

Golden Agri-Resources' integrated business model will provide resiliency in riding through the COVID-19 challenges

- Plantation and palm oil mills segment mitigates softer downstream performance in first quarter 2020 that was affected by supply chain disruption
- With its strong vertically integrated business model, GAR is resilient and well positioned to manage through the current COVID-19 challenges

FINANCIAL HIGHLIGHTS

| US\$'million | Three months ended | | Change | Three months ended | Change |
|---------------------------------------|--------------------------|--------------------------|--------|--------------------------|--------|
| | 31 Mar 2020 (1Q 2020) | 31 Mar 2019 (1Q 2019) | | 31 Dec 2019 (4Q 2019) | |
| Revenue | 1,657 | 1,617 | 2% | 1,702 | -3% |
| Gross Profit | 198 | 193 | 3% | 299 | -34% |
| EBITDA ¹ | 84 | 121 | -30% | 392 | -78% |
| Underlying Profit/(Loss) ² | -25 | 12 | n.m | 284 | n.m |
| Net Profit/(Loss) ³ | -95 | 18 | n.m | 240 | n.m |

Singapore, 14 May 2020 – Golden Agri-Resources Ltd ("GAR" or the "Company")'s strong vertically integrated business model and sustainable operations provide resilience during industry volatility and disruption, including the current COVID-19 pandemic.

GAR proactively implemented comprehensive measures to minimise the impact of the virus on our business operations, with our China operations being the first affected, and the first to return to normal operations, under government guidance.

As the palm sector is recognised as a strategic industry in Indonesia, GAR's main food and biodiesel businesses have continued operating. The Company has benefitted from its remote locations of operational facilities that are spread over a large geographical space as well as the ability to limit access to operational sites, mitigating some of the operational risks.

GAR recorded a slight year-on-year increase in its first quarter 2020 revenue at US\$1.66 billion, primarily corresponding to higher average selling prices, partly offset by lower sales volume. The volume was severely affected by temporary logistics issues following the lockdown implementation during the COVID-19 outbreak.

Higher costs including the newly imposed CPO export tax and levy resulted in first quarter 2020 EBITDA¹ decreasing to US\$84 million, while underlying profit² recorded a loss position of US\$25 million. Net loss was affected mostly by foreign exchange translation loss.

Benefitting from higher CPO market prices in the current quarter, our plantations and palm oil mills segment contributed most of our consolidated EBITDA despite lower plantation output. CPO market prices (FOB Belawan) averaged US\$672 per tonne in the first quarter 2020, a 31 percent increase compared to the same period last year. On the other hand, our downstream business was impacted by higher input prices due to severe supply chain disruption.

On the outlook, **Mr. Franky O. Widjaja, GAR Chairman and Chief Executive Officer** commented: "In our view the CPO price is buffered from the decline in crude oil price because of staple demand for food usage, as history has repeatedly shown. Although short-term volatility is expected with the current uncertainties of the COVID-19 outbreak, we believe the CPO price will recover once the pandemic subsides and inventories in consuming countries are replenished. The limited growth in palm oil supply this year affected by the drought conditions and lower fertiliser application by small players in 2019 will keep the supply and demand balance healthy. Long-term fundamentals of the industry remain in place as palm oil is the most consumed vegetable oil with its high versatility and lowest cost of production."

As at 31 March 2020, GAR's planted area stood at 499 thousand hectares, of which 21 percent owned by plasma smallholders. During the first quarter 2020, fruit yield recorded at 4.4 tonnes per hectare, a four percent decline from last year's period impacted by the dry weather conditions in 2019 as well as the accelerated replanting programme. Yield was 24 percent lower compared to the previous quarter mainly due to seasonality. Upstream palm product output for the current quarter was 615 thousand tonnes, slightly declined from the same period last year.

The current pandemic has highlighted the importance of food security and food supply chains. Remote rural communities, such as those where we operate, are particularly vulnerable to these disruptions.

Our [Alternative Livelihoods programme](#) is playing an important role in ensuring local communities around our estates have sufficient and varied food sources. To date, this programme has helped more than 40 communities across Indonesia improve their agricultural practices and grow crops ranging from organic vegetables to coffee.

We are committed to [addressing the need for protective equipment](#) for our employees and local communities surrounding all our operational locations globally during the pandemic. Especially in Indonesia, we are working together with the Government of Indonesia to alleviate the pandemic in collaboration with Indonesia Chamber of Commerce and Tzu Chi Foundation Indonesia.

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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/loss 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 or income.

³ Net profit/loss attributable to owners of the Company.

About Golden Agri-Resources Ltd (GAR)

GAR is one of the leading palm oil plantation companies with a total planted area of 499,012 hectares (including plasma smallholders) as at 31 March 2020, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 and has a market capitalisation of US\$1.3 billion as at 31 March 2020. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.52 percent stake. GAR has several subsidiaries, including PT SMART Tbk which was listed on the Indonesia Stock Exchange in 1992.

GAR is focused on responsible palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; refining CPO into value-added products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals; as well as merchandising palm products throughout the world. It also has operations in China and India including a deep-sea port, oilseed crushing plant, production capabilities for refined edible oil products as well as other food products such as noodles.

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