Chairman, RC member, NC Chairman, NC member, fee for acting as LID, and fee for chairing Board meetings by a Mauritius Director. If a Non-executive, Independent Director occupies a position for part of the financial year, the relevant fee(s) payable will be pro-rated accordingly.

Directors' Fees are reviewed annually by the RC and/or the Board, taking into consideration contributions, regulatory changes, responsibilities, and market benchmarks.

The RC, with the concurrence of the Board, has recommended that an aggregate amount of S\$506,946 as Directors' Fees be paid to the Non-executive, Independent Directors for FY2023. These fees will be tabled for shareholders' approval at the 2024 AM.

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

8.1 Directors' Remuneration

The Directors' remuneration during FY2023 in bands of S\$250,000 is set out in the table below:

Name of Director	Fixed Salary	Bonus paid or payable/ Benefit	Directors' Fees	Total
EXECUTIVE DIRECTORS				
S\$4,000,000 to below S\$4,250,000				
Franky Oesman Widjaja	35.3%	64.7%	–	100%
S\$2,250,000 to below S\$2,500,000				
Muktar Widjaja	42.0%	58.0%	–	100%
Rafael Buhay Concepcion, Jr.	54.8%	45.2%	–	100%
NON-EXECUTIVE, INDEPENDENT DIRECTORS				
Below S\$250,000				
Willy Shee Ping Yah	–	–	100%	100%
Christian G H Gautier De Charnacé	–	–	100%	100%
Soh Hang Kwang	–	–	100%	100%
Khemraj Sharma Sewraz	–	–	100%	100%
Marie Claire Goolam Hossen	–	–	100%	100%

Variable bonus is based on performance for the same financial year.

Each Director's remuneration is expressed in bands of S\$250,000 with a percentage breakdown. The Company believes that such disclosure in bands does provide a fair indication, although not in exact dollar, of each Director's remuneration package, having done so after taking into account inherent sensitivities concerning matters of remuneration.

CORPORATE GOVERNANCE REPORT

8.2 Remuneration of Top 5 Key Management Personnel

The top 5 key management personnel who are not Directors of the Company ("KMP") as at 31 December 2023 are as follows:

- + Kettinger Anthony Lee
- + Jesslyne Widjaja
- + Irwan Tirtariyadi
- + Paul John Hickman
- + Franciscus Costan

The total remuneration paid/payable during FY2023 to the top 5 KMPs amounted to S\$17,639,397.

The remuneration of KMPs who are also IFMs (as defined below) is disclosed in item 8.3 below. Save for this, the Company, having taken into account that some of the above KMPs are employed and remunerated by the Company's Indonesian subsidiaries; the relevant personnel's comments; and the size of the Company and the Group's scope of business, does not believe it to be in its interest to disclose the KMPs' remuneration, due to the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business. In addition, such disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontent, and may, in certain cases, give rise to recruitment and talent retention issues.

In view of the abovementioned reasons, the Company believes that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the above KMPs' remuneration.

8.3 Remuneration of Employees who are Substantial Shareholders of the Company, or are Immediate Family Members of a Director/ CEO ("IFM") or a Substantial Shareholder of the Company

The remuneration paid during FY2023 to employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S\$100,000 for FY2023, being two, Ms. Jesslyne Widjaja and Ms. Emmeline Widjaja, the daughters of the CEO, is as follows, in bands of S\$250,000:

Remuneration Band	Number
S\$2,250,000 to S\$2,500,000	1
S\$750,000 to S\$1,000,000	1

Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are brothers and their remuneration are disclosed in item 8.1.

Other than disclosed above, none of the Directors or substantial shareholders had immediate family members who were employees and whose remuneration exceeded S\$100,000 for FY2023.

IFM remuneration is disclosed in applicable bands of S\$250,000, instead of bands of S\$100,000, due to continuing sensitivity surrounding the issue of remuneration. The Company believes that the current format of disclosure in bands of S\$250,000, is sufficient indication of each IFM's remuneration package.

ACCOUNTABILITY AND AUDIT (PRINCIPLES 9 TO 10)

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

9.1 Responsibilities for Risk Management and Internal Controls

The Board is ultimately responsible for the governance and oversight of risk by ensuring that Management maintains a sound system of risk management and internal controls, to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives. The AC assists the Board in carrying out its responsibility for risk management and internal controls.

9.2 The Enterprise Risk Management ("ERM") Committee ("ERMC")

The ERMC assists Management in its role of managing risks, as part of the Group's efforts to strengthen its risk management processes and enable accountability for its adequacy and effectiveness. The ERMC comprised senior Management in the following positions during FY2023:

Chairman and CEO	– Franky Oesman Widjaja
CFO	– Rafael Buhay Concepcion, Jr.
Chief Operating Officer	– Kettinger Anthony Lee
Executive Director of Strategy, People & Transformation	– Jesslyne Widjaja
Head of Controllershship and Compliance	– Pedy Harianto
Head of Upstream Operations	– Irwan Tirtariyadi
Head of Downstream Operations	– Paul John Hickman

CORPORATE GOVERNANCE REPORT

The ERM reports to the AC which, in turn, reports to the Board. Further details on the Group's ERM activities including its key risk exposures are discussed in a separate section under "Enterprise Risk Management" on pages 38 to 47 of this Annual Report.

The Company's risk management process comprises of a disciplined and repeatable interaction structure that is inclusive of risk evaluation of strategic alternatives and operational decisions. These structures serve as a forum for the Management to highlight both favourable and adverse factors affecting the business and its performance and associated risks, and in turn creates visibility for the Board and relevant stakeholders. The Board members and Management collectively determine the materiality of the risks and appropriate strategies to address them following which appropriate risk governance structures are constituted. Governance policies are reviewed and approved by at least one Board member and one or more members of the senior Management team.

9.3 Internal Controls

The Company's Controllership and Compliance Department ("CCD") formulates internal controls for implementation in the various business units. The CCD also requires business units to submit reports to monitor compliance with the significant internal control policies. In turn, the CCD reports to the Management.

The Company's internal auditors assist the AC in ensuring that the Management maintains a sound system of internal controls. The internal audit function reviews the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls established by Management. The AC, Chief Internal Auditor ("CIA") and Management review and discuss notable internal audit findings, recommendations and status of remediation, during the quarterly AC meetings.

Furthermore, in the course of the statutory audit, the external auditors also perform a review of the adequacy and effectiveness of the Group's key internal controls to the extent of their scope as laid out in their audit plan. Significant non-compliance and internal control weaknesses noted during the audit are reported to the AC together with the recommendations of the external auditors.

9.4 Assurance from the CEO and CFO

The Board provided negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual for the interim financial statements. For the FY2023 financial statements of GAR and its subsidiaries, the CEO and the CFO have provided assurance to the Board on their integrity and fairness.

The CEO and the CFO have given written assurance to the Board, as follows:

(a) Financial Records

The financial records of the Group for FY2023 have been properly maintained, and the FY2023 Financial Statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework that are free from material misstatement; and

(b) Risk Management and Internal Controls

The internal controls, including financial, operational, compliance and information technology controls, and risk management systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment.

9.5 Commentary on Adequacy and Effectiveness of Risk Management Systems and Internal Controls

The AC undertakes an annual assessment regarding the adequacy and effectiveness of the risk management systems and internal controls of the Group.

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy and effectiveness of the Company's internal controls and risk management systems established by Management. In its review, the AC had been assisted by the ERM, the internal auditors and the external auditors.

On the basis of the assurance received from the CEO and the CFO, as well as the ERM framework established and maintained by the Company, the work performed by the ERM, internal auditors and external auditors, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to meet the needs of the Group in its current business environment.

As cybersecurity threat has been evolving and becoming greater in the last few years, the Group has progressively implemented best-in-class solutions that address data and cybersecurity risk. The Group adopts a holistic approach in its cybersecurity initiatives, not just from information technology angle, but also from a risk and compliance perspective to ensure that controls and mitigations are adequately established.

The Board noted that the Company's systems of internal controls and risk management provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledged that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an audit committee which discharges its duties objectively.

10.1 Audit Committee Composition and Role

The AC comprises the following Directors, all of whom, including the AC Chairman, are Non-executive, Independent Directors:

- + Christian G H Gautier De Charnacé (AC Chairman)
- + Willy Shee Ping Yah
- + Soh Hang Kwang

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC. None of the members of the AC were previous partners or directors of our external auditors, Moore Stephens LLP, and none of the members of the AC hold any financial interest in Moore Stephens LLP.

The AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its functions properly.

CORPORATE GOVERNANCE REPORT

The AC's roles and responsibilities are described in its terms of reference. The AC has the explicit authority to investigate any matter within its terms of reference. In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, the duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements of the Group;
- (d) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (e) making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors; and
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and ensuring that the Company publicly discloses and clearly communicates to employees and other stakeholders the existence of a whistle-blowing policy and procedures for raising such concerns.

10.2 Integrity of Financial Statements and Results Announcement

The AC reviewed with Management, and where relevant, with the external and internal auditors, the results announcements, annual report and financial statements, interested person transactions and corporate governance, before submission to the Board for approval and adoption.

In its review of the audited financial statements of the Group for FY2023 ("FY2023 Financial Statements"), the AC has discussed with the external auditors and Management on matters of significance which are included under "Key Audit Matters" in the Independent Auditor's Report. The AC is satisfied that those matters, ie. Valuation of investments in financial assets; and Accounting for derivative financial instruments, have been appropriately addressed. Furthermore, the external auditors did not raise any significant issue which will have a material impact on the interim financial statements previously announced by the Group.

The AC recommended to the Board the approval of the FY2023 Financial Statements. The Board has on 15 March 2024 approved the FY2023 Financial Statements.

10.3 External Auditors' Independence

Taking cognizance that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the AC undertook a review of the independence of the external auditors. During this process, the AC also reviews all non-audit services, if any, provided by the external auditors, Moore Stephens LLP, to satisfy itself that the nature and extent of such services would not affect their independence. Fee for audit services to the external auditors is disclosed in the Notes to the FY2023 Financial Statements on page 115 of this Annual Report.

The AC reviewed the external audit plan and scope for FY2023. The AC also met with the external auditors without the presence of Management whereby the external auditors can raise and discuss issues without restriction or interference.

The AC has reviewed the Audit Quality Indicators of the external auditors for FY2023. The AC has recommended to the Board that the external auditors be nominated for re-appointment at the 2024 AM. In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual.

10.4 Internal Audit

The Company has established an in-house internal audit function headed by the CIA, presently, Ms. Susan Tabia Garin, who reports to the AC Chairman. On administrative matters, she reports to the CEO. The CIA has met the standards set by nationally or internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors.

The AC has authority over the hiring and removal of the CIA, including decision on her remuneration package.

The internal auditors established their annual audit plan and budget in consultation with, but independent of Management. The AC reviewed and approved the annual audit plan and budget for FY2023.

The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including communication with the AC. The AC has met the CIA without the presence of Management and given the opportunity to discuss unreservedly any issue or concern affecting the internal audit function.

The AC is satisfied that the internal audit function is adequately resourced, qualified,

experienced, and has appropriate standing within the Company. It is also satisfied with the independence, adequacy and effectiveness of the internal audit function. During this assessment process, the CIA also provided the AC with the qualifications and experience of the team of internal auditors.

10.5 Whistle-Blowing Policy

The Board is committed to uphold the Company's values and standards, and has put in place whistle-blowing procedures by which employees may, in confidence and without fear of retaliation, raise concerns or complaints about possible improprieties relating to matters of financial reporting or other matters including fraud, corruption, misconduct and the like.

The AC is responsible for oversight and monitoring of whistle-blowing, and ensuring that the Company publicly discloses and clearly communicates to employees and other stakeholders the existence of a whistle-blowing policy and procedures for raising such concerns.

Under these procedures, the AC may, if it deems appropriate, engage appropriate external independent advisors, at the Company's expense, to independently investigate concerns or complaints made in good faith, and to take appropriate follow-up actions. Significant concerns or complaints, if any, are reported to the Board.

The Company is committed to treat all complaints as confidential, and to ensure that the anonymity of the whistle-blower concerned will be maintained until the whistle-blower indicates that he or she does not wish to remain anonymous, to protect the whistle-blower against detrimental or unfair treatment.

During 2023, the Company's whistle-blowing policy was updated to enhance further reporting accessibility and procedures for handling of concerns raised, and disseminated to all relevant stakeholders.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT (PRINCIPLES 11 TO 12)

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, positions and prospects.

11.1 Shareholder Rights

The Company is committed to upholding transparency and accountability towards its shareholders. The Board ensures fair and equitable treatment to all shareholders, prioritising the protection of their rights.

The Company aims to furnish shareholders with adequate, timely and sufficient information pertaining to the Group's business which could be trade-sensitive or have a material impact on the Company's share price or value.

All shareholders of the Company are entitled to attend and vote at general meetings. Since 2018, following amendments to the Constitution and the Listing Manual, the Company used electronic communications to transmit annual reports and other documents to shareholders. The annual report, notice of AM and accompanying documents and communications are released via SGXNET which are also made available on the Company's website, and all shareholders of the Company receive a printed letter on how to access the said documents. They also receive the printed notice of AM, proxy form and request form for print version of the annual report and appendices.

11.2 Conduct of General Meetings

The Company conducted its 2023 AM held on 24 April 2023 ("2023 AM") by electronic means via a "live" webcast. Shareholders had participated in the 2023 AM by attending the "live" webcast. Shareholders had also appointed proxies to attend and vote on their behalf at the 2023 AM. Shareholders were also given the opportunity to communicate their views and to engage the Board and Management on the Group's business activities and financial performance by submitting textual questions, in advance of and "live" during the 2023 AM. Directors were urged to attend shareholder meetings and all Directors (except for Mr. Khemraj Sharma Sewraj who was absent for medical reasons) were present at the 2023 AM. The external auditors, Share Registrar & Poll Agent, and Scrutineer were also present. At shareholder meetings, each distinct issue is proposed as a separate resolution.

The Company had addressed all substantive and relevant questions submitted prior to the 2023 AM, as well as those received "live" at the 2023 AM. Results of the voting, as well as presentation slides and Questions and Answers, were released on SGXNET after the 2023 AM. The Minutes of the 2023 AM were also released on SGXNET and uploaded on the Company's website within one month of the event.

11.3 Dividend Policy

The Company currently aims to declare future dividends of up to 30 percent of its underlying profit, i.e. profit attributable to owners of the Company after excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items and other non-operating items. The declaration, amount and payment of future dividends will depend on many factors, including results of operations; cash flow and financial condition; expansion and working capital requirements;

cash dividends received from subsidiaries; future prospects; and other factors deemed relevant by the Board and our shareholders.

The Board has recommended a proposed final dividend of S\$0.00613 per ordinary share for FY2023, subject to shareholders' approval at the 2024 AM.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

12.1 Engagement with Shareholders

We value all of our shareholders, their confidence and on-going support serve as the foundation of our success. We commit to nurture sound and constructive relationships with all shareholders through open, consistent and frequent engagement across various channels. We deliver timely, thorough and up-to-date material information to the global investing community, to support informed investment decisions.

Shareholders are encouraged to extend their engagement with GAR beyond general meetings by reaching out to our Investor Relations team, which is accessible through email at investor@goldenagri.com.sg, calls or through office visits. Additionally, we offer a comprehensive and updated website at <https://www.goldenagri.com.sg>, featuring a dedicated investor section along with other corporate information and developments. This dedicated section includes shareholder information, financial reports, corporate presentations, and SGX filings. Our Investor Relations activities are guided by the Investor Relations policy to ensure regular, effective and fair communication with shareholders and the broader investment community.

The Company prevents selective disclosure of material information. GAR conveys material information through official announcements made on SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results and annual reports are consistently announced and released within the specified/stipulated period. All announcements are posted immediately on the Company's website, and distributed through our investor mailing list, upon release via SGXNET. Shareholders and investors can subscribe to the mailing list by sending a request via email at investor@goldenagri.com.sg. We also leverage various social media and platforms to create wider access to corporate information, broadening our reach and engagement with shareholders.

Since 2020, aligning with the amendments to mandatory quarterly reporting under Rule 705 of the Listing Manual, GAR has consistently released its unaudited financial statements for both the half-year and full year in the format prescribed by the Listing Manual. We also generate supplementary materials, including management discussion and analysis in presentation slides and press releases. As part of GAR's commitment to provide its shareholders with prompt information, the Company voluntarily furnishes first and third quarter key financial, operational performance, business commentary and outlook, which are announced on SGXNET.

Upon releasing its quarterly financial and operational performance, the Company conducts regular virtual briefings with equity analysts and the media through Zoom webinars. During these sessions, senior Management reviews the latest performance, analyses, key value drivers and metrics, and shares the Company's insights and business strategy. On this occasion, analysts, fund managers and reporters are provided with the opportunity to raise questions to our Management, fostering an interactive and informative dialogue.

CORPORATE GOVERNANCE REPORT

While these meetings are largely undertaken by the Company's senior Management, the Chairman and CEO also joins the annual analysts' briefing.

In addition to financial performance, GAR keeps its shareholders informed on other matters that are materially price-sensitive or trade-sensitive through releases on SGXNET, so as to assist shareholders and investors in their investment decision-making.

We offer frequent and direct access to our senior Management. Throughout 2023, the Company has continued to proactively engage shareholders and the investment community via a mix of physical (when feasible) and virtual channels. These include one-on-one or group meetings, investor conferences, conference calls, and email correspondence. Site visit to our plantation and processing facilities is also arranged to provide investors with better understanding of our day-to-day operations and sustainability initiatives on site. These avenues facilitate us to interact and engage in discussion with both existing and potential investors, allowing us to better understand their perspectives and expectations of the Company. Investors are also encouraged to address their concerns or seek clarifications through email or calls. Likewise, we develop and maintain strong relationships with sell-side research analysts as they play an important role in informing and educating the investment community.

Over the past years, shareholders and the investment community have shown increasingly greater interest in sustainability and climate-related matters. Aligning with our commitment to better inform and educate the community, we frequently share updates on our sustainability initiatives and progress. This is disseminated through various public channels such as annual report, sustainability report, corporate website and other corporate social media channels, as well as direct discussion through meetings, calls and email communications.

12.2 Financial Calendar 2024

28 February Announcement of Full Year 2023 results	6 May Last day for trading for cum dividend (scripless holders)	May** Announcement of First Quarter 2024 performance updates
2 April Release of Annual Report 2023	8 May 5:00 PM Record date and time	August** Announcement of Half Year 2024 result
23 April 2024 AM Proposed 2023 final dividend*	9 May Books closure date	November** Announcement of Third Quarter 2024 performance updates
	16 May Dividend payment date	February 2025** Announcement of Full Year 2024 results

Notes:

The above calendar may not list every corporate event.

* Subject to shareholders' approval at the 2024 AM.

** Indicative timeline. The exact dates will be notified about two weeks in advance, which notifications will be released via SGXNET and posted on the Company's website.

**MANAGING STAKEHOLDER RELATIONSHIPS
(PRINCIPLE 13)**

**PRINCIPLE 13:
ENGAGEMENT WITH STAKEHOLDERS**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

13.1 Engagement with Stakeholders

We operate in a dynamic industry, which is why engagement and close collaboration with all stakeholders are important. We undertake a proactive and formal stakeholder engagement exercise. Our stakeholder engagement focuses on trying to better understand stakeholders' needs and concerns. At the same time, we want to build our stakeholders' understanding of our business and the realities of our business.

Operating and producing sustainable palm oil and other agri-products involves facing complex and multi-faceted challenges, while our most important stakeholders also continuously evolve. We constantly review the way we communicate with our stakeholders.

Through a stakeholder mapping exercise, we have identified the stakeholder groups that are fundamental to the sustainability of our operations, and which have a significant interest in the impact of our material sustainability topics. We adopt a tailored approach to ensure regular engagement with each of these groups.

OUR KEY STAKEHOLDERS



Customers and consumers



Employees



Financial community (investors, banks, financial analysts)



Governments and regulatory bodies



Industry bodies and trade associations



Local communities



Media



Civil Society Organisations (CSOs)



Suppliers



Certification bodies: RSPO, ISPO, ISCC, etc.

CORPORATE GOVERNANCE REPORT

13.2 Key Areas of Focus in our Engagement with Stakeholders

We believe that enhanced mutual understanding will support the development of more effective solutions and partnerships, which can better balance environmental protection with the economic and social needs of our stakeholders.

Key areas of concern and focus of our stakeholders as well as the ways in which we interact with our stakeholders and the outcomes of the engagement are fully detailed on our [website](#).

DEALINGS IN SECURITIES

The Company complies with Rule 1207(19) of the Listing Manual on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealings in the Company's securities by the Company, its Directors and officers, including prohibition on dealing in the Company's securities on short-term considerations.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results (if the Company announces its quarterly results, whether required by the SGX-ST or otherwise) and (ii) one month before the announcement of the Company's half year and full year results (if the Company does not announce its quarterly results), and ending on the date of the announcement of the results. Such dealings in the Company as well as other listed companies' securities are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.

INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of interested person ("IP")	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than S\$100,000)
		USD	USD
Sinarmas Land Limited ("SML")	#1	308,280	Nil
Subsidiaries of SML:			
- PT Duta Cakra Pesona	#1	Nil	1,692,860
- PT Royal Oriental	#1	Nil	4,453,319
- Global Prime Treasury Pte. Ltd.	#1	Nil	131,229
Subsidiary of PT Dian Swastatika Sentosa Tbk:			
PT Rolimex Kimia Nusamas ("RKN") #2	#1	Nil	45,931,110
PT Roundhill Capital Indonesia ("RCI") #3	#1	Nil	25,140,786
Subsidiaries of PT Sinar Mas Multiartha Tbk:			
PT Asuransi Sinar Mas	#1	Nil	6,519,619
PT Bank Sinarmas Tbk ("BSM") #4	#1	Nil	26,578,403
PT Cakrawala Mega Indah ("CMI") #5	#1	Nil	14,283,371
PT Indah Kiat Pulp & Paper Tbk	#1	Nil	346,574
PT Pindo Deli Pulp and Paper Mills	#1	Nil	135,049
PT Kreasi Kotakmegah	#1	Nil	955,705
PT Sinar Mas Tjipta	#1	Nil	357,212
Ningbo Asia Paper Tube & Carton Box Co., Ltd	#1	Nil	77,005
Total		308,280	126,602,242

* Renewed at 2023 AM pursuant to Rule 920 of the Listing Manual.

#1 These IPs are regarded as associates of GAR's controlling shareholder under Chapter 9 of the Listing Manual on interested person transactions.

#2 Purchase of agrichemicals, fertilizers, chemicals, oil, lubricant and grease from RKN; sale of oleochemical and by-products biodiesel to RKN.

#3 Purchase of coal from RCI.

#4 Time deposits and current account placements with BSM during the year. Principal amount of placements, including deposits and bank balances, as at 31 December 2023 is approximately USD5.59 million.

#5 Purchase of paper products and chemicals from CMI.

CORPORATE GOVERNANCE REPORT

ADDITIONAL REQUIREMENTS UNDER RULE 720(6) OF THE LISTING MANUAL

Information relating to Directors seeking re-election at the 2024 AM is as follows:

NAME OF DIRECTOR	Muktar Widjaja ("MW")	Christian G H Gautier De Charnacé ("CGDC")	Willy Shee Ping Yah ("WS")
Date of Appointment	24 May 1999	13 November 2018	1 January 2022
Date of Last Re-Appointment (if applicable)	28 April 2021	24 April 2023	24 April 2023
Age	69	74	75
Country of Principal Residence	Indonesia	Thailand	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Please refer to item 4.4 on page 57 of this Annual Report	Please refer to item 4.4 on page 57 of this Annual Report	Please refer to item 4.4 on page 57 of this Annual Report
Whether appointment is executive, and if so, the area of responsibility	Executive Director duties and responsibilities.	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and President.	Non-executive, Independent Director Chairman of AC and NC Member of RC	Non-executive, Lead Independent Director Chairman of RC Member of AC and NC
Professional qualifications	Please refer to page 33 of this Annual Report	Please refer to page 34 of this Annual Report	Please refer to page 35 of this Annual Report
Working experience and occupation(s) during the past 10 years			
Shareholding interest in the Listed issuer and its subsidiaries	Nil	Please refer to item 3 on page 80 of this Annual Report	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the Listed issuer or of any of its principal subsidiaries	Brother of Franky Oesman Widjaja, Director of the Company.	Nil	Nil

NAME OF DIRECTOR	MW	CGDC	WS
Conflict of interests (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#	<p>Past (for the last 5 years)</p> <ul style="list-style-type: none"> + PT Sinarindo Gerbangmas <p>Present</p> <ul style="list-style-type: none"> + AFP Gardens (Tanjong Rhu) Pte Ltd + AFP Hillview Pte Ltd + AFP Land Limited + AFP Land (Malaysia) Sdn Bhd + AFP Resort Development Pte Ltd + AFP Resort Marketing Services Pte Ltd + Amcol (China) Investments Pte Ltd + Anak Bukit Resorts Sdn Bhd + Bali Indowisata Pte Ltd + Golden Agri Plaza Pte Ltd + Golden Ray Development Pte Ltd + PT Sinar Mas Cakrawala + PT Sinar Syno Kimia + Sinarmas Land (HK) Limited + Sinarmas Land Limited + Sinarmas Land Overseas Holding Pte Ltd 	<p>Past (for the last 5 years)</p> <ul style="list-style-type: none"> + Millennium & Copthorne Hotels PLC (Delisted) <p>Present</p> <ul style="list-style-type: none"> + Hong Leong Finance Limited + PT BNP Paribas Sekuritas Indonesia 	<p>Past (for the last 5 years)</p> <ul style="list-style-type: none"> + Ascendas Hospitality Fund Management Pte Ltd + Ascendas Hospitality Trust Management Pte Ltd + Keppel Land Limited + Mercatus Co-Operative Ltd + NTUC Fairprice Co-Operative Ltd + Sabana Real Estate Investment Management Pte Ltd <p>Present</p> <ul style="list-style-type: none"> + CBRE Pte Ltd + Bund Center Investment Ltd + Shanghai Golden Bund Real Estate Co., Ltd + Sinarmas Land Limited

* "Principal Commitments" has the same meaning as defined in the Code.

These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

CORPORATE GOVERNANCE REPORT

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

NAME OF DIRECTOR	MW	CGDC	WS
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

NAME OF DIRECTOR	MW	CGDC	WS
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	Yes*	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or			
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or			
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or			
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,			
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

* MW has been a director of Sinarmas Land Limited ("SML") since 1997. In 2001, SML (then known as Asia Food & Properties Limited ("AFP")) was investigated by the Commercial Affairs Department ("CAD"). As far as MW is aware, the CAD had completed its investigations against AFP and no further action was taken against AFP. As far as MW is aware, he was not the subject of any investigation and no action has ever been taken against him by the CAD.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Franky Oesman Widjaja (Chairman)
Muktar Widjaja
Rafael Buhay Concepcion, Jr.
Christian G H Gautier De Charnacé
Willy Shee Ping Yah
Soh Hang Kwang
Khemraj Sharma Sewraz
Marie Claire Goolam Hossen

AUDIT COMMITTEE

Christian G H Gautier De Charnacé (Chairman)
Willy Shee Ping Yah
Soh Hang Kwang

NOMINATING COMMITTEE

Christian G H Gautier De Charnacé (Chairman)
Willy Shee Ping Yah
Franky Oesman Widjaja

REMUNERATION COMMITTEE

Willy Shee Ping Yah (Chairman)
Christian G H Gautier De Charnacé
Franky Oesman Widjaja

SECRETARY

1Q EQ Corporate Services (Mauritius) Ltd

REGISTERED OFFICE

c/o IQ EQ Corporate Services (Mauritius) Ltd
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Mauritius
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Golden Agri Plaza
Singapore 118535
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INVESTOR RELATIONS

Richard Fung
Email: investor@goldenagri.com.sg

SHARE REGISTRAR AND TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel: (65) 6593 4848

AUDITORS

Moore Stephens LLP
Chartered Accountants of Singapore
10 Anson Road #29-15
International Plaza
Singapore 079903
Tel: (65) 6221 3771
Fax: (65) 6221 3815
Partner-in-charge: Neo Keng Jin
(Appointed during the financial year ended
31 December 2019)

Moore

Chartered Accountants
6th Floor, Newton Tower
Sir William Newton Street
Port Louis,
Republic of Mauritius
Tel: (230) 211 6535
Fax: (230) 211 6964
Partner-in-charge: Shweta Moheeput, FCA
(Appointed during the financial year ended
31 December 2019)

DATE AND COUNTRY OF INCORPORATION

15 October 1996
Republic of Mauritius

SHARE LISTING

The Company's shares are listed on the Singapore
Exchange Securities Trading Limited

DATE OF LISTING

9 July 1999



FINANCIAL REPORTS

GOLDEN AGRI-RESOURCES LTD (Incorporated in Mauritius) **AND ITS SUBSIDIARIES**

REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

Report of the Directors	80
Statement by the Directors	83
Independent Auditor's Report	84
Consolidated Income Statement	88
Consolidated Statement of Comprehensive Income	89
Consolidated Statement of Financial Position	90
Consolidated Statement of Changes in Equity	92
Consolidated Statement of Cash Flows	93
Notes to the Consolidated Financial Statements	95

REPORT OF THE DIRECTORS

31 DECEMBER 2023

The directors are pleased to present their report to the members together with the audited financial statements of Golden Agri-Resources Ltd (“GAR” or the “Company”) and its subsidiaries (the “Group”) for the financial year ended 31 December 2023.

1 Directors

The directors of the Company in office at the date of this report are:

Franky Oesman Widjaja
Muktar Widjaja
Rafael Buhay Concepcion, Jr.
Christian G H Gautier De Charnacé
Willy Shee Ping Yah
Soh Hang Kwang
Khemraj Sharma Sewraz
Marie Claire Goolam Hossen

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Except as disclosed in the consolidated financial statements, neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 Directors’ Interests in Shares and Debentures

The directors of the Company holding office at 31 December 2023 had no interests in the shares, share awards, convertible securities or debentures of the Company and related corporations as recorded in the Register of Directors’ Interests as at 31 December 2023 and 21 January 2024, except as follows:

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse or their nominees		Shareholdings in which directors are deemed to have an interest	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
The Company	<u>Shares of US\$0.025 each</u>			
Christian G H Gautier De Charnacé	352,000	352,000	-	-

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2024.

4 Directors' Receipt and Entitlement to Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the notes to the consolidated financial statements.

There were certain transactions (shown in the consolidated financial statements) with corporations in which certain directors have an interest.

5 Options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year in respect of shares of the Company.

6 Audit Committee

At the date of this report, the Audit Committee ("AC") comprises the following 3 directors, all of whom, including the AC Chairman, are Non-executive, Independent Directors:

Christian G H Gautier De Charnacé
Willy Shee Ping Yah
Soh Hang Kwang

The AC has the explicit authority to investigate any matter within its terms of reference.

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the board of directors ("Board"). In particular, the duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;
- (c) reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements of the Group;
- (d) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (e) making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors; and
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and ensuring that the Company publicly discloses and clearly communicates to employees and other stakeholders the existence of a whistle-blowing policy and procedures for raising such concerns.

REPORT OF THE DIRECTORS

31 DECEMBER 2023

6 Audit Committee (cont'd)

The AC reviews with Management, and where relevant, with the external and internal auditors, the results announcements, annual report and financial statements, interested person transactions and corporate governance, before submission to the Board for approval and adoption.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. The AC also meets separately with the internal and external auditors at least annually, whereby any issues may be raised directly to the AC, without the presence of Management. The internal and external auditors have unfettered access to the AC.

The AC has recommended to the Board that Moore Stephens LLP, Public Accountants and Chartered Accountants, be nominated for re-appointment at the forthcoming annual meeting.

7 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

Date: 15 March 2024

STATEMENT BY THE DIRECTORS

31 DECEMBER 2023

In the opinion of the directors, the consolidated financial statements set out on pages 88 to 169 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2023 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

Date: 15 March 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

Opinion

We have audited the consolidated financial statements of Golden Agri-Resources Ltd (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in financial assets

We refer to Note 3(k), Note 4(a)(iv), Note 14, Note 20 and Note 41 to the consolidated financial statements. The Group holds interests in its portfolio companies via various types of financial instruments, comprising quoted and unquoted equity securities, unquoted funds, convertible instruments and unquoted debt securities. The carrying value of the financial assets at fair value through other comprehensive income ("FVOCI") amounted to US\$820.3 million and financial assets at fair value through profit or loss ("FVTPL") amounted to US\$442.6 million. These accounted for approximately 13% of the Group's total assets as at 31 December 2023.

Investments of unquoted investment funds, which are classified as Level 3 in the fair value hierarchy, were determined by reference to fund statements provided by external fund managers and valuation reports provided by independent professional valuers. The other funds are valued based on third party information such as fund statements provided by financial institutions/external fund managers or quoted market prices.

Our approach to the review of the valuation of investments included assessing the appropriateness of the valuation methodologies adopted, evaluating the independent external valuers' competence, capability and objectivity in the valuation of the investments in financial assets, reviewing the reasonableness of inputs applied, involving our valuation specialists to assess the valuation methodologies, valuation assumptions and inputs used by management and conducting a detailed discussion with the Group's key management and external valuers' on the assumptions used.

We found the valuation estimates determined by the Group are within a reasonable range of outcomes.

(cont'd)

Key Audit Matters (cont'd)

Accounting for derivative financial instruments

We refer to Note 3(l), Note 4(a)(iv) and Note 40 to the consolidated financial statements. The Group enters into derivative financial instruments such as forward currency contracts and various commodity futures and options. During the financial year, the Group recognised derivative financial instruments at fair value through profit or loss.

As at 31 December 2023, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US\$38.6 million and US\$20.6 million respectively. The determination of the fair values of the derivative financial instruments involves significant judgements and is subject to estimation uncertainty as subjective variables need to be used in order to derive the fair values.

We checked management's process and computation to derive the fair value and recomputed the unrealised gains/losses on the firm commodity commitment contracts. For other types of derivative financial instruments, we independently obtained statements from banks and other financial institutions to compare against the fair values of the derivatives recorded.

We found management's assessment of the fair value of derivative financial instruments to be reasonable.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

(cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
Date: 15 March 2024

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Revenue	5	9,756,197	11,438,798
Cost of sales	6	(7,904,901)	(8,413,220)
Gross profit		<u>1,851,296</u>	<u>3,025,578</u>
Operating expenses			
Selling expenses	7	(986,276)	(1,233,696)
General and administrative expenses	7	(388,982)	(336,653)
		<u>(1,375,258)</u>	<u>(1,570,349)</u>
Operating Profit		<u>476,038</u>	<u>1,455,229</u>
Other income/(expenses)			
Financial income	8	70,292	33,861
Financial expenses	8	(223,678)	(186,508)
Share of results of associated companies		4,744	3,892
Share of results of joint ventures		18,176	70,559
Foreign exchange (loss)/gain		(7,128)	6,060
Write-back of expected credit loss on trade and non-trade receivables	10	634	6,480
Other income/(expenses)	9	40,270	(154,263)
		<u>(96,690)</u>	<u>(219,919)</u>
Exceptional item			
Allowance for impairment loss on property, plant and equipment	24	-	(409)
Profit before income tax	10	379,348	1,234,901
Income tax	11	(166,671)	(388,361)
Profit for the year		<u>212,677</u>	<u>846,540</u>
Attributable to:			
Owners of the Company		197,601	782,103
Non-controlling interests		15,076	64,437
		<u>212,677</u>	<u>846,540</u>
Earnings per ordinary share (US cents per share)			
Basic and diluted	12a	<u>1.56</u>	<u>6.17</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Profit for the year		<u>212,677</u>	<u>846,540</u>
Other comprehensive income/(loss)			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Net actuarial gain on post-employment benefits	39	176	9,813
Share of other comprehensive loss of an associated company		-	(11)
Changes in fair value of financial assets at fair value through other comprehensive income	41	(177,330)	(233,770)
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation differences on consolidation		(3,015)	(57,590)
Share of other comprehensive income/(loss) of:			
Joint ventures		660	(3,790)
Associated companies		162	(1,732)
Other comprehensive loss, net of income tax		<u>(179,347)</u>	<u>(287,080)</u>
Total comprehensive income for the year		<u><u>33,330</u></u>	<u><u>559,460</u></u>
Total comprehensive income attributable to:			
Owners of the Company		18,887	507,241
Non-controlling interests		14,443	52,219
		<u><u>33,330</u></u>	<u><u>559,460</u></u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Assets			
Current Assets			
Cash and cash equivalents	13	544,570	691,065
Short-term investments	14	590,653	454,048
Trade receivables	15	653,807	790,779
Other current assets	16	557,655	576,519
Biological assets	17	69,654	75,731
Inventories	18	1,500,432	1,570,356
		<u>3,916,771</u>	<u>4,158,498</u>
Non-Current Assets			
Long-term receivables and assets	19	40,612	59,829
Long-term investments	20	1,250,018	1,249,399
Investment in associated companies	21	26,461	22,399
Investment in joint ventures	22	244,490	247,645
Investment properties	23	83	90
Property, plant and equipment	24	2,510,575	2,472,708
Bearer plants	25	1,306,228	1,347,635
Tax recoverable	19	159,053	68,679
Deferred tax assets	26	99,447	107,292
Intangible assets	27	162,750	167,898
		<u>5,799,717</u>	<u>5,743,574</u>
Total Assets		<u>9,716,488</u>	<u>9,902,072</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Liabilities and Equity			
Current Liabilities			
Short-term borrowings	28	1,519,530	1,737,828
Bonds and notes payable	30	132,503	98,285
Lease liabilities	31	17,879	7,617
Trade and trust receipts payables	32	510,604	583,828
Other payables	33	498,732	573,983
Taxes payable	11	78,705	192,348
		<u>2,757,953</u>	<u>3,193,889</u>
Non-Current Liabilities			
Long-term borrowings	29	1,012,577	655,630
Bonds and notes payable	30	341,750	465,795
Lease liabilities	31	40,391	18,427
Deferred tax liabilities	26	164,472	166,738
Long-term payables and liabilities	34	219,441	147,244
		<u>1,778,631</u>	<u>1,453,834</u>
Total Liabilities		<u>4,536,584</u>	<u>4,647,723</u>
Equity Attributable to Owners of the Company			
Issued capital	36	320,939	320,939
Share premium		1,216,095	1,216,095
Treasury shares	36	(39,825)	(39,825)
Other paid-in capital		184,318	184,318
Other reserves			
Option reserve	37	31,471	31,471
Currency translation reserve	37	(63,544)	(62,007)
Fair value reserve	37	(300,911)	(123,581)
PRC statutory reserve	37	6,289	4,494
Others	37	41,367	41,012
		<u>(285,328)</u>	<u>(108,611)</u>
Retained earnings		<u>3,530,202</u>	<u>3,428,545</u>
		4,926,401	5,001,461
Non-Controlling Interests		<u>253,503</u>	<u>252,888</u>
Total Equity		<u>5,179,904</u>	<u>5,254,349</u>
Total Liabilities and Equity		<u>9,716,488</u>	<u>9,902,072</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	← Attributable to Owners of the Company →						Non-Controlling Interests	Total Equity	
	Issued Capital	Share Premium	Treasury Shares	Other Paid-in Capital	Other Reserves	Retained Earnings			Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 1.1.2023	320,939	1,216,095	(39,825)	184,318	(108,611)	3,428,545	5,001,461	252,888	5,254,349
Profit for the year	-	-	-	-	-	197,601	197,601	15,076	212,677
Other comprehensive loss	-	-	-	-	(176,766)	(1,948)	(178,714)	(633)	(179,347)
Total comprehensive (loss)/income for the year	-	-	-	-	(176,766)	195,653	18,887	14,443	33,330
Dividends (Note 38)	-	-	-	-	-	(93,996)	(93,996)	-	(93,996)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(13,779)	(13,779)
Change in interest in a subsidiary (Note 47h)	-	-	-	-	49	-	49	(49)	-
Balance at 31.12.2023	320,939	1,216,095	(39,825)	184,318	(285,328)	3,530,202	4,926,401	253,503	5,179,904
Balance at 1.1.2022	320,939	1,216,095	(37,517)	184,318	175,989	2,817,567	4,677,391	214,613	4,892,004
Profit for the year	-	-	-	-	-	782,103	782,103	64,437	846,540
Other comprehensive loss	-	-	-	-	(274,721)	(141)	(274,862)	(12,218)	(287,080)
Total comprehensive (loss)/income for the year	-	-	-	-	(274,721)	781,962	507,241	52,219	559,460
Dividends (Note 38)	-	-	-	-	-	(170,984)	(170,984)	-	(170,984)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(24,586)	(24,586)
Shares buy-back and held as treasury shares (Note 36)	-	-	(2,308)	-	-	-	(2,308)	-	(2,308)
Adjustment to changes in interest in subsidiaries (Note 47i)	-	-	-	-	(9,879)	-	(9,879)	9,879	-
Deconsolidation of subsidiaries (Note 42b)	-	-	-	-	-	-	-	857	857
Waiver of loan from non-controlling shareholder written-back	-	-	-	-	-	-	-	(94)	(94)
Balance at 31.12.2022	320,939	1,216,095	(39,825)	184,318	(108,611)	3,428,545	5,001,461	252,888	5,254,349

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Cash flows from operating activities			
Profit before income tax		379,348	1,234,901
Adjustments for:			
Depreciation of investment properties	23	5	5
Depreciation of property, plant and equipment	24	247,702	281,158
Depreciation of bearer plants	25	118,177	109,144
Amortisation of intangible assets		6,713	7,434
Net loss from changes in fair value of biological assets	17	6,077	16,625
Unrealised foreign exchange loss/(gain)		6,073	(11,293)
Share of results of associated companies		(4,744)	(3,892)
Share of results of joint ventures		(18,176)	(70,559)
Gain on deconsolidation of subsidiaries	42b	-	(1,988)
Gain on disposal of certain interest in an associated company	42b	-	(969)
Loss on disposal of an associated company		-	2,564
Gain on disposal of property, plant and equipment	9	(16,458)	(2,486)
Bearer plants and property, plant and equipment written off	9	3,864	1,572
Provision for/(Write-back of) expected credit loss on:			
Trade receivables, net	10	705	(72)
Non-trade receivables, net	10	(1,339)	(6,408)
(Write-back of)/Allowance for impairment loss on:			
Inventories, net		(7,241)	3,111
Property, plant and equipment	24	-	409
Changes in fair value of financial assets at fair value through profit or loss	9	13,334	211,873
Goodwill written off	27	-	1,439
Interest income	8	(70,292)	(33,861)
Interest expense	8	220,428	182,493
Operating cash flows before working capital changes		884,176	1,921,200
Changes in operating assets and liabilities:			
Trade receivables		136,272	(7,713)
Other receivables		46,660	(17,202)
Inventories		77,189	(189,037)
Trade and trust receipts payables		(73,224)	(95,875)
Other payables		(6,188)	(105,435)
Cash generated from operations		1,064,885	1,505,938
Interest paid		(201,932)	(173,674)
Interest received		75,185	26,906
Tax paid		(383,600)	(274,040)
Net cash generated from operating activities		554,538	1,085,130

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		27,390	5,429
Proceeds from disposal of bearer plants		-	1,462
Capital expenditure on property, plant and equipment		(248,497)	(161,233)
Capital expenditure on bearer plants	25	(66,409)	(35,831)
Payments for investment in financial assets		(331,025)	(734,857)
Redemption/Return of capital from investment in financial assets		3,099	233,303
Proceeds from Plasma/KKPA program plantations, net		1,021	927
Investment in an associated company and a joint venture	47g,47j	(310)	(2,563)
Cash outflow from deconsolidation of subsidiaries	42b	-	(117)
Cash outflow from acquisition of a subsidiary	42a	(32)	-
Proceeds from disposal of certain interest in an associated company	42b	-	1,000
Proceeds from disposal of an associated company		-	4,306
Return of capital from a joint venture		20,000	-
Dividend received from a joint venture		2,000	3,000
Dividend received from an associated company		1,142	1,121
Payments for intangible assets	27	(1,410)	(2,587)
Increase in long-term receivables and assets		(11,582)	(19,221)
Net cash used in investing activities		<u>(604,613)</u>	<u>(705,861)</u>
Cash flows from financing activities			
Proceeds from short-term borrowings		4,204,670	5,686,341
Proceeds from long-term borrowings		845,891	266,601
Proceeds from bonds issue	35	-	251,402
Payments of dividends		(107,775)	(195,570)
Payments of short-term borrowings		(4,223,409)	(5,649,128)
Payments of long-term borrowings		(695,734)	(407,485)
Payments for shares buy-back	36	-	(2,308)
Payments of principal element of leases	35	(18,384)	(13,015)
Payments of bonds and notes payable	35	(101,379)	(87,808)
Payments of deferred bond and loan charges and bank loan administration costs		(4,209)	(4,354)
Increase in cash in banks and time deposits pledged		(75,637)	(137,543)
Net cash used in financing activities		<u>(175,966)</u>	<u>(292,867)</u>
Net (decrease)/increase in cash and cash equivalents		(226,041)	86,402
Cash and cash equivalents at the beginning of the year		539,765	485,113
Effect of exchange rate changes on cash and cash equivalents		3,909	(31,750)
Cash and cash equivalents at the end of the year	13	<u>317,633</u>	<u>539,765</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1 General

Golden Agri-Resources Ltd (the “Company” or “GAR”) is a public limited company incorporated in Mauritius. The registered office is c/o IQ EQ Corporate Services (Mauritius) Ltd, 33 Edith Cavell Street, Port Louis, 11324, Mauritius.

The Company is principally engaged as an investment holding company. The principal activities and principal place of business of the subsidiaries, associated companies and joint ventures are described in Note 47 to the consolidated financial statements. The controlling shareholders of the Company comprise certain members of the Widjaja Family.

The consolidated financial statements as at and for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 15 March 2024.

2 New and Revised International Financial Reporting Standards (“IFRSs”)

(a) Adoption of New and Revised IFRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2023. The adoption of these new and revised IFRSs has had no material financial impact on the financial statements of the Group.

(b) New and Revised IFRSs issued but not yet effective

As at the date of these financial statements, the Group has not adopted the following amendments to the standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1, <i>Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current</i>	1 January 2024
Amendments to IAS 1, <i>Presentation of Financial Statements - Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to IFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to IAS 7, <i>Statement of Cash Flows</i> and IFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2024
Amendments to IAS 21, <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025

Except for the Amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements* which has additional disclosure requirements to the consolidated financial statements, the directors of the Company expect the adoption of the amendments to the standards above will have no material impact on the consolidated financial statements in the period of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies

(a) Basis of Preparation

The consolidated financial statements are prepared on the historical cost basis, except as disclosed in the accounting policies below. The consolidated financial statements are prepared in accordance with IFRSs.

The preparation of financial statements requires the use of estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

Critical accounting estimates and assumptions used that are significant to the consolidated financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 4 to the consolidated financial statements.

(b) Functional and Presentation Currency

The functional currency of the Company, its Indonesian subsidiaries and a number of its other subsidiaries is the United States dollar. Because of the international nature of the crude palm oil and soybean products that the Group is principally engaged in and the fact that the transactions are usually denominated in or derived from United States dollar, the directors are of the opinion that the United States dollar reflects the primary economic environment in which the entities operate.

The consolidated financial statements are presented in United States dollar, which is the Company's functional currency and presentation currency. All financial information presented in United States dollars have been rounded to the nearest thousand, unless otherwise stated.

(c) Foreign Currencies

Foreign currency transactions are translated into the respective functional currencies of the companies in the Group at the exchange rates prevailing at the time the transactions are entered into. Currency translation differences arising from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the end of the reporting period are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates prevailing at the date of transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date that the fair value was determined.

In the preparation of the consolidated financial statements, the financial statements of those subsidiaries whose functional currency is not the United States dollar (i.e. "foreign entities") have been translated to United States dollar, the presentation currency of the Company, as follows:

- assets and liabilities are translated at the exchange rates approximating those prevailing at the end of the reporting period;
- share capital and reserves are translated at historical exchange rate; and
- income and expenses are translated at the average exchange rates for the period (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions).

3 Summary of Material Accounting Policies (cont'd)

(c) Foreign Currencies (cont'd)

Exchange differences arising from the above translations are recognised in other comprehensive income and these are accumulated in currency translation reserve within equity. Such cumulative translation differences are reclassified from equity to the income statement in the period in which the foreign entity is disposed of.

On consolidation, exchange differences arising from the translation of the net investments in foreign entities (including monetary items that in substance form part of the net investments in foreign entities) are recognised in other comprehensive income.

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") made up to 31 December.

Subsidiaries are entities over which any of the Group companies have control. The Group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Group will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group companies and are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, material inter-company transactions between Group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

With the exception of business combinations involving entities under common control, acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in IFRS 3, *Business Combinations*.

Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(d) Basis of Consolidation (cont'd)

Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with equity owners of the Company. Any difference between the change in carrying amounts of the non-controlling interest and the value of consideration paid or received is recognised in other reserves, within equity attributable to the owners of the Company.

Business combinations which involve the transfer of net assets or the exchange of shares between entities under common control are accounted for as a uniting of interests. The financial information included in the consolidated financial statements reflects the combined results of the entities concerned as if the merger had been in effect for all periods presented.

(e) Associated Companies and Joint Ventures

Associated companies are entities in which the Group has significant influence but not control, which generally occurs when the Group holds, directly or indirectly, 20% or more of the voting power of the investee, or is in a position to exercise significant influence on the financial and operating policy decisions.

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties and have rights to the net assets of the arrangements.

The Group accounts for its investment in associated companies and joint ventures using the equity method from the date on which it becomes an associated company or joint venture.

On acquisition of the investment, the cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any excess of the cost of investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is included in the carrying amount of the investments. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associated companies or joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated companies or joint ventures. The Group's share of post-acquisition profit or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless transactions provide evidence of impairment of the assets transferred.

When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company or joint venture.

The financial statements of the associated companies and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3 Summary of Material Accounting Policies (cont'd)

(f) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both.

Investment properties are carried at cost less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives, or where shorter, the terms of the relevant leases of 45 years.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use.

The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period.

(g) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Freehold land is not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amount over the following estimated useful lives:

	<u>No. of years</u>
Storage tanks, land improvements and bridges	- 2 to 50
Buildings	- 2 to 50
Machinery and equipment	- 4 to 25
Leasehold improvements, furniture and fixtures	- 3 to 10
Transportation equipment	- 2 to 16

Land rights are carried at cost less any impairment losses and not subject to amortisation except for those which have finite economic lives are amortised over the terms of the land rights, which range from 46 to 50 years. Amortisation commences upon obtaining regulatory approval from the relevant authorities.

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposed. Any gains or losses on disposal of property, plant and equipment are recognised in the income statement in the year of disposal.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(g) Property, Plant and Equipment (cont'd)

The cost of maintenance and repairs is charged to the income statement as incurred; significant renewals and improvements are capitalised. When assets are retired or otherwise disposed of, their carrying amounts are derecognised and any resulting gains or losses are recognised in the income statement.

The cost of construction in progress represents all costs (including borrowing costs on such borrowings) attributable to bringing the constructed asset to its working condition and getting it ready for its intended use. The accumulated costs will be reclassified to the appropriate asset class when the construction is completed. No depreciation charge is provided for construction in progress until the assets are transferred and used in operations.

(h) Bearer Plants

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period. Bearer plants (oil palm trees) include mature plantations (fresh fruit bunches), immature plantations and nursery that are established or acquired by the Group.

Mature plantations are stated at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 25 years.

Costs incurred in the preparation of the nursery, purchase of seedlings and their maintenance are stated at cost. The accumulated costs will be transferred to immature plantations account at the time of planting.

Immature plantations are stated at cost. The costs of immature plantations consist mainly of the accumulated cost of planting, fertilising and maintaining the plantation, including borrowing costs on such borrowings and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate. An oil palm plantation is considered mature when such plantation starts to produce at the beginning of the fourth year.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposed. Any gains or losses on disposal of bearer plants are recognised in the income statement in the year of disposal.

The residual values and useful lives of bearer plants are reviewed, and adjusted as appropriate, at the end of each reporting period.

(i) Goodwill

The excess of the aggregation of consideration transferred, the amount of any non-controlling interest in the acquiree, and fair value at the date of acquisition of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired is initially recognised as goodwill in the consolidated financial statements. Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets and liabilities exceeds the consideration transferred and the non-controlling interest in the acquiree, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is recognised as an income in the income statement immediately.

3 Summary of Material Accounting Policies (cont'd)

(i) Goodwill (cont'd)

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(j) Intangible Assets Excluding Goodwill

All incidental costs, incurred in connection with the renewal of land rights, are capitalised and amortised over the term of the related land rights less any impairment loss.

Costs incurred for acquisition of computer software, whose benefits extend over a period of more than one year, are being capitalised, classified as others under intangible assets, and amortised over the periods benefited, which range from 1 to 5 years, using the straight-line method less any impairment loss.

Brands and trademarks are initially stated at acquisition cost and subsequently carried at cost less accumulated amortisation and any impairment loss. The cost is amortised through the income statement over their estimated useful lives of 20 years using the straight-line method.

(k) Financial Assets

The Group recognises a financial asset when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

- Classification of financial assets

The Group classifies its non-derivative financial assets in the following measurement categories: amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the income statement.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(k) Financial Assets (cont'd)

- Classification of financial assets (cont'd)

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

- Impairment of financial assets

The Group recognises loss allowances from expected credit losses ("ECLs") on financial assets measured at amortised cost. Loss allowances of the Group are measured on either of 12-month ECLs resulting from possible default events within the 12 months after the reporting date or lifetime ECLs resulting from all possible default events over the expected life of a financial instrument.

The Group applies the simplified approach and records lifetime ECLs on all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition. At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counter party has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal service where appropriate. Any recoveries are recognised in the income statement.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty of a debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of these assets.

3 Summary of Material Accounting Policies (cont'd)

(l) Financial Instruments and Hedge Accounting

Derivative financial instruments such as commodities, futures and options contracts are used to manage exposures to foreign exchange and commodity price risks arising from operational activities.

Derivative financial instruments are recognised initially at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement unless the derivative qualifies for hedge accounting where the recognition of any changes in the fair value depends on the nature of the item being hedged.

The Group enters into committed purchase and sales contracts for palm oil commodities as part of its merchandising activities. The prices and physical delivery of the sales and purchases are fixed in the contracts. These contracts are accounted for as derivatives and the fair values arising from these contracts on an aggregated basis are recognised in the financial statements until physical deliveries take place.

When a derivative is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion is recognised in other comprehensive income. When the forecast transaction subsequently results in a recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which the fair value hedge accounting is applied, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the carrying amount of the non-financial asset or non-financial liability. For other cash flow hedges, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. The ineffective portion of any changes in the fair value of the derivative is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss previously recognised in other comprehensive income remains there and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement.

(m) Biological Assets

The fresh fruit bunches ("FFB") that are growing on the bearer plants (oil palm trees) are accounted for as biological assets until the point of harvest. Biological assets are measured at fair value less estimated point-of-sale costs at the point of harvest. The fair values of FFB were determined with reference to their market prices. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

(n) Cash and Bank Balances

Cash and cash equivalents comprise cash on hand, cash in banks and time deposits with maturities of three months or less which are highly liquid assets that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Short-term time deposits with maturities of more than three months but less than one year are carried at cost and classified under short-term investments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of cash in banks and time deposits with maturities of less than three months pledged as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method for raw materials and finished goods and by the moving average method for other inventories, such as fuel, chemical and packing supplies and others. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

(p) Impairment of Non-Financial Assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less costs of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. A reversal of an impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Trade and Other Payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest-bearing payables are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing payables are stated at amortised cost using the effective interest method.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

(s) Leases

- *When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

For contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group does not separate lease and non-lease component, if any, for all leases and account these as one single lease component.

3 Summary of Material Accounting Policies (cont'd)

(s) Leases (cont'd)

- *When the Group is the lessee (cont'd)*

The Group recognises right-of-use (“ROU”) assets and lease liabilities at the date which the underlying assets become available for use. ROU assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for re-measurement of lease liabilities. The cost of ROU assets includes the initial measurement of lease liabilities adjusted for any lease payment made at or before the commencement dates, plus any initial direct costs incurred less any lease incentives received. Any initial cost that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets. ROU asset is depreciated using the straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. Lease payment relating to these leases are expensed to the income statement on a straight-line basis over the lease term.

ROU assets (except for those which meets the definition of an investment property) are presented within “Property, plant and equipment” in the statement of financial position. ROU assets which meet the definition of an investment property are presented as “Investment properties” and accounted for in accordance with Note 3(f).

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If the rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payment included in the measurement of the lease liability comprise fixed payments (including in substance fixed payment), less any lease incentive receivables. Lease liabilities are subsequently measured at amortised cost, and are remeasured when there is a change in the Group’s assessment of whether it will exercise lease extension and termination option, or there is a modification to the lease terms. Where lease liabilities are remeasured, corresponding adjustments are made against the ROU assets. If the carrying amount of the ROU assets have been reduced to zero, the adjustments are recorded in the income statement.

- *When the Group is the lessor*

Leases of investment properties where the Group retains substantively all risks and rewards incidental to ownership are classified as operating lease. Leasing income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease period. Contingent rents are recognised as income in the income statement when earned. When a lease is terminated before the lease period expires, any payment received by the Group as penalty is recognised as an income when termination takes place.

(t) Interest-Bearing Borrowings

Interest-bearing borrowings are recorded at the proceeds received, net of direct issue costs. Direct issue costs are amortised over the term of each borrowing. Finance charges are accounted for on an accrual basis in the income statement using the effective interest method.

(u) Dividend Distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved for payment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(v) Share Capital and Share Premium

Ordinary shares are classified as equity. Share capital is determined using the par value of shares that have been issued. Share premium includes any excess received on the issuance of shares over the par value, net of any direct issue costs. The share premium amount may be applied only for the purpose specified in the Companies Act 2001.

The Company's own ordinary shares, which are re-acquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, re-issuance or cancellation of equity shares. Any difference between the carrying amount of treasury shares and the consideration received, if re-issued, is recognised directly in equity as gain or loss on re-issuance of treasury shares.

(w) Related Party Transactions

A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate, a joint venture or provides key management personnel services to the reporting entity or to the parent of the reporting entity. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

(x) Borrowing Costs

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, except to the extent they are capitalised as being directly attributable to the acquisition and construction of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Certain subsidiaries capitalise borrowing costs, including interest and other financial charges on borrowings used to finance the construction of factories, expansion of plantations, construction of fixed assets and development of properties. Capitalisation ceases when substantially all the activities necessary to prepare the related assets for their intended use or sale are completed. The capitalised costs are depreciated over the same periods and on the same basis as the underlying assets.

(y) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions made into separate stated managed entities, such as the Central Provident Fund in Singapore under a defined contribution plan, on a mandatory, contractual or voluntary basis with no further payment obligation once the contributions have been paid are recognised in the income statement in the period in which the related service is performed.

Certain subsidiaries in Indonesia have defined contribution retirement plans covering substantially all of their eligible permanent employees. The Group's contributions to the funds are computed at a certain percentage of the basic income for its employees.

3 Summary of Material Accounting Policies (cont'd)

(y) Employee Benefits (cont'd)

Certain subsidiaries also recognise additional provisions for employee service entitlements in accordance with the Indonesian Labor Law (the "Labor Law"). The said additional provisions, which are unfunded, are estimated using the projected unit credit method, with actuarial calculations based on the report prepared by an independent actuary.

Actuarial gains or losses are recognised immediately in other comprehensive income and all past service costs are recognised immediately in the income statement in the period they occur.

The related estimated liability for employee benefits is the difference between the present value of the estimated employee service entitlement based on the Labor Law and the projected cumulative funding based on the defined contribution plan.

(z) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period in the countries where the Group operates and generates income. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred income tax is also dealt with in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(aa) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee (the chief operating decision maker) of the Group, which consist of the Chairman and Chief Executive Officer (CEO), the Executive Directors and the CEOs of business units, to make decisions about resources to be allocated to the segment and to assess its performance.

The Executive Committee assesses the performance of the operating segments based on a measure of earnings before income tax, non-controlling interests, interests on borrowings, foreign exchange gain/(loss), depreciation and amortisation, net changes in fair value of biological assets and exceptional item ("EBITDA"). All inter-segment sales and transfers are accounted for as if the sales or transfers were to third parties, i.e. at current market price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(ab) Revenue Recognition

Revenue is recognised to depict the transfer of goods and services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods and services. Revenue is recognised in the income statement as follows:

- Revenue from sales arising from physical delivery of products is recognised when the Group satisfies a performance obligation at a point in time by transferring control of a promised good to a customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.
- Revenue from processing, shipping, repair services and trucking services is recognised when the services are rendered over time.
- Revenue from the provision of port and storage facilities is recognised when the services are rendered over time.
- Rental income from operating leases is recognised over time on a straight-line basis over the term of the lease contracts.
- Dividend income from investments is recognised at a point in time on the date the dividends are declared payable by the investees.
- Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

(ac) Financial Guarantees

The Company has issued corporate guarantees to creditors for borrowings of its subsidiaries, joint ventures and entities owned by its investees and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the creditors if the borrowers fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

4 Critical Accounting Estimates, Assumptions and Judgements

The Group makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical Accounting Estimates and Assumptions

(i) Estimated Useful Lives of Property, Plant and Equipment and Bearer Plants

The Group estimates the useful lives of property, plant and equipment and bearer plants based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment and bearer plants are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment and bearer plants are based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment and bearer plants would increase the recorded expenses and decrease the non-current assets.

There is no significant change in the estimated useful lives of property, plant and equipment and bearer plants during the current financial year. The carrying amounts of the Group's property, plant and equipment and bearer plants are disclosed in Note 24 and Note 25 to the consolidated financial statements respectively.

(ii) Impairment of Goodwill

The Group performed impairment tests on goodwill on an annual basis, in accordance with the accounting policy stated in Note 3(i). The recoverable amounts of the cash-generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and expected future cash flows as well as growth rate used for extrapolation purpose during the period. Expected future cash flows are estimated using industry trends, general market and economic conditions, past practices and margins with reference to the historical results.

During the current financial year, there is no impairment loss recognised in the consolidated financial statements. The carrying amounts of goodwill are disclosed in Note 27 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

4 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Critical Accounting Estimates and Assumptions (cont'd)

(iii) Post-Employment Benefits

The present value of the post-employment benefits obligations and cost for post-employment benefits are dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and rates of salary increase, are described in Note 39. In accordance with IAS 19, *Employee Benefits*, actual results that differ from the assumptions may generally affect the recognised expense and recorded obligation. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the post-employment benefits obligations.

The carrying amounts of the Group's estimated post-employment benefits liabilities are disclosed in Note 39 to the consolidated financial statements.

(iv) Fair Value of Derivatives and Financial Assets at FVOCI and Financial Assets at FVTPL

The Group is required to reassess the fair value of derivatives and financial assets at FVOCI and financial assets at FVTPL at the end of each reporting period. In determining the appropriate fair value classified as Level 2 or Level 3 in the fair value hierarchy, the Group makes use of valuation models. The Group makes maximum use of observable market data as inputs to these valuation models. Where observable market data is not available, the Group has to make use of management estimates for unobservable inputs to the models, and seeks to corroborate the estimates to available market data or through back-testing against historical experience.

The key unobservable inputs to the models of Level 3 instruments and the inter-relationship between these key unobservable inputs and fair value measurement are disclosed in Note 41 to the consolidated financial statements.

While the Group believes the assumptions are reasonable and appropriate, significant changes in the assumptions may materially affect the fair value recorded. The carrying amounts of the Group's derivatives, financial assets at FVOCI and financial assets at FVTPL are disclosed in Note 41 to the consolidated financial statements.

(b) Critical Judgements in Applying Accounting Policies

(i) Deferred Tax Assets and Tax Recoverable

The Group's subsidiaries in Indonesia revalued certain bearer plants in connection with the legislation in Indonesia to allow entities to revalue their assets for tax purposes. During the financial year 2016, the Group's subsidiaries in Indonesia received approval for the revaluation of certain bearer plants from the Indonesian Tax Authorities. In addition, the Group also recognised deferred tax assets on unutilised tax losses and capital allowances. Significant judgement is required to determine the amount of deferred tax assets that can be recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amounts of the Group's deferred tax assets are disclosed in Note 26 to the consolidated financial statements.

Tax recoverable represents estimated claims for overpayments of income taxes which management believes can be recovered. As at the end of the reporting period, objection and appeal for these tax assessments are still in progress. Significant judgement is required for management to assess the recoverability of the tax refunds from the respective tax offices. The carrying amounts of the Group's tax recoverable are disclosed in Note 19 to the consolidated financial statements.

4 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements in Applying Accounting Policies (cont'd)

(ii) Impairment of Property, Plant and Equipment and Bearer Plants

At the end of each reporting period, the Group is required to assess if there were any indication that an asset may be impaired. If any such indication exists, management will estimate the recoverable amount of the asset in order to determine the extent of the impairment loss. Management will identify indicators of impairment and carry out an impairment review for such assets by calculating the fair value less costs to sell. If fair value less costs to sell indicates an impairment, management will calculate the value in use of the applicable assets to ensure the recoverable amount is higher of the two calculations. Management exercises significant judgement in determining the underlying assumptions used in both calculations.

During the current financial year, there is no impairment loss recognised in the consolidated financial statements. (2022: US\$409,000) (Note 24).

5 Revenue

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Sales in Indonesia		
Third parties	1,798,919	1,816,195
Associated companies	12,697	14,775
Joint ventures	174,818	245,098
Related parties	6,631	12,378
	<u>1,993,065</u>	<u>2,088,446</u>
Sales outside Indonesia		
Third parties	7,763,055	9,349,902
Related parties	77	450
	<u>7,763,132</u>	<u>9,350,352</u>
	<u>9,756,197</u>	<u>11,438,798</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

5 Revenue (cont'd)

The Group's revenue is recognised at a point in time except for the revenue from the provision of port and storage facilities which is recognised over time. An analysis of the Group's revenue for the year disaggregated by major product type and location is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Sales in Indonesia		
Palm based products:		
Crude palm oil	979	8,944
Margarine and fat	107,407	121,324
Palm fatty acid distillate	22,951	15,799
Palm kernel	2,546	5,110
Palm kernel meal	12,478	9,990
Palm kernel oil	177,549	232,097
Refined bleached deodorised olein	552,655	646,202
Refined bleached deodorised stearin	94,857	75,623
Refined bleached deodorised palm oil	83,945	140,869
Refined bleached deodorised palm kernel oil	1,068	2,254
Oleochemical products	56,426	86,706
Biodiesel products	765,802	650,852
Others	21,264	21,511
	<u>1,899,927</u>	<u>2,017,281</u>
Others	93,138	71,165
Total sales in Indonesia	<u>1,993,065</u>	<u>2,088,446</u>
Sales outside Indonesia		
Palm based products:		
Crude palm oil	733,045	855,315
Margarine and fat	232,711	322,169
Palm fatty acid distillate	212,651	309,165
Palm kernel meal	106,062	109,707
Palm kernel oil	64,442	72,670
Refined bleached deodorised olein	1,842,704	2,423,390
Refined bleached deodorised stearin	432,002	549,360
Refined bleached deodorised palm oil	1,316,593	1,602,802
Refined bleached deodorised palm kernel oil	363,103	431,553
Oleochemical products	299,568	412,978
Biodiesel products	16,328	44,568
Others	287,521	420,361
	<u>5,906,730</u>	<u>7,554,038</u>
Soy bean based products	332,819	358,106
Sunflower oil	661,524	804,936
Sugar based products	589,635	369,393
Noodles and snack products	98,026	102,975
Revenue from provision of port and storage facilities	2,825	3,895
Others	171,573	157,009
Total sales outside Indonesia	<u>7,763,132</u>	<u>9,350,352</u>
	<u>9,756,197</u>	<u>11,438,798</u>

6 Cost of Sales

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Cost of inventories recognised as an expense		7,177,327	7,917,708
Depreciation of property, plant and equipment		215,233	253,090
Depreciation of bearer plants	25	118,177	109,144
Processing and direct costs		421,312	418,087
Changes in fair value of derivative financial instruments		<u>(27,148)</u>	<u>(284,809)</u>
		<u>7,904,901</u>	<u>8,413,220</u>

7 Selling, General and Administrative Expenses

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Selling expenses			
Export tax and administration		410,827	682,791
Freight and related expenses		456,709	446,775
Salaries and employee benefits expense		22,498	20,440
Advertising and promotions		19,194	20,041
Depreciation of property, plant and equipment		9,893	7,176
Others		<u>67,155</u>	<u>56,473</u>
		986,276	1,233,696
General and administrative expenses			
Salaries and employee benefits expense		258,085	212,469
Rent, tax and licenses		12,707	9,179
Depreciation of property, plant and equipment		19,545	17,971
Professional fees		16,761	20,188
Travelling		12,484	8,365
Repairs and maintenance		14,108	9,895
Amortisation of intangible assets	27	6,345	7,067
Office supplies and communication expenses		18,450	23,405
Others		<u>30,497</u>	<u>28,114</u>
		388,982	336,653
		<u>1,375,258</u>	<u>1,570,349</u>

8 Financial Income and Financial Expenses

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Interest income from:		
Third parties	67,676	29,740
Joint ventures and associated companies	2,569	4,028
Related parties	47	93
Financial income	<u>70,292</u>	<u>33,861</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

8 Financial Income and Financial Expenses (cont'd)

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Interest expense to:			
Third parties		(216,019)	(176,887)
Joint ventures		(103)	(111)
Related parties		(22)	(90)
Amortisation of deferred loan charges	29	(3,568)	(4,474)
Amortisation of deferred bond charges	30	(716)	(931)
Total interest expense		(220,428)	(182,493)
Finance charges		(3,250)	(4,015)
Financial expenses		(223,678)	(186,508)
Net financial expenses		(153,386)	(152,647)

9 Other Income/(Expenses)

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Investment income		25,437	52,817
Gain on disposal of property, plant and equipment		16,458	2,486
Rental income		9,291	8,281
Gain on sale of other materials		6,554	5,806
Insurance and product claims		4,587	4,979
Income from sales of seedlings		3,340	4,622
Management and service fee income from joint ventures		1,065	1,228
Gain on deconsolidation of subsidiaries	42b	-	1,988
Gain on disposal of certain interest in an associated company	42b	-	969
Changes in fair value of financial assets at fair value through profit or loss		(13,334)	(211,873)
Net loss from changes in fair value of biological assets	17	(6,077)	(16,625)
Bearer plants and property, plant and equipment written off		(3,864)	(1,572)
Depreciation of property, plant and equipment		(3,031)	(2,921)
Loss on disposal of an associated company		-	(2,564)
Goodwill written off	27	-	(1,439)
Depreciation of investment properties	23	(5)	(5)
Others		(151)	(440)
		40,270	(154,263)

10 Profit Before Income Tax

In addition to the expenses and (credits) disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following expenses:

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Audit fees paid/payable to:			
Auditors of the Company		407	378
Other auditors:			
- network firms		773	806
- non-network firms		424	374
Non-audit fees (audit-related services) paid/payable to:			
Auditors of the Company		-	7
Other auditors:			
- network firms		34	38
- non-network firms		8	19
Provision for/(Write-back of) expected credit loss on:			
Trade receivables, net		705	(72)
Non-trade receivables, net		(1,339)	(6,408)
Employee compensation:			
Wages and salaries		274,422	233,670
Post-employment benefits expense	39	12,412	6,292
Employer's contributions to defined contribution plans		5,345	5,034

Except as disclosed above, there is no other non-audit fees paid/payable to the auditors of the Company and other auditors.

11 Income Tax

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Income tax expense attributable to the results is made up of:			
Current income tax			
Current year		159,159	360,868
Under-provision in respect of prior years		2,221	85
		161,380	360,953
Deferred income tax			
Current year	26	5,291	27,408
		166,671	388,361

Taxes Payable

Details of taxes payable are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Estimated income tax payable of subsidiaries	10,320	132,872
Income and other taxes:		
Article 21	2,468	1,235
Article 23	4,106	2,487
Article 25	8,462	9,835
Article 26	50,096	44,011
Value added tax	3,253	1,908
	78,705	192,348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

11 Income Tax (cont'd)

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Indonesian statutory rate of income tax to profit before income tax due to the following factors:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Profit before income tax	379,348	1,234,901
Adjustments for:		
Share of results of associated companies	(4,744)	(3,892)
Share of results of joint ventures	<u>(18,176)</u>	<u>(70,559)</u>
	<u>356,428</u>	<u>1,160,450</u>
Tax calculated at a tax rate of 22% (2022: 22%)	78,414	255,299
Effect of different tax rates in other countries	(3,393)	24,478
(Non-taxable income)/Non-deductible expenses, net	(3,073)	38,300
Permanent differences arising mainly from remeasurement	7,895	31,461
Recognition of previously unrecognised tax losses	-	(851)
Effect of revision to unutilised tax losses	-	450
Utilisation of previously unrecognised tax losses	(1,792)	(22,851)
Income tax at preferential rate	(5,069)	(8,982)
Unrecognised deferred tax assets	11,377	1,906
Withholding tax expense	80,091	69,066
Under-provision in prior years' current income tax	<u>2,221</u>	<u>85</u>
	<u>166,671</u>	<u>388,361</u>

12 Earnings Per Share and Net Asset Value Per Share

(a) Earnings Per Share

Earnings per share amounts are calculated by dividing net profit attributable to the owners of the Company of US\$197,601,000 (2022: US\$782,103,000) by the weighted average number of ordinary shares (excluding treasury shares) during the year of 12,681,673,056 (2022: 12,683,382,645).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2023 and 2022.

(b) Net Asset Value Per Share

Net asset value per share of US\$0.41 (2022: US\$0.41) is calculated by dividing total equity of US\$5,179,904,000 (2022: US\$5,254,349,000) by the number of issued ordinary shares (excluding treasury shares) as at the end of the reporting period of 12,681,673,056 (2022: 12,681,673,056).

13 Cash and Cash Equivalents

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Cash on hand	247	257
Cash in banks	276,669	510,750
Time deposits	<u>267,654</u>	<u>180,058</u>
Cash and cash equivalents in statement of financial position	544,570	691,065
Less: Cash in banks and time deposits pledged	<u>(226,937)</u>	<u>(151,300)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>317,633</u></u>	<u><u>539,765</u></u>

The cash and cash equivalents are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	162,439	221,540
Indonesian rupiah	110,450	215,212
Chinese renminbi	23,490	53,525
Indian rupee	229,503	158,346
Euro	6,644	24,603
Singapore dollar	7,144	13,101
Others	<u>4,900</u>	<u>4,738</u>
	<u><u>544,570</u></u>	<u><u>691,065</u></u>

The above cash and cash equivalents include balances placed with a related party of US\$5,591,000 (2022: US\$4,164,000). The above time deposits have a maturity period of less than three months from the end of the financial year and earn interest at the following rates per annum:

	<u>2023</u> %	<u>2022</u> %
United States dollar	3.1 – 5.4	2.9 – 4.3
Indonesian rupiah	1.8 – 5.2	1.8 – 3.3
Indian rupee	4.0 – 8.3	4.1 – 8.0
Malaysian ringgit	2.0	1.4

14 Short-Term Investments

Short-term investments which represent debt and equity securities and time deposits with a maturity over three months but not more than one year are detailed as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Time deposits	<u>577,827</u>	<u>437,238</u>
Equity securities at FVOCI	<u>235</u>	<u>2,259</u>
Financial assets at FVTPL:		
Equity securities held for trading	9,915	8,082
Debt securities held for trading	<u>2,676</u>	<u>6,469</u>
	<u>12,591</u>	<u>14,551</u>
	<u><u>590,653</u></u>	<u><u>454,048</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

14 Short-Term Investments (cont'd)

The short-term investments are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Indian rupee	579,945	437,221
United States dollar	10,379	16,486
Indonesian rupiah	329	341
	<u>590,653</u>	<u>454,048</u>

Time deposits amounting to US\$573,882,000 (2022: US\$437,221,000) have been pledged to banks as security for credit facilities (Note 28 and Note 29).

The above time deposits earn interest at the following rates per annum:

	<u>2023</u> %	<u>2022</u> %
Indian rupee	5.3 – 8.3	5.1 – 8.2
Indonesian rupiah	-	1.8

15 Trade Receivables

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Third parties	637,451	782,288
Related parties	1,755	2,133
Associated companies	792	201
Joint ventures	15,062	6,836
	<u>655,060</u>	<u>791,458</u>
Less: Allowance for impairment loss	(1,253)	(679)
	<u>653,807</u>	<u>790,779</u>

Trade receivables of the Group, including intra-group trade receivables which have been eliminated on consolidation, amounting to US\$458,001,000 (2022: US\$331,468,000) have been pledged as security for credit facilities (Note 28 and Note 29). The average turnover for the year was 27 days (2022: 25 days).

The Group's credit risk exposure in relation to trade receivables from contracts with customers is presented below:

	<u>2023</u>		<u>2022</u>	
	<u>Gross</u> US\$'000	Credit loss <u>allowance</u> US\$'000	<u>Gross</u> US\$'000	Credit loss <u>allowance</u> US\$'000
Not past due	480,305	-	589,283	(26)
Past due 0 to 3 months	159,995	(26)	194,383	(153)
Past due more than 3 months	14,760	(1,227)	7,792	(500)
	<u>655,060</u>	<u>(1,253)</u>	<u>791,458</u>	<u>(679)</u>

15 Trade Receivables (cont'd)

The Group recognised loss allowance for ECLs at an amount equal to lifetime ECLs for the past due debts, using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors.

Movements in credit loss allowance for trade receivables are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year	679	5,576
Provision for ECLs during the year	711	105
Reversal of unutilised amounts	(6)	(177)
Receivables written off against allowance	(126)	(4,773)
Translation adjustment	(5)	(52)
Balance at the end of the year	<u>1,253</u>	<u>679</u>

The trade receivables are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	384,538	556,568
Indonesian rupiah	177,968	115,010
Euro	59,667	82,257
Indian rupee	22,281	22,419
Others	9,353	14,525
	<u>653,807</u>	<u>790,779</u>

16 Other Current Assets

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Non-trade receivables from:			
Third parties		140,319	104,127
Joint ventures		22,341	14,648
Associated companies		4,837	4,227
Related parties		28	53
Derivative receivable	40	38,577	10,850
Staff advances		4,438	6,395
		<u>210,540</u>	<u>140,300</u>
Less: Allowance for impairment loss		(2,455)	(10,865)
		208,085	129,435
Advances and deposits to suppliers		185,220	225,693
Advances for purchases of property, plant and equipment and others		11,094	78,594
Prepaid taxes		136,062	123,066
Prepaid expenses		10,741	12,086
Others		6,453	7,645
		<u>557,655</u>	<u>576,519</u>

Save for the amounts receivable disclosed below, the amounts receivable from joint ventures, associated companies and related parties are interest-free, unsecured and repayable on demand.

As at 31 December 2023, the amounts receivable from joint ventures of US\$21,156,000 (2022: US\$13,303,000) bear interest ranging from 8.3% to 9.2% (2022: 2.5% to 6.0%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

16 Other Current Assets (cont'd)

The Group recognised loss allowance for ECLs at an amount equal to 12-month ECLs except for an amount of US\$1,580,000 (2022: US\$9,880,000) which is based on lifetime ECLs in line with the significant change in credit risks of the debtors. Movements in credit loss allowance for non-trade receivables are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year	10,865	9,319
Provision for ECLs during the year	-	1,597
Reversal of unutilised amounts	(1,339)	(5)
Receivables written off against allowance	(7,058)	(17)
Translation adjustment	(13)	(29)
Balance at the end of the year	<u>2,455</u>	<u>10,865</u>

The other current assets are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Indonesian rupiah	381,777	447,925
United States dollar	95,717	38,772
Chinese renminbi	17,149	40,321
Indian rupee	58,752	40,654
Euro	2,283	6,576
Others	1,977	2,271
	<u>557,655</u>	<u>576,519</u>

17 Biological Assets

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year		75,731	92,356
Net loss from changes in fair value recognised as part of other expenses	9	<u>(6,077)</u>	<u>(16,625)</u>
Balance at the end of the year		<u>69,654</u>	<u>75,731</u>

The Group's biological assets represent fresh fruit bunches ("FFB") of its oil palm trees as at the end of the reporting period. During the current financial year, the Group harvested approximately 7,464,000 tonnes (2022: 7,812,000 tonnes) of FFB from its nucleus plantations.

The fair value of FFB (classified as Level 2 of the fair value hierarchy) was determined with reference to their average market prices. As at the end of the current reporting period, if we assume the market prices of FFB increased by 5% with all other variables being held constant, profit and total equity attributable to owners of the Company would have increased by approximately US\$3,914,000 (2022: US\$3,214,000), as a result of a higher gain arising from changes in fair value of biological assets.

18 Inventories

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Raw materials	543,496	509,322
Finished goods	690,360	698,273
Goods in transit	65,841	157,999
	<u>1,299,697</u>	<u>1,365,594</u>
Consumables:		
Fertilisers and general material	72,921	76,632
Fuel, chemical and packing supplies	77,878	77,739
Others	49,936	50,391
	<u>1,500,432</u>	<u>1,570,356</u>

The inventories shown above are net of allowance for impairment loss. Movements in allowance for impairment loss on inventories are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year	12,341	12,189
Allowance for impairment loss during the year	10,799	13,253
Write-back of impairment loss during the year	(18,040)	(10,142)
Write-off against allowance	(448)	(1,684)
Translation adjustment	(24)	(1,275)
Balance at the end of the year	<u>4,628</u>	<u>12,341</u>

During the current financial year, the Group recognised an allowance for impairment loss of US\$10,799,000 (2022: US\$13,253,000) in cost of sales as the carrying amount of certain inventories was higher than the net realisable value. Allowance for impairment loss of US\$18,040,000 (2022: US\$10,142,000) has been reversed as a result of an increase in net realisable value of certain inventories.

Inventories amounting to US\$233,756,000 (2022: US\$386,710,000) have been pledged to banks as security for credit facilities (Note 28 and Note 29).

19 Tax Recoverable, Long-Term Receivables and Assets

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Loans receivable from joint ventures and associated companies	2,254	28,206
Advances for projects	10,672	5,146
Advances for plasma plantations, net	3,894	4,302
Advances for investment in land	1,495	1,495
Land clearing	7,725	5,855
Others	14,572	14,825
Long-term receivables and assets	40,612	59,829
Tax recoverable	159,053	68,679
	<u>199,665</u>	<u>128,508</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

19 Tax Recoverable, Long-Term Receivables and Assets (cont'd)

The tax recoverable, long-term receivables and assets are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Indonesian rupiah	185,179	93,546
United States dollar	8,435	29,966
Malaysian ringgit	2,942	3,082
Others	3,109	1,914
	<u>199,665</u>	<u>128,508</u>

The unsecured loans receivable from joint ventures and associated companies bear interest ranging from 7.5% to 12.0% (2022: 3.7% to 12%) per annum with maturity dates ranging between February 2025 and March 2028.

The Group recognised loss allowance for ECLs on loans receivable from joint ventures and associated companies at an amount equal to 12-month ECLs except where there is a significant change in credit risks of the debtors, loss allowance is measured at amount equal to lifetime ECLs. Movements in credit loss allowances are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year	-	8,000
Reversal of unutilised amounts	-	(8,000)
Balance at the end of the year	<u>-</u>	<u>-</u>

In accordance with the policy of the Government of the Republic of Indonesia, certain land rights used to develop plantations are usually granted if a nucleus company agrees to develop areas for local small landholders (Plasma farmers) in addition to developing its own plantations. The nucleus company is also required to train and supervise the Plasma farmers and purchase the plantation production from the farmers at prices determined by the Government. Advances for Plasma plantations represent advances to Plasma farmers for the development of Plasma plantations which relates to administration, management and technical activities performed by the Group.

20 Long-Term Investments

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Equity securities at FVOCI	<u>820,020</u>	<u>860,426</u>
Financial assets at FVTPL:		
Equity/Fund securities	225,998	154,618
Convertible debt securities	204,000	234,355
	<u>429,998</u>	<u>388,973</u>
	<u>1,250,018</u>	<u>1,249,399</u>

The long-term investments are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	1,104,337	1,143,524
Euro	144,198	104,471
Chinese renminbi	1,483	1,404
	<u>1,250,018</u>	<u>1,249,399</u>

21 Investment in Associated Companies

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Unquoted equity shares, at cost	9,992	9,682
Share of post-acquisition reserves, net of dividend received	16,906	13,142
Translation adjustment	(437)	(425)
	<u>26,461</u>	<u>22,399</u>

Particulars of the associated companies are disclosed in Note 47 to the consolidated financial statements. Summarised aggregated financial information in respect of the Group's associated companies, which is not adjusted for the percentage of ownership held by the Group, is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<u>Results</u>		
Revenue	117,847	174,022
Profit for the year	<u>8,815</u>	<u>7,630</u>
<u>Assets and liabilities</u>		
Total assets	97,332	72,163
Total liabilities	(46,736)	(29,501)
Non-controlling interests	(333)	-
Net assets	<u>50,263</u>	<u>42,662</u>

22 Investment in Joint Ventures

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Unquoted equity shares, at cost	192,660	212,660
Share of post-acquisition reserves, net of dividend received	51,311	34,475
Translation adjustment	519	510
	<u>244,490</u>	<u>247,645</u>

Particulars of the joint ventures are disclosed in Note 47 to the consolidated financial statements.

Summarised aggregated financial information in respect of the Group's joint ventures, which is not adjusted for the percentage of ownership held by the Group, is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<u>Results</u>		
Revenue	618,593	906,787
Profit for the year	<u>42,292</u>	<u>147,829</u>
<u>Assets and liabilities</u>		
Total assets	870,667	906,766
Total liabilities	(355,734)	(412,377)
Non-controlling interests	(26,434)	(19,158)
Net assets	<u>488,499</u>	<u>475,231</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

22 Investment in Joint Ventures (cont'd)

Reconciliation of the above net assets to the carrying amount of the Group's interests in joint ventures is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Interest in joint ventures (based on shareholding interests)	244,250	237,615
Goodwill on acquisition	5,342	5,342
Negative goodwill on acquisition	(5,700)	(5,700)
Unrecognised share of post-acquisition reserve	598	10,388
Net carrying amount	<u>244,490</u>	<u>247,645</u>

23 Investment Properties

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<u>Cost</u>			
Balance at the beginning of the year		255	325
Translation adjustment		(15)	(70)
Balance at the end of the year		<u>240</u>	<u>255</u>
<u>Less: Accumulated depreciation</u>			
Balance at the beginning of the year		165	221
Charge for the year	9	5	5
Translation adjustment		(13)	(61)
Balance at the end of the year		<u>157</u>	<u>165</u>
Net carrying amount		<u>83</u>	<u>90</u>

The Group has also made upfront payments to secure the right-of-use of leasehold lands, which the Group constructed buildings on it and used them in the Group's leasing activities. The Group acts as an intermediate lessor under an arrangement in which it sub-leases out its properties for monthly rental income. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases. The rental income and direct operating expenses recognised in the Group's income statement in respect of these operating leases were US\$140,000 (2022: US\$187,000) and US\$16,000 (2022: US\$18,000) respectively. As at 31 December 2023, the fair value of the Group's investment properties is approximately US\$1,169,000 (2022: US\$1,207,000) determined based on valuation carried out by independent professional valuer and is classified under Level 2 of the fair value hierarchy.

24 Property, Plant and Equipment

	Freehold land	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
<u>Cost</u>	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1.1.2023	17,297	393,368	781,234	1,495,817	1,373,477	226,418	348,985	137,070	4,773,666
Translation adjustment	97	(386)	372	(552)	(2,607)	(242)	(47)	(249)	(3,614)
Additions	120	31,610	35,578	1,663	15,518	11,324	42,166	161,237	299,216
Disposals	-	(7,137)	(7,269)	(25,806)	(13,336)	(2,690)	(25,313)	(51)	(81,602)
Write-off	-	-	(1,157)	(5,826)	(4,854)	(5,488)	(3,193)	-	(20,518)
Reclassification	52	(8,250)	85,708	35,039	40,134	7,548	32,227	(192,458)	-
Balance at 31.12.2023	17,566	409,205	894,466	1,500,335	1,408,332	236,870	394,825	105,549	4,967,148
<u>Accumulated depreciation and impairment loss</u>									
Balance at 1.1.2023	-	25,328	384,208	698,661	742,974	189,971	259,816	-	2,300,958
Translation adjustment	-	(159)	315	(911)	(2,179)	(127)	(14)	-	(3,075)
Charge for the year	-	2,120	67,016	67,814	57,971	14,426	38,355	-	247,702
Disposals	-	(2,619)	(7,249)	(20,163)	(12,717)	(2,686)	(25,175)	-	(70,609)
Write-off	-	-	(1,023)	(4,451)	(4,485)	(5,461)	(2,983)	-	(18,403)
Reclassification	-	(353)	-	404	(288)	-	237	-	-
Balance at 31.12.2023	-	24,317	443,267	741,354	781,276	196,123	270,236	-	2,456,573
<u>Net book values</u>									
Balance at 31.12.2023	17,566	384,888	451,199	758,981	627,056	40,747	124,589	105,549	2,510,575

As at 31 December 2023, the net carrying amount of property, plant and equipment, which has been pledged as security for credit facilities (Note 28 and Note 29), amounted to US\$786,919,000 (2022: US\$801,311,000).

During the previous financial year, the Group recognised an impairment loss in respect of a facility amounted to US\$409,000 based on a valuation carried out by an independent professional valuer (classified as Level 2 of the fair value hierarchy) for certain property, plant and equipment. The valuation was based on cost and market comparison approach. During the current financial year, there is no impairment loss recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

24 Property, Plant and Equipment (cont'd)

	Freehold land	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
Cost	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1.1.2022	18,418	407,461	754,851	1,490,674	1,349,863	223,749	342,149	132,189	4,719,354
Translation adjustment	(1,135)	(3,057)	(668)	(12,136)	(16,961)	(2,028)	(284)	(1,168)	(37,437)
Additions	14	3,400	4,066	6,759	4,992	9,160	24,208	119,865	172,464
Disposals	-	-	(96)	(13,552)	(15,500)	(4,455)	(27,746)	(493)	(61,842)
Write-off	-	(2,579)	(1,725)	(2,418)	(2,870)	(4,323)	(4,300)	(405)	(18,620)
Deconsolidation of subsidiaries (Note 42b)	-	-	-	-	(48)	(205)	-	-	(253)
Reclassification	-	(11,857)	24,806	26,490	54,001	4,520	14,958	(112,918)	-
Balance at 31.12.2022	17,297	393,368	781,234	1,495,817	1,373,477	226,418	348,985	137,070	4,773,666
<u>Accumulated depreciation and impairment loss</u>									
Balance at 1.1.2022	-	26,734	302,919	647,419	698,852	184,097	256,705	204	2,116,930
Translation adjustment	-	(655)	(445)	(5,767)	(12,858)	(1,458)	(173)	(204)	(21,560)
Charge for the year	-	1,828	83,477	72,247	72,870	16,141	34,595	-	281,158
Disposals	-	-	(69)	(13,195)	(13,624)	(4,381)	(27,299)	-	(58,568)
Write-off	-	(2,579)	(1,674)	(2,177)	(2,522)	(4,252)	(4,000)	-	(17,204)
Deconsolidation of subsidiaries (Note 42b)	-	-	-	-	(36)	(171)	-	-	(207)
Reclassification	-	-	-	-	22	(10)	(12)	-	-
Allowance for impairment loss	-	-	-	134	270	5	-	-	409
Balance at 31.12.2022	-	25,328	384,208	698,661	742,974	189,971	259,816	-	2,300,958
<u>Net book values</u>									
Balance at 31.12.2022	17,297	368,040	397,026	797,156	630,503	36,447	89,169	137,070	2,472,708

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. During the current financial year, the additions to property, plant and equipment included US\$50,719,000 (2022: US\$11,231,000) acquired under leasing arrangement (Note 31).

During the current financial year, the disposal of property, plant and equipment included derecognition of right-of-use assets arising from partial termination of office lease contracts amounting to US\$61,000 (2022: US\$331,000).

The Group holds land rights in Indonesia in the form of Hak Guna Usaha (HGU) which will expire in 2025 to 2098 and the management believes that those land rights can be extended upon expiry.

25 Bearer Plants

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<u>Cost</u>			
Balance at the beginning of the year		3,240,794	3,182,941
Additions		66,409	35,831
Disposal		(805)	(1,462)
Write-off		(207,786)	(2,611)
Transfer from land clearing		12,110	26,095
Balance at the end of the year		<u>3,110,722</u>	<u>3,240,794</u>
<u>Less: Accumulated depreciation</u>			
Balance at the beginning of the year		1,893,159	1,786,470
Charge for the year	6	118,177	109,144
Disposal		(805)	-
Write-off		(206,037)	(2,455)
Balance at the end of the year		<u>1,804,494</u>	<u>1,893,159</u>
Net book value		<u>1,306,228</u>	<u>1,347,635</u>

As at 31 December 2023, bearer plants amounting to US\$216,886,000 (2022: US\$312,575,000) have been pledged to banks as security for credit facilities (Note 28 and Note 29).

26 Deferred Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on different entities which intend to settle on a net basis, or realise the assets and liabilities simultaneously in the future. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Deferred tax assets	99,447	107,292
Deferred tax liabilities	<u>(164,472)</u>	<u>(166,738)</u>
	<u>(65,025)</u>	<u>(59,446)</u>

	<u>Accelerated tax depreciation</u> US\$'000	<u>Unutilised tax losses/capital allowances</u> US\$'000	<u>Valuation allowances/ others</u> US\$'000	<u>Total</u> US\$'000
<u>Deferred tax assets/(liabilities)</u>				
Balance at 1 January 2023	16,925	88,447	(164,818)	(59,446)
(Charged)/Credited to income statement (Note 11)	(29,853)	11,150	13,412	(5,291)
Charged to other comprehensive income (Note 39)	-	-	(78)	(78)
Translation adjustment	(14)	(35)	(161)	(210)
Balance at 31 December 2023	<u>(12,942)</u>	<u>99,562</u>	<u>(151,645)</u>	<u>(65,025)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

26 Deferred Tax (cont'd)

	Accelerated tax depreciation US\$'000	Unutilised tax losses/capital allowances US\$'000	Valuation allowances/ others US\$'000	Total US\$'000
<u>Deferred tax assets/(liabilities)</u>				
Balance at 1 January 2022	44,125	98,317	(170,882)	(28,440)
(Charged)/Credited to income statement (Note 11)	(27,363)	(9,551)	9,506	(27,408)
Charged to other comprehensive income (Note 39)	-	-	(2,765)	(2,765)
Translation adjustment	163	(319)	(677)	(833)
Balance at 31 December 2022	16,925	88,447	(164,818)	(59,446)

Realisation of deferred tax assets is dependent on the generation of sufficient taxable income prior to expiration of the tax losses carry-forward. Although realisation is not assured, the directors of the Company believe it is more likely than not that the deferred tax assets, net of the valuation allowance, will be realised. The amount of the deferred tax assets considered realisable could be reduced or increased if estimates of future taxable income during the carry-forward period are reduced or increased.

Deferred tax liabilities of approximately US\$18,060,000 (2022: US\$105,657,000) have not been recognised for taxes that would be payable on the remittance to Mauritius of unremitted retained earnings of approximately US\$602,010,000 (2022: US\$3,521,908,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

At the end of the reporting period, certain subsidiaries have unutilised tax losses and capital allowances available for offsetting against future taxable profits amounting to US\$132,838,000 (2022: US\$131,942,000).

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<u>Expiry dates in year ending:</u>		
31 December 2023	-	43,543
31 December 2024	35,707	37,605
31 December 2025	18,785	19,018
31 December 2026	15,997	17,271
31 December 2027	8,380	8,198
31 December 2028	47,394	203
31 December 2029	341	-
No expiry dates and subject to terms and conditions	6,234	6,104
	132,838	131,942

The availability of the unutilised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. The deferred tax benefit arising from these unrecognised tax losses and unabsorbed capital allowances of US\$28,264,000 (2022: US\$25,858,000) has not been recognised in the consolidated financial statements.

27 Intangible Assets

	<u>Goodwill</u> US\$'000	<u>Brands and trademarks</u> US\$'000	<u>Deferred landrights</u> US\$'000	<u>Others</u> US\$'000	<u>Total</u> US\$'000
<u>Cost</u>					
Balance at 1 January 2023	130,592	8,309	14,653	76,184	229,738
Additions	-	-	29	1,381	1,410
Translation adjustment	(63)	17	-	230	184
Balance at 31 December 2023	130,529	8,326	14,682	77,795	231,332
<u>Less: Accumulated amortisation</u>					
Balance at 1 January 2023	-	7,379	8,044	46,417	61,840
Amortisation charged to:					
General and administrative expenses (Note 7)	-	79	194	6,072	6,345
Cost of sales	-	-	358	10	368
Translation adjustment	-	5	-	24	29
Balance at 31 December 2023	-	7,463	8,596	52,523	68,582
<u>Net carrying amount</u>					
Balance at 31 December 2023	130,529	863	6,086	25,272	162,750
<u>Cost</u>					
Balance at 1 January 2022	133,639	8,447	14,611	78,841	235,538
Additions	-	-	42	2,545	2,587
Deconsolidation of subsidiaries (Note 42b)	-	-	-	(1,427)	(1,427)
Write-off	(1,439)	-	-	(1,728)	(3,167)
Translation adjustment	(1,608)	(138)	-	(2,047)	(3,793)
Balance at 31 December 2022	130,592	8,309	14,653	76,184	229,738
<u>Less: Accumulated amortisation</u>					
Balance at 1 January 2022	-	7,349	7,492	42,739	57,580
Amortisation charged to:					
General and administrative expenses (Note 7)	-	80	194	6,793	7,067
Cost of sales	-	-	358	9	367
Deconsolidation of subsidiaries (Note 42b)	-	-	-	(509)	(509)
Write-off	-	-	-	(1,728)	(1,728)
Translation adjustment	-	(50)	-	(887)	(937)
Balance at 31 December 2022	-	7,379	8,044	46,417	61,840
<u>Net carrying amount</u>					
Balance at 31 December 2022	130,592	930	6,609	29,767	167,898

During the previous financial year, the Group wrote-off the goodwill of US\$1,439,000 in respect of subsidiaries that were in the process of members' voluntary liquidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

27 Intangible Assets (cont'd)

Goodwill is allocated to the individual cash-generating units ("CGU") which are also the reportable operating segments for impairment testing purposes. The above goodwill is allocated to the palm, laurics and others segment. The recoverable amount of the goodwill was determined based on value in use calculations using 5-year cash flow projections with reference to historical results of approximate margins ranging from 4% to 10% (2022: 5% to 6%). A terminal value was estimated based on the 5th year's future cash flow using the terminal growth rate of 5.0% (2022: 5.0%) and pre-tax discount rates ranging from 8.4% to 17.7% (2022: 10.2% to 18.9%). If the management estimates the terminal growth rates at 0.5% lower, the recoverable amount of the goodwill will still exceed its carrying amount.

28 Short-Term Borrowings

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Short-term loans:			
United States dollar		1,044,853	1,001,570
Indian rupee		126,702	127,651
Indonesian rupiah		35,945	87,773
Euro		2,436	2,724
Chinese renminbi		-	8,031
		<u>1,209,936</u>	<u>1,227,749</u>
Current maturities of long-term loans	29	<u>311,350</u>	<u>512,332</u>
		1,521,286	1,740,081
Less: Unamortised loan charges	29	<u>(1,756)</u>	<u>(2,253)</u>
		<u>1,519,530</u>	<u>1,737,828</u>

Short-term loans of the Group, broken down by secured and unsecured are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Secured loans	1,012,283	945,212
Unsecured loans	<u>197,653</u>	<u>282,537</u>
	<u>1,209,936</u>	<u>1,227,749</u>

As at the end of the financial years, there is no breach of loan covenants.

The above short-term loans have a maturity period of up to 12 months from the end of the financial year and the weighted average effective interest rates per annum during the year are as follows:

	<u>2023</u> %	<u>2022</u> %
United States dollar	5.29	2.68
Indian rupee	7.53	7.05
Indonesian rupiah	5.74	5.97
Chinese renminbi	-	2.16
Euro	4.75	2.54

Certain time deposits, short-term investments, trade receivables, inventories, property, plant and equipment and bearer plants have been pledged to banks to obtain the Group's secured short-term loans as disclosed in their respective notes. Certain short-term loans have been netted off against time deposits as the Group has the legal right and intention to set-off the loans against the time deposits.

29 Long-Term Borrowings

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Long-term loans:			
United States dollar		784,500	718,650
Indonesian rupiah		440,714	370,048
Singapore dollar		101,811	77,765
Chinese renminbi		-	3,451
Total long-term loans		<u>1,327,025</u>	<u>1,169,914</u>
Less: Current maturities of long-term loans	28	<u>(311,350)</u>	<u>(512,332)</u>
		1,015,675	657,582
Less: Unamortised deferred loan charges		<u>(3,098)</u>	<u>(1,952)</u>
Non-current portion		<u>1,012,577</u>	<u>655,630</u>

Movements in unamortised deferred loan charges are as follows:

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year		4,205	5,180
Additions		4,209	3,501
Amortisation during the year	8	(3,568)	(4,474)
Translation adjustment		8	(2)
Balance at the end of the year		<u>4,854</u>	<u>4,205</u>
Less: Current portion	28	<u>(1,756)</u>	<u>(2,253)</u>
Non-current portion		<u>3,098</u>	<u>1,952</u>

Long-term loans of the Group, broken down by secured and unsecured are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Secured loans	1,106,587	978,563
Unsecured loans	<u>220,438</u>	<u>191,351</u>
	<u>1,327,025</u>	<u>1,169,914</u>

Certain time deposits, trade receivables, inventories, property, plant and equipment and bearer plants have been pledged to banks to obtain the Group's total secured loans as disclosed in their respective notes.

The weighted average effective interest rates per annum on the above long-term loans during the year are as follows:

	<u>2023</u> %	<u>2022</u> %
United States dollar	6.18	4.26
Indonesian rupiah	7.42	7.47
Singapore dollar	5.16	2.90
Chinese renminbi	-	4.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

29 Long-Term Borrowings (cont'd)

The loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice of default by the lenders. In addition, certain loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of the outstanding loan balances. As at end of the financial year, there is no breach of loan covenants.

The scheduled maturities of the Group's long-term loans as at 31 December 2023 and 2022 are as follows:

Year	Original loan currency				U.S. Dollar Equivalent
	US\$'000	S\$'000	IDR'000	RMB'000	US\$'000
As at 31 December 2023					
Long-term borrowings repayable in:					
2024	233,675	1,250	1,182,825,000	-	311,350
2025	76,950	937	1,398,175,000	-	168,358
2026	158,975	-	2,169,300,000	-	299,693
2027	213,150	-	945,000,000	-	274,449
Thereafter	101,750	132,000	1,098,750,000	-	273,175
Total	784,500	134,187	6,794,050,000	-	1,327,025
Current portion (Note 28)	(233,675)	(1,250)	(1,182,825,000)	-	(311,350)
Non-current portion	550,825	132,937	5,611,225,000	-	1,015,675
As at 31 December 2022					
Long-term borrowings repayable in:					
2023	380,400	102,250	823,446,000	24,000	512,332
2024	265,050	1,250	1,242,776,500	-	344,982
2025	29,200	938	1,453,120,500	-	122,272
2026	29,600	-	1,815,259,000	-	144,993
Thereafter	14,400	-	486,636,000	-	45,335
Total	718,650	104,438	5,821,238,000	24,000	1,169,914
Current portion (Note 28)	(380,400)	(102,250)	(823,446,000)	(24,000)	(512,332)
Non-current portion	338,250	2,188	4,997,792,000	-	657,582

30 Bonds and Notes Payable

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Unsecured IDR Bonds:		
4.75% p.a. fixed rate, due 2023	-	35,599
5.00% p.a. fixed rate, due 2023	-	6,357
8.50% p.a. fixed rate, due 2023	-	38,682
9.75% p.a. fixed rate, due 2023	-	17,799
8.50% p.a. fixed rate, due 2024	69,084	67,701
8.75% p.a. fixed rate, due 2024	38,920	38,141
9.00% p.a. fixed rate, due 2024	24,650	24,156
7.00% p.a. fixed rate, due 2025	34,899	34,200
7.25% p.a. fixed rate, due 2025	40,542	39,730
9.00% p.a. fixed rate, due 2025	10,800	10,584
10.50% p.a. fixed rate, due 2025	35,548	34,836
9.00% p.a. fixed rate, due 2026	62,143	60,899
9.25% p.a. fixed rate, due 2026	19,460	19,071
9.50% p.a. fixed rate, due 2026	14,271	13,985
8.00% p.a. fixed rate, due 2027	26,077	25,555
8.25% p.a. fixed rate, due 2027	17,839	17,481
	<u>394,233</u>	<u>484,776</u>
Less: Deferred bond charges	(894)	(1,610)
	<u>393,339</u>	<u>483,166</u>
Unsecured RM Islamic medium-term notes:		
5.42% p.a. profit rate, due 2027	80,914	80,914
	<u>474,253</u>	<u>564,080</u>
Less: Current portion	(132,503)	(98,285)
Non-current portion	<u>341,750</u>	<u>465,795</u>

Movements in deferred bond charges are as follows:

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year		1,610	1,688
Additions		-	853
Amortisation during the year	8	(716)	(931)
Balance at the end of the year		<u>894</u>	<u>1,610</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

31 Lease Liabilities

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Lease liabilities:		
United States dollar	51,984	17,593
Chinese renminbi	1,875	2,534
Euro	3,180	4,601
Indonesian rupiah	1,030	1,153
Others	201	163
Total lease liabilities	<u>58,270</u>	<u>26,044</u>
Less: Current portion of lease liabilities	<u>(17,879)</u>	<u>(7,617)</u>
Non-current portion	<u>40,391</u>	<u>18,427</u>

The above lease liabilities include balances with related parties of US\$328,000 (2022: US\$336,000).

Nature of the Group's leasing activities and carrying amount of ROU assets

- Landrights

The Group has made an upfront payment to secure the right-of-use of certain plots of land for lease period ranging from 5 to 20 years for construction of storage tanks.

- Leasehold land and building

The Group has made periodic lease payments for buildings for the purpose of its office usage. These buildings are recognised within property, plant and equipment.

The Group has also made an upfront payment to secure the right-of-use of leasehold land, which the Group constructed buildings on it and used them in the Group's leasing activities. The right-of-use of the land and building is classified as an investment property (Note 23).

- Storage tanks and transportation equipment

The Group leases storage tanks and transportation equipment for storing of raw materials for its operations and rendering of logistic services.

The carrying amounts of ROU assets classified within property, plant and equipment are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Landrights	2,089	2,097
Storage tanks, land improvements and bridges	39,726	13,946
Buildings	4,631	6,375
Transportation equipment	11,906	5,897
Leasehold improvements, furniture and fixtures	375	-
	<u>58,727</u>	<u>28,315</u>

The additions of ROU assets classified within property, plant and equipment during the current financial year was US\$50,719,000 (2022: US\$11,231,000).

31 Lease Liabilities (cont'd)

Depreciation charges on ROU assets classified within property, plant and equipment are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Landrights	684	324
Storage tanks, land improvements and bridges	9,330	4,170
Buildings	1,390	3,778
Transportation equipment	8,073	5,096
Machinery and equipment	57	106
Leasehold improvements, furniture and fixtures	190	-
	<u>19,724</u>	<u>13,474</u>

Amounts recognised in the consolidated income statement and statement of cash flows are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Interest expense on lease liabilities	3,738	1,481
Expenses relating to short-term leases	<u>17,602</u>	<u>12,068</u>
Total cash outflows for leases	<u>22,122</u>	<u>14,496</u>

32 Trade and Trust Receipts Payables

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Trust receipts payable	169,711	152,469
Trade payables to:		
Third parties	321,132	375,645
Joint ventures	4,464	2,789
Related parties	15,297	52,925
	<u>510,604</u>	<u>583,828</u>

The above trust receipts payable, which represent amounts due to certain banks, bear interest ranging from 5.2% to 6.8% (2022: 1.2% to 5.9%) per annum. The trade and trust receipts payables are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	229,128	298,138
Indonesian rupiah	259,950	250,408
Chinese renminbi	9,447	10,916
Indian rupee	5,065	10,651
Euro	4,356	10,364
Malaysian ringgit	1,467	3,209
Others	1,191	142
	<u>510,604</u>	<u>583,828</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

33 Other Payables

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Non-trade payables to:			
Third parties		127,296	141,405
Joint ventures		2	4,774
Related parties		2,713	879
Derivative payable	40	20,628	43,856
Interest payable		<u>35,428</u>	<u>21,199</u>
		186,067	212,113
Advances and deposits		90,123	102,200
Accrued expenses		143,147	180,275
Put option liability		<u>79,395</u>	<u>79,395</u>
		<u>498,732</u>	<u>573,983</u>

The amounts payable to related parties are unsecured, interest free and repayable on demand.

As at 31 December 2022, the amounts payable to joint ventures of US\$3,529,000 bore interest ranging from 1.6% to 5.6% per annum. The amounts were fully paid during the current financial year.

The above put option liability relates to a put option granted to a non-controlling shareholder to sell its shareholdings in a subsidiary as one of the possible exit routes in the future.

The other payables are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	180,131	245,511
Indonesian rupiah	131,785	138,610
Chinese renminbi	45,541	51,346
Indian rupee	127,515	121,310
Euro	7,811	12,880
Singapore dollar	4,630	2,928
Others	<u>1,319</u>	<u>1,398</u>
	<u>498,732</u>	<u>573,983</u>

34 Long-Term Payables and Liabilities

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Post-employment benefits liability, denominated in Indonesian rupiah	39	73,945	62,221
Rental deposits, denominated in Singapore dollar		1,016	973
Advance received, denominated in United States dollar		<u>144,480</u>	<u>84,050</u>
		<u>219,441</u>	<u>147,244</u>

The above advance relates to advance received from customers pursuant to agreements to supply crude palm oil to the customers over a period of more than 12 months after the end of the reporting period.

35 Changes in Liabilities arising from Financing Activities

The reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

	<u>Borrowings</u> US\$'000	<u>Lease liabilities</u> US\$'000	<u>Bonds and notes payable</u> US\$'000
Balance at 1 January 2023	2,393,458	26,044	564,080
Additions	5,050,561	-	-
Repayment	(4,919,143)	(18,384)	(101,379)
Payment of deferred bond and loan charges	(4,209)	-	-
<u>Non-cash changes:</u>			
New leases	-	50,719	-
Amortisation	3,568	-	716
Partial termination of lease contracts	-	(55)	-
Translation adjustment	7,872	(54)	10,836
Balance at 31 December 2023	<u>2,532,107</u>	<u>58,270</u>	<u>474,253</u>
Balance at 1 January 2022	2,519,829	29,086	448,799
Additions	5,952,942	-	251,402
Repayment	(6,056,613)	(13,015)	(87,808)
Payment of deferred bond and loan charges	(3,501)	-	(853)
<u>Non-cash changes:</u>			
New leases	-	11,231	-
Amortisation	4,474	-	931
Partial termination of lease contracts	-	(316)	-
Translation adjustment	(23,673)	(942)	(48,391)
Balance at 31 December 2022	<u>2,393,458</u>	<u>26,044</u>	<u>564,080</u>

36 Issued Capital and Treasury Shares

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>Issued capital</u>	<u>Treasury shares</u>	<u>Issued capital</u> US\$'000	<u>Treasury shares</u> US\$'000
Issued and fully paid:				
Balance at 1 January 2022	12,837,548,556	(145,475,500)	320,939	(37,517)
Treasury shares purchased	-	(10,400,000)	-	(2,308)
Balance at 31 December 2022, 1 January and 31 December 2023	<u>12,837,548,556</u>	<u>(155,875,500)</u>	<u>320,939</u>	<u>(39,825)</u>

The Company acquired 10,400,000 of its own shares in the open market during the previous financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of US\$2,308,000 was presented as a component within shareholders' equity.

The holders of ordinary shares, except for treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares, except for treasury shares rank equally with regards to the Company's residual assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

37 Other Reserves

	Option reserve US\$'000	Currency translation reserve US\$'000	Fair value reserve US\$'000	PRC statutory reserve US\$'000	Others US\$'000	Total US\$'000
Balance at 1.1.2023	31,471	(62,007)	(123,581)	4,494	41,012	(108,611)
Other comprehensive (loss)/income, net of tax	-	(1,537)	(177,330)	1,795	306	(176,766)
Change in interest in a subsidiary (Note 47h)	-	-	-	-	49	49
Balance at 31.12.2023	<u>31,471</u>	<u>(63,544)</u>	<u>(300,911)</u>	<u>6,289</u>	<u>41,367</u>	<u>(285,328)</u>
Balance at 1.1.2022	31,471	(11,476)	110,189	4,353	41,452	175,989
Other comprehensive (loss)/income, net of tax	-	(50,531)	(233,770)	141	9,439	(274,721)
Adjustment to changes in interest in subsidiaries (Note 47i)	-	-	-	-	(9,879)	(9,879)
Balance at 31.12.2022	<u>31,471</u>	<u>(62,007)</u>	<u>(123,581)</u>	<u>4,494</u>	<u>41,012</u>	<u>(108,611)</u>

38 Dividends

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Interim dividend paid in respect of previous year of S\$0.0080 per share	-	72,337
Final dividend paid in respect of previous year of S\$0.00991 (2022: S\$0.01077) per share	<u>93,996</u>	<u>98,647</u>
	<u>93,966</u>	<u>170,984</u>

At the Annual Meeting to be held on 23 April 2024, a final dividend (tax not applicable) of S\$0.00613 per share, amounting to S\$77,738,655.83 (equivalent to approximately US\$58,982,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

39 Post-Employment Benefits Liability

Certain subsidiaries have defined contribution retirement plan covering substantially all of their eligible permanent employees.

On top of the benefits provided under the defined contribution retirement plan, the subsidiaries have also recorded additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to the qualified employees, as required under the Labor Law. As at 31 December 2023, the amounts for such additional provisions were determined based on actuarial computations valuations prepared by the independent actuary, Kantor Konsultan Aktuaria Steven & Mourits, using the projected unit credit method.

The principal actuarial assumptions used by the actuaries were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	6.4% - 6.9%	6.3% - 7.4%
Salary growth rate	5.0%	5.0%
Retirement age	55 years	55 years

39 Post-Employment Benefits Liability (cont'd)

The amounts of additional provision for post-employment benefits recognised in the statement of financial position represent present value of unfunded employees' retirement benefit obligations in addition to the defined contribution scheme. The movements in the post-employment benefits liability are as follows:

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at the beginning of the year		62,221	76,976
Post-employment benefits expense during the year recognised in the income statement	10	12,412	6,292
Post-employment benefits income during the year recognised in other comprehensive income		(254)	(12,578)
Payments made during the year		(1,111)	(977)
Translation adjustment		677	(7,492)
Balance at the end of the year	34	<u>73,945</u>	<u>62,221</u>

The components of the post-employment benefits expense recognised in the income statement are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Current service cost	8,399	9,492
Past service cost	(514)	(7,982)
Interest cost	4,527	4,782
Post-employment benefits expense recognised in the income statement (Note 10)	<u>12,412</u>	<u>6,292</u>

The components of the post-employment benefits income recognised in other comprehensive income are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Actuarial (loss)/gain arising from changes in assumptions	(1,695)	3,665
Actuarial gain arising from experience adjustment	1,949	8,913
Post-employment benefits income recognised in other comprehensive income	254	12,578
Less: Deferred income tax (Note 26)	(78)	(2,765)
Net post-employment benefits income recognised in other comprehensive income	<u>176</u>	<u>9,813</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

40 Derivative Financial Instruments

The Group classifies derivative financial instruments as financial assets or liabilities at fair value through profit or loss with the resulting gain or loss recognised immediately in the income statement.

The details of the contracts outstanding as at the end of the reporting period are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Notional amount</u> US\$'000	<u>Assets/ (Liabilities)</u> US\$'000	<u>Notional amount</u> US\$'000	<u>Assets/ (Liabilities)</u> US\$'000
Forward currency contracts	1,771,450	(18,678)	1,463,908	(34,972)
Commodity futures contracts	543,109	245	635,802	4,037
Firm commitment contracts	924,488	36,382	674,699	2,614
Interest rate swap contracts	-	-	700,000	(4,685)
Total derivative financial instruments		17,949		(33,006)
Less: Current assets (Note 16)		(38,577)		(10,850)
Current liabilities (Note 33)		(20,628)		(43,856)

During the current financial year, the Group recognised a net gain from forward foreign currency contracts of US\$384,000 (2022: net loss of US\$18,895,000) in the income statement.

41 Financial Instruments

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, time deposits, short-term investments, trade and other receivables, trade and other payables and short-term interest-bearing borrowings are assumed to approximate their fair values due to their short-term maturities.

The fair values of long-term receivables and long-term interest-bearing borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the reporting period. As at 31 December 2023 and 2022, the carrying amounts of the long-term receivables and long-term interest-bearing borrowings approximate their fair values.

Fair Value Hierarchy

The following table presents financial assets and financial liabilities measured at fair value on a recurring basis and classified by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Level 3</u> US\$'000	<u>Total</u> US\$'000
<u>At 31 December 2023</u>				
Financial assets at FVOCI (Equity)	-	-	820,255	820,255
Financial assets at FVTPL held for trading	5,103	52,662	384,824	442,589
Derivative receivable	-	38,577	-	38,577
Derivative payable	-	(20,628)	-	(20,628)
	5,103	70,611	1,205,079	1,280,793

41 Financial Instruments (cont'd)

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Level 3</u> US\$'000	<u>Total</u> US\$'000
<u>At 31 December 2022</u>				
Financial assets at FVOCI (Equity)	-	-	862,685	862,685
Financial assets at FVTPL held for trading	3,891	6,404	393,229	403,524
Derivative receivable	-	10,850	-	10,850
Derivative payable	-	(43,856)	-	(43,856)
	<u>3,891</u>	<u>(26,602)</u>	<u>1,255,914</u>	<u>1,233,203</u>

Methods and Assumptions Used to Determine Fair Values

The methods and assumptions used by management to determine fair values are as follows:

(i) Level 1 fair value measurements

The fair value of securities traded in active markets is based on quoted market prices at the reporting date.

(ii) Level 2 fair value measurements

Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at the reporting date. The fair value of unquoted debt and equity securities and interest rate swap contracts is determined by reference to statements provided by external fund managers/financial institutions. For commodity futures contracts, observable prices are used as a measure of fair values for the outstanding contracts. For firm commitment contracts, the fair values are based on market prices and management's best estimate and are arrived at by reference to the market prices of another contract that is substantively similar and adjusted for premium or discount where relevant.

(iii) Level 3 fair value measurements

The fair values of financial assets classified under Level 3 of the fair value hierarchy were determined by reference to fund statements provided by external fund managers and valuation reports prepared by independent professional valuers. Details of valuation techniques are as follows:

- Net present value method

As at 31 December 2023, fair value of financial assets amounting to US\$63,499,000 (2022: US\$61,164,000) was determined by reference to valuations performed using the net present value method on its underlying assets, adjusted for the external borrowings. Forecasts of future cash flows are based on historical results, growth rate using industry trends, discount rate based on capital fund structure, general market and economic conditions. Key unobservable inputs are as follows:

Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Bearer plant have an average life of 25 years (2022: 25 years).	The estimated fair value increases as the estimated average life increases.
Discount rate per annum of 12.39% (2022: 13.18%).	The estimated fair value increases as the estimated discount rate per annum decreases.
Average selling price at US\$872 (2022: US\$1,032) per metric tonne.	The estimated fair value increases as the estimated selling price increases.

As at the end of current financial year, if the average selling price per metric tonne were 2.5% lower while all the other variables were held constant, the fair value of the investment would decrease by US\$17.7 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

41 Financial Instruments (cont'd)

Methods and Assumptions Used to Determine Fair Values (cont'd)

(iii) Level 3 fair value measurements (cont'd)

- Fund statements

As at 31 December 2023, fair value of financial assets amounting to US\$846,446,000 (2022: US\$855,924,000) was made with reference to the fund statements provided by external fund managers. The fund managers determined the fair value of its entire portfolio using multiple valuation techniques including price of recent transactions, Backsolve and option pricing model, Monte Carlo simulation, adjusted net assets value and discounted cash flow method of the investee companies.

- Discounted cash flow method

As at 31 December 2023, fair value of financial assets amounting to US\$295,134,000 (2022: US\$338,826,000) was determined by reference to valuations performed using the discounted cash flow method. The expected cash flows from these financial assets are mainly determined using the projected subscription and leasing income, and revenue growth, net of operating expenses over the estimated useful life of the underlying operating assets. Key unobservable inputs used in the valuation model are as follows:

Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Revenue based on projected subscription and leasing income.	The estimated fair value increases as the estimated subscription and leasing price increases.
Projected operating and maintenance expenses.	The estimated fair value increases as the estimated operating and maintenance expenses decreases.
Average useful life of 2 to 23 years (2022: 2 to 24 years).	The estimated fair value increases as the estimated useful life increases.
Cost of equity per annum ranging from 12.00% to 17.00% (2022: 13.00% to 17.08%).	The estimated fair value increases as the estimated cost of equity decreases.
Terminal growth rate of 1.5% (2022: 1.5%).	The estimated fair value increases as the growth rate increases.

As at the end of current financial year, if the free cash flow to the equity (attributable to variables including pricing and utilisation rate for the uncontracted capacity, and operating expenses) were 10% lower while all the other variables were held constant, the fair value of the investment would decrease by US\$28.3 million (2022: US\$29.9 million). If the cost of equity per annum increased by 0.5% while all the other variables were held constant, the fair value of the investment would decrease by approximately US\$9.7 million (2022: US\$13.3 million).

41 Financial Instruments (cont'd)Methods and Assumptions Used to Determine Fair Values (cont'd)

During the current financial year, a net loss of US\$13.3 million (2022: net loss of US\$211.9 million) was recognised in the consolidated income statement due to changes in fair value. There were no transfers between Level 1, 2 and 3 during the current financial year. Movements in Level 3 financial assets measured at fair value are as follows:

	<u>2023</u>		<u>2022</u>	
	Financial assets at <u>FVOCI</u> US\$'000	Financial assets at <u>FVTPL</u> US\$'000	Financial assets at <u>FVOCI</u> US\$'000	Financial assets at <u>FVTPL</u> US\$'000
Balance at the beginning of the year	862,685	393,229	898,386	603,408
Additions	137,877	500	210,554	-
Redemption/Return of capital	(2,949)	-	(12,316)	-
Changes in fair value recognised in other comprehensive income	(177,330)	-	(233,770)	-
Changes in fair value recognised in the income statement	-	(8,905)	-	(210,179)
Translation adjustment	(28)	-	(169)	-
Balance at the end of the year	<u>820,255</u>	<u>384,824</u>	<u>862,685</u>	<u>393,229</u>

Valuation Policies and Procedures

The Group has an established governance framework with respect to the measurement of fair values of its financial instruments. This framework includes a team that report directly to the respective divisional Chief Financial Officer and the Group's Chief Financial Officer. The measurement of fair values of financial instruments is performed, reviewed and validated on a periodical basis. The respective valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the respective valuation team assesses the reasonableness and documents the basis. All variances, if any, will be reviewed and reported to the Group's Chief Financial Officer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

42 Acquisition of a Subsidiary and Changes in Ownership Interests of Subsidiaries

(a) Acquisition of a subsidiary during the financial year 2023

In June 2023, the Group through its wholly-owned subsidiary, acquired 100% shareholding in Golden Stena DMCC (“DMCC”) for a consideration of US\$359,000. Following the acquisition, DMCC became a subsidiary of the Group. From the date of acquisition, DMCC does not contribute significantly to the Group’s results for the financial year 2023. If the acquisition had been completed on 1 January 2023, management estimated that there would have no significant changes to the Group’s results.

The following table summarises the fair value of the identifiable assets acquired at the acquisition date:

	<u>DMCC</u> US\$'000
Cash and cash equivalents	327
Other current assets	72
Other payables	(40)
Net assets acquired/Purchase consideration	<u>359</u>
Less: Cash and cash equivalents acquired	<u>(327)</u>
Net cash outflow on acquisition	<u>32</u>

(b) Changes in ownership interests of subsidiaries during the financial year 2022

In March 2022, Vulcan AI Pte Ltd (“Vulcan”) issued 610 new shares to its non-controlling shareholders and new investors for an aggregate consideration of US\$3,009,000. Following this shares issuance, the Group’s effective interest in Vulcan decreased from 68.67% to 41.78%, resulting in Vulcan and its wholly-owned subsidiary, Vulcan AI Technologies Pte Ltd (collectively “Vulcan group”), ceasing to be subsidiaries of the Group and were equity accounted for as associated companies. An analysis of assets and liabilities which control was lost was as follows:

	<u>Vulcan group</u> US\$'000
Intangible assets	918
Property, plant and equipment	46
Cash and cash equivalents	117
Other receivables	282
Other payables	(4,093)
Net liabilities derecognised	<u>(2,730)</u>
Add: Non-controlling interests’ proportionate share of net liabilities	857
Add: Gain on deconsolidation of subsidiaries	<u>1,988</u>
Fair value of net assets deconsolidated	115
Less: Reclassification to investment in associated companies	<u>(115)</u>
	-
Less: Cash and cash equivalents deconsolidated	<u>(117)</u>
Net cash outflow from deconsolidation of subsidiaries	<u>(117)</u>

Subsequent to the above shares issuance, the Group through its wholly-owned subsidiary, disposed 176 shares in Vulcan for a consideration of US\$1,000,000. The Group recognised a gain on disposal of US\$969,000, with the Group’s effective interest in Vulcan decreasing from 41.78% to 30.49%.

43 Operating Segment Information

For management purposes, the Group is organised into business units based on their products and has two reportable operating segments as follows:

Plantations and palm oil mills - comprises the products from upstream business;

Palm, laurics and others - refers to the processing and global merchandising of palm and oilseed-based products comprising bulk and branded products, oleochemicals, sugar and other vegetable oils.

<u>2023</u>	<u>Plantations and palm oil mills</u> US\$'000	<u>Palm, laurics and others</u> US\$'000	<u>Eliminations</u> US\$'000	<u>Total</u> US\$'000
Revenue from external customers	113,469	9,642,728	-	9,756,197
Inter-segment sales	1,893,550	-	(1,893,550)	-
Total revenue	<u>2,007,019</u>	<u>9,642,728</u>	<u>(1,893,550)</u>	<u>9,756,197</u>
EBITDA	<u>478,094</u>	<u>507,175</u>	<u>309</u>	<u>985,578</u>
<u>Other information</u>				
Capital expenditure	207,276	105,048	-	312,324
Unallocated capital expenditure				<u>2,582</u>
Total capital expenditure				<u>314,906</u>
Depreciation and amortisation	(247,733)	(124,864)	-	(372,597)
Write-back of expected credit loss on trade and other receivables	-	634	-	634
Net loss from changes in fair value of biological assets	(6,077)	-	-	(6,077)
Loss from changes in fair value of financial assets at FVTPL	(10,741)	(2,593)	-	(13,334)
Interest on borrowings	(97,099)	(123,329)	-	(220,428)
Share of (loss)/profit of:				
Associated companies	(20)	4,764	-	4,744
Joint ventures	-	18,176	-	18,176
<u>Assets</u>				
Segment assets	4,374,830	4,906,576	(1,122,433)	8,158,973
Investment in:				
Associated companies	2,841	23,620	-	26,461
Joint ventures	-	244,490	-	244,490
Unallocated assets				<u>1,286,564</u>
Total assets				<u>9,716,488</u>
<u>Liabilities</u>				
Segment liabilities	(596,982)	(3,189,611)	1,146,324	(2,640,269)
Unallocated liabilities				<u>(1,896,315)</u>
Total liabilities				<u>(4,536,584)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

43 Operating Segment Information (cont'd)

<u>2022</u>	Plantations and palm oil mills US\$'000	Palm, laurics and others US\$'000	<u>Eliminations</u> US\$'000	<u>Total</u> US\$'000
Revenue from external customers	72,768	11,366,030	-	11,438,798
Inter-segment sales	2,195,623	-	(2,195,623)	-
Total revenue	<u>2,268,391</u>	<u>11,366,030</u>	<u>(2,195,623)</u>	<u>11,438,798</u>
EBITDA	<u>804,405</u>	<u>1,021,974</u>	<u>(270)</u>	<u>1,826,109</u>
<u>Other information</u>				
Capital expenditure	107,226	87,902	-	195,128
Unallocated capital expenditure				1,936
Total capital expenditure				<u>197,064</u>
Depreciation and amortisation	(262,759)	(134,982)	-	(397,741)
Allowance for impairment loss on property, plant and equipment	-	(409)	-	(409)
Write-back of expected credit loss on trade and other receivables	-	6,480	-	6,480
Net loss from changes in fair value of biological assets	(16,625)	-	-	(16,625)
Loss from changes in fair value of financial assets at FVTPL	(47,894)	(163,979)	-	(211,873)
Interest on borrowings	(90,795)	(91,698)	-	(182,493)
Share of profit of:				
Associated companies	240	3,652	-	3,892
Joint ventures	-	70,559	-	70,559
<u>Assets</u>				
Segment assets	4,927,659	4,793,576	(1,441,449)	8,279,786
Investment in:				
Associated companies	2,847	19,552	-	22,399
Joint ventures	-	247,645	-	247,645
Unallocated assets				1,352,242
Total assets				<u>9,902,072</u>
<u>Liabilities</u>				
Segment liabilities	(719,907)	(3,191,771)	1,437,600	(2,474,078)
Unallocated liabilities				(2,173,645)
Total liabilities				<u>(4,647,723)</u>

43 Operating Segment Information (cont'd)

A reconciliation of total EBITDA to total profit before income tax is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
EBITDA for reportable segments	985,269	1,826,379
Other EBITDA	309	(270)
Net loss from changes in fair value of biological assets	(6,077)	(16,625)
Depreciation and amortisation	(372,597)	(397,741)
Foreign exchange (loss)/gain	(7,128)	6,060
Interest on borrowings	(220,428)	(182,493)
Exceptional item	-	(409)
Profit before income tax	<u>379,348</u>	<u>1,234,901</u>

Revenue based on geographical location of customers is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
China	1,178,313	1,226,530
Indonesia	1,993,065	2,088,446
India	1,413,885	2,038,986
Rest of Asia	2,616,773	3,149,717
Europe	1,202,397	1,453,759
Others	1,351,764	1,481,360
Consolidated revenue	<u>9,756,197</u>	<u>11,438,798</u>

The following is an analysis of the carrying amount of non-current non-financial assets, analysed by the geographical areas in which the assets are located:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Indonesia	3,901,725	3,949,975
China	72,917	82,792
Singapore	168,850	145,707
India	84,631	76,279
Others	60,822	35,245
Total non-current non-financial assets	<u>4,288,945</u>	<u>4,289,998</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

44 Related Party Transactions

- (a) In addition to the related party information disclosed elsewhere in the consolidated financial statements, significant transactions with related parties, on terms agreed between parties, are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
(i) Sale of services		
Rental income from related parties	451	495
Rental income from joint ventures	913	879
(ii) Purchase of goods and services		
Insurance premium to a related party	6,423	4,680
Purchase of non-palm oil products and services from related parties	135,017	151,083
Purchase of non-palm oil products and services from joint ventures	40,149	62,805
Freight and related expenses to joint ventures	14,971	16,732
Rental and service charge expense to related parties	5,985	3,687
(iii) Return of capital from a joint venture	20,000	-
(iv) Purchase of a subsidiary from a joint venture	359	-
(v) Dividend income from:		
- a joint venture	2,000	3,000
- an associated company	1,142	1,121

- (b) The key management personnel remuneration is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Directors of the holding company	6,795	19,318
Other key management personnel	13,144	9,896

Included in the above remuneration are post-employment benefits of US\$34,027 for the current financial year (2022: US\$32,126).

45 Financial Risk Management

- (a) Capital Risk Management

The Group manages its capital to safeguard the Group's ability to continue as a going concern in order to maximise the return to shareholders and benefits for other stakeholders through the optimisation of the debts and equity balance. The Group's overall strategy remains unchanged since 2022. Neither the Group nor the Company is subject to externally imposed capital requirements. The Group monitors capital using net debts-to-equity ratio and adjusted net debts-to-equity ratio.

Net debts-to-equity ratio equals net debts divided by total equity. Total equity comprises share capital, share premium, reserves, retained earnings and non-controlling interests.

45 Financial Risk Management (cont'd)**(a) Capital Risk Management (cont'd)**

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Short-term borrowings	28	1,519,530	1,737,828
Long-term borrowings	29	1,012,577	655,630
Bonds and notes payable	30	474,253	564,080
Lease liabilities	31	58,270	26,044
Total debts		<u>3,064,630</u>	<u>2,983,582</u>
Less: Cash and cash equivalents	13	<u>(544,570)</u>	<u>(691,065)</u>
Net debts		<u>2,520,060</u>	<u>2,292,517</u>
 Total equity		 <u>5,179,904</u>	 <u>5,254,349</u>
 Net debts-to-equity ratio (times)		 <u>0.49</u>	 <u>0.44</u>

Adjusted net debts-to-equity ratio equals adjusted net debts divided by total equity. Adjusted net debts comprise net debts (as defined above) less liquid working capital. Liquid working capital includes short-term investments, trade receivables, advances and deposits to suppliers and inventories (excluding consumables) less trade and trust receipts payables and advances and deposits.

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Net debts	2,520,060	2,292,517
Less: Liquid working capital:		
Short-term investments	(590,653)	(454,048)
Trade receivables	(653,807)	(790,779)
Inventories (excluding consumables)	(1,299,697)	(1,365,594)
Advances and deposits to suppliers	(185,220)	(225,693)
Trade and trust receipts payables	510,604	583,828
Advances and deposits	90,123	102,200
Adjusted net debts	<u>391,410</u>	<u>142,431</u>
 Total equity	 <u>5,179,904</u>	 <u>5,254,349</u>
 Adjusted net debts-to-equity ratio (times)	 <u>0.08</u>	 <u>0.03</u>

The directors of the Company review the capital structure on a semi-annual basis. As a part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Accordingly, the Group will balance its overall capital structure through the payment of dividends, new share issues and shares buy-back as well as the issue of new debt or the redemption of existing debt.

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk, price risk), credit risk, liquidity risk, and cash flow risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group may use relevant financial instruments to manage certain risks. Such financial instruments are not held for trade or speculative purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

45 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(i) Interest Rate Risk

The Group's exposure to cash flow and fair value interest rate risk arises primarily on its existing interest-bearing borrowings. Cash flow interest rate risk is the risk that the future cash flow of borrowings at variable rate will fluctuate because of changes to market interest rates. Fair value interest rate risk is the risk that the fair values of borrowings at fixed rate will fluctuate because of changes to market interest rates. The interest rate that the Group will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates the Group has secured currently.

As at 31 December 2023, if interest rates on net financial liabilities at variable rate had been 1% (2022: 1%) lower with all other variables held constant, profit before income tax and total equity for the year would have been higher by approximately US\$20,677,000 and US\$16,136,000 (2022: US\$16,582,000 and US\$12,988,000) respectively, as a result of lower interest expense and vice versa. This analysis is prepared assuming the amount of net financial liabilities outstanding at the end of the reporting period was outstanding for the whole year.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the interest rates and repayment terms are disclosed in the respective notes to the consolidated financial statements. The tables below set out the interest rate profile of the Group's interest-bearing financial instruments at carrying amount.

	<u>2023</u>	<u>2022</u>
	US\$'000	US\$'000
<u>Financial Assets</u>		
Variable rate	300,748	548,922
Fixed rate	847,735	619,059
Non-interest bearing	<u>2,100,904</u>	<u>2,174,951</u>
	<u>3,249,387</u>	<u>3,342,932</u>
<u>Financial Liabilities</u>		
Variable rate	2,363,612	2,202,888
Fixed rate	870,729	936,692
Non-interest bearing	<u>606,355</u>	<u>719,338</u>
	<u>3,840,696</u>	<u>3,858,918</u>

During the current financial year, the Group has replaced the existing interbank offered rates ("IBORs"), for all borrowing contracts which were maturing or contracted after the cessation of IBORs publication, to other index benchmark (e.g. Secured Overnight Financing Rate ("SOFR") or Singapore Overnight Rate Average ("SORA")) and/or other bank rates.

The cessation and replacement of IBORs with alternative nearly risk-free rates (referred to as "interest rate benchmark reform") has been a fundamental global financial industry reform of interest rate benchmarks for borrowing contracts. For the change of interest benchmarks, the Group has applied the practical expedients provided under Phase 2 amendments for IBOR reform for its secured loans. The Group's interest rate risk that were directly affected by the interest rate benchmark reform predominantly comprised of its variable rate borrowings that were indexed to LIBOR or Singapore Swap Offer Rate ("SOR"). As at 31 December 2022, the Group had variable rate borrowings of US\$530,003,000 that were mainly indexed to LIBOR.

(ii) Foreign Currency Risk

The Group operates in several countries. Entities within the Group regularly transact in currencies other than their respective functional currency ("foreign currency") such as Indonesian rupiah ("IDR"), the Chinese renminbi ("RMB") and the United States dollar ("USD") which is also the Group's presentation currency.

45 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk (cont'd)

Sales to domestic customers within Indonesia and China are denominated in their local currencies, while export sales for most of the Group's products and cost of certain key purchases are quoted in United States dollar. Purchases and operating expenses in Indonesia and China are mainly denominated in their local currencies. To the extent that the revenue and purchases of the Group are denominated in different currencies, and may not evenly match in terms of quantum and/or timing, the Group has exposure to foreign currency risk.

The Group seeks to manage its foreign currency exposure by constructing a natural hedge where it matches revenue and expenses in any single currency or through financial instruments, such as forward exchange contracts and cross currency swap contracts. The Group is also exposed to currency translation risk arising from its net investments in foreign operations. These net investments are not hedged as currency positions in these foreign operations are considered long-term in nature.

As at the end of the current reporting period, if IDR strengthen/weaken against USD by 5% with all other variables, including interest rates remain constant, the Group's profit before income tax would have decreased/increased by US\$22,063,000 (2022: US\$23,035,000).

(iii) Price Risk

Market price risk is the risk that the fair value of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are classified as financial assets as fair value through profit or loss. No sensitivity analysis is presented as management believes that market price risk is not significant.

The Group is exposed to commodity price risk as the Group's products are related to agricultural commodities. During its ordinary course of business, the value of the Group's open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subjected to price fluctuations in the commodities market. While the Group is exposed to fluctuations in agricultural commodities prices, the Group seeks to manage the exposure by hedging its contracts either through forward, futures and options contracts on the commodity exchanges. No sensitivity analysis is presented as management believes that commodity price risk is not significant.

(iv) Significant Concentrations of Credit Risk

Concentrations of credit risk exists when changes in economic, industry or geographical factors similarly affect counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

(v) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performs ongoing credit evaluation of its customers' financial conditions. Customers may be required to provide security in terms of cash deposits or letters of credit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

45 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(v) Credit Risk (cont'd)

Cash and cash equivalents mainly comprise deposits with reputable banks with acceptable credit ratings. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, with ratings ranging from Aa1 to Baa3. There was no impairment loss recognised on cash and cash equivalents during the current financial year.

The Group recognises loss allowances for ECLs on trade and non-trade receivables as disclosed in Note 15, Note 16 and Note 19 to the consolidated financial statements.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period is the carrying amount of each class of assets in the statement of financial position, except as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
Total facilities	370,567	505,552
Total outstanding	<u>276,820</u>	<u>378,504</u>

(vi) Liquidity Risk

To manage liquidity risk, the Group maintains a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements. The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows (inclusive of principals and estimated interest until maturity):

	Less than <u>1 year</u> US\$'000	<u>1 to 5 years</u> US\$'000	Over <u>5 years</u> US\$'000	<u>Total</u> US\$'000
<u>At 31 December 2023</u>				
Short-term loans	1,233,123	-	-	1,233,123
Long-term loans	385,897	1,107,935	29,149	1,522,981
Bonds and notes payable	165,680	379,239	-	544,919
Lease liabilities	21,124	39,040	7,044	67,208
Other financial liabilities	776,066	-	-	776,066
Financial guarantee contracts	16,619	260,201	-	276,820
	<u>2,598,509</u>	<u>1,786,415</u>	<u>36,193</u>	<u>4,421,117</u>
<u>At 31 December 2022</u>				
Short-term loans	1,249,152	-	-	1,249,152
Long-term loans	555,293	707,372	-	1,262,665
Bonds and notes payable	138,919	535,891	-	674,810
Lease liabilities	8,467	15,088	4,912	28,467
Other financial liabilities	875,336	-	-	875,336
Financial guarantee contracts	47,668	279,636	51,200	378,504
	<u>2,874,835</u>	<u>1,537,987</u>	<u>56,112</u>	<u>4,468,934</u>

46 Significant Commitments

Capital expenditure and investment commitment

At the end of the reporting period, the estimated significant expenditure and investment in financial instruments committed but not provided for in the consolidated financial statements are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Capital expenditure	92,760	77,358
Investment in equity securities	<u>61,667</u>	<u>94,799</u>

47 Group Companies

The details of the subsidiaries are as follows:

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held by the Company				
Asia Integrated Agri Resources Limited	Investment holding	Bermuda	100.00	100.00
Blue Sky Golden Energy Ltd (b1),(e)	Investment holding	Mauritius	100.00	100.00
Easton Capital Resources Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Agri Capital Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Agri International Finance Ltd (b1)	Treasury management	Mauritius	100.00	100.00
Golden Agri International Finance (2) Ltd (b2)	Treasury management	British Virgin Islands	100.00	100.00
Golden Agri International (Mauritius) Ltd (b1)	Investment holding and business and management consultancy services	Mauritius	100.00	100.00
Golden Agri International Pte Ltd	Trading in crude palm oil and related products	Singapore	100.00	100.00
Golden Agri International Trading Ltd. (b4)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri Investment (S) Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Agri (Labuan) Ltd (b2)	Trading in crude palm oil and related products and treasury management	Malaysia	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held by the Company (cont'd)				
Golden Americas Pte. Ltd. (b3)	Investment holding	Singapore	100.00	100.00
Golden Asset Capital Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Assets International Finance Limited	Treasury management	British Virgin Islands	100.00	100.00
Golden Assets International Investment Pte. Ltd.	Treasury management	Singapore	100.00	100.00
Golden Capital Resources (S) Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Funds & Investment Management Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Logistics International Limited (b16)	Investment holding	Hong Kong	100.00	100.00
Golden Oleo Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Madagascar Investment Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Purimas Sasmita ("Purimas") (b1),(a)	Investment holding, building management services, business and management consultancy and trading	Indonesia	-	100.00
Subsidiaries held through subsidiaries				
PT Abadimas Investama (b1)	Investment holding and business and management consultancy services	Indonesia	100.00	100.00
Accord Investments Ltd. (b1)	Investment holding	Malaysia	100.00	100.00
Aerolink Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
AFP Agri-Resources Trading (M) Sdn. Bhd. (b1)	Investment holding	Malaysia	100.00	100.00
AFP International Trading (Shanghai) Co., Ltd (b9)	Trading in edible oils and its related products	People's Republic of China	100.00	100.00
PT Aditunggal Mahajaya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
PT Agrokarya Primalestari (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Hijau Sentosa (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Mandiri (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Sentosa (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Subur Sejahtera (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agropalma Sejahtera (b1)	Investment holding	Indonesia	100.00	100.00
Ascent Industrial Complex Sdn. Bhd. (b6)	Operation of bulking stations, export, import, administration of transportation services, management and trading	Malaysia	100.00	100.00
Asia Palm Oil Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Aurea Resource Trading Company Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Bahana Karya Semesta (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bangun Nusa Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Belino Investments Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Bhakti Manunggal Karya (b5)	Training services	Indonesia	100.00	100.00
Billford Investment Corporation Ltd. (b1)	Investment holding	Malaysia	100.00	100.00
PT Bina Kreasi Teknologi (b3)	Investment holding, trading and the provision of services in technology products	Indonesia	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
PT Binasawit Abadipratama (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Blue Sky Golden FPS Ltd (b2),(f)	Investment holding	British Virgin Islands	-	100.00
PT Buana Adhitama (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Buana Artha Sejahtera (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Buana Indah Mandiri (b5)	Transportation services	Indonesia	99.46	99.46
PT Buana Wiralestari Mas (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumi Persada Sejahtera (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Bumi Sawit Permai (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumimas Sentramakmur (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumipalma Lestari Persada (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumipermai Lestari (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Cahayanusa Gemilang (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Centrino Investment Ltd. (b2)	Investment holding	Malaysia	100.00	100.00
PT Citra Bhakti Mandiri (b1)	Investment holding	Indonesia	100.00	100.00
PT Dami Mas Sejahtera (b1)	Production and sale of oil palm seeds	Indonesia	100.00	100.00
PT Djuandasawit Lestari (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Dragon Capital Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Dumai Mas Resources (b5)	Producer of edible oils and fats	Indonesia	100.00	100.00

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
Eco Investment Ltd (b2)	Investment holding	Malaysia	100.00	100.00
Enterprise Capital Corporation (b1)	Investment holding	Malaysia	100.00	100.00
Florentina International Holdings Limited (b1)	Investment holding	Mauritius	100.00	100.00
PT Forestalestari Dwikarya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Fortuna Abadi Mandiri (b5)	Investment holding	Indonesia	100.00	100.00
GAR Pakistan (Pvt.) Limited (b1)	Commercial import and trading in crude palm oil and related products	Pakistan	100.00	100.00
GC Maritime Pte. Ltd.	Ownership of shipping vessel(s)	Singapore	100.00	100.00
Gemini Edibles & Fats India Limited (b12)	Trading, manufacturing and marketing of edible oils and fats	India	56.27	56.27
PT Genta Mas Perkasa (b5)	Investment holding	Indonesia	100.00	100.00
GF International Holdings Pte. Ltd.	General wholesale trade	Singapore	100.00	100.00
Golden Adventure (GSW) Pte. Ltd. (d)	Ship owning and ship chartering	Singapore	-	70.00
Golden Agri International Enterprises Pte. Ltd.	Trading in crude palm oil and related products and investment holding	Singapore	100.00	100.00
Golden Agri International (L) Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International (M) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International (M) Trading Sdn. Bhd. (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International Trading (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri International Trading (Mauritius) Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Golden Agri Investment & Management Limited (b8)	Investment holding	Hong Kong	100.00	100.00
Golden-Agri Maritime Pte. Ltd.	Ship management	Singapore	100.00	100.00
Golden Agri Plaza Pte. Ltd.	Commercial and industrial real estate management and property investment	Singapore	100.00	100.00
Golden Agri-Resources Brasil Sociedade Limitada Unipessoal (b2)	Sales and logistical support services	Brazil	100.00	100.00
Golden Agri-Resources Colombia S.A.S. (b17)	Trading in tropical oil and their related products; logistics and business/ management consultancy services	Republic of Colombia	100.00	100.00
Golden Agri-Resources Europe B.V. (b1)	Investment holding, treasury management, sales support services and trading in tropical oils and their by-products; oleochemicals	The Netherlands	100.00	100.00
Golden Agri-Resources Europe Holding Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Agri-Resources Germany GmbH (b2),(f)	Trade and distribution of oleochemical products	Germany	-	100.00
Golden Agri-Resources Iberia, S.L. (b1)	Sales, marketing and trading in tropical oils and their by-products; oleochemicals and sugar	Spain	100.00	100.00
Golden Agri Resources (India) Private Limited (b1)	Trading and refining of crude palm oil and related products	India	100.00	100.00
Golden Agri Resources Mexico S. de R.L. de C.V. (b3),(c)	Importing, trading and distribution of palm oil and oleochemical products	Mexico	100.00	-
Golden Agri-Resources Nigeria Limited (b13)	Importing, marketing and distributing palm oil products	Federal Republic of Nigeria	100.00	100.00
Golden Agri-Resources USA, Inc. (b1)	Trading in tropical oils and their by-products	United States of America	100.00	100.00

47 **Group Companies** (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
Golden Airlines Limited (b16)	Investment holding	Hong Kong	100.00	100.00
Golden Avenue (GSW) Pte. Ltd. (d)	Ship owning and ship chartering	Singapore	-	70.00
PT Golden Biomass Energy (b1)	Trading in palm-based products	Indonesia	100.00	100.00
Golden Capital Asset Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Food International (Shanghai) Co., Ltd. (b9)	Sale of food products	People's Republic of China	100.00	100.00
Golden Funds & Investment Services Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Maritime Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Natural Resources (HK) Investment Co. Limited (b8)	Investment holding	Hong Kong	100.00	100.00
Golden Natural Resources (Shanghai) International Trade Co., Ltd. (b9)	Trading in edible oils and its related products	People's Republic of China	100.00	100.00
Golden Stena DMCC (b1), (Note 42a)	Ship management services and chartering and operation of vessels	Dubai	100.00	-
PT Harapan Rimba Raya (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Harford Holdings Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Hijau Alam Sejati (b1)	Forestry, carbon storage and absorption services	Indonesia	100.00	100.00
Huafeng Foodstuff (Fuxin) Co., Ltd (b9)	Manufacturing and sale of processed instant noodles, snack products and beverages	People's Republic of China	100.00	100.00
Huafeng Foodstuff (Xian Yang) Co., Ltd (b9)	Manufacturing and sale of processed instant noodles, snack products and beverages	People's Republic of China	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
PT Indokarya Mas Sejahtera (b1)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
Integrated Advance IT Services Sdn. Bhd. (b1)	IT consultancy, IT application design, development and maintenance services and provision of facilities for data centre resources and other IT outsourced activities	Malaysia	100.00	100.00
Integrated Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Ivo Mas Tunggal (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Ivomas Oil & Fat (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Ivomas Tunggal Lestari (b1)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Kartika Prima Cipta (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kencana Graha Permai (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kharisma Riau Sentosa Prima (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kreasi Mas Indah (b1)	Producer of beverage products	Indonesia	100.00	100.00
PT Kresna Duta Agroindo (b1)	Oil palm cultivation and palm oil producer	Indonesia	92.40	92.40
PT Kruing Lestari Jaya (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kurnia Cakra Sakti (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kusuma Binamakmur (b3)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Langgeng Subur (b1)	Cultivation of ornamental plants	Indonesia	92.40	92.40
Madascar Capital Pte. Ltd.	Investment holding	Singapore	100.00	100.00

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
PT Mantap Andalan Unggul (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Maskapai Perkebunan Leidong West Indonesia (b1)	Oil palm cultivation and palm oil producer	Indonesia	92.40	92.40
PT Meganusa Intisawit (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Meganusa Karya Langgeng (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Mitra Ekasukses Abadi (b5)	Records and document management services	Indonesia	100.00	100.00
PT Mitrakarya Agroindo (b1),(h)	Oil palm cultivation and palm oil producer	Indonesia	99.98	99.95
PT Mitranusa Permata (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Mutiara Mahkota Mulia (b5)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Ningbo Shining Gold Cereal Oil Port Co., Ltd	Port and storage facilities	People's Republic of China	81.73	81.73
Ningbo Shining Gold Cereal Oil Storage Co., Ltd	Provide services in port loading, storage, packaging and transportation	People's Republic of China	81.73	81.73
PT Nusantara Candra (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Nusatama Agung Kreasi (b3)	Producer of edible oils and fats	Indonesia	100.00	100.00
PT Oleokimia Sejahtera Mas (b1)	Refinery operation	Indonesia	100.00	100.00
PT Palmindo Billiton Berjaya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Paramitra Agung Cemerlang (b1)	Provision of shipping and chartering services	Indonesia	100.00	100.00
PT Paramitra Internusa Pratama (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
PT Pelangi Mega Buana (b1)	Investment holding	Indonesia	100.00	100.00
PT Pelangi Sungai Siak (b3)	Oil palm cultivation and palm oil producer	Indonesia	78.54	78.54
PT Perkasa Mekar Abadi (b3)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Persada Graha Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Piranti Muktisentosa (b1)	Investment holding	Indonesia	100.00	100.00
PT Perusahaan Perkebunan Panigoran (b1)	Oil palm cultivation and palm oil producer	Indonesia	92.40	92.40
PT Pratama Ronaperintis (b3)	Investment holding	Indonesia	64.68	64.68
PT Primatama Kreasimas (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Prisma Cipta Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Propertindo Prima (b1)	Transportation services	Indonesia	92.40	92.40
PT Purimas Sasmita ("Purimas") (b1),(a)	Investment holding, building management services, business and management consultancy and trading	Indonesia	100.00	-
PT Putra Manunggal Abadi (b1)	Investment holding	Indonesia	100.00	100.00
PT Ramajaya Pramukti (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Rapid Growth Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Rawa Bangunyanan (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Rimba Rayatama Jaya (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Satrindo Jaya Agropalma (b5)	Transportation services	Indonesia	100.00	100.00
PT Satya Kisma Usaha (b1)	Oil palm cultivation and palm oil producer	Indonesia	92.40	92.40

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
PT Sawit Mas Sejahtera (b5)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sawitakarya Manunggul (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Shining Gold Foodstuffs (Ningbo) Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	100.00	100.00
Shining Gold Oilseed Crushing (Ningbo) Co., Ltd	Manufacturing of crude vegetable oil	People's Republic of China	100.00	100.00
Silverand Holdings Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sinar Kencana Inti Perkasa (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sinar Mas Agro Resources and Technology Tbk ("SMART") (b1)	Investment holding, oil palm cultivation and palm oil producer, refinery and producer of consumer cooking oil, shortening and margarine	Indonesia	92.40	92.40
Sinar Mas Natural Resources (China) Investment Co., Ltd (b10)	Investment holding	People's Republic of China	100.00	100.00
PT Sinarmas Bio Energy (b1)	Production of palm oil based bio-diesel and other renewable resources based energy	Indonesia	92.40	92.40
PT Sinarmas Cakrawala Persada (b1)	Investment holding	Indonesia	100.00	100.00
Sinarmas Corporate Management (Shanghai) Co., Ltd (b9)	Provision of management and consultancy services	People's Republic of China	100.00	100.00
Sinarmas Food (Hong Kong) Co., Limited (b16)	Investment holding	Hong Kong	100.00	100.00
Sinarmas Food (Shaoguan) Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
PT Sinarmas Sentra Cipta (b1)	Office administration services	Indonesia	92.40	92.40
PT Sinarmas Surya Sejahtera (b1)	Sale of food products	Indonesia	100.00	100.00
PT Sinar Mas Super Air (b5)	Aerial manuring	Indonesia	97.34	97.34
Sinarkonex Korea Co., Ltd (b3)	Dormant	Korea	70.00	70.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
Smart Trac Resources Trading Limited (b16)	Trading of palm oil and stearin	Hong Kong	100.00	100.00
PT Soci Mas (b1)	Oleochemical industries	Indonesia	92.45	92.45
Solid Growth Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Sterling International Investment Ltd (b2)	Investment holding	Malaysia	100.00	100.00
Straits Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sumber Indahperkasa (b5)	Oil palm cultivation and palm oil producer	Indonesia	96.39	96.39
PT Swakarya Adhi Usaha (b5)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Tapian Nadenggan (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	92.40	92.40
PT Tarunacipta Kencana (b1)	Ownership and operation of marine cargo	Indonesia	100.00	100.00
PT Tradisi Mas Sejahtera (b3)	Investment holding	Indonesia	62.50	62.50
Tree Oak Ventures Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Tsani Hutani Abadi (b1)	Investment holding	Indonesia	100.00	100.00
PT Universal Transindo Mas (b5)	Transportation services	Indonesia	97.37	97.37
PT Usaha Malindo Jaya (b5)	Construction service	Indonesia	100.00	100.00
Victory Oleo Holding GmbH (b2),(f)	Investment holding	Germany	-	100.00
Windflower Investments Limited (b2)	Investment holding and treasury management	British Virgin Islands	100.00	100.00
Woodside Financial Limited (b2)	Investment holding	Malaysia	100.00	100.00
Wuhan Jin Ding Foodstuff Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
Subsidiaries held through subsidiaries (cont'd)				
Zhongshan Huifeng Investment Advisory Co., Ltd (b9)	Dormant	People's Republic of China	100.00	100.00
Zhuhai Huafeng Film Co., Ltd (b9)	Dormant	People's Republic of China	85.00	85.00
Zhuhai Huafeng Printing Co., Ltd (b9)	Dormant	People's Republic of China	85.00	85.00
Zhuhai Huafeng Food Industry (Group) Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
Zhuhai Huafeng Foodstuff Co., Ltd (b9)	Manufacturing and sale of instant noodles	People's Republic of China	100.00	100.00
Zhuhai Sinarmas Huafeng Enterprise Co., Ltd (b9)	Investment holding	People's Republic of China	100.00	100.00
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	85.00	85.00
The Group's associated companies are:				
Bluebrahma Clean Energy Solutions Private Limited ("Bluebrahma") (b15)	Ethanol manufacturing and generation of clean energy	India	26.00	26.00
PT Catur Paramita (b3)	Property owner for education purposes	Indonesia	36.21	36.21
PT Duta Anugerah Indah (b11)	Television broadcasting which focuses on education and in the humanitarian field	Indonesia	28.08	28.08
Emperius Infralogistics Private Limited (b1)	Liquid storage tank and logistics solutions	India	26.00	26.00
PT Hortimart Agrogemilang (b3)	Production and sale of seeds	Indonesia	36.13	36.13
PT Sinar Meadow International Indonesia (b5)	Production of special vegetable oil and fat	Indonesia	50.00	50.00
PT Wahana Agung Persada (b5)	Consultancy services and trading	Indonesia	49.00	49.00
Titip Holdings Pte. Ltd. (b3),(g)	Investment holding	Singapore	48.19	-
Vulcan AI Pte. Ltd.	Digital analytics	Singapore	30.49	30.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

<u>Name of company</u>	<u>Principal activities</u>	<u>Place of business/ incorporation</u>	<u>Effective interest of the Company</u>	
			<u>2023</u> %	<u>2022</u> %
The Group's joint ventures are:				
Golden Stena Bulk Limited (b7)	Investment holding	Cyprus	50.00	50.00
Stena Bulk KFH Limited (b3),(g)	Investment holding	Cyprus	50.00	-
Golden-Agri Stena Pte. Ltd.	Provision of ship management services and chartering and operation of vessels	Singapore	50.00	50.00
Sinarmas LDA Maritime Pte. Ltd. (b14)	Shipping and logistics business	Singapore	50.00	50.00
GSW F-Class Pte. Ltd.	Investment holding and ownership of vessel(s)	Singapore	50.00	50.00
Sinarmas Cepsa Pte. Ltd. (b7)	Investment holding	Singapore	50.00	50.00
PT Super Wahana Tehno (b1)	Production and distribution of bottled ionised mineral water	Indonesia	46.20	46.20

Notes:

(a) As at 31 December 2023, 100.00% of the share capital of Purimas is directly held by PT Abadimas Investama, an indirect wholly-owned subsidiary of the Company.

As at 31 December 2022, 51.00% of the share capital of Purimas is directly held by the Company and the remaining 49.00% of the share capital is held by PT Abadimas Investama.

47 Group Companies (cont'd)**Notes:** (cont'd)

- (b) The above group companies are audited by Moore Stephens LLP, Singapore except for group companies that are indicated below:
- (1) Audited by member firms of Moore Global Network Limited of which Moore Stephens LLP, Singapore is a member.
 - (2) Statutory audit not required by law/exempted in its country of incorporation.
 - (3) Statutory audit is not required as the subsidiary is newly incorporated/inactive.
 - (4) Audited by KBCF Tan, Chartered Accountants.
 - (5) Audited by Tanubrata Sutanto Fahmi Bambang & Rekan (BDO).
 - (6) Audited by TNT, Chartered Accountants.
 - (7) Audited by PricewaterhouseCoopers LLP and its member firms.
 - (8) Audited by Alan Chan & Partners, Certified Public Accountants.
 - (9) Audited by Zhonghua Certified Public Accountants LLP, PRC.
 - (10) Audited by Beijing Dongshen Dingli International CPA, PRC.
 - (11) Audited by KAP Handoko & Suparmun.
 - (12) Audited by Walker Chandio & Co LLP.
 - (13) Audited by Inspire Professional Services.
 - (14) Audited by R Chan & Associates Pac.
 - (15) Audited by DSKW & Company.
 - (16) Audited by Clara Y.W. Wong, Certified Public Accountant (Practising).
 - (17) Audited by LM Consultores.
- (c) During the current financial year, Golden Agri Resources Mexico S. de R.L. de C.V. has been incorporated with an initial subscribed and paid-up share capital of MXN\$50,000 (equivalent to approximately US\$2,950).
- (d) During the current financial year, Golden Adventure (GSW) Pte. Ltd. and Golden Avenue (GSW) Pte. Ltd. were struck off.
- (e) During the current financial year, the Group has initiated the winding up process of Blue Sky Golden Energy Ltd, an inactive wholly-owned subsidiary of the Group.
- (f) During the current financial year, Victory Oleo Holding GmbH, Golden Agri-Resources Germany GmbH and Blue Sky Golden FPS Ltd were liquidated/dissolved.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

47 Group Companies (cont'd)

Notes: (cont'd)

- (g) During the current financial year, the Group through its wholly-owned subsidiaries, invested in the following associated company and joint venture:

	<u>Cost of investment</u> US\$
Titip Holdings Pte. Ltd.	310,000
Stena Bulk KFH Limited	<u>1</u>
	<u>310,001</u>

- (h) During the current financial year, pursuant to an internal restructuring exercise, PT Mitrakarya Agroindo ("MKA"), a partially-owned subsidiary of the Group, issued 660,000 new shares to PT Citra Bhakti Mandiri, a wholly-owned subsidiary of the Group, for a consideration of IDR 660 billion (equivalent to US\$45,282,000). Following this shares issuance, the Group's effective interest in MKA increased from 99.95% to 99.98%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of US\$49,000.

- (i) During the previous financial year, pursuant to an internal restructuring exercise, PT Sumber Indahperkasa ("SIP"), a wholly-owned subsidiary of the Group, issued 542,850 new shares to SMART for a consideration of IDR 2,361.4 billion (equivalent to US\$163,849,000). Following this shares issuance, the Group's effective interest in SIP decreased from 100% to 96.39%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of US\$9,879,000.

- (j) During the previous financial year, the Group through its wholly-owned subsidiaries, invested in the following associated company and joint venture:

	<u>Cost of investment</u> US\$'000
Bluebrahma Clean Energy Solutions Private Limited	2,562
Golden Stena Bulk Limited	<u>1</u>
	<u>2,563</u>

47 Group Companies (cont'd)

- (k) As at 31 December 2023, the accumulated non-controlling interests is US\$253,503,000 (2022: US\$252,888,000), of which US\$108,394,000 (2022: US\$111,692,000) is for 7.6% non-controlling interests in SMART and its subsidiaries ("SMART Group") and US\$121,173,000 (2022: US\$117,489,000) is for 43.73% non-controlling interests in Gemini Edibles & Fats India Limited ("GEFI"). The non-controlling interests in respect of other subsidiaries are individually not material.

The following table summarises the financial information relating to SMART Group and GEFI which have non-controlling interests that are material to the Group:

	SMART Group		GEFI	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets	1,550,711	1,466,175	68,480	60,446
Current assets	1,248,611	1,521,695	1,004,661	900,358
Non-current liabilities	643,884	713,668	974	-
Current liabilities	<u>672,081</u>	<u>777,836</u>	<u>795,074</u>	<u>692,131</u>
Revenue	4,370,933	5,073,357	1,083,254	1,529,322
Profit for the year	27,456	325,678	27,153	82,767
Total comprehensive income	<u>27,978</u>	<u>328,183</u>	<u>25,860</u>	<u>54,577</u>
Profit allocated to NCI	<u>2,095</u>	<u>24,752</u>	<u>11,874</u>	<u>36,193</u>
Dividends paid to NCI	<u>5,414</u>	<u>4,551</u>	<u>7,661</u>	<u>20,035</u>
Cash inflows from operating activities	268,676	266,864	49,275	51,537
Cash outflows from investing activities	(113,109)	(86,908)	(148,956)	(323,968)
Cash (outflows)/inflows from financing activities	(206,767)	(212,680)	99,681	272,431
Net decrease in cash and cash equivalents	<u>(51,200)</u>	<u>(32,723)</u>	<u>-</u>	<u>-</u>

48 Subsequent Event

On 29 February 2024, the Group disposed its entire 50% shareholding in Stena Bulk KFH Limited for an initial consideration of US\$56.0 million.



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FINANCIAL REPORTS

GOLDEN AGRI-RESOURCES LTD (Incorporated in Mauritius)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Commentary of the Directors	172
Certificate from the Secretary	173
Independent Auditors' Report	174
Statement of Comprehensive Income	177
Statement of Financial Position	178
Statement of Changes in Equity	179
Statement of Cash Flows	180
Notes to the Financial Statements	181

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of Golden Agri-Resources Ltd (the “Company”) for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITY

The Company was incorporated on 15 October 1996 and its principal activity is that of an investment holding company.

RESULTS AND DIVIDENDS

The Company’s total comprehensive income for the year ended 31 December 2023 was US\$690,796,000 (2022: total comprehensive loss of US\$110,355,000).

At the Annual Meeting to be held on 23 April 2024, a final dividend (tax not applicable) of S\$0.00613 per share, amounting to S\$77,738,655.83 (equivalent to approximately US\$58,982,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders’ equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

The independent auditors, Moore, have expressed their willingness to continue in office and will be automatically re-appointed under the Mauritius Companies Act 2001 at the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY

We certify, to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Golden Agri-Resources Ltd under the Mauritius Companies Act 2001 for the financial year ended 31 December 2023.

CORPORATE SECRETARY
IQ EQ CORPORATE SERVICES (MAURITIUS) LTD
33 Edith Cavell Street,
Port Louis, 11324,
MAURITIUS

Date: 15 March 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Golden Agri-Resources Ltd (the "Company"), which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information, as set out on pages 177 to 196.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance, changes in equity, and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary, or any other information. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Report on the Audit of Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the Company's members, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

Report on the Audit of Financial Statements (cont'd)

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Moore
Chartered Accountants

Shweta Moheeput, BSc, FCA
Licensed by FRC

Port Louis, Mauritius

Date: 15 March 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Administrative expenses		(2,283)	(596)
Interest income		99	19
Foreign exchange loss		(710)	(1,090)
Allowance for impairment loss on investment in a subsidiary	10	-	(655,931)
Gain on disposal of interest in a subsidiary	10d	<u>858,102</u>	<u>652,653</u>
Profit/(Loss) before income tax	6	855,208	(4,945)
Income tax	7	<u>(62,062)</u>	<u>(45,794)</u>
Profit/(Loss) for the year		<u>793,146</u>	<u>(50,739)</u>
Other comprehensive loss:			
<u>Item that will not be reclassified subsequently to profit or loss:</u>			
Changes in fair value of equity instruments at fair value through other comprehensive income		<u>(102,350)</u>	<u>(59,616)</u>
Other comprehensive loss		<u>(102,350)</u>	<u>(59,616)</u>
Total comprehensive income/(loss) for the year, net of tax		<u>690,796</u>	<u>(110,355)</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Current assets			
Cash and cash equivalents	8	424	335
Other current assets	9	5,714	650,332
		<u>6,138</u>	<u>650,667</u>
Non-current assets			
Interest in subsidiaries	10	3,425,483	2,509,861
Long-term investments	11	63,499	61,164
		<u>3,488,982</u>	<u>2,571,025</u>
Total Assets		<u>3,495,120</u>	<u>3,221,692</u>
Current liabilities			
Accrued operating expenses		356	328
Payable to third parties	12	6	10
Loans and advances from subsidiaries, unsecured	13	2,969	326,340
		<u>3,331</u>	<u>326,678</u>
Non-current liabilities			
Loans and advances from subsidiaries, unsecured	13	18,358	18,383
Total Liabilities		<u>21,689</u>	<u>345,061</u>
Equity			
Issued capital	14	320,939	320,939
Share premium		1,850,965	1,850,965
Treasury shares	14	(39,825)	(39,825)
Other reserves			
Option reserve		31,471	31,471
Fair value reserve		(359,896)	(257,546)
		(328,425)	(226,075)
Retained earnings		1,669,777	970,627
		<u>3,473,431</u>	<u>2,876,631</u>
Total Liabilities and Equity		<u>3,495,120</u>	<u>3,221,692</u>

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Issued Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Treasury Shares</u> US\$'000	<u>Other Reserves</u> US\$'000	<u>Retained Earnings</u> US\$'000	<u>Total</u> US\$'000
Balance at 1 Jan 2023	320,939	1,850,965	(39,825)	(226,075)	970,627	2,876,631
Dividends (Note 16)	-	-	-	-	(93,996)	(93,996)
Profit for the year	-	-	-	-	793,146	793,146
Other comprehensive loss	-	-	-	(102,350)	-	(102,350)
Total comprehensive (loss)/income for the year	-	-	-	(102,350)	793,146	690,796
Balance at 31 Dec 2023	<u>320,939</u>	<u>1,850,965</u>	<u>(39,825)</u>	<u>(328,425)</u>	<u>1,669,777</u>	<u>3,473,431</u>
Balance at 1 Jan 2022	320,939	1,850,965	(37,517)	(166,459)	1,192,350	3,160,278
Dividends (Note 16)	-	-	-	-	(170,984)	(170,984)
Shares buy-back and held as treasury shares (Note 14)	-	-	(2,308)	-	-	(2,308)
Loss for the year	-	-	-	-	(50,739)	(50,739)
Other comprehensive loss	-	-	-	(59,616)	-	(59,616)
Total comprehensive loss for the year	-	-	-	(59,616)	(50,739)	(110,355)
Balance at 31 Dec 2022	<u>320,939</u>	<u>1,850,965</u>	<u>(39,825)</u>	<u>(226,075)</u>	<u>970,627</u>	<u>2,876,631</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		855,208	(4,945)
Adjustments for:			
Interest income		(99)	(19)
Allowance for impairment loss on investment in a subsidiary	10	-	655,931
Gain on disposal of interest in a subsidiary	10d	<u>(858,102)</u>	<u>(652,653)</u>
Operating cash flows before working capital changes		(2,993)	(1,686)
Changes in operating assets and liabilities:			
Accrued operating expenses		28	17
Payable to third parties		(4)	2
Other current assets		<u>(28)</u>	<u>20</u>
Cash used in operations		(2,997)	(1,647)
Interest received		99	19
Tax paid		<u>(62,062)</u>	<u>(45,794)</u>
Net cash used in operating activities		<u>(64,960)</u>	<u>(47,422)</u>
Cash flows from investing activities			
Disbursement of loans and advances to subsidiaries		(980,354)	(647,727)
Payment for long-term investments		(104,685)	(38,195)
Proceeds from capital reduction in a subsidiary	10b	326,250	-
Proceeds from disposal of interest in a subsidiary	10d	<u>1,241,230</u>	<u>915,885</u>
Net cash generated from investing activities		<u>482,441</u>	<u>229,963</u>
Cash flows from financing activities			
Repayment of loans and advances from subsidiaries, net	13	(323,396)	(9,140)
Payment of dividends	16	(93,996)	(170,984)
Payment for shares buy-back	14	-	(2,308)
Net cash used in financing activities		<u>(417,392)</u>	<u>(182,432)</u>
Net increase in cash and cash equivalents		89	109
Cash and cash equivalents at the beginning of the year		<u>335</u>	<u>226</u>
Cash and cash equivalents at the end of the year	8	<u><u>424</u></u>	<u><u>335</u></u>
Disclosure of non-cash transaction:			
Capitalisation of loans and advances to a subsidiary to investment in a subsidiary	10c	<u><u>1,625,000</u></u>	<u><u>-</u></u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

Golden Agri-Resources Ltd (“GAR” or the “Company”) is a public limited company incorporated in Mauritius whose securities are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company is c/o IQ EQ Corporate Services (Mauritius) Ltd, 33 Edith Cavell Street, Port Louis, 11324, Mauritius. The principal activity of the Company is that of an investment holding company.

The financial statements were authorised for issue by the Board of Directors on 15 March 2024.

2 New and Revised International Financial Reporting Standards (“IFRSs”)

(a) Adoption of New and Revised IFRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2023. The adoption of the new and revised IFRSs has had no material financial impact on the financial statements of the Company.

(b) New and revised IFRSs issued but not yet effective

As at the date of these financial statements, the following amendments to IFRSs that are relevant to the Company’s operations have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1, <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2024
Amendments to IAS 1, <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to IAS 7, <i>Statement of Cash Flows</i> and IFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2024
Amendments to IAS 21, <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025

The directors expect the adoption of the amendments to IFRSs above will have no material financial impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies

(a) Basis of Preparation

The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of IFRSs.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement and complexity are disclosed in Note 5 to the financial statements.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is the United States dollar, the currency of the primary economic environment in which the Company operates. All financial information presented in United States dollar have been rounded to the nearest thousand, unless otherwise stated.

(c) Foreign Currencies

Transactions in a currency other than the functional currency ("foreign currency") are translated into United States dollar at the rates of exchange prevailing at the time the transactions are entered into. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into United States dollar at exchange rates prevailing at such date. Exchange differences arising from the settlement of foreign currency transactions and from translation of foreign currency denominated monetary assets and liabilities are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Currency translation differences on monetary items are recognised as part of the fair value gain or loss in the profit or loss.

(d) Revenue Recognition

Revenue is recognised in the profit or loss as follows:

- (i) Interest income from time deposits and other financial assets are recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.
- (ii) Dividend income from investments is recognised on the date the dividends are declared payable by the investees.

3 Summary of Material Accounting Policies (cont'd)

(e) Income Tax

Current income tax for current and prior years are recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also dealt with in equity. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Tax rates enacted or substantively enacted by the end of each reporting period are used to determine deferred tax.

(f) Borrowing Costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other similar cost that incurred in connection with the borrowing of funds.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and time deposits with maturities of three months or less which are highly liquid assets that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

(h) Investment in Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investment in subsidiaries is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(i) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and/or its fair value less cost of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Financial Assets

- Classification and measurement

The Company classifies its non-derivative financial assets in the following categories: financial assets measured at amortised cost and equity instruments at fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. At initial recognition, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the profit or loss. The Company's financial assets at amortised cost comprise non-trade receivables and cash and cash equivalents.

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the profit or loss.

3 Summary of Material Accounting Policies (cont'd)

(j) Financial Assets (cont'd)

- Impairment of financial assets

The Company recognises loss allowances from expected credit losses (“ECLs”) on financial assets measured at amortised costs.

The Company applies the general approach to provide for ECLs on financial assets measured at amortised costs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition. At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and includes forward-looking information. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty of a debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of these assets.

(k) Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The Company recognises financial liabilities on its statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument. Financial liabilities include payable to third parties and loans and advances from subsidiaries.

Non-trade payables are stated at face value which is the fair value of the debts, and subsequently measured at amortised cost using the effective interest method.

Ordinary shares are classified as equity. Share capital is determined using the par value of shares that have been issued. Share premium includes any excess received on the issuance of shares over the par value, net of any direct issue costs. The share premium amount may be applied only for the purpose specified in the Mauritius Companies Act 2001.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 Summary of Material Accounting Policies (cont'd)

(k) Financial Liabilities and Equity (cont'd)

The Company's own ordinary shares, which are re-acquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the profit or loss on the purchase, sale, re-issuance or cancellation of equity shares. Any difference between the carrying amount of treasury shares and the consideration received, if re-issued, is recognised directly in equity as gain or loss on re-issuance of treasury shares.

(l) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment.

(m) Related Party

A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate, a joint venture, or provides key management personnel services to the reporting entity or to the parent of the reporting entity. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

(n) Financial Guarantees

The Company has issued corporate guarantees to creditors for borrowings of its subsidiaries, joint ventures and entities owned by its investees and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the creditors if the borrowers fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

4 Financial Risk Management

(a) Capital Risk Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders through the optimisation of the debts and equity balance. The Company's overall strategy remains unchanged since 2022.

The Company is not subjected to externally imposed capital requirements.

4 Financial Risk Management (cont'd)

(a) Capital Risk Management (cont'd)

The capital structure of the Company consists of total equity and net debts (which includes loans and advances from subsidiaries, net of cash and cash equivalents).

The debts-to-equity ratio as at 31 December 2023 and 2022 is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Loans and advances from subsidiaries	21,327	344,723
Less: Cash and cash equivalents	(424)	(335)
Net debts	<u>20,903</u>	<u>344,388</u>
Equity	<u>3,473,431</u>	<u>2,876,631</u>
Debts-to-equity ratio (times)	<u>0.01</u>	<u>0.12</u>

(b) Financial Risk Management

The Company's activities exposed it to a variety of financial risks, including the effects of changes in interest rate risk, credit risk, foreign currency risk and liquidity risk arising in the normal course of the Company's business. The Company's risk management strategy seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Interest Rate Risk

The Company does not have any significant exposure to interest rate risks.

(ii) Credit Risk

The Company's policy is to enter into transactions with creditworthy counterparties so as to mitigate any significant credit risk. Bank balances were placed in financial institutions which are regulated and are monitored closely by the Company on an on-going basis.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, with ratings ranging from Aa1 to Baa1. There was no impairment loss recognised on cash and cash equivalents during the current financial year.

The Company has rated its other receivables (including loans and advances to subsidiaries) as performing debts where the counterparty has a low risk of default and does not have any past due amounts. The loss allowance is measured at an amount equal to 12-month ECLs at initial recognition and these are assessed not to be material.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Credit Risk (cont'd)

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position, except as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Corporate guarantees provided to financial institutions on trade and banking facilities of subsidiaries:		
- Total facilities	2,083,300	2,205,276
- Total outstanding	1,091,624	1,409,512
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
- Total facilities	370,567	505,552
- Total outstanding	<u>276,820</u>	<u>378,504</u>

As at the end of the reporting period, other than as disclosed above, the Company does not have any significant concentration of credit risk.

(iii) Foreign Currency Risk

The Company's foreign currency exposure arises mainly from the exchange rate movements of the Singapore dollar and the United States dollar which is also the Company's functional currency.

As at the end of the reporting period, substantively all the Company's net monetary assets and liabilities are denominated in United States dollar, hence the Company does not have any significant exposure to foreign currency risk.

(iv) Liquidity Risk

To manage liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The Company relies on funds from subsidiaries as a significant source of liquidity.

The table below analyses the maturity profile of the Company's financial liabilities and financial guarantee provided to financial institutions on trade and banking facilities that shows the remaining contractual maturities:

	Less than <u>1 year</u> US\$'000	<u>1 to 5 years</u> US\$'000	Over 5 <u>years</u> US\$'000	<u>Total</u> US\$'000
<u>At 31 December 2023</u>				
Payable to third parties	6	-	-	6
Loans and advances from subsidiaries, unsecured	2,969	18,358	-	21,327
Financial guarantee contracts	782,993	585,451	-	1,368,444
	<u>785,968</u>	<u>603,809</u>	-	<u>1,389,777</u>

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iv) Liquidity Risk (cont'd)

	Less than <u>1 year</u> US\$'000	<u>1 to 5 years</u> US\$'000	Over 5 <u>years</u> US\$'000	<u>Total</u> US\$'000
<u>At 31 December 2022</u>				
Payable to third parties	10	-	-	10
Loans and advances from subsidiaries, unsecured	326,340	18,383	-	344,723
Financial guarantee contracts	1,105,642	631,174	51,200	1,788,016
	<u>1,431,992</u>	<u>649,557</u>	<u>51,200</u>	<u>2,132,749</u>

5 Critical Accounting Estimate, Assumption and Judgement

The Company makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgement in Applying Accounting Policies

Impairment of Assets

The Company reviews the carrying amounts of the assets as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount or value in use is estimated. Determining the value in use of long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Company's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges. For the current financial year, there is no impairment recognised in the financial statements. During the previous financial year, the Company recognised impairment loss on investment in a subsidiary of US\$655,931,000 in the financial statements.

(b) Critical Accounting Estimate and Assumption

Fair Value Measurement and Valuation Process

The Company's long-term investments are measured at fair value for financial reporting purposes. Management has to determine the appropriate valuation techniques and inputs for fair value measurements. Information about the valuation techniques and inputs used in determining the fair value of financial assets are disclosed in Note 11 to the financial statements. Changes in any key unobservable inputs will affect the fair value measurements and significant judgement is required in determining the underlying assumptions used in the calculations. During the current financial year, the Company recognised fair value loss of US\$102,350,000 (2022: US\$59,616,000) in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6 Profit/(Loss) before Income Tax

This is arrived at after charging:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Audit fees paid/payable to auditors	271	248
Non-audit services paid/payable to auditors	-	-

7 Income Tax

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Income tax expense attributable to the results is made up of:		
- Current income tax	62,062	45,794

The reconciliation of the current year income tax and the product of accounting profit/(loss) multiplied by the Mauritius statutory tax rate is as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Profit/(Loss) before income tax	855,208	(4,945)
Tax calculated at tax rate of 15% (2022: 15%)	128,281	(742)
(Non-taxable income)/Non-deductible expenses, net	(128,266)	745
Utilisation of previously unrecognised tax losses	(15)	(3)
Withholding tax expense	62,062	45,794
	<u>62,062</u>	<u>45,794</u>

The Company has been established as a "Category 1 Global Business Licence Company" for the purpose of the Financial Services Act 2007 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018, up to 30 June 2021. As from 1 July 2021, the Company's Category 1 Global Business Licence ("GBL1") has been automatically converted to a Global Business Licence ("GBL") under the new tax regime.

The profit of the Company, as adjusted for income tax purposes, is subject to income tax at 15%. A partial exemption regime is available to the Company, whereby an income exemption of 80% is applicable to certain specified foreign-source income, provided that the enhanced substance requirements are met. The Company may still claim credit for actual foreign tax incurred if the Company has not claimed the 80% income exemption. There is no tax on capital gains in Mauritius.

At 31 December 2023, the Company had accumulated tax losses of US\$945,000 (2022: US\$1,044,000) available for offsetting against future taxable income and is therefore not liable to income tax. The deferred tax asset arising from these unutilised tax losses has not been recognised in the financial statements in accordance with the accounting policy in Note 3(e) to the financial statements.

7 Income Tax (cont'd)

The amount and expiry dates of unutilised tax losses for which no deferred tax asset is recognised are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Expiry dates in year ending:		
31 December 2024	522	621
31 December 2026	423	423
	<u>945</u>	<u>1,044</u>

8 Cash and Cash Equivalents

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Cash at banks are denominated in:		
- United States dollar	340	58
- Singapore dollar	84	277
	<u>424</u>	<u>335</u>

9 Other Current Assets

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Prepaid expenses	4	8
Deposit	33	1
Advances to subsidiaries, unsecured	5,677	650,323
	<u>5,714</u>	<u>650,332</u>

The advances to subsidiaries are interest-free and repayable on demand. The other current assets are denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	5,380	650,228
Singapore dollar	334	104
	<u>5,714</u>	<u>650,332</u>

10 Interest in Subsidiaries

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Investment in unquoted equity shares, at cost	4,081,414	3,165,792
Less: Allowance for impairment loss	(655,931)	(655,931)
	<u>3,425,483</u>	<u>2,509,861</u>

During the previous financial year, the Group recognised an allowance for impairment loss of US\$655,931,000 in the profit and loss in respect of the Company's investment in a subsidiary as the net carrying amount was higher than the recovery amount. The recoverable amount of the relevant subsidiary is based on fair values of the underlying assets and liabilities of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10 Interest in Subsidiaries (cont'd)

Details of the direct subsidiaries held by the Company are as follows:

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of effective interest held by the Company		Cost of investment	
		2023	2022	2023	2022
		%	%	US\$'000	US\$'000
Asia Integrated Agri Resources Limited (a)(i) Bermuda	Investment holding	100	100	98,000	98,000
Blue Sky Golden Energy Ltd Mauritius (e)	Investment holding	100	100	-*	-*
Easton Capital Resources Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Agri Capital Pte. Ltd. ("GAC") (a)(i),(b) Singapore	Investment holding and treasury management	100	100	818,402	1,144,652
Golden Agri International Finance Ltd Mauritius	Treasury management	100	100	-*	-*
Golden Agri International Finance (2) Ltd (a)(ii),(c) British Virgin Islands	Treasury management	100	100	1,625,000	-*
Golden Agri International (Mauritius) Ltd Mauritius	Investment holding and business and management consultancy services	100	100	-*	-*
Golden Agri International Pte Ltd (a)(i) Singapore	Trading in crude palm oil and related products	100	100	14,614	14,614
Golden Agri International Trading Ltd. (a)(v) Malaysia	Trading in crude palm oil and related products	100	100	-*	-*
Golden Agri Investment (S) Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Agri (Labuan) Ltd (a)(i) Malaysia	Trading in crude palm oil and related products and treasury management	100	100	1,457,797	1,457,797
Golden Americas Pte. Ltd. (a)(iv) Singapore	Investment holding	100	100	-*	-*

10 Interest in Subsidiaries (cont'd)

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of effective interest held by the Company		Cost of investment	
		2023	2022	2023	2022
		%	%	US\$'000	US\$'000
Golden Asset Capital Investment Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Assets International Finance Limited (a)(i) British Virgin Islands	Treasury management	100	100	1	1
Golden Assets International Investment Pte. Ltd. (a)(i) Singapore	Treasury management	100	100	-*	-*
Golden Capital Resources (S) Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Funds & Investment Management Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Logistics International Limited (a)(iii) Hong Kong	Investment holding	100	100	-*	-*
Golden Oleo Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Madagascar Investment Ltd Mauritius	Investment holding	100	100	67,600	67,600
PT Purimas Sasmita ("Purimas") (a)(i),(d) Indonesia	Investment holding, building management services, business and management consultancy and trading	100	100	-	383,128
				4,081,414	3,165,792

* Cost of investment is less than US\$1,000.

Notes:

(a) The above subsidiaries are audited by Moore except for subsidiaries that are indicated below:

- (i) Audited by member firms of Moore Global Network Limited of which Moore is a member.
- (ii) No statutory audit required by law in its country of incorporation.
- (iii) Audited by other firm of accountants, Clara Y.W.Wong, Certified Public Accountant (Practising).
- (iv) Statutory audit is not required as the subsidiary is inactive.
- (v) Audited by KBCF Tan, Chartered Accountants.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10 Interest in Subsidiaries (cont'd)

Notes:

- (b) During the current financial year, there was a capital reduction by GAC, a wholly-owned subsidiary of the Company of US\$326,250,000.
- (c) During the current financial year, loans and advances to a subsidiary amounting to US\$1,625,000,000 has been converted to equity interest in the subsidiary.
- (d) During the previous financial year, pursuant to an internal restructuring exercise, the Company disposed its 35.04% shareholding in Purimas to PT Abadimas Investama, an indirect wholly-owned subsidiary of the Company for a cash consideration of IDR14,336.1 billion (equivalent to US\$915,885,000). The Company recognised a gain of disposal of US\$652,653,000.

During the current financial year, pursuant to an internal restructuring exercise, the Company disposed its remaining 51.00% shareholding in the share capital of Purimas to its indirect wholly-owned subsidiaries, PT Abadimas Investama and Asia Palm Oil Investment Pte. Ltd., for an aggregate consideration of IDR19,206.8 billion (equivalent to US\$1,241,230,000). The Company recognised a gain on disposal of US\$858,102,000. Following the disposal, 99.999% of the share capital in Purimas is directly held by PT Abadimas Investama and the remaining 0.001% of the share capital is held by Asia Palm Oil Investment Pte. Ltd..

- (e) As at 31 December 2023, Blue Sky Golden Energy Ltd is in the process of winding up.

11 Long-Term Investments

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Equity securities at FVOCI	<u>63,499</u>	<u>61,164</u>

Long-term investments are denominated in United States dollars. The fair value of the unquoted equity fund at FVOCI is classified under Level 3 of the fair value hierarchy. The valuation was performed using the net present value method on its underlying plantation assets, adjusted for the external borrowings. The expected cash flows from the whole life cycle of the oil palm plantations are determined using the market price and the estimated yield of fresh fruit bunches net of maintenance and harvesting costs, overhead costs and estimated cost to sell. The estimated yield of the oil palm plantations is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets.

The following table shows the key unobservable inputs used in the valuation models:

Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Oil palm trees have an average life of 25 years, with the first three years as immature and remaining years as mature.	The estimated fair value increases as the estimated average life increases.
Discount rate per annum of 12.39% (2022: 13.18%).	The estimated fair value increases as the estimated discount rate per annum decreases.
Average selling price of US\$872 (2022: US\$1,032) per metric tonne.	The estimated fair value increases as the estimated selling price increases.

11 Long-Term Investments (cont'd)

As at the end of the current financial year, if the average selling price per metric tonne were 2.5% lower while all the other variables were held constant, the carrying amount of the investments would decrease by US\$17.7 million.

Movements in Level 3 financial assets measured at fair value are as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
<u>Equity Securities at FVOCI</u>		
Balance at 1 January	61,164	82,585
Additions	104,685	38,195
Changes in fair value recognised in other comprehensive loss	<u>(102,350)</u>	<u>(59,616)</u>
Balance at 31 December	<u>63,499</u>	<u>61,164</u>

12 Payable to Third Parties

Payable to third parties are denominated in Singapore dollar. As at 31 December 2023 and 2022, the carrying amounts of payable to third parties approximate their fair values due to the relatively short-term maturity of these balances.

13 Loans and Advances from Subsidiaries, Unsecured

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Loans and advances from subsidiaries, unsecured:		
- Current	2,969	326,340
- Non-current	<u>18,358</u>	<u>18,383</u>
	<u>21,327</u>	<u>344,723</u>

The loans and advances from subsidiaries are interest-free and denominated in the following currencies:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
United States dollar	20,617	344,123
Others	<u>710</u>	<u>600</u>
	<u>21,327</u>	<u>344,723</u>

The current advances from subsidiaries are repayable on demand and the carrying amount approximates its fair value due to the relatively short-term maturity of these balances. The fair value of the non-current loans and advances from subsidiaries is not determinable as the timing of the future cash flows arising from this amount cannot be measured reliably, hence this amount is recognised at the transaction price.

The reconciliation of movement of liabilities to cash flows arising from financing activities is presented as follows:

	<u>2023</u> US\$'000	<u>2022</u> US\$'000
Balance at 1 January	344,723	353,863
Repayment	<u>(323,396)</u>	<u>(9,140)</u>
Balance at 31 December	<u>21,327</u>	<u>344,723</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14 Issued Capital and Treasury Shares

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>Issued capital</u>	<u>Treasury shares</u>	<u>Issued capital</u>	<u>Treasury shares</u>
			US\$'000	US\$'000
Issued and fully paid:				
Balance at 1 January 2022	12,837,548,556	(145,475,500)	320,939	(37,517)
Treasury shares purchased	-	(10,400,000)	-	(2,308)
Balance at 31 December 2022, 1 January and 31 December 2023	<u>12,837,548,556</u>	<u>(155,875,500)</u>	<u>320,939</u>	<u>(39,825)</u>

The Company acquired 10,400,000 of its own shares in the open market during the previous financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of US\$2,308,000 was presented as a component within shareholders' equity.

The holders of ordinary shares, except for treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares, except for treasury shares rank equally with regards to the Company's residual assets.

15 Related Party Transactions

Other than the related party information disclosed elsewhere in the financial statements, there are no significant transactions with related parties.

16 Dividends

	<u>2023</u>	<u>2022</u>
	US\$'000	US\$'000
Ordinary dividends paid:		
Interim dividend paid in respect of previous year of S\$0.0080 per share	-	72,337
Final dividend paid in respect of previous year of S\$0.00991 (2022: S\$0.01077) per share	<u>93,996</u>	<u>98,647</u>
	<u>93,996</u>	<u>170,984</u>

At the Annual Meeting to be held on 23 April 2024, a final dividend (tax not applicable) of S\$0.00613 per share, amounting to S\$77,738,655.83 (equivalent to approximately US\$58,982,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

SHAREHOLDING STATISTICS

AS AT 8 MARCH 2024

STATED CAPITAL	:	US\$2,132,078,856.40
NUMBER OF ISSUED SHARES (including treasury shares)	:	12,837,548,556
NUMBER OF ISSUED SHARES (excluding treasury shares and subsidiary holdings)	:	12,681,673,056
NUMBER/PERCENTAGE OF TREASURY SHARES	:	155,875,500 (1.23%)
NUMBER/PERCENTAGE OF SUBSIDIARY HOLDINGS	:	Nil (0%)
CLASS OF SHARES	:	Ordinary shares of US\$0.025 each
VOTING RIGHTS	:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	940	2.90	41,808	0.00
100 - 1,000	3,268	10.09	1,693,485	0.01
1,001 - 10,000	12,861	39.71	77,140,677	0.61
10,001 - 1,000,000	15,224	47.00	892,190,922	7.04
1,000,001 & ABOVE	96	0.30	11,710,606,164	92.34
Total	32,389	100.00	12,681,673,056	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
GOLDEN MOMENT LIMITED	3,070,000,000	24.21
HSBC (SINGAPORE) NOMINEES PTE LTD	2,568,652,089	20.26
MASSINGHAM INTERNATIONAL LTD	2,027,047,817	15.98
UOB KAY HIAN PTE LTD	1,044,464,649	8.24
CITIBANK NOMINEES SINGAPORE PTE LTD	1,009,158,896	7.96
RAFFLES NOMINEES (PTE) LIMITED	919,683,166	7.25
FLAMBO INTERNATIONAL LIMITED	260,000,000	2.05
DBS NOMINEES PTE LTD	228,908,486	1.80
DBSN SERVICES PTE LTD	107,862,222	0.85
PHILLIP SECURITIES PTE LTD	102,075,142	0.80
ABN AMRO CLEARING BANK N.V.	34,870,375	0.27
UNITED OVERSEAS BANK NOMINEES PTE LTD	26,726,580	0.21
DBS VICKERS SECURITIES (S) PTE LTD	23,900,753	0.19
MAYBANK SECURITIES PTE. LTD.	22,349,896	0.18
OCBC SECURITIES PRIVATE LTD	21,474,059	0.17
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	17,011,846	0.13
BNP PARIBAS NOMINEES SINGAPORE PTE LTD	13,661,028	0.11
OCBC NOMINEES SINGAPORE PTE LTD	10,403,608	0.08
IFAST FINANCIAL PTE LTD	9,566,427	0.07
MORGAN STANLEY ASIA (S) SECURITIES PTE LTD	8,527,553	0.07
TOTAL	11,526,344,592	90.88

SHAREHOLDING STATISTICS

AS AT 8 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares in which they have an Interest				Total Percentage (Direct and Deemed Interest) % ⁽¹⁾
	Direct Interest	Percentage % ⁽¹⁾	Deemed Interest	Percentage % ⁽¹⁾	
ASCENT WEALTH INVESTMENT LIMITED ("Ascent")	1,050,000,000	8.28	-	-	8.28
MASSINGHAM INTERNATIONAL LTD ("MIL")	2,032,197,897	16.02	-	-	16.02
GOLDEN MOMENT LIMITED ("Golden Moment")	3,070,000,000	24.21	-	-	24.21
FLAMBO INTERNATIONAL LIMITED ("Flambo") ⁽²⁾	260,000,000	2.05	6,152,197,897	48.51	50.56
THE WIDJAJA FAMILY MASTER TRUST(2) ("WFMT(2)") ⁽³⁾	-	-	6,412,197,897	50.56	50.56
SILCHESTER INTERNATIONAL INVESTORS LLP ("SII") ⁽⁴⁾	-	-	1,389,641,800	10.96	10.96
KOPERNIK GLOBAL INVESTORS, LLC ("KGI") ⁽⁵⁾	-	-	688,018,000	5.43	5.43

Notes:

- (1) Percentage is calculated based on 12,681,673,056 issued shares (excluding treasury shares and subsidiary holdings) as at 8 March 2024.
- (2) The deemed interest of Flambo arises from its interest in 1,050,000,000 shares, 2,032,197,897 shares and 3,070,000,000 shares held by its wholly-owned subsidiaries, Ascent, MIL and Golden Moment respectively in the Company.
- (3) The deemed interest of WFMT(2) arises from its interest in 1,050,000,000 shares held by Ascent, 2,032,197,897 shares held by MIL, 3,070,000,000 shares held by Golden Moment and 260,000,000 shares held by Flambo in the Company.
- (4) The deemed interest of SII, based on the last notification to the Company on 1 November 2022, arises from its acting as the fully discretionary investment manager for a number of commingled funds.
- (5) Based on the last notification to the Company on 14 June 2023, KGI has a deemed interest in the shares in the Company as it has discretionary power in the disposal rights over the shares as an investment adviser.

Based on the information available to the Company as at 8 March 2024, approximately 32.97%⁽¹⁾ of the issued shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL MEETING

Golden Agri-Resources Ltd
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

NOTICE IS HEREBY GIVEN that an Annual Meeting (“**Annual Meeting**”) of Golden Agri-Resources Ltd (the “**Company**”) will be held on **Tuesday, 23 April 2024 at 2.00 p.m.** (Singapore time) at Orchard Hotel Singapore, Orchard Ballroom 1&2, Level 3, 442 Orchard Road, Singapore 238879 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2023 together with the Directors’ and Auditors’ Reports thereon. **(Resolution 1)**
2. To declare a final dividend of S\$0.00613 per ordinary share for the year ended 31 December 2023. **(Resolution 2)**
3. To approve Directors’ Fees of S\$506,946 for the year ended 31 December 2023. (FY2022: S\$483,749) **(Resolution 3)**
4. Retirement and/or re-appointment of Directors *{please see note 1}*
To re-appoint the following Directors:
 - (i) Mr. Christian G H Gautier De Charnacé, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 4)**
 - (ii) Mr. Willy Shee Ping Yah, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 5)**
 - (iii) Mr. Muktar Widjaja, retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited. **(Resolution 6)**
{please see note 1a}
5. To re-appoint Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

Renewal of Share Issue Mandate

- 6A. “That pursuant to The Companies Act 2001 of Mauritius and the Listing Rules of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to allot and issue (including the allotment and issue of shares and convertible securities pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) or otherwise dispose of shares in the Company (including making and granting offers, agreements and options which would or which might require shares and convertible securities to be allotted, issued or otherwise disposed of) at any time, whether during the continuance of such authority or thereafter, to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit without first offering such shares and convertible securities to the members of the Company provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the date of this Resolution, and provided further that where members of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the shares and convertible securities to be issued under such circumstances shall not exceed fifteen percent (15%) of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the date of passing of this Resolution.” **(Resolution 8)**
{please see note 2}

NOTICE OF ANNUAL MEETING

Golden Agri-Resources Ltd
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

Renewal of Share Purchase Mandate

6B. “(a) That for the purposes of The Companies Act 2001 of Mauritius, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (“**Shares**”) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act 1967 of Singapore,

and otherwise in accordance with all other laws, regulations and rules 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) That unless varied or revoked by the Company in members meeting, the authority conferred on the Directors of the Company 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 passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next annual meeting of the Company is held or required by law to be held; or
- (ii) the date on which the purchases or acquisitions of Shares, pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority in the Share Purchase Mandate is varied or revoked;

(c) That in this Resolution:

“**Prescribed Limit**” means ten percent (10%) of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution; and

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

- (i) in the case of a Market Purchase: 105% of the Average Closing Price
- (ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day of the Market Purchase;

“**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; and

“**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

NOTICE OF ANNUAL MEETING

Golden Agri-Resources Ltd
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

- (d) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." *{please see note 3}*

(Resolution 9)

Renewal of Interested Person Transactions Mandate

- 6C. (a) That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, approval be and is hereby given for the Company, its subsidiaries and associated companies that are not listed on the SGX-ST or an approved exchange which fall within the definition of "entities at risk" under Chapter 9 of the Listing Manual, provided that the Company and its subsidiaries (the "**Group**"), or the Group and its interested person(s), has control over the associated companies, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in Appendix 2 to this Notice of Annual Meeting *{please see note 4}*, with Interested Persons described in the said Appendix 2, provided that such transactions are made in normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the said Appendix 2 (the "**Shareholders' IPT Mandate**");
- (b) That the approval given for the Shareholders' IPT Mandate shall, unless revoked or varied by the Company in members meeting, continue in force until the next annual meeting of the Company or the date by which the next annual meeting of the Company is required by law to be held, whichever is earlier;
- (c) That the Audit Committee be and is hereby authorised to take such actions as it deems proper in respect of the guidelines and review procedures and/or modify or implement such guidelines and review procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and
- (d) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing 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 Shareholders' IPT Mandate and/or this Resolution." *{please see note 5}*

(Resolution 10)

By Order of the Board

Rafael Buhay Concepcion, Jr.
Director
2 April 2024
Singapore

IMPORTANT NOTES:

Format of Annual Meeting

The Annual Meeting will be held in a wholly physical format at the date, time and venue stated above. A member of the Company, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual Meeting in person. There will be no option for members to participate virtually. This Notice of Annual Meeting can be assessed on the SGXNET website at <https://www.sgx.com/securities/company-announcements>. No food served at Annual Meeting.

Submission of Proxy Form

A member of the Company (whether individual or corporate) who wishes to exercise his/her/its voting rights at the Annual Meeting may appoint a proxy(ies) (other than the Chairman) to vote on his/her/its behalf at the Annual Meeting by completing and submitting to the Company the instrument of proxy ("**Proxy Form**").

If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion.

NOTICE OF ANNUAL MEETING

Golden Agri-Resources Ltd
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Annual Meeting as his/her/its proxy.

The Proxy Form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

- (a) if sent personally or by post, be deposited with the Company at its correspondence address at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535; or
- (b) if submitted by email, be received by the Company at investor@goldenagri.com.sg

in either case, **by 2.00 p.m. on Saturday, 20 April 2024** being not less than seventy-two (72) hours before the time appointed for holding the Annual Meeting (or at any adjournment thereof) and in default the Proxy Form shall not be treated as valid.

The Proxy Form must be under the hand of the appointor or his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the Proxy Form may be treated as invalid.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (“**Investors**”), including investors holding through Central Provident Fund (“**CPF**”) and Supplementary Retirement Scheme (“**SRS**”) (“**CPF/SRS Investors**”) should approach their relevant intermediaries (which would include, in the case of CPF and SRS Investors, his/her CPF Agent Banks or SRS Operators). An Investor who wishes to vote should approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS Investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least seven (7) working days before the date of the Annual Meeting to submit his/her vote.

Submission of Questions

A member of the Company, including CPF and SRS Investors, may submit substantive and relevant questions related to the resolutions tabled for approval at the Annual Meeting in advance of the Annual Meeting by:

- (a) post to the Company’s mailing address at 108 Pasir Panjang Road #06-00, Golden Agri Plaza, Singapore 118535, which must be received by **Thursday, 11 April 2024**; or
- (b) email to the Company at investor@goldenagri.com.sg, which must be received by **11.59 p.m. on Thursday, 11 April 2024**.

Shareholders who submit questions in advance of the Annual Meeting should identify themselves by stating (i) his/her/its full name as it appears on his/her/its CDP/CPF/SRS shares records, (ii) NRIC/Passport/Company registration number and (iii) state the manner in which he/she/it holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS) for verification purposes.

The Company will only address relevant and substantive questions (as may be determined by the Company in its sole discretion) received from members, and publish its response(s), which may be consolidated for similar relevant and substantive questions, on the SGXNET at <https://www.sgx.com/securities/company-announcements>, latest by 2.00 p.m. on Thursday, 18 April 2024. Any relevant and substantive questions received after 11 April 2024 shall be addressed, and may be consolidated for similar questions and addressed, during the Annual Meeting.

A member, including CPF and SRS Investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Annual Meeting substantive and relevant questions related to the resolutions to be tabled for approval at the Annual Meeting, at the Annual Meeting itself.

NOTICE OF ANNUAL MEETING

Golden Agri-Resources Ltd
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

ADDITIONAL NOTES RELATING TO THE NOTICE OF ANNUAL MEETING:

1. This year, the 3 Directors retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius are Mr. Christian G H Gautier De Charnacé (“**Mr. Gautier De Charnacé**”), Mr. Willy Shee Ping Yah (“**Mr. Shee**”) and Mr. Khemraj Sharma Sewraz (“**Mr. Sewraz**”). The Director retiring pursuant to Rule 720(5) of the Listing Manual of the SGX-ST is Mr. Muktar Widjaja (“**Mr. Widjaja**”).

Mr. Sewraz will not be seeking re-appointment as a Director at the Annual Meeting. Accordingly, he shall retire as a Director at the conclusion of the Annual Meeting.

- 1a. Mr. Gautier De Charnacé, Mr. Shee and Mr. Widjaja, being eligible, have each offered himself for re-appointment at the Annual Meeting.

Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2023 for further information on each of the retiring Directors.

Mr. Gautier De Charnacé and Mr. Shee are considered to be independent. If re-appointed, Mr. Gautier De Charnacé will remain as chairman of the Audit Committee, and Mr. Shee will remain as a member of the Audit Committee.

2. Resolution 8, if passed, will empower the Directors to issue shares and convertible securities in the capital of the Company not exceeding fifty percent (50%) of the issued capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro-rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed fifteen percent (15%) of the issued capital of the Company (excluding treasury shares and subsidiary holdings).

The percentage of issued capital is based on the Company’s issued capital (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any share options, or vesting of share awards which were issued and outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

3. Resolution 9, if passed, is to renew for another year, up to the next annual meeting of the Company, the mandate for share purchase as described in Appendix 1 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next annual meeting.
4. The mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting includes the placement of deposits by the Group with financial institutions in which Interested Persons have an interest.
5. Resolution 10, if passed, is to renew for another year, up to the next annual meeting of the Company, the mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next annual meeting.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in the Republic of Mauritius)

**ANNUAL MEETING
PROXY FORM**

IMPORTANT:

1. The Annual Meeting will be held in a wholly physical format. There will be no option for members to participate virtually. No food served at Annual Meeting.
2. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual Meeting.
3. For CPF/ SRS investors who have shares in Golden Agri-Resources Ltd, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/ SRS investors should contact their respective CPF Agent Bank/ SRS Operators if they have any queries regarding their appointment as proxies.

I/We, _____ (Name)
 _____ (NRIC/Passport/Company Registration Number)
 of _____ (Address)

being a member/members of Golden Agri-Resources Ltd (the “Company”), hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

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or failing him/her/them, the Chairman of the Annual Meeting of the Company (the “Annual Meeting” or “AM”) as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AM to be held on **Tuesday, 23 April 2024 at 2.00 p.m.** (Singapore time) at Orchard Hotel Singapore, Orchard Ballroom 1&2, Level 3, 442 Orchard Road, Singapore 238879 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting in respect of the resolutions as set out in the Notice of AM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AM.

Note: The Chairman of the AM will be exercising his right under Article 60(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the AM and at any adjournment thereof. Accordingly, each resolution at the AM will be voted on by way of poll.

No.	Resolutions	*No. of votes “For”	*No. of votes “Against”	*No. of votes “Abstain”
ORDINARY BUSINESS				
1	Adoption of Reports and Audited Financial Statements			
2	Declaration of Final Dividend			
3	Approval of Directors’ Fees for the year ended 31 December 2023			
4	Re-appointment of Mr. Christian G H Gautier De Charnacé			
5	Re-appointment of Mr. Willy Shee Ping Yah			
6	Re-appointment of Mr. Muktar Widjaja			
7	Re-appointment of Auditors			
SPECIAL BUSINESS				
8	Renewal of Share Issue Mandate			
9	Renewal of Share Purchase Mandate			
10	Renewal of Interested Person Transactions Mandate			

* If you wish to exercise all your votes “For” or “Against” or “Abstain” in respect of the relevant resolution, please indicate “X” within the relevant box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the “Abstain” box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2024.

Total Number of Shares held in:	
(a) Depository Register	
(b) Register of Members	

Signature(s) and/or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



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Fold along this line. Glue and seal firmly.

ANNUAL MEETING PROXY FORM

Affix
Stamp
Here

The Company Secretary
GOLDEN AGRI-RESOURCES LTD
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

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Notes:

- Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in the Constitution of the Company), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, the proxy form will be deemed to relate to all the shares held by you.
- A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 percent of the shareholdings of his/her/its appointor and the proxy whose name appears second shall be deemed to be nominated in the alternate.
 - A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy."relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
- The instrument appointing a proxy or proxies must:
 - if sent personally or by post, be deposited at correspondence address of the Company at 108 Pasir Panjang Road #06-00, Golden Agri Plaza, Singapore 118535; or
 - if submitted by email, be received by the Company at investor@goldenagri.com.sgin either case, by **2.00 p.m. on Saturday, 20 April 2024** being not less than seventy-two (72) hours before the time appointed for holding the Annual Meeting (or at any adjournment thereof) and in default the proxy form shall not be treated as valid.
- Completion and return of this proxy form shall not preclude a member (who is not a relevant intermediary) from attending and voting at the AM in person. The appointment of the proxy(ies) for the AM will be deemed to be revoked if the member attends the AM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AM.

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- The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
- Where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual Meeting.
- The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the Annual Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual Meeting dated 2 April 2024.

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4th fold and glue all sides firmly. Stapling & spot sealing is disallowed.



GOLDEN AGRI-RESOURCES LTD

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-  > @GARSinarmasagri
-  > Golden Agri-Resources

www.goldenagri.com.sg