gar
agribusiness and food

GOLDEN AGRI-RESOURCES LTD

RESOURCEFUL RESPONSIBLE RESILIENT

ANNUAL REPORT 2020

CONTENTS

Scan here to access GAR Annual Report 2020 online

Most of the photos in this report were taken before the COVID-19 pandemic

As a leading global palm-based agribusiness, Golden Agri-Resources is developing a sustainable business that creates value for our stakeholders. Our resourcefulness has enabled us to leverage technology to work smarter, hone our competitiveness and overcome challenges, including the global pandemic. We focus on delivering the right results, the right way. Our commitment to responsible business practices extends to our expectations of, and support for, our suppliers and the sourcing of our raw materials. Through our experience and expertise we are able to remain resilient and ready to navigate new challenges and opportunities that may lie ahead.

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

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 whole-heartedly 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

Oil palm plantation

536k ha

Extraction

14million
tpa mill

Refining and processing

5million
tpa refinery

Destination refining

China India

925k
tpa refinery

International sales offices and ex-tank operations

Global distribution and logistic

Bringing our products to
>70 countries worldwide

About GAR

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$7.1 billion and underlying profit of US$230 million in 2020.

GAR is focused on sustainable palm oil production. Our primary activities start from cultivating almost 536 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 industrial and consumer products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals; as well as merchandising palm products throughout the world.

GAR has broad presence in international markets with destination refining in China and India as well as sales representative offices and ex-tank operations 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.

Financial Highlights

	2020	2019	2018	2017
Consolidated Income Statement (US$'000)				
Revenue	**7,077,888**	6,431,799	7,167,428	7,507,599
Gross profit	**1,150,042**	831,467	1,006,834	1,097,406
EBITDA[1,9]	**669,007**	696,695	572,975	664,651
Underlying profit[2,9]	**230,187**	271,815	180,717	253,837
Net profit/(loss)[3]	**31,755**	193,977	(1,772)	74,032
Weighted average number of shares (million shares)	**12,700**	12,735	12,735	12,735
Underlying profit[2] per share (US$ cents)	**1.81**	2.13	1.42	1.99
Earnings/(loss) per share (US$ cents)	**0.25**	1.52	(0.01)	0.58

Consolidated Statement of Financial Position (US$'000)				
Total assets	**9,126,380**	8,779,331	8,545,580	8,137,780
Total current assets	**3,357,716**	2,962,957	2,885,498	2,874,675
Total current liabilities	**2,889,177**	2,737,105	2,490,902	2,597,794
Total non-current liabilities	**1,805,589**	1,536,782	1,744,598	1,431,433
Non-controlling interests	**185,687**	148,376	141,436	101,570
Equity attributable to owners of the Company	**4,245,927**	4,357,068	4,168,644	4,006,983

Financial Ratios				
Gross profit margin	**16.2%**	12.9%	14.0%	14.6%
EBITDA[1] margin	**9.5%**	10.8%	8.0%	8.9%
Underlying profit[2] margin	**3.3%**	4.2%	2.5%	3.4%
Net profit/(loss)[3] margin	**0.4%**	3.0%	(0.02)%	1.0%
Return on equity[4]	**5.4%**	6.2%	4.3%	6.3%
Return on assets[5]	**2.5%**	3.1%	2.1%	3.1%
Current ratio (times)	**1.16**	1.08	1.16	1.11
Net debt to equity[6] (times)	**0.25**	0.35	0.40	0.41
Receivable turnover[7] (days)	**32**	29	26	25
Inventory turnover[8] (days)	**60**	66	59	56

Other Information				
Average CPO price - FOB Belawan (US$ per tonne)	**691**	523	565	682

Notes:

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

3 Attributable to owners of the Company

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

5 Return on assets = underlying profit / total assets

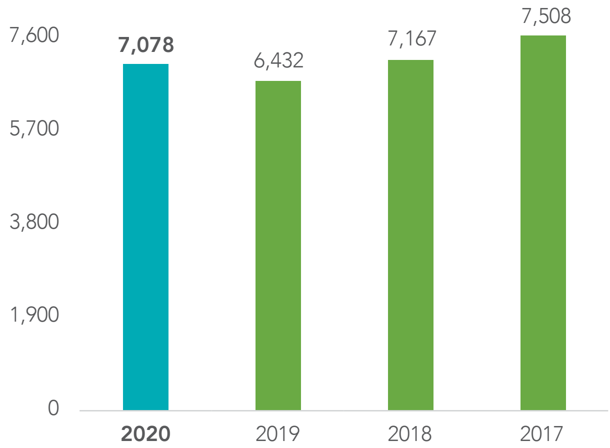
6 Net debt to equity = (total borrowings - cash and cash equivalents - short-term investments - liquid working capital) / total equity

7 Receivable turnover = average trade receivables / revenue x 365

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

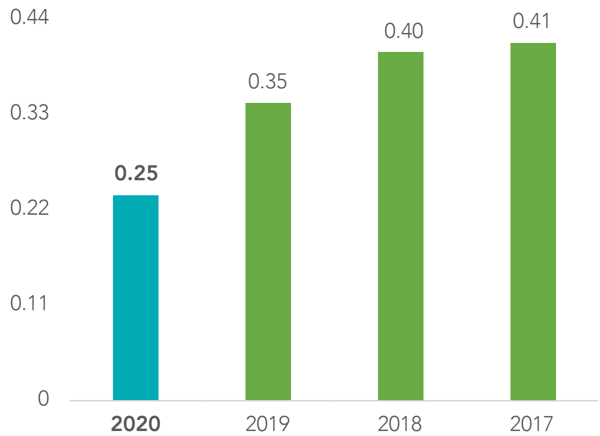
9 2020, 2019 and 2018 EBITDA and underlying profit include net fair value gain or loss on financial assets in accordance with IFRS 9

Revenue (in US$ million)



EBITDA (in US$ million)

Net debt to equity ratio (times)



Chairman's Statement

DEAR SHAREHOLDERS,

During the financial year 2020 (FY2020), we endured one of the most volatile and unprecedented years for the palm oil industry. We started the year with great optimism, given rising crude palm oil (CPO) prices. The rapid spread of the COVID-19 pandemic then stopped the world economy in its tracks, leading CPO price to fall below US$500 per tonne in May 2020 due to supply chain disruption. However, underlying core demand continued throughout the year given palm oil's use as an essential ingredient, thereby enabling a strong rebound towards the end of the year as the supply chain adapted to the challenge. CPO prices reached over US$1,000 per tonne at the end of 2020.

The Board is grateful for the speed of response and solid teamwork of our people in all geographies. Everyone has adapted quickly to the changing market conditions and made adjustments to our operations so that we can continue delivering our products to the world while keeping employees safe. Even as the global environment presents a number of challenges, we can take pride in our integrated business model which enables us to stay resilient during this global pandemic.

SOLID PERFORMANCE IN A CHALLENGING YEAR

For FY2020, Golden Agri-Resources Ltd (GAR or the Company) was able to grow its revenue to over US$7.0 billion, primarily attributable to the strong recovery in CPO market price that offset the lower sales volume. Despite the pandemic, EBITDA was only slightly lower at US$669 million, with the main contribution coming from the upstream business. Net profit stood at US$32 million after incorporating foreign exchange loss and deferred tax expense, which were mostly non-cash.

Our upstream business saw its EBITDA margin increase to 28 percent. Palm product output was at 2.78 million tonnes, five percent lower than the previous year as affected by the drought in 2019. Palm product yield nevertheless reached 5.5 tonnes per hectare, amongst the highest in the industry. After the consolidation of newly acquired companies, GAR's planted area increased to 536 thousand hectares in 2020. This acquisition is expected to contribute to production growth in the future, in addition to our endeavours to transform old estates by replanting them with next-generation, higher-yielding planting materials.

Our downstream business experienced a more challenging operating environment during FY2020. It was directly impacted by the COVID-19 pandemic in the first half of the year when many countries entered lockdown periods, leading to abrupt reduction in sales volume and sudden fall in CPO prices. We witnessed a turnaround in performance in the second half with demand stabilising after the lockdowns eased. For the full year, downstream achieved a satisfactory EBITDA margin of 3.6 percent. This performance included contributions from our biodiesel operations in Indonesia, sunflower-based business in India and our newly established sugar merchandising division that is complementing our core palm product business.

While the pandemic's global impact is unprecedented, our integrated business model and capital structure can withstand these challenging circumstances. We prioritised liquidity and balance sheet strength with gearing (net debt to equity) ratio improving to 0.25 times throughout the year. PT SMART Tbk, our primary subsidiary listed on the Indonesia Stock Exchange, successfully issued a total of Rp2.2 trillion worth of bonds during the year. This demonstrated the confidence of the financial markets in our credit profile and our Company's future outlook.

Today, the COVID-19 pandemic continues into the new financial year and we need to stay prudent and alert, ready to address new challenges during this time. As a precautionary measure against unforeseen circumstances, the Board recommends maintaining the dividend distribution of 20 percent of underlying profit. Accordingly, the Board proposes distributing a final dividend of 0.48 Singapore cents per share for FY2020 income.

RESOURCEFUL AND RESPONSIBLE DURING THE PANDEMIC

GAR's integrated business model enabled the Company to meet the challenging year of 2020

While the pandemic's global impact is unprecedented, our integrated business model and capital structure can withstand these challenging circumstances.

Franky Oesman Widjaja
Chairman and Chief Executive Officer

Chairman's Statement

head-on. We have transformed GAR into a leading soil-to-table agribusiness player, producing an extensive portfolio of palm-based products with an efficient end-to-end supply chain, from sustainable sourcing to global delivery.

Our passion for leveraging technology to create a competitive advantage provided a solid foundation. It helped us adjust how we do business quickly when governments first implemented lockdowns in the regions where we operate. I am proud of the commitment and innovation demonstrated by our people during this difficult time.

The pandemic has accelerated digital transformation in many industries. At GAR, we have always embraced science and technological innovation into our operational excellence. Now, more than ever before, science and technology are helping us transform our way of working. We are extending our portfolio of value-added products to serve our customers' evolving needs towards health-friendly and sustainably-produced products. The aim is to sustain revenue growth while maintaining cost leadership, which ultimately translates into more robust long-term performance.

MAINTAINING OUR SUSTAINABILITY COMMITMENTS DURING A GLOBAL CRISIS

Technology and virtual tools also enabled GAR to remain steadfast in delivering its commitments to responsible production and sustainability.

We continued working towards completing Traceability to the Plantation (TTP). Our target was to achieve full TTP by the end of 2020. Movement restrictions imposed due to the pandemic meant we had to make allowances for some suppliers trying to complete the process but hampered by the inability to conduct fieldwork. These suppliers will be allowed to report their TTP in the coming months. However, suppliers who have not shown any interest in TTP will be excluded from our supply chain. We are proud to report that, despite COVID-19-related constraints, we achieved 90 percent full traceability at the end of 2020.

As we near the end of our massive TTP endeavour, we are already working on the next supply chain transformation phase. This will include working with multiple partners to help smallholders and other suppliers to adopt more responsible practices. GAR will now be able to focus more on landscape approaches towards sustainability.

As the pandemic disrupted food security and global supply chains, our 40 Alternative Livelihood programmes proved their usefulness. These programmes, initiated in the last few years, range from organic vegetable gardens to animal husbandry. GAR intends to continue supporting these programmes as they boost local community resilience, especially in times of global crises.

We also used technology and virtual outreach to launch various initiatives such as the education programme and children's book Rumbun and Jungle Friends. The book is designed to help teachers educate elementary school pupils on the importance of preventing forest and land fires. Our team in Indonesia managed to continue their outreach and training through Zoom calls and podcasts, reaching 400 teachers through dedicated virtual workshops and another 700 participants via podcasts.

As the pandemic continues to affect our lives, we will remain focused on supporting and taking care of our employees, ensuring that they stay safe and healthy at the workplace.

Our continuing work in each of these areas supports the UN Sustainable Development Goals, particularly goals related to Zero Hunger (SDG2), Responsible Consumption and Production (SDG12), protection of Life on Land (SDG15) and Partnerships for the Goals (SDG17). The pandemic has shown that to remain resilient through global crisis; companies cannot neglect ESG issues. GAR will remain focused on implementing responsible production practices and spreading those values throughout its supply chain.

MAINTAINING AN OPTIMISTIC, YET CAUTIOUS OUTLOOK

Under the "new normal" conditions, global economies have gradually started to open since mid-2020. CPO market prices have strongly rebounded, supported by extreme tightness in global vegetable oil supply and demand. With vaccination progressing globally, there is optimism that future demand will recover further, including from the biodiesel sector. Weather will continue to hold the key in driving the short-term vegetable oil supplies complex. While palm oil production is expected to grow next year after a decline in 2020, seed oil production growth is forecast to remain muted, preserving a firm foundation for steady palm oil prices in 2021. Nevertheless, we remain cautious, anticipating any uncertainties from the lingering COVID-19 pandemic.

In the longer term, the world is looking for healthier products and more responsible sources to meet growing global food and energy demand. Palm oil will play an essential role in that quest, and GAR is well-positioned to cater to changing global needs. Our strategy is built on palm oil's competitiveness as an essential ingredient for everyday needs based on these evolving global consumer preferences. Our position as a leading producer with strong sourcing capabilities, extensive portfolio of palm-based products, and efficient end-to-end supply chain provides us with a sound foundation for sustainable growth.

APPRECIATION

We sincerely appreciate the commitment and hard work delivered by our employees throughout the year. We also value the collaboration and support provided by all our stakeholders, including suppliers, customers, creditors and shareholders. We all have learned from the crisis, and this experience will further accelerate our transformation, ensuring that GAR continues to improve and grow. Leading by example, I encourage our people to be innovative and open to new ideas. We believe the best people, harnessing the best technology, will deliver the best performance.

Franky Oesman Widjaja
Chairman and Chief Executive Officer
18 March 2021

Board of Directors

Franky Oesman Widjaja

Muktar Widjaja

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 a Director was in 2019.

Mr. Franky Widjaja, aged 63, 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 has been a Director of SML since 1997; the Executive Chairman of SML since 2006; and a 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 the Co-Chairman of Partnership for Indonesia Sustainable Agriculture (PISAgro); the Vice Chairman of the Indonesian Chamber of Commerce and Industry (KADIN) for Agribusiness, Food and Forestry Sector; a member of the Advisory Board of the Indonesian Palm Oil Association (GAPKI); and a member of World Economic Forum ("WEF"): Global Agenda Trustee for World Food Security and Agriculture Sector.

Previously, from 2007 to 2015, Mr. Franky Widjaja was Vice President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk; and he was also Vice President Commissioner of PT Puradelta Lestari Tbk until his resignation in May 2016, all subsidiaries of SML listed on the Indonesia Stock Exchange. Mr. Franky Widjaja was Co-Chair of WEF: Grow Asia until August 2019.

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 (2018 – 2020):

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 a Director was in 2018.

Mr. Muktar Widjaja, aged 66, 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 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

Rafael Buhay Concepcion, Jr.

Lew Syn Pau

GAR listed on the Indonesia Stock Exchange. Mr. Muktar Widjaja is a Director and, since December 2006, the Chief Executive Officer of SML. 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 (2018 – 2020):
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 a Director of GAR in August 2002 and as its Chief Financial Officer in January 2013. His last re-appointment as a Director was in 2019.

Mr. Concepcion, aged 54, studied at the University of the Philippines where he obtained a Bachelor of Science in Economics in 1988. He later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with scholarship from SGV Philippines.

Mr. Concepcion worked on regional projects and has extensive experience in corporate and financial planning. After 5 years with Pilipinas Shell Petroleum Corporation, Mr. Concepcion joined PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange, and now holds the position of Vice President Commissioner. 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 (2018 – 2020):
Nil

Lew Syn Pau

Non-Executive Lead Independent Director

Mr. Lew is a Lead Independent Director of GAR, Chairman of its Audit Committee, and member of its Nominating and Remuneration Committees. He re-joined GAR's Board of Directors in December 2007. Prior to that, Mr. Lew was a Director of GAR from May 1999 to May 2007. His last re-appointment as a Director was in 2020.

Mr. Lew, aged 67, obtained a Master in Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA. Mr. Lew was a Singapore Government scholar.

Mr. Lew was Senior Country Officer and General Manager for Banque Indosuez Singapore, where he worked from 1994 to 1997. He was General Manager and subsequently, Managing Director of NTUC Comfort from 1987 to 1993 and Executive Director of NTUC Fairprice from 1993 to 1994. Mr. Lew served as a Member of Parliament from 1988 to 2001. He was President of The Singapore Manufacturers' Federation from July 2002 to June 2006.

Present directorships in other Singapore listed companies:

- Broadway Industrial Group Ltd
- Golden Energy and Resources Limited
- Sinarmas Land Limited
- SUTL Enterprise Limited

Board of Directors

Foo Meng Kee

Christian G H Gautier De Charnacé

Other principal commitments:
Nil

Past directorships in other Singapore listed companies (2018 – 2020):
- Food Empire Holdings Ltd

Foo Meng Kee

Non-Executive Independent Director

Mr. Foo Meng Kee is an Independent Director of GAR, Chairman of its Nominating and Remuneration Committees and a member of its Audit Committee. He re-joined GAR's Board of Directors in 2017. Prior to that, Mr. Foo was a Director of GAR from November 2001 to February 2006. His last re-appointment as a Director was in 2020.

Mr. Foo, aged 71, holds an MBA from the University of Dubuque, USA; Graduate Diploma in Marketing Management from the Singapore Institute of Management; and Bachelor of Commerce (Honours) from the Nanyang University of Singapore.

Currently, he is the principal owner of M K Capital Pte Ltd and M K Marine Pte Ltd. Since 2001, he has held various positions as an independent director of several companies listed on the Official List of the Singapore Exchange Securities Trading Limited. From 1976 to 1998, Mr. Foo was with Hitachi Zosen Singapore Limited (now known as Keppel Shipyard Limited). When he was the Managing Director of Hitachi Zosen Singapore Limited, he led in the listing of the company on the main board of the Singapore Stock Exchange.

Mr. Foo has also previously served on the Committees of the Association of Singapore Marine Industries and the Singapore Armed Forces Reservists' Association.

Present directorships in other Singapore listed companies:
- Bund Center Investment Ltd

Other principal commitments:
- M K Capital Pte Ltd (Principal owner)
- M K Marine Pte Ltd (Principal owner)

Past directorships in other Singapore listed companies (2018 – 2020):
- Lee Metal Group Ltd

Christian G H Gautier De Charnacé

Non-Executive Independent Director

Mr. Christian G H Gautier De Charnacé is an Independent Director of GAR and a member of its Audit Committee. Mr. Gautier De Charnacé joined the Board of Directors of GAR in November 2018. His last re-appointment as a Director was in 2020.

Mr. Gautier De Charnacé, aged 71, 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 & Copthorne 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

Kaneyalall Hawabhay

Khemraj Sharma Sewraz

based in London, Singapore, Hong Kong, Tokyo and Hong Kong (1993 - 2013). Mr. Christian G H 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 (2018 – 2020):

Nil

Kaneyalall Hawabhay

Non-Executive Independent Director

Mr. Kaneyalall Hawabhay is an Independent Director of GAR. He was appointed as a Director of GAR in May 2003 and his last re-appointment as a Director was in 2020. He was a member of its Audit Committee from 21 February 2006 to 24 April 2019.

Mr. Hawabhay, aged 73, is a Fellow of the Institute of Chartered Accountants in England and Wales.

Mr. Hawabhay was Partner (ABAS) of BDO & Co, Mauritius from 2007 till his retirement in June 2018.

He has been a Partner (Assurance and Business Advisory Services ("ABAS")) of De Chazal du Mée & Co, Mauritius from 1987 to June 2002, and a Director of Multiconsult Limited from July 2002 to 2005.

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

Nil

Past directorships in other Singapore listed companies (2018 – 2020):

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 a Director was in 2020.

Mr. Sewraz, aged 70, 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, HS Corporate Services Ltd and Al Jawaaz Holdings Ltd.

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

- Crowe ATA, Mauritius
- Crowe Mozambique Limitada
- Chexsys Consulting Ltd
- HS Corporate Services Ltd
- Al Jawaaz Holdings Ltd

Past directorships in other Singapore listed companies (2018 – 2020):

Nil

Senior Management

Franky Oesman Widjaja
Chairman and Chief Executive Officer

Rafael Buhay Concepcion, Jr.
Executive Director and Chief Financial Officer

Irwan Tirtariyadi
Head of Upstream

The Biao Ling
Managing Director, Upstream

Paul John Hickman
Head of Downstream

Tony Kettinger
Chief Operating Officer

Khoo Kok Yeow
Chief Information Officer

Jesslyne Widjaja
Director, Corporate Strategy and Business Development

Jo Daud Dharsono
Special Advisor

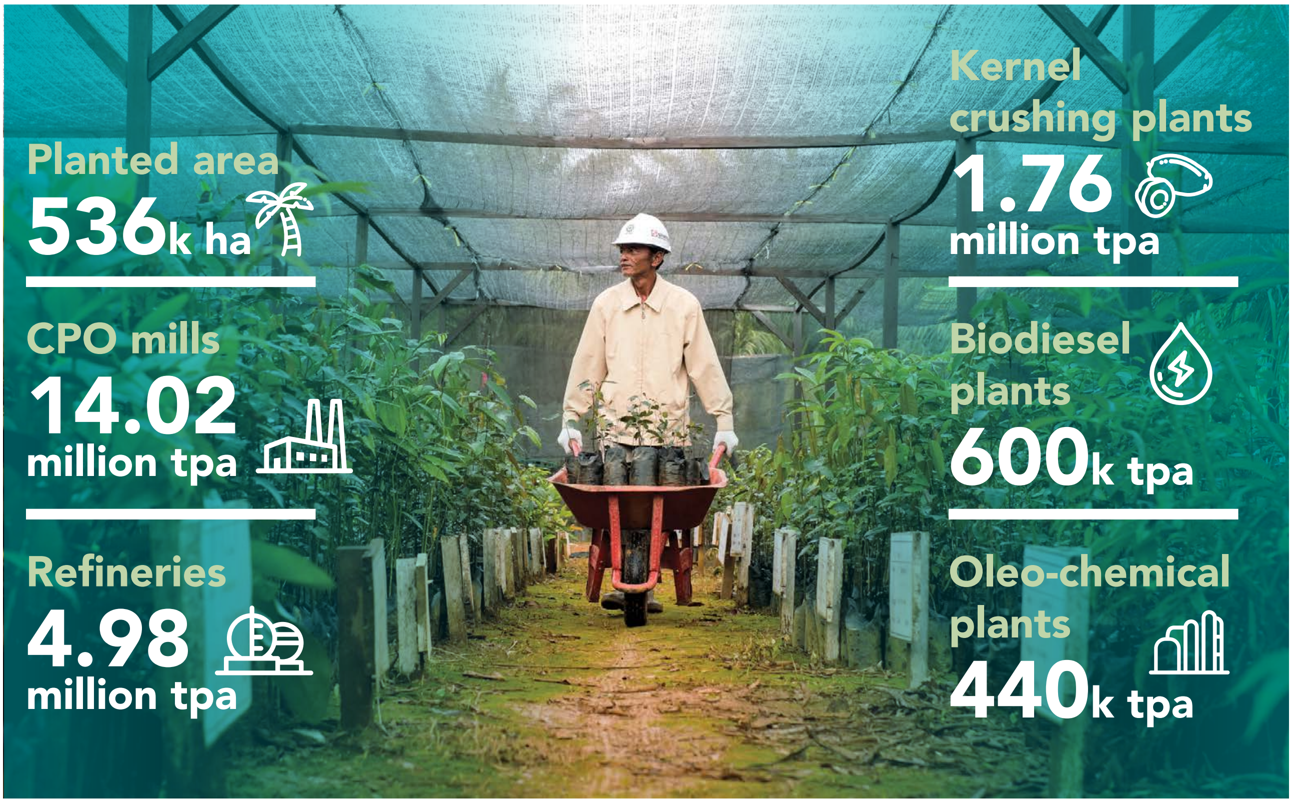
Harjanto Tanuwidjaja
Chief Human Resources Officer

Agus Purnomo
Managing Director, Sustainability and Strategic Stakeholder Engagement

Chen Sau Hua
Deputy Chief Financial Officer

Pedy Harianto
Head of Controllership and Compliance

Operations Review



PLANTATION AND PALM OIL MILLS

Leading Oil Palm Plantation Group in Indonesia with Continuous Improvement in Operational Excellence

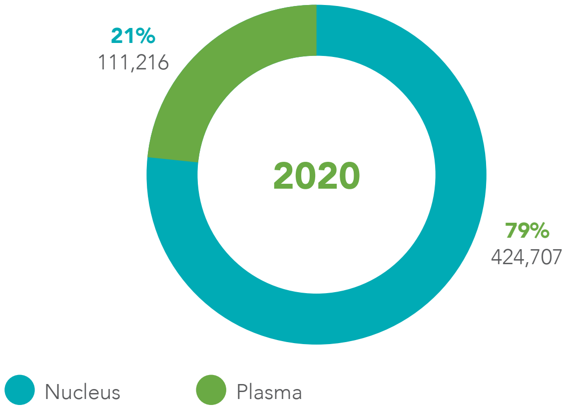
Golden Agri-Resources Ltd and its subsidiaries (GAR or the Company) is the leading oil palm plantation group in Indonesia with estates spanning from east to west across the archipelago. As at 31 December 2020, the Company manages 190 oil palm estates with total planted area of 535,923 hectares, an increase from the previous year after consolidating the estates of acquired companies at end of the year. The composition of estates owned by GAR (called 'nucleus') and estates owned by smallholders (called 'plasma') was 79 percent and 21 percent, respectively.

Of the 535,923 planted hectares, 70 percent is at 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 17 percent, an increase by three percent from the 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. Replanting during the current year reached 18,400 hectares. As a result, we maintained the average age of our estates at 16 years, providing a solid foundation for GAR's near to medium term growth.

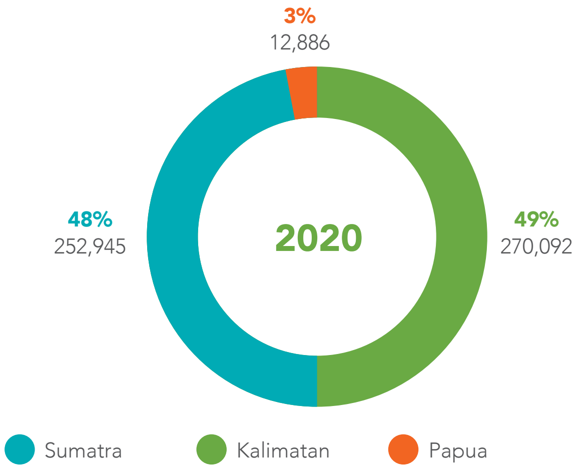
GAR's estates are among the largest and best managed plantations in the industry with leading productivity and cost efficiency. Our large-scale operations are well supported by our advanced information technology system and world-class oil palm research and development centre SMART Research Institute (SMARTRI). Our state-of-the-art information technology system 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. SMARTRI plays an essential role in sustaining our high productivity, searching for innovative solutions,

Operations Review

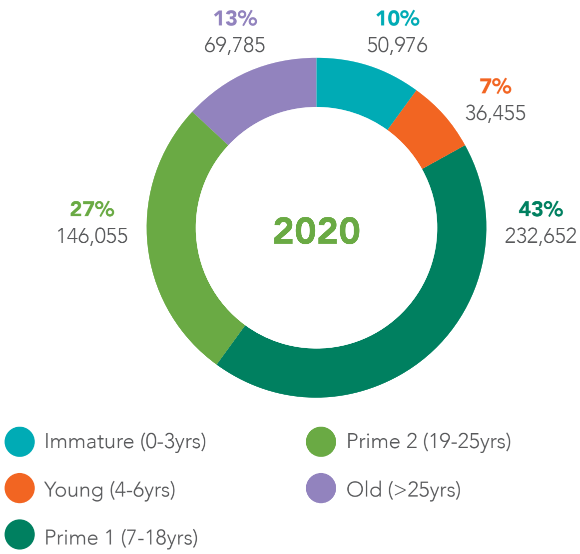
PLANTATIONS BY OWNERSHIP
(in hectares)



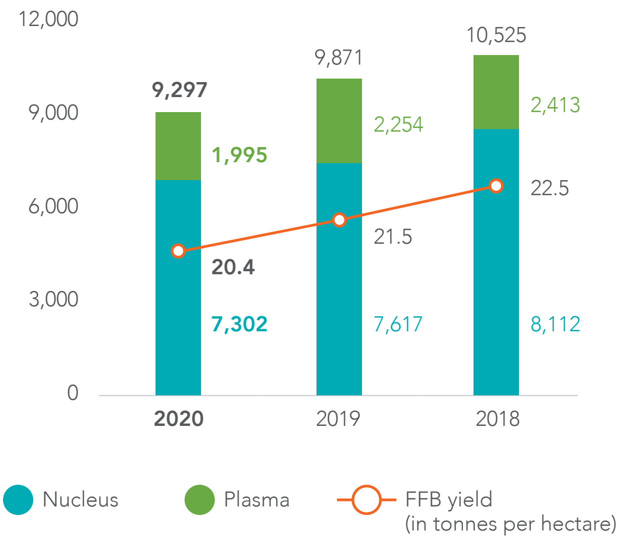
PLANTATIONS BY GEOGRAPHY
(in hectares)



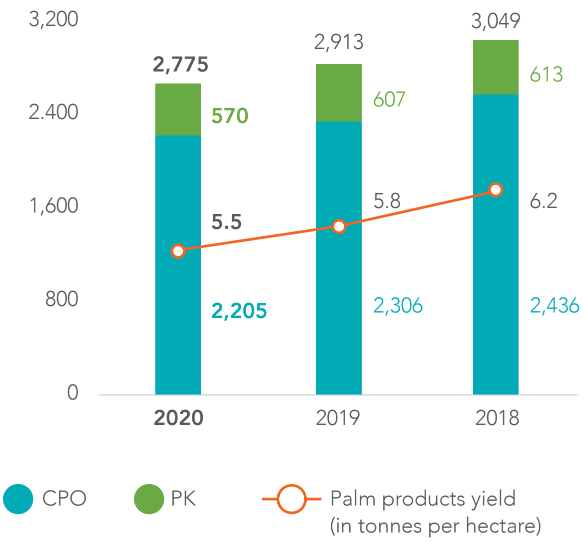
PLANTATIONS BY AGE PROFILE
(in hectares)



FRESH FRUIT BUNCH OUTPUT
(in '000 tonnes, except for FFB yield)



PALM PRODUCT OUTPUT
(in '000 tonnes, except for palm product yield)



and providing recommendations for continual improvement in productivity, efficiency, and environmental sustainability. SMARTRI is accredited with ISO 9001 for quality management and ISO 17025 for excellent implementation of general requirements for testing and calibrating laboratories.

2020 Plantation Output Softened Affected by the Drought in the Previous Year

Harvested fresh fruit bunches (FFB) production in the current year moderated by six percent to 9.30 million tonnes with average fruit yield of 20.4 tonnes per hectare.

The harvested FFB are processed in owned milling facilities, which are strategically located near the plantations, to produce CPO and palm kernel (PK). GAR operates 48 mills with a combined installed annual capacity of 14.02 million tonnes, an expansion by 600 thousand tonnes from the previous year.

In line with lower harvested FFB, palm product output of the mills decreased to 2.76 million tonnes, comprising 2.21 million tonnes of CPO and 570 thousand tonnes of PK. Average palm product yield reached 5.5 tonnes per hectare, with oil and kernel extraction rates standing at 21.4 percent and 5.5 percent, respectively.

Production was affected by prolonged dry weather conditions in 2019 and the accelerated replanting programme during the current year. Despite this, our plantation metrics remain at the top range of the industry performance.

Exploring Strategic Opportunities for Growth

Whilst we are mindful of sustainable utilisation of land resources, we will keep exploring any strategic opportunities to acquire well-positioned and high-quality oil palm estates and landbank, both within and outside Indonesia.

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 of 31 December 2020, GVL's planted area stood at approximately 19,000 hectares and includes a palm oil mill. We closely monitor the development of this project as well as provide technical expertise to ensure the quality and sustainability of the estates being developed. 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.

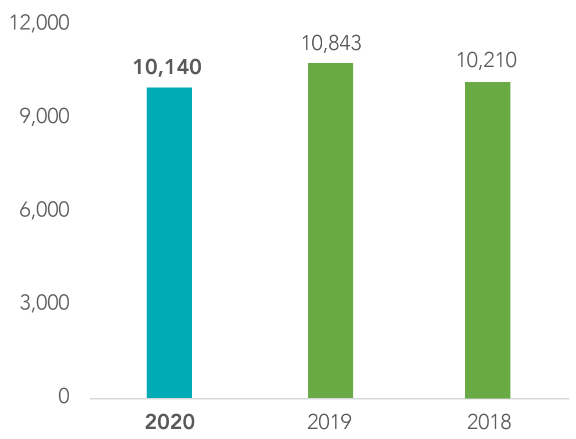
Operations Review

PALM, LAURICS AND OTHERS

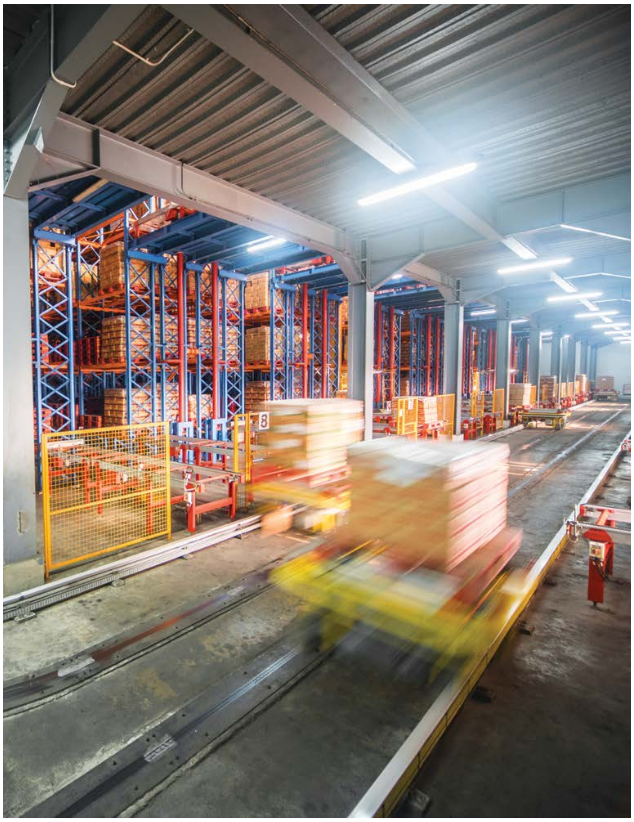
Well-Established Downstream Operations with Efficient and Traceable Sourcing, and End-to-End Processing and Distribution Facilities

Most of the CPO and PK produced are further processed in GAR's end-to-end processing facilities, which employ state-of-the-art technology and are strategically located in Indonesia, close to ports, consumer markets and our plantations. These facilities are supported by efficient and traceable sourcing of raw materials from our own plantations and third parties. 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.

SALES VOLUME OF PALM, LAURICS AND OTHERS SEGMENT (in '000 tonnes)



We operated a total of almost five million tonnes per annum refineries and 1.76 million tonnes per annum kernel crushing plants in Indonesia with average utilisation rate of around 88 percent, slightly less than the previous year as affected by lower availability of palm oil feedstock in the industry. On the other hand, our biodiesel plants continued to fully utilize their total capacity of 600 thousand tonnes, fulfilling the B30 biodiesel mandate in Indonesia. Including our joint venture with CEPSA Quimica, S.A., our 440 thousand tonnes oleo-chemical plants produce fatty acid and glycerine supported by many international certifications. GAR has been able to meet the various requirements of customers by offering an extensive portfolio of refined products in terms of specifications, quality, and sustainability certifications.



Offering Customer Solutions through Broad Product Portfolio and Destination Shipments

We market our products in bulk, industrial and branded form, domestically as well as in international markets. Including the soybean and sunflower oil business in China and India, total volume handled during 2020 reached 10.1 million tonnes. This achievement was seven percent lower than that in the previous year as affected by lower availability of palm oil feedstock in Indonesia and logistics issues during the initial implementation of COVID-19 lockdowns globally.

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

FILMA® Palmboom® PALMVITA®
MENARA® mitra RED ROSE
SMARTBaker i-SOC Kunci Mas®
旗舰 FLAGSHIP 海鸥 SEAGULL Masku

friendly and sustainability-produced products. We continually extend our capabilities and shift the product mix to higher value-added products. By end 2020, we have completed the enhancement of two of our refineries with capability to produce low 3-MCPD refined products.

In the local Indonesia market, we have consolidated our efforts to better position and expand distribution coverage of our branded products; especially cooking oils. For the industrial market, we have focused on margarine, shortening and specialty fats, as well as strengthening our relationships with the customers to produce better margin. Meanwhile for biodiesel, we received volume allocation of around 717 thousand kilo litres from the Indonesian government in 2021 for the implementation of the B30 programme. We are in the process of expanding our biodiesel capacity by 1,500 tonnes per day.

In the international markets, we have brought our products to more than 70 countries with emphasis on the growing markets in Europe, China, India, Pakistan, the Middle East, Africa, and the United States. We mostly sold in bulk, in addition to industrial and branded products.

We have our owned fleet and efficient logistic and distribution infrastructure, including strategically located bulking stations, warehouses as well as owned jetty and port facilities. Golden-Agri Stena Pte. Ltd., our joint venture in global transportation, also

Operations Review

plays a significant role in extending our distribution and logistics capabilities to supply our products to consumers worldwide. Our destination business growth has strengthened with the joint venture between Golden-Agri Stena Pte. Ltd. and Bay Crest Management developed in 2018. With international sales representative offices and ex-tank operations in many large consuming countries, our destination sales contributed 79 percent to our export volume during 2020.

In addition, we have destination processing in China and India, the two largest consumers of edible oils. 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 were doing well during the current year. In India, we own refineries which annual capacity was expanded to approximately 800 thousand tonnes to cater more demand. The refined products are sold locally in southern and eastern part of India with established brands through an extensive distribution system. Complementing our core palm product business, we also expanded our new sugar merchandising division in Brazil.

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.

STRATEGY IN PURSUING SUSTAINABLE GROWTH

Palm Oil Continues to Feed the World Sustainably

Natural food is a critical element of human wellbeing, to make people live healthy on a sustainable earth. Palm oil is one of the important food ingredients that has served everyday needs of a growing global population and its increasing consumption for decades.

Palm oil's essential role is supported its inherent competitiveness as a vegetable oil, i.e.:

- Palm oil is the largest produced vegetable oil in volume with a global production capacity of over 80 million tonnes per annum[1]. Even without land expansion, it still has significant room to grow through intensification, by using newer generation planting materials and by implementing best agronomic practices throughout the industry. This is crucial to support the world food security amidst declining arable land and increasing consumption.
- Palm oil is also the most efficient vegetable oil to produce in terms of land usage. It contributes around 35 percent of all vegetable oils on only eight percent of the land allocated to oil crops[1]. This high productivity also translates into the lowest cost of production, making it affordable for food industries in developed and emerging economies.
- Palm oil is extremely versatile and can be processed to form a wide range of products with different melting points, consistencies and characteristics, serving a myriad of uses, from food, detergents, cosmetics, to bioenergy.
- Palm oil provides important health and dietary benefits. It is non-GMO and naturally trans-fat free. It is rich in Vitamin E and Pro-Vitamin A as well as suitable for vegans as dairy substitutes.

Aside from existing large demand for affordable and quality products, consumers' demands are evolving towards health-friendly and sustainably produced products. This trend will ensure palm oil continues to have an important role to play in the production of safer products. Our strategy is built on palm oil's competitiveness based on these evolving global consumer preferences. As a soil-to-table agribusiness player, we believe GAR can grow sustainably, capitalising on its capability to produce an extensive portfolio of palm-based products with efficient end-to-end supply chain from sustainable sourcing to global delivery.

1 Including palm kernel oil

We Meet Our Customers' Needs

We strengthen our capability by continually employing new technologies in our processing plants to develop an industry-leading portfolio of palm-based value-added products serving the needs of emerging and developed markets. With this capability, GAR is positioned to capture growth as the world's nutrition and health needs evolve.

We Control the Physical Flow of Our Products

We source quality raw materials from our largest and most productive plantation base in Indonesia and the widest network of third-party suppliers. This is unique to GAR given our proximity and close relationship with third party plantations supported by our traceability to the plantation capability.

We are leveraging our presence in major consuming countries, available distribution channels and transportation options as well as extending our logistics and processing reach to key consuming countries. With our own shipping capacity, we can secure shipping requirements, better control costs and service level, and deliver value-added services to our customers by providing holistic solutions in international transportation. This has supported us to independently secure and widen our market reach as well as realise cost efficiencies in distribution by leveraging operational scale and synergies. Through our supply chain mapping and traceability efforts, we are also able to assure sustainable production practices from the source.

Operations Review

We Embrace Science and Technological Innovation

Science and technological innovation are the main enablers in our strategy execution. They are applied across our vertically integrated operations to create competitive advantage, such as increased productivity, cost efficiencies, and enhanced profit margins.

- SMART Research Institute, our world-class oil palm research and development centre, creates science-based solutions for high-productivity, efficient, and sustainability-focused agronomic practices.
- Biotechnology centre researching high-yielding, drought-and-disease-resistant planting materials through cross-breeding and tissue culture. It has created Eka 1 and Eka 2 planting materials that achieve exceptionally high yields. This supports our endeavours in replanting old estates to further enhance long-term yields and increase production without utilising more land under cultivation.
- Fats and oils laboratory at our refinery is where our food technologies develop new palm-based products to provide solutions to our customers. It includes the development of healthier alternatives of end products.

Photographer: Habib Twindy Lubis

- Transformation team focuses on combining technology, digitalisation, and artificial intelligence with operational excellence to create new ways of working throughout our operational value chain. We consistently seek to sustain our cost leadership, bring our operational excellence to the next level and keep GAR at the cutting edge of the palm oil industry.

Sustainability is in Our DNA

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 in responsible palm oil production.

In order 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 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.

Photographer: Habib Twindy Lubis

Financial Review

Golden Agri-Resources Ltd and its subsidiaries (GAR) recorded revenue of approximately US$7.1 billion for financial year 2020 (FY2020), achieving ten percent growth supported by appreciation of crude palm oil (CPO) prices, partly offset by lower sales volume. With gradual improvement during the current year, EBITDA[2] and underlying profit[3] reached US$669 million and US$230 million, respectively, mainly affected by lower fair value gain on financial assets recorded in FY2020. As a result, net profit attributable to owners of the Company was lower at US$32 million, further impacted by foreign exchange loss and higher deferred tax expense, which are mainly non-cash.

GAR's financial position as at 31 December 2020 strengthened despite the challenging business environment. Total consolidated assets grew to US$9.1 billion and net gearing ratio (net debt to equity ratio[4]) improved to 0.25 times.

SEGMENTAL PERFORMANCE

Plantations and Palm Oil Mills

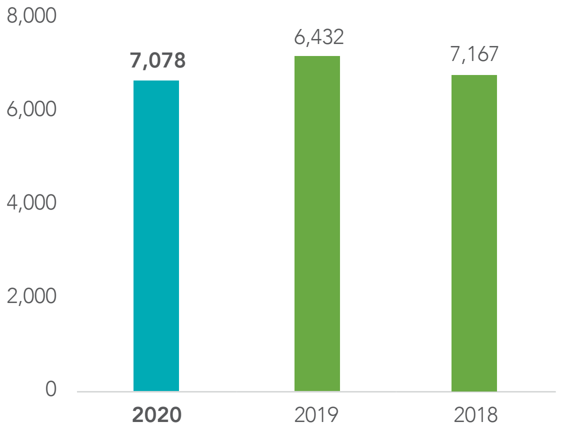
The plantation and palm oil mills segment posted a twelve percent growth in revenue to approximately US$1.5 billion attributable to the strengthening of CPO market prices offsetting the lower palm product

2 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

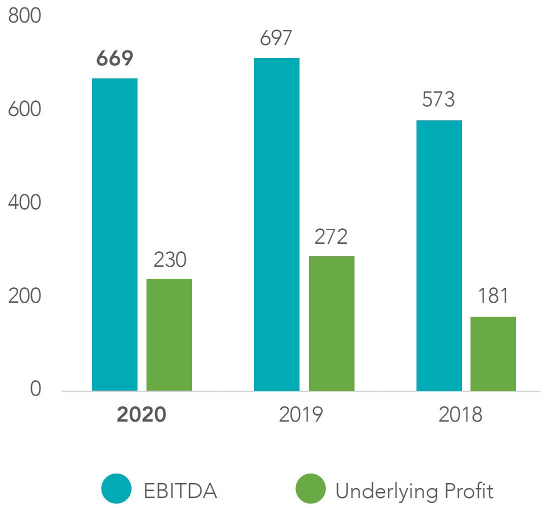
3 Net profit attributable to owners of the Company excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items, foreign exchange gain or loss and deferred tax income or expense

4 Net debt (total borrowings less cash and cash equivalents, short-term investments and liquid working capital) divided by total equity

REVENUE (in US$ million)

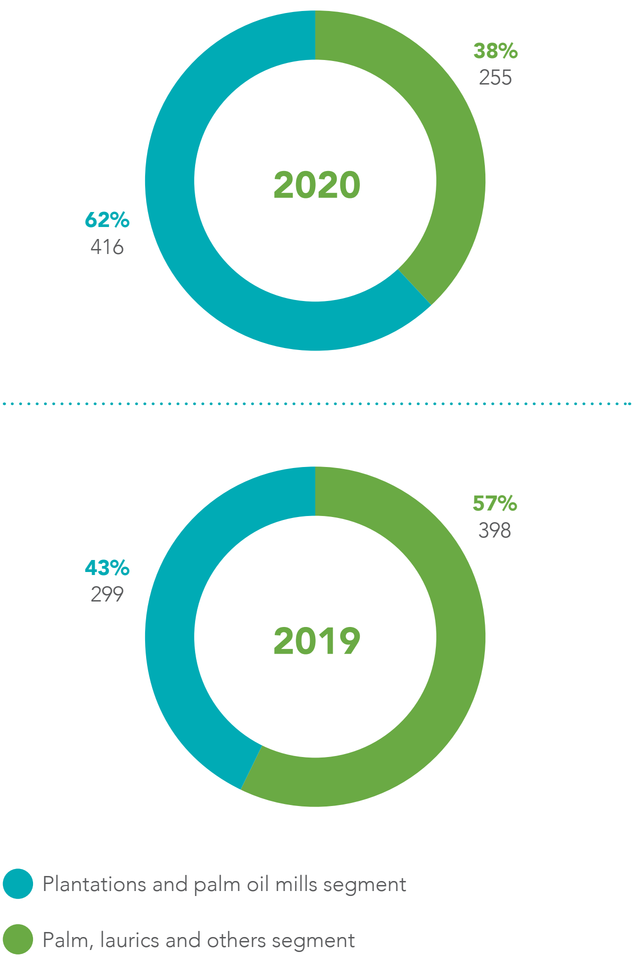


EBITDA AND UNDERLYING PROFIT (in US$ million)



Note:
EBITDA and underlying profit include fair value gain or loss on financial assets in accordance with IFRS 9

EBITDA BY SEGMENT (in US$ million)



output that was impacted by drought conditions in the previous year. The segment delivered EBITDA[2] of US$416 million, significantly higher by 39 percent compared to the previous year, with an expanded EBITDA margin of 28 percent.

Palm, Laurics and Others

The palm, laurics and others segment refers to all processing and merchandising of palm and oilseed-based products, comprising of bulk, customised and branded products, biodiesel, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia.

Revenue from this segment increased by ten percent to approximately US$7.1 billion due to higher CPO prices, which was partly offset by lower sales volume. EBITDA[2] from this segment achieved at US$255 million, with lower EBITDA margin of 3.6% mainly attributable to lower allocated net fair value gain on financial assets in accordance with IFRS 9.

Financial Review

OPERATING EXPENSES

Operating expenses were 21 percent higher than in the prior year at US$844 million attributable to higher selling expenses. Selling expenses saw a 55 percent increase to US$549 million largely due to the reinstatement of export levy in Indonesia after previous year's exemption. Meanwhile, general and administrative expenses were 13 percent lower at US$295 million, primarily attributable to lower salaries and travelling expenses.

FINANCIAL EXPENSES, NET

As compared to the prior year, net financial expenses were lower by 15 percent at US$126 million mainly due to lower interest rates on borrowings.

SHARE OF RESULTS OF JOINT VENTURES, NET

GAR recorded share of profit in joint ventures of US$619 thousand in the current year as compared to share of loss of US$13 million in the previous year. This was mainly attributable to the improved operating performance of a joint venture during FY2020.

FOREIGN EXCHANGE LOSS, NET

GAR recorded a net foreign exchange loss of US$32 million in FY2020 as compared to a net gain of US$37 million in the previous year. The current year loss was mainly attributable to unrealised translation loss arising from Indonesia Rupiah denominated monetary balances.

OTHER OPERATING INCOME, NET

Net other operating income decreased to US$33 million in FY2020 from US$263 million in the previous year, primarily attributable to lower gain from changes in fair value of financial assets recorded in accordance with IFRS 9, partially offset by higher fair value gain on biological assets.

EXCEPTIONAL ITEMS

Current year's exceptional loss of US$6 million related to impairment loss made on an investment in a joint venture and certain fixed assets in China.

INCOME TAX

Net tax expense increased to US$117 million in FY2020 mainly due to higher deferred tax expenses arising from the reduction in Indonesian income tax rate and higher taxable profit in certain subsidiaries.

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

GAR recorded US$230 million of underlying profit in FY2020, 15 percent lower than in the previous year. After including net gain from changes in fair value of biological assets, depreciation of bearer plants, exceptional items, foreign exchange loss, and deferred tax expense, GAR posted a net profit attributable to owners of the Company of US$32 million for the current year, compared to US$194 million recorded in the prior year. The decrease in profits was primarily due to lower fair value gain on financial assets, foreign exchange loss, and deferred tax expense, which are mostly non-cash.

ASSETS

Total assets increased by US$347 million to US$9.1 billion as at end 2020 as compared to US$8.8 billion as at end 2019.

Total current assets increased by US$395 million as at 31 December 2020 mainly due to increase in trade receivables in line with higher revenue as well as higher cash and cash equivalents, partially offset by lower inventories level.

Total non-current assets decreased by US$48 million mainly due to lower long-term investments and deferred tax assets which partly offset by higher bearer plants. The decrease in long-term investment was mainly attributable to redemption of funds for the acquisition of new subsidiaries, while the decrease in deferred tax assets mostly resulted from the adjustment for the reduction in income tax rate in Indonesia. Meanwhile, increase in bearer plants as at end 2020 was mainly attributable to consolidation of newly acquired subsidiaries.

LIABILITIES

As at 31 December 2020, total liabilities increased to US$4.7 billion from US$4.3 billion in the prior year. The increase in total liabilities was mainly due to increases in deferred tax liabilities and long-term payables.

Deferred tax liabilities increased by US$69 million mainly resulting from the consolidation of newly acquired subsidiaries. Long-term payables and liabilities increased to US$470 million mainly due to higher advances received.

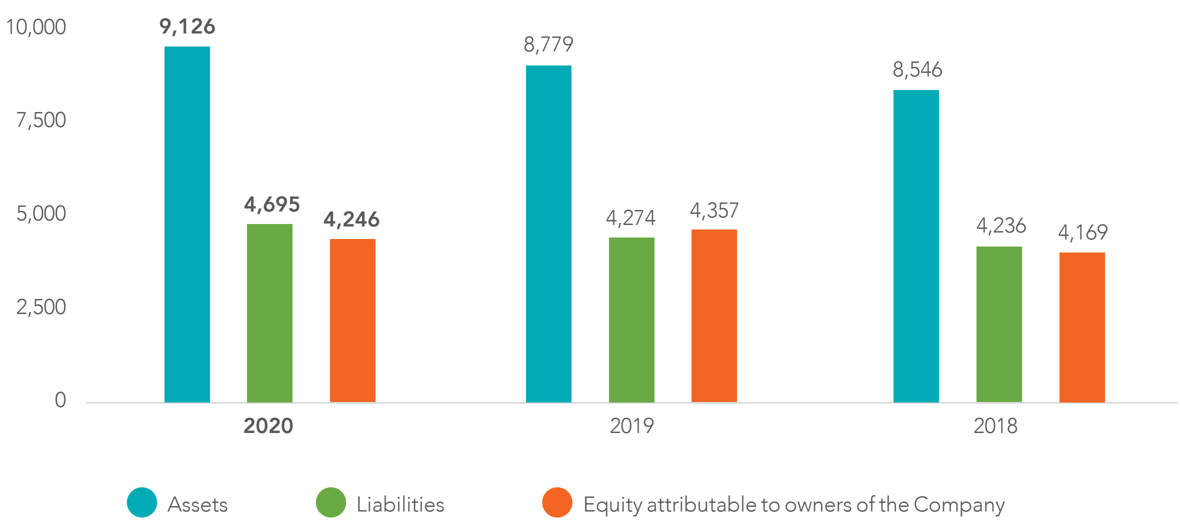
Total borrowings at the end of 2020 remained at US$3.1 billion. With higher cash and cash equivalents, short-term investments, and liquid working capital to US$2.0 million, the net gearing ratio (net debt to equity[5]) strengthened to 0.25 times from 0.35 times in the previous year.

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 during FY2020.

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Total equity attributable to owners of the Company at the end of 2020 was US$4.2 billion, three percent lower than as at end of 2019. The decrease was mainly due to cash dividends paid during the current year and lower fair value reserve, partially offset by net income recorded for FY2020.

ASSETS, LIABILITIES AND EQUITY (in US$ million)



5 Net debt (total borrowings less cash and cash equivalents, short-term investments and liquid working capital) divided by total equity

Corporate Governance Report

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 revised 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 ended 31 December 2020 ("FY2020").

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

(I) 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) 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;

(d) constructively challenge Management and review its performance;

(e) instill an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and

(f) ensure transparency and accountability to key stakeholder groups.

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. 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 have taken note of 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.

1.3 Training and Development of Directors

The Company takes note to provide Directors with opportunities to develop and maintain their skills and knowledge at the Company's expense. In this regard, the Board has approved a framework for Directors' training where the Company facilitates with Director's training arrangements. An annual budget exists to fund any Director's participation / attendance at seminars and training programmes that are relevant to his duties as a Director.

The Director's training framework / programme 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 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 case studies on corporate governance, and external auditors' briefings on changes to accounting standards and issues.

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 meeting 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 required to attend the Listed Entity Director programme being SGX-ST's prescribed training on the roles and responsibilities as a director of a listed company in Singapore.

Non-executive Directors who are newly appointed may not be familiar with the Group's business. Upon recommendation, subject to prevailing restrictions brought about by the Coronavirus Disease 2019 (COVID-19) pandemic, 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 FY2020 Training for Directors

By reason of the safety measures and restrictions brought about by the COVID-19 pandemic, attendance by Director(s) of external courses/seminars were mainly via online live webcast. Having attended the trainings, Directors in turn, shared their key takeaways from such courses / seminars with their fellow Directors at the subsequent Board meeting:

External Training

(1) Audit Committee Seminar 2020: Looking Beyond the Veneer of Numbers (January 2020 - onsite);

(2) Listed Entity Director programme (May & July 2020 - online);

(3) Singapore Governance and Transparency Forum (August 2020 - online);

(4) AC Chairman Conversation: The role of the Audit Committee in Preventing Today's Risks from becoming Tomorrow's Headlines (September 2020 - online);

(5) AC Chapter Pit-Stop Series: Intangible Assets in a Tangible World amidst Significant Economic Uncertainties (October 2020 - online);

(6) SID Corporate Governance Roundup 2020 (November 2020 - online); and

Internal / In-house Training conducted by External Counsel

(7) Amendments to the Listing Manual effective 7 February 2020 (February 2020 – onsite).

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 Committee[6] ("AC"), the Nominating Committee[7] ("NC") and the Remuneration Committee[8] ("RC") with written terms of reference which clearly set out the authority and duties of each committee.

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 position(s) in the Company, membership (if any) on the Board Committees and directorship role are shown below:

Name	Position(s)	Executive/Independent Director
Franky Oesman Widjaja	Chairman and CEO Member of NC and RC	Executive Director
Muktar Widjaja	President	Executive Director
Rafael Buhay Concepcion, Jr.	CFO	Executive Director
Lew Syn Pau	Lead Independent Director Chairman of AC Member of NC and RC	Non-executive, Independent Director
Foo Meng Kee	Chairman of NC and RC Member of AC	Non-executive, Independent Director
Christian G H Gautier De Charnacé	Member of AC	Non-executive, Independent Director
Kaneyalall Hawabhay	–	Non-executive, Independent Director
Khemraj Sharma Sewraz	–	Non-executive, Independent Director

Key information, including qualifications, on the Directors are found on pages 10 to 13 of this Annual Report.

Abbreviation:
CEO: Chief Executive Officer
CFO: Chief Financial Officer

6 See item 10.1
7 See item 4.1
8 See item 6.1

Corporate Governance Report

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 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, if requested or if warranted by circumstances deemed appropriate by the Board. 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 require the Board and/or Board Committees' approval are circulated 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.

1.10 Number of Meetings Held in 2020 and Attendance Record

In 2020, the Board met 6 times, with the year-end meeting focusing on annual budget and strategic issues; the Board Committees met a total of 10 times; and 1 shareholders' meeting being the Annual Meeting ("AM"), was held. In view of the COVID-19 situation, meetings from the 2nd Quarter of 2020 onward were held via electronic means. The number of Board and Board Committee Meetings held and the attendance of Directors and Board Committee Members respectively, is disclosed below:

	Number of Meetings Attended by Members					
Name of Director	Board Meeting	AC Meeting	NC Meeting	RC Meeting	AM	Total Attendance at Meetings
Executive Directors						
Franky Oesman Widjaja	6/6	–	2/2	2/2	1/1	11/11
Muktar Widjaja	6/6	–	–	–	1/1	7/7
Rafael Buhay Concepcion, Jr.	6/6	–	–	–	1/1	7/7
Non-Executive, Independent Directors						
Lew Syn Pau	6/6	6/6	2/2	2/2	1/1	17/17
Foo Meng Kee	6/6	6/6	2/2	2/2	1/1	17/17
Christian G H Gautier De Charnacé	6/6	6/6	–	–	1/1	13/13
Kaneyalall Hawabhay	6/6	–	–	–	1/1	7/7
Khemraj Sharma Sewraz	6/6	–	–	–	1/1	7/7
Number of Meetings Held	**6**	**6**	**2**	**2**	**1**	**17**

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.

It is a standard procedure that Directors review the Meeting Papers prior to a Meeting. Papers for each Board, Board Committee and Shareholders' Meeting are uploaded to a digital Board portal before a Meeting, for Directors to access from their tablets.

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/half-yearly 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.

1.12 Company Secretary

The Directors may separately and independently contact the company secretary or the Singapore company secretariat who 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 above. 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 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.

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 business and management experience, 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 the Lead Independent Director, the Non-executive, Independent Directors are invited to hold discussions amongst themselves without the presence of other Executive Directors and Management.

2.3 Lead Independent Director ("LID")

The AC Chairman acts as a LID. 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 Policy

In support of the principles of good corporate governance, the Board has adopted a Board Diversity Policy relating to Directors appointment and Board composition. By practicing 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.

During FY2020, the NC reviewed the Company's progress on gender diversity at the Board level.

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 plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision.

3.2 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 above, where, in addition to holding the position of AC Chairman, he also is a member of the NC and RC. Further, all Board Meetings are chaired in Mauritius by a Non-executive, Independent Mauritius Director; and all 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 the following 3 Directors, 2 of whom, including the NC Chairman, are Non-executive, Independent Directors:

Foo Meng Kee	(NC Chairman)
Lew Syn Pau	
Franky Oesman Widjaja	

The NC's terms of reference sets 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 re-appointment, re-election and re-nomination 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 Board diversity.

Changes to the Listing Manual on independence of Directors, in particular the "9-year rule" (as defined below), have been highlighted by the NC to the Board, and discussed for appropriate course of action.

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 sourced with recommendations from Directors, Management or external consultants. 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 channeled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

When evaluating a shortlisted candidate's suitability for appointment, the NC will carry out interview(s) with the candidate to consider, inter alia, the candidate's competencies, commitment, independence, ability and potential to contribute to the Board's effectiveness.

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.

In addition, consideration is given to the 2012 Code of Corporate Governance which requires that the independence of any Director who has served on the Board beyond 9 years from the date of first appointment, be subject to particularly rigorous review ("Rigorous Review").

The Listing Manual sets out specific circumstances in which a director is deemed non-independent, including, effective on 1 January 2022, the requirement for directors wishing to remain as independent after serving more than 9 years ("9-year rule"), to seek 2-tier voting by shareholders.

Bearing in mind the above, 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, including Rigorous Review, the NC / Board has considered that the following 5 Directors are regarded as Independent Directors of the Company:

Lew Syn Pau*
Kaneyalall Hawabhay*
Foo Meng Kee
Christian G H Gautier De Charnacé
Khemraj Sharma Sewraz

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

* Please see item 4.4 below on Rigorous Review.

4.4 Rigorous Review

The Board recognises that over time, an Independent Director may develop a better understanding of, and obtain greater insights into, the Group's business, operations and culture. And despite having served an increasing number of years, or beyond 9 years, as an Independent Director, he can still continue in his role to provide significant and valuable contribution to the Board as a whole, and as an independent and objective check on Management. Where there are such Directors serving as an Independent Director beyond 9 years, the NC and the Board will do a Rigorous Review of their continuing contribution and, particularly, their independence.

Both Mr. Lew Syn Pau ("Mr. Lew") and Mr. Kaneyalall Hawabhay ("Mr. Hawabhay") ("2IDs") have served as a Non-executive, Independent Director beyond 9 years, and are therefore subject to the Rigorous Review. This is the last year of Rigorous Review for the 2IDs prior to the "9-year rule" taking effect on 1 January 2022.

During the NC and Board's Rigorous Review they looked at, amongst others, the 2IDs participation at Meetings; interaction with and questions posed to Management. It was noted that each of the 2IDs had diligently carried out their roles and discharged their duties in a professional and objective manner, and ensuring the exercise of independent judgement in their views on sensitive matters.

Additionally, the Rigorous Review procedure required each of the 2IDs to provide reason(s) why they should be considered independent despite having served beyond 9 years. They also confirmed not having any relationship that could interfere with their exercise of independent judgement in the best interest of the Company.

In reviewing the independence of Mr. Lew, the NC considered that although Mr. Lew has served more than 9 years, he continues to demonstrate independence in character and exercise independent judgement in all matters relating to GAR.

During its review, the NC considered that Mr. Hawabhay, despite serving more than 9 years, has continued to diligently discharge his duties professionally and objectively. Further, NC noted that there was no action whatsoever which could jeopardise Mr. Hawabhay's independence or result in an independence issue.

After taking into account these factors, the NC's views and having weighed the need for Board refreshment against tenure, the Board has considered and determined that each of the 2IDs be regarded as Independent Directors of the Company, notwithstanding having served beyond 9 years.

4.5 Re-appointment and Re-election at the 2021 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 2021 AM pursuant to the respective requirement stated above, are:

(i) Mr. Foo Meng Kee, Mr. Christian G H Gautier De Charnacé and Mr. Khemraj Sharma Sewraz will each retire at the 2021 AM under Sec138 and, being eligible, have each offered himself for re-appointment as a Director thereat; and

(ii) Mr. Muktar Widjaja, being eligible, has offered himself for re-appointment at the 2021 AM under R720.

The NC has recommended each of the above Directors' re-appointment as a Director at the 2021 AM.

In its deliberation on the re-appointment of 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.

4.6 Retirement of Independent Director with More Than 9 Years Service

At the conclusion of the 2021 AM, pursuant to Sec138, the office of Director held by Mr. Hawabhay shall become vacant. Mr. Hawabhay will not be seeking re-appointment as a Director at the 2021 AM, and the NC/Board has accepted his decision. Accordingly, Mr. Hawabhay shall cease to be a Director at the conclusion of the 2021 AM.

The Board accepts the decision of Mr. Hawabhay, who has served for over 17 years, and wishes to thank him for his dedicated service to the Company. The Company is in the process to appoint a new Mauritius-resident Director.

4.7 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 competing directorships and obligations, and ensure that he 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 ability to allocate sufficient time and attention to the affairs of the Company. The NC is satisfied with the time commitment and effort made by each Director to attend meetings in 2020. Directors with multiple board representation made sure to allocate time to attend to the Company's affairs.

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 5, and of that held by an Executive Director is 3.

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 acts, where appropriate, on feedback from Board 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, based on pre-determined approved performance criteria.

During FY2020, based on NC's recommendation, the Board approved formal assessment of Board Committees, and the respective performance criteria.

(II) 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 3 Directors, a majority of whom, including the RC Chairman, are Non-executive, Independent Directors:

Foo Meng Kee	(RC Chairman)
Lew Syn Pau	
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 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.

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, prioritize 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 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, basing the payment on a scale of fees comprising a base fee, and fee as AC Chairman, AC member, RC Chairman, RC member, NC Chairman, NC member and fee for acting as LID. In respect of such additional roles, fee for chairing Board meetings in Mauritius was introduced in FY2020. 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$413,153 as Directors' Fees be paid to the Non-executive, Independent Directors for FY2020. These fees will be tabled for shareholders' approval at the 2021 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 for FY2020 in bands of S$250,000 is set out in the table below:

Name of Directors	Fixed Salary	Bonus paid or payable/Benefit	Directors' Fees	Total
Executive Directors				
S$3,750,000 to below S$4,000,000				
Franky Oesman Widjaja	33.7%	66.3%	–	100%
S$1,750,000 to below S$2,000,000				
Muktar Widjaja	54.2%	45.8%	–	100%
S$1,250,000 to below S$1,500,000				
Rafael Buhay Concepcion, Jr.	41.9%	58.1%	–	100%
Non-Executive, Independent Directors				
Below S$250,000				
Lew Syn Pau	–	–	100%	100%
Foo Meng Kee	–	–	100%	100%
Christian G H Gautier De Charnacé	–	–	100%	100%
Kaneyalall Hawabhay	–	–	100%	100%
Khemraj Sharma Sewraz	–	–	100%	100%

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

Each Director's remuneration is expressed in bands of S$250,000 with a percentage breakdown. The Company believes that rather than disclosing to the nearest dollar, the current form of disclosure is good indication of each Director's remuneration package, as remuneration continues to be a sensitive issue.

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 2020 are as follows:

Jo Daud Dharsono
The Biao Ling
Hemant K. Bhatt
Paul John Hickman
Jesslyne Widjaja

The total remuneration paid to the top 5 KMPs for FY2020 amounted to S$6,855,123.

The remuneration of a KMP who is also an IFM (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 of employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S$100,000 for FY2020, 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$1,000,000 to S$1,250,000	1
S$250,000 to S$500,000	1

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

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 FY2020.

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.

(III) 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. During FY2020, the ERMC comprised the following senior Management:

Franky Oesman Widjaja	–	Chairman and CEO
Rafael Buhay Concepcion, Jr.	–	CFO
Jo Daud Dharsono	–	Head of Upstream Operations
Hemant K. Bhatt	–	Head of Downstream and Commercial
Pedy Harianto	–	Head of Controllership and Compliance

The ERMC 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 61 to 64 of this Annual Report.

The Company's risk management process comprises of a disciplined and repeatable interaction structure that facilitates active involvement by the Board in 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 FY2020 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 CFO have given written assurance to the Board, as follows:

(a) Financial Records
The financial records of the Group for FY2020 have been properly maintained and the FY2020 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 ERMC, the internal auditors and the external auditors.

On the basis of the assurance received from the CEO and CFO, as well as the ERM framework established and maintained by the Company, the work performed by the ERMC, 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 3 Directors, all of whom, including the AC Chairman, are Non-executive, Independent Directors:

Lew Syn Pau	(AC Chairman)
Foo Meng Kee	
Christian G H Gautier De Charnacé	

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.

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 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; 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 FY2020 ("FY2020 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 FY2020 Financial Statements. The Board has on 18 March 2021 approved the FY2020 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 provided by the external auditors, Moore Stephens LLP, to satisfy itself that the nature and extent of such services would not affect their independence. The AC confirms that after reviewing all non-audit services provided by the external auditors during FY2020, they would not, in the AC's opinion, affect the external auditors' independence. Fee for audit services to the external auditors is disclosed in the Notes to the FY2020 Financial Statements on page 120 of this Annual Report.

The AC reviewed the external audit plan and scope for FY2020. 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 recommended to the Board that the external auditors be nominated for re-appointment at the 2021 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 Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors. The CIA provided the AC with the qualifications and experience of all internal auditors for their perusal.

The AC has authority over the hiring and removal of the CIA, including decision on his or 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 FY2020.

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.

10.5 Whistle-Blowing Procedures

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, bring to the AC's attention, concerns or complaints about possible improprieties relating to matters of financial reporting or other matters.

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, and to take appropriate follow-up actions. Significant concerns or complaints are reported to the Board.

The Company is committed to treat all complaints as confidential, and 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.

(IV) 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 recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated fairly and equitably, and their rights are protected.

The Company is committed to providing 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. In 2017, the Constitution was amended to include provisions to facilitate the sending of documents, including circulars and annual reports, to shareholders, using electronic communications. In that year, the Listing Manual was also amended to allow such electronic communications by listed companies. Starting with the 2018 AM, the Company used electronic communications to transmit annual reports and other documents to shareholders. The annual report and other documents are released via SGXNET and are also made available on the Company's website, and all shareholders of the Company receive a letter on how to access the said documents. They also receive the printed notice of AM, proxy form and request form for printed copies of the annual report and appendices. The notice is also released via SGXNET.

11.2 Conduct of General Meetings

On 7 April 2020 and 13 April 2020, the Singapore Government enacted the COVID-19 (Temporary Measures) Act 2020 (the "Act") and the COVID-19 (Temporary Measures) (Alternative Arrangements For Meetings For Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"), respectively. In addition, the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 made on 7 April 2020 (the "Regulations") further prohibits individuals from leaving their ordinary place of residence unless specifically provided for, as well as obliges that the Company's premises are, save for specific circumstances, closed to entry by any individual.

In view of the Act, the Order and the Regulations, the Company arranged for its 2020 AM scheduled on 27 April 2020, to be held by electronic means via live webcast. Shareholders were given the opportunity to communicate their views and to engage the Board and Management on the Group's business activities and financial performance by pre-submitting their questions before the 2020 AM. Directors are encouraged to attend shareholder meetings and all Directors were visibly present at the online 2020 AM. The external auditors, Share Registrar & Poll Agent, Scrutineer were also present online.

At shareholder meetings, each distinct issue is proposed as a separate resolution.

At the 2020 AM, voting was carried out only by proxy given to the Chairman of the Meeting. Results of the voting were released on SGXNET after the 2020 AM, as well as the presentation slides and Questions and Answers. The Minutes of the 2020 AM were also released on SGXNET and uploaded on the Company's corporate 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$0.0048 per ordinary share for FY2020, subject to shareholders' approval at the 2021 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

All shareholders are valuable to us, their confidence and on-going support are the backbone of our success. We believe an open and active two-way communication is the key to maintain constructive relations with our investors. We aim to timely deliver thorough and up-to-date material information to the global investing community, to support informed investment decisions.

We have in place an Investor Relations department which is easily reachable through email investor@goldenagri.com.sg, calls or even through office visits. We also provide a comprehensive and updated website www.goldenagri.com.sg that includes a dedicated investor section as well as other corporate information and developments. Our Investor Relations activities are guided by the Investor Relations policy to ensure regular, effective and fair communication with shareholders and the investment community in general.

The Company does not practice selective disclosure of material information. GAR conveys material information through announcements made on SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results and annual reports are announced and issued within the specified/stipulated period. All announcements are posted immediately on the Company's website, upon release via SGXNET.

The Company has been announcing its quarterly results since 2003 and, starting from 2007, conducts regular briefings and/or conference calls with analysts and the media. In accordance with the amendments on mandatory quarterly reporting under Rule 705 of the Listing Manual, effective 7 February 2020, starting year 2020, GAR has announced its unaudited financial statements for the half-year and full year in the format prescribed by the Listing Manual. However, recognising that its stakeholders may wish to be updated on its interim performance, GAR has decided to provide relevant information comprising abridged/key financial and operational disclosures as well as business commentary and outlook, for the first and third quarter performance, which are announced on SGXNET.

For the half-year and full year results announcements, we generate materials, including financial statements as well as management discussion and analysis in presentation slides and press releases. During these briefings, which were mainly conducted through conference call during 2020 in view of the COVID-19 pandemic, senior Management reviews the most recent performance, analysis, key value drivers and metrics, and shares the Company's insights and business strategy. The said materials are disseminated via SGXNET and also made available on the Company's website. On this occasion, analysts, fund managers and reporters have the opportunity to raise questions to our Management. While these meetings are largely undertaken by the Company's senior Management, the Chairman and CEO also joins the analysts briefing every year.

In addition, we offer direct and frequent access to our senior Management through one-on-one or group meetings, conferences, roadshows, calls and emails. Despite the COVID-19 pandemic, the Company has continued to meet with equity and fixed income investors and analysts domestically and internationally, as well as participating in investor conferences in the region, which were mostly conducted on-line during 2020. These facilitate us to strengthen existing relationships with long-term investors, understand their views and expectations of the Company as well as to tap new potential investors. We develop and maintain strong relationships with sell-side research analysts as they play an important role in informing and educating the investment community.

12.2 Financial Calendar 2021

25 February	Announcement of Full Year 2020 results
7 April	Release of Annual Report 2020
28 April	2021 AM Proposed 2020 final dividend*
5 May 2021	Last day for trading for cum dividend (scrip-less holders)
7 May 2021 5:00 PM	Record date and time
10 May 2021	Books closure date
18 May 2021	Dividend payment date
May**	Announcement of First Quarter 2021 performance updates
August**	Announcement of Half Year 2021 results
November**	Announcement of Third Quarter 2021 performance updates
February 2021**	Announcement of Full Year 2021 results

Notes:
The above calendar may not list every corporate event.

* Subject to shareholders' approval at the 2021 AM.
** Indicative timeline. The exact dates will be notified two weeks in advance, which notifications will be released via SGXNET and posted on the Company's website.

(V) 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 stakeholders are important. We take a proactive approach to stakeholder engagement. 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 the palm oil industry on the ground.

Operating and producing sustainable palm oil 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. 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.

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

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 concerns 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 in our website.

(VI) 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.

(VII) 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$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920) FY2020 US$	Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than S$100,000) FY2020 US$	
Asia Pulp & Paper Company Limited	#1	Nil	333,127	
Ningbo Asia Pulp & Paper Co., Ltd	#1	Nil	109,737	
PT Asuransi Sinar Mas	#1	Nil	6,719,917	
PT Bank Sinarmas Tbk ("BSM")	#1	Nil	36,754,696	#2
PT Cakrawala Mega Indah ("CMI")	#1	Nil	11,183,609	#3
PT Duta Cakra Pesona	#1	Nil	1,950,467	
PT Indah Kiat Pulp & Paper Tbk	#1	Nil	397,844	
PT Pindo Deli Pulp and Paper Mills	#1	Nil	95,849	
PT Rolimex Kimia Nusamas ("RKN")	#1	Nil	33,831,453	#4
PT Roundhill Capital Indonesia ("RCI")	#1	Nil	17,298,703	#5
PT Royal Oriental	#1	Nil	5,580,920	
Sinarmas Land Limited	#1	Nil	356,724	
Total		**Nil**	**114,613,046**	

Notes:

* Renewed at GAR's AM on 27 April 2020 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 Time deposits and current account placements with BSM during the year. Principal amount of placements as at 31 December 2020 is approximately US$14.75 million.

#3 Purchase of paper products and chemicals from CMI.

#4 Purchase of fertilizers and chemicals from RKN; sale of oleochemical and by-products biodiesel to RKN.

#5 Purchase of coal from RCI.

Corporate Governance Report

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

Information relating to Directors seeking re-election at the 2021 AM is as follows:

Name of Director	Christian G H Gautier De Charnacé ("CGDC")	Foo Meng Kee ("FMK")	Khemraj Sharma Sewraz ("KSS")	Muktar Widjaja ("MW")
Date of Appointment	13 November 2018	25 April 2017	15 November 2019	24 May 1999
Date of last re-appointment (if applicable)	27 April 2020	27 April 2020	27 April 2020	23 April 2018
Age	71	71	70	66
Country of principal residence	Thailand	Singapore	Mauritius	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to items 4.2 and 4.5 on pages 37 and 39 of this Annual Report	Please refer to items 4.2 and 4.5 on pages 37 and 39 of this Annual Report	Please refer to items 4.2 and 4.5 on pages 37 and 39 of this Annual Report	Please refer to items 4.2 and 4.5 on pages 37 and 39 of this Annual Report
Whether appointment is executive, and if so, the area of responsibility	No	No	No	Executive Director duties and responsibilities
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive, Independent Director. Member of AC	Non-executive, Independent Director Chairman of NC and RC, Member of AC	Non-executive, Independent Director	Executive Director and President
Professional qualifications Working experience and occupation(s) during the past 10 years	Please refer to pages 12 and 13 of this Annual Report	Please refer to page 12 of this Annual Report	Please refer to page 13 of this Annual Report	Please refer to pages 10 and 11 of this Annual Report
Shareholdings interest in the listed issuer and its subsidiaries	Please refer to item 3 on page 84 of this Annual Report	Nil	Nil	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	Nil	Nil	Nil	Brother of Franky Oesman Widjaja, Director of the Company
Conflict of interest (including any competing business)	Nil	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	Yes

Name of Director	Christian G H Gautier De Charnacé ("CGDC")	Foo Meng Kee ("FMK")	Khemraj Sharma Sewraz ("KSS")	Muktar Widjaja ("MW")
Other Principal Commitments* Including Directorships#	**Past (for the last 5 years)** • BNP Paribas Capital (Singapore) Ltd (Dissolved Members' Voluntary Winding Up) • BNP Equities Asia Limited • BNP Paribas Equities (Asia) Limited • BNP Paribas Capital (Asia Pacific) Limited • Millennium & Copthorne Hotels PLC (delisted)	**Past (for the last 5 years)** • Courage Investment Group Limited • Jiutian Chemical Group Limited • Lee Metal Group Ltd • MK Ocean Pte Ltd • MK Realty Pte Ltd • MK Total Holdings Pte Ltd • Sinarmas Land Limited • Titan Petrochemicals Group Limited • T-Ocean Designs & Services Limited	**Past (for the last 5 years)** • SG Financial Services Ltd • Fairfield Trustees Ltd	**Past (for the last 5 years)** • Golden Bay Realty (Private) Limited
	Present • Hong Leong Finance Limited • PT BNP Paribas Sekuritas Indonesia	**Present** • Bund Center Investment Ltd • MK Capital Pte Ltd • MK Energy Navigation Pte Ltd • MK Marine Pte Ltd • MK Offshore Pte Ltd • MK Oil & Gas Services Pte Ltd • MK Ships Pte Ltd	**Present** • Crowe ATA • Crowe Mozambique Limitada • Chexsys Consulting Ltd • HS Corporate Services Ltd • AL Jawaaz Holdings Ltd	**Present** • 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 Sinarindo Gerbangmas • PT Sinar Syno Kimia • Sinarmas Land (HK) Limited • Sinarmas Land Limited • Sinarmas Land Overseas Holding Pte Ltd

* "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)

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	CGDC	FMK	KSS	MW
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	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	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	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	No
(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	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	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (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?	No	Yes[1]	No	Yes[2]
(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	No

Notes:

1 From 2 November 2001 to 26 April 2017, FMK was a non-executive independent director of Sinarmas Land Limited ("SML") (then known as Asia Food & Properties Limited ("AFP")) and in 2001, AFP was investigated by the Commercial Affairs Department ("CAD"). As far as FMK is aware, CAD had completed its investigations against AFP and no further action was taken against AFP. As far as FMK is aware, he was not the subject of any investigation and no action has ever been taken against him by the CAD.

2 MW is a director of SML since 1997. In 2001, SML (then known as AFP) was investigated by the 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.

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 envolving 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 responsible for the governance 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, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

In performing this responsibility, the Board is assisted by ERM Committee (ERMC), which was formed in 2013, and the Audit Committee. The role of ERMC role is to manage 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 five senior Management. They are the Chairman and CEO, CFO, Head of Upstream, Head of Downstream, as well as Head of Controllership and Compliance.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Company operates an integrated business model that includes production, processing and marketing and sales of palm oil and its related products in its business segments. The integrated nature of our business model enables an enterprise-wide approach towards its management of risk. All of 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 as a whole.

The ERMC oversees risk management activities across the business segments and directs the efforts of the risk management 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. Business and strategic, market, credit and operational risk management functions operate independently and centrally with a systematic approach to ERM and are aligned with industry best practices. The overall risk management framework provides senior Management and the ERMC with the ability to review these risks holistically and assess the balance between risk appetite and appropriate rewards in order to maximize 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 be 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

Enterprise Risk Management

which the Executive Directors evaluate strategic opportunities and review the performance of various business units through a series of reports which contain quantified metrics and qualitative discussions.

KEY RISK EXPOSURES

The Company's business is exposed to the following types of key risks:

Business Risk

Business risks expose the Company's ability to generate adequate returns from commercial activities. Changes in macroeconomic condition, competitive pressure, government policies, environmental regulations and geopolitics shifts may impact our capacity to meet our financial targets. Accordingly, the Company seeks to continually manage these risks and minimise effects on our financial results.

Market Risk

Market risk is risk to the Company's financial performance arising from the uncertainty of movements in commodity prices and foreign exchange rates.

Fluctuations in commodity prices

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. 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. Other aspects like macroeconomics, geopolitics shifts, environmental and conservation regulations, trade tariffs, outbreak of a disease and natural disasters also play a part in the price determination.

The Company's market risk framework 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 on a daily basis. 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.

Fluctuations in the foreign currency

As a group with multiple subsidiaries located in different countries, GAR is exposed to foreign exchange fluctuation risk. 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.

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. Any fluctuations in currency exchange rates will result in exchange translation gains or losses.

Credit Risk

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

With the nature of changes in the 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.

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

Operating Risk

Operating risk is risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Poor weather conditions

Our fresh fruit bunch yield is very dependent on weather conditions in Indonesia. Excessive rainfall or extensive period of dry weather will lead to a decrease in the overall yield. Excessive rainfall generally leads to poor pollination of palms and reduces the effectiveness of fertilisers, while drought results in less fruit bunches and lower oil extraction rate. High levels of drought might also trigger fire outbreaks in the plantations.

We have implemented various measures at our plantations to reduce the impact of weather conditions on our plantations, including the construction of drainage and irrigation systems and roads and the establishment of certain planting patterns. Historically, CPO prices typically increase when supply is adversely affected by weather conditions, thereby reducing the impact of the decrease in supply. We also extend our efforts around long term fire prevention (see page 78 – "Continuing Responsible Practices During a Global Crisis").

Pest outbreak

Pest outbreak in our plantations may reduce production level, which may ultimately impact the Company's revenue and profitability. Generally, pests that attack oil palm trees are nettle caterpillar, rat, wild boar and ganoderma fungus.

We closely control and protect our plantations from pests. To specifically handle pest attack, we apply integrated pest management approach that prioritises the use of biological controls over pesticide. Our agronomists from SMARTRI immediately give additional protective care to the trees that are attacked by pest to prevent dissemination.

Revocation or restriction of land rights granted by the Indonesian Government

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.

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.

Disruptions in transportation infrastructure

We depend on transportation services that partly are provided by external parties to transport raw materials to the processing and storage facilities as well as to deliver our products to customers. Disruption of transportation services arising from factors such as unfavourable weather conditions, labour unrest, significant downtime arising from major


Photographer: Uti Heriansyah

Enterprise Risk Management

and unexpected repairs or any other events might impair our production process and affect the quality of its products and our ability to supply products to customers on time.

We continuously strengthen our internal transportation infrastructures in order to minimise dependence on external parties.

Commercial availability

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).

We implement key operational controls across our assets and facilities to ensure maximum commercial availability.

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

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

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.

We are 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.

The imposition and enforcement of more stringent environmental regulations

Our business is subject to a variety of laws and regulations that promote environmentally and socially sound operating practices. These regulations could become more stringent in the future. The government environmental agencies have the power to take action against us for failure to comply with applicable environmental regulations, including imposing fines and revoking licenses.

We are fully aware of the greater importance on environmental measures and regulations. We have a separate department that closely monitor and update current requirements of relevant regulations. We will ensure our compliance to relevant regulations to avoid any liabilities that may incur in the future.

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. Hence, any significant outages will affect the operations of our Company.

As cybersecurity threat has been evolving and becoming greater in the last few years, 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 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.

In particular, the senior Management play an important role in maintaining relationships with our key employees as well as outlining and executing our overall business strategy.

Developing Business, Nurturing Talent

To achieve its vision, GAR has adopted a new approach to its strategy execution through the Objectives & Key Results (OKR) system that covers Revenue and Productivity, Cost Leadership, Effective and Efficient Management, Security and Risk Management. Human Resource Management plays an important role in achieving the OKRs through two main objectives.

SUPPORTING BUSINESS OKR THROUGH HR INITIATIVES

We believe all roles and positions are important. Nevertheless, we prioritise our effort on flagship business roles that are critical to business objective achievement. Starting 2020, we have put a sharper focus on the development of middle management.

In the Upstream Division, we have emphasised the development of Agronomy Assistants through the "Asisten Peduli" programme, in which we carefully crafted a series of training and mentoring sessions – involving leaders in Agronomy to instill the "5 Basic Mentalities" and "8 Caring Behaviors" into all Agronomy Assistants' work values and mindset. We complemented this with the development of soft skills through various training sessions that focused on Agronomy Assistants' competency gap covering Communication, Ideas for Innovation, and Becoming More Proactive. Aside from that, we provided platforms for Agronomy Assistants to receive feedback and direction from their managers to achieve the desired productivity through "Coaching for Performance". We arranged several "Career Counseling" sessions, especially for Basic Management Development Programme and Scholarship Programme graduates to find out their aspirations and needs to further support their development.

Simultaneously, we put a greater effort into the development of Refinery General Managers through the General Management Development Programme (GMDP) in the Downstream Division. GMDP is a development programme for key executive positions with the objective to "Promote Talent from Within". The programme equipped participants with knowledge and skills to manage the Company's assets and run the operations, in both commercial and technical aspects. We have partnered with one of the prominent local universities for executive education, to help deliver curated soft and technical learning materials to GMDP participants. Various projects mentored by Downstream top executive leaders were established to further equip participants with greater exposure and first-hand experience of the business. The programme is closely supervised by the Downstream Leadership Management Team through GMDP Committee Meetings (GCM).

DEVELOPING TALENT FOR SUCCESSION PIPELINE IN THE ERA OF NEW NORMAL

Due to the COVID-19 pandemic, 2020 has been a challenging year in executing intensive development initiatives (such as training, coaching/mentoring, project assignment, and job rotation) for our talents. Such circumstances demand a shift to deliver learning through the utilisation of online platforms. We have established several online channels to deliver learning and will continue to improve the delivery by establishing the necessary infrastructure for online learning.

Through relentless effort in identifying the development needs of our talents to move into their next role, we have identified and created Individual Development Plans (IDP) for our talents. We will focus on smooth execution of the IDP in 2021 with the final objective of grooming internal talents as the successors of critical roles.

Continuing Responsible Practices During a Global Crisis

In 2020, we continued to progress towards responsible palm oil despite the unprecedented challenges brought about by the COVID-19 global pandemic.

We used technology and virtual tools to continue implementing the GAR Social and Environmental Policy or the GSEP. This roadmap details our commitments on our most material sustainability issues and our overall approach to their responsible management.

OUR MATERIAL SUSTAINABILITY TOPICS

Through the principle of materiality, we prioritise and focus on the most significant economic, environmental, social and governance (ESG) issues that shape our success as a business and are of greatest importance to our stakeholders.

In 2017, we worked with specialist sustainability consulting firm Corporate Citizenship to update our understanding of our material sustainability issues. This exercise built on our previous assessment in 2015. It informs the continuous development of our sustainability strategy and our reporting content to ensure it is responsive to stakeholders' needs and interests. We are currently conducting a new materiality assessment and will publish the results in our full Sustainability Report in June 2021.

This report provides a summary of our progress and challenges in managing our most critical sustainability issues in FY2020. Unless otherwise stated, this report focusses on the Company's activities in Indonesia. Our full Sustainability Report will be published in June 2021 along with updates on our website. We report against the Global Reporting Initiative (GRI) Standards – Core option and relevant disclosures recommended by the Standard for the Agricultural Production sector as defined by the Sustainability Accounting Standards Board (SASB). For our GRI and SASB content indices, please refer to our full Sustainability Report and our website.

Details of our methodology for identifying material issues and our materiality matrix can be seen on our website.

GAR actively manages a wide range of material issues. The table below shows our priority issues in terms of having a high impact on society and the environment and being of great concern to stakeholders. These form the focus of GAR's sustainability policy, strategic approach to responsible palm oil and sustainability reporting. The table provides a description and details the part of our value chain, which may actually, or potentially, be impacted by those issues.


Photographer: Habib Twindy Lubis

Material Issues	Value Chain: Plantation	Processing	Distribution & consumption
Fire and haze No burning in our operations, working with the community to prevent forest fires and responding to any fires that occur in order to minimise the harmful effects on the environment and people.	●●●	●	●
High Carbon Stock (HCS) forests and peatlands Identifying, protecting and restoring HCS forests, as well as protecting and managing peatlands storing high levels of carbon. This issue is important at both GAR-owned/managed plantations and third-party estates, which we have a responsibility to influence.	●●●	●	●
Biodiversity and High Conservation Value (HCV) areas Preventing deforestation or development of HCV areas with high biological, ecological, social or cultural values; to protect habitats and maintain biodiversity. This issue is important at both GAR-owned/managed plantations and third-party estates, which we have a responsibility to influence.	●●●	●	●
Labour relations and Human rights Promoting fair, ethical, and positive relations with our workforce, respecting human and labour rights, ensuring no child or forced labour in our operations and our supply chain.	●●●	●●●	●●
Rights of communities and indigenous peoples Respecting community rights through the Free, Prior and Informed Consent (FPIC) approach. Maintaining community dialogue and engagement, and promoting peaceful resolution of any conflicts. This issue is particularly important for our plantations.	●●●	●	●
Occupational Health and Safety and Employee wellbeing Fostering a safe and healthy work environment, preventing any work-related illness, injury and accidents, and promoting the wellbeing of workers across our operations and supply chain.	●●●	●●●	●
Traceability and supply chain transformation Achieving traceability of palm oil products to the mill and to the plantation, and engaging with suppliers to ensure compliance with our policy to promote responsible and ethical practices.	●●●	●●●	●
Corporate governance, ethics and integrity Conducting all business activities with integrity and in accordance with the highest ethical and governance standards, in line with the GAR Code of Conduct.	●●	●●	●●
Supplier inclusiveness and smallholder livelihoods Supporting the sustainable and inclusive development of smallholder farmers in our supply chain.	●●●	●●●	●
Yield improvement Investing in research and development to improve palm oil yield and reduce pressure on opening new land at plantation level.	●●●	●	●
Product quality and safety Adherence to best practice product quality and safety standards, as well as safeguarding consumer health.	●	●●	●●●

Key (actual/potential impact): ●●● Significant ●● Moderate ● Low

Continuing Responsible Practices During a Global Crisis

Key Targets and Progress

The Targets Table below shows our progress in managing our priority issues. Inevitably, some of our initiatives, especially those which required face-to-face interaction, have been impacted by the COVID-19 pandemic safe distancing measures. But where possible, we are leveraging technology and virtual tools to continue our implementation. The table also links to and tracks our progress on the UN Sustainable Development Goals. While the palm oil industry impacts many of the 17 goals, we believe that we are best positioned to contribute to SDGs 2, 12 and 15.

Key Material Sustainability Issues	2020 Progress	Targets	Status
Conservation of High Carbon Stock (HCS) and peatlands; Conservation of biodiversity and High Conservation Value (HCV) areas; Preventing fire and haze Related UN SDG:	• Conservation planning with communities temporarily on hold due to COVID-19 pandemic • To date, engaged with 22 villages, covering over 237,000 hectares • Reached agreement to conserve 43,000 hectares of forests	• Continue rollout of conservation planning with communities, subject to ongoing pandemic situation	ON TRACK
	• Physical rehabilitation of 2,600 hectares Peat Ecosystem at PT AMNL, West Kalimantan: water management master plan devised together with Tanjung Pura University • Over 1,000 hectares revegetated to date	• Continue with the physical rehabilitation of peat area and revegetation of the surrounding area • Run education programmes for local communities on the importance of peatland and rehabilitation in partnership with Peat Restoration Agency	ON TRACK
	• 99.98% of GAR area **NOT** affected by fire during dry season • Launched children's education programme (part of Desa Makmur Peduli Api (DMPA) initiative) on fire prevention through virtual workshops for 400 teachers and podcasts reaching 700 participants	• Continue to strengthen fire mitigation procedures • Continue to work with communities on long-term fire prevention through DMPA	ON TRACK
	• Released 3 more orangutans under programme with Orangutan Foundation International (OFI) • 124 orangutans released from 2011-2019	• Release 160 orangutans by 2021 (timetable may be impacted by ongoing pandemic)	ON TRACK
Rights of communities and indigenous peoples	• Participatory Mapping (PM) which aims to respect and safeguard community FPIC rights temporarily on hold due to the COVID-19 pandemic • PM rolled out in 158 villages to date • No incidents of FPIC violations or violations of rights of indigenous peoples in 2020	• Continue with PM programme subject to ongoing pandemic situation	ON TRACK
Labour relations and Human rights; Occupational Health and Safety and Employee wellbeing	• No incidents of discrimination or abuse reported in 2020	• Continue to maintain peaceful and productive industrial relations through open dialogue, fair labour practices, and respectful communication in the workplace	ON TRACK

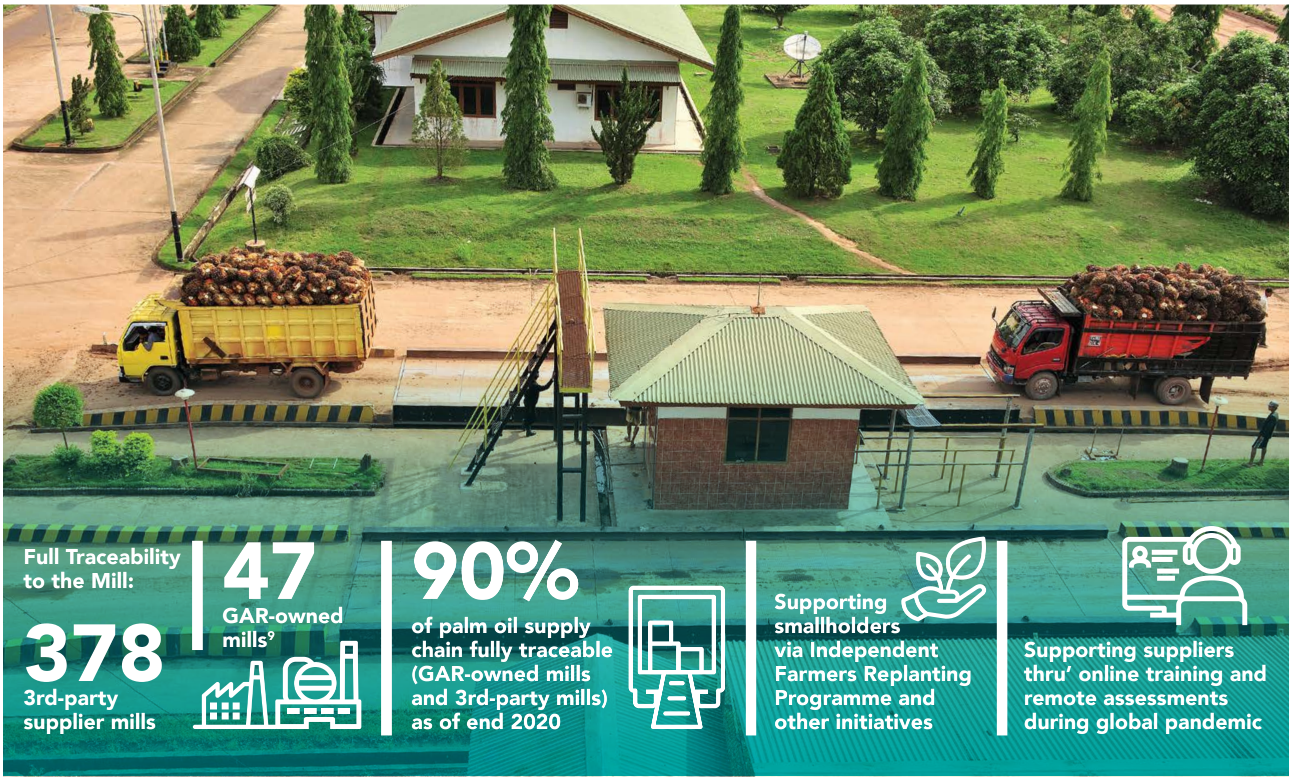
Key Material Sustainability Issues	2020 Progress	Targets	Status
	• Number of fatalities decreased year-on-year	• Continue to instil awareness of OHS and safe practices in all operations and amongst contractors • Aim for a declining trend in workplace accidents	ON TRACK
Traceability and supply chain transformation; Supplier inclusiveness and smallholder livelihoods Related UN SDG:	• 90% of palm supply chain fully traceable – timetable for full TTP by end-2020 impacted by COVID-19 pandemic • 87,000 smallholders registered under the TTP Ksatria Sawit programme in 2020 • Stopped procuring from 0.5% of suppliers in 2020 due to non-compliance with GSEP and GAR policies	• Remaining suppliers to complete their TTP subject to the pandemic situation • Suppliers who have not carried out TTP to date will be automatically excluded from the supply chain	ON TRACK
	• 14 online supplier workshops and webinars in OHS, fire prevention, responsible labour practices, CSR and sustainability reporting • Carried out one site visit and 30 remote assessments (following COVID-19 outbreak) of suppliers on GSEP compliance • Support for 100% of plasma smallholders • Supported Independent Farmers Replanting scheme and a range of other programmes for independent smallholders	• Continue with capacity building events to assist and support suppliers to improve practices • Launch new engagement programmes with Tier 2 suppliers in partnership with customers • Facilitate collaborations on a landscape level between GAR, independent suppliers, farmers, government, and civil society to improve responsible practices • Continue to promote smallholder support schemes	ON TRACK
Corporate governance, ethics and integrity	• No significant cases of bribery or corruption in 2020 • Annual mandatory online refresher courses and mandatory e-testing on the Code of Conduct	• Maintain zero tolerance for bribery and corruption • Continue to ensure employees understand the standards of ethical behaviour required	ON TRACK
Yield improvement Related UN SDG:	• Produced about 3.3 million clones of Eka 1 and Eka 2 as of end 2020, capable of producing more than 10 tonnes/ha/year of CPO	• Continue cloning programme for replanting • Continue R&D into other aspects of yield improvement, including climate change resilience/adaptation	ON TRACK
Product quality and safety	• Continued work on removing trans-fatty acids from the remaining two percent of GAR products that still have trans fats • Continued with mitigation processes to eliminate co-contaminants (for e.g., 3-MCPD) • R&D on new high oleic palm oil hybrid	• Aim for full removal of trans-fatty acids from products by 2023 • Continue R&D on new high oleic palm oil hybrid	ON TRACK

* The full table will be published in the GAR SR2020 and updated on our website

Continuing Responsible Practices During a Global Crisis

MANAGING OUR PRIORITY ESG ISSUES

Marketplace and Supply Chain



Traceability and supply chain transformation

We had intended to complete full Traceability to the Plantation (TTP) for our entire palm supply chain by end-2020. This timetable had to be adjusted in light of the global pandemic as safe distancing measures affected some of our suppliers' ability to carry out fieldwork.

Despite this, we are happy to report that we achieved 90 percent TTP as of end-2020 for GAR-owned mills and third-party suppliers. We have given an extension to suppliers whose TTP efforts were interrupted by the pandemic. They are expected to complete their mapping in the coming months. However, for the minority of suppliers who have not made any meaningful effort on TTP to date, we will consider them automatically excluded from our supply chain, as traceability is an essential requirement under the GSEP.

To help accelerate the TTP process, we continued with the Ksatria Sawit programme. This initiative reaches out to areas where many of our supplier mills buy from smallholders, and traces their agents and farmers. As of end-2020, 87,000 farmers had registered under the programme covering 325,000 hectares of estates.

Aside from guaranteeing the provenance of our raw materials, traceability gives us a ready-made platform for relationship-building with our third-party suppliers. This enables us to work with them to transform our supply chain and, by extension, the industry.

Since 2015, in tandem with our supply chain mapping, we have been deepening our engagement with our suppliers, encouraging them to improve their practices in line with our sustainability commitments. This process includes site visits to assess the current state of suppliers, especially those deemed

9 Excluding a mill newly acquired as of December 2020

high-risk. Such visits allow us to better understand the difficulties they face and design the best intervention strategies to help them adopt responsible practices. We completed site visits in the last few years and assessed both Tier 1 and Tier 2 suppliers at all our downstream processing locations. Reports can be viewed on our website.

In 2020, we visited one supplier and following the COVID-19 outbreak, we switched from in-person site visits to remote supplier assessments. Using this method, we conducted 30 remote assessments focusing on GSEP compliance.

We help our suppliers design action plans, provide capacity building, and share best practices after assessing their most critical issues. In 2020, we continued with our training sessions using technology and online tools. An example of this includes an online workshop to help our suppliers learn about practical OHS measures during the COVID-19 pandemic. Read more on our website. We conducted 14 webinars in 2020 on various topics, including responsible labour practices, OHS, participatory conservation planning (PCP) deforestation monitoring, fire prevention, CSR and sustainability reporting. These online webinars reached more than 1,300 participants from 172 suppliers.

We are also proactively helping suppliers review their policies, including providing recommendations on strengthening SOPs in various areas such as environmental management and labour relations.

After completing TTP, we will be launching more projects to support our suppliers, especially Tier 2 suppliers like smallholders and agents. We will be partnering with some of our major customers on these initiatives.

We always strive to work with our suppliers on corrective action plans in instances of non-compliance with our standards and only terminate contracts as a last resort. In 2020, we stopped procuring from about 0.5 percent of our suppliers for non-compliance and over seven percent since 2015.

Supporting smallholders

Smallholders are a critical part of Indonesia's palm supply chain, with about two and a half million farmers controlling 40 percent of palm oil estates. Improving their livelihoods and responsible practices is key to improving the industry.

GAR has been a strong supporter of the Independent Farmers Replanting Scheme since its launch in 2014. The programme encourages independent smallholders to replant with better quality, higher-yielding seeds, which will help boost productivity and incomes while potentially reducing the demand for new agricultural land. It gives farmers access to financing, helping them sustain their livelihoods during the four years it takes for the new seedlings to mature.

Since 2014, GAR has helped independent farmers in Riau. As of end 2020, GAR secured loans of nearly IDR 123 billion from state-owned banks.

In addition, we run a range of support programmes for independent smallholders. GAR provides various support and technical assistance to thousands of independent farmers in North Sumatra, South Sumatra, and Riau. Farmers have access to high-yielding seeds, fertiliser and herbicides, and heavy equipment rental at below-market rates. As of end-2020, we have disbursed more than IDR 300 billion in interest-free loans and other aid.

Our efforts with our supply chain and smallholders help contribute to UN SDG 12, aiming to ensure sustainable consumption and production patterns.

Product safety and quality

We are aware of consumer concerns about the health and safety aspects of our end products. Our Downstream Research and Development department is actively addressing this area. GAR continues to focus on minimising the occurrence of 3-monochloropropane diol (3-MCPD) precursors following the European Food Standards Authority (EFSA) revision of 3-MCPD and glycidyl fatty acid esters (GE) levels. Our business successfully

Continuing Responsible Practices During a Global Crisis

tackles the 3MCPD/GE issue holistically, for example, by minimising Free Fatty Acids (FFA) in CPO and optimising refining techniques. We are also continuing to optimise identification methods for 3-MCPD and GE esters. Read more on our website.

We have put considerable effort into removing trans fatty acids from all our products. We continue to work on having 100 percent trans fat free products by 2023 in line with WHO targets, having achieved this for 98 percent of all margarine, shortening and specialty products.

Cooking oil fortification is another focus area, with the government of Indonesia implementing mandatory fortification using Vitamin A in cooking oil. We are making sure we provide healthy fortified cooking oil in line with legal requirements.

We are also working to replace or convert soy lecithin to sunflower-based alternatives to reduce allergens in our products.

Following interest from several global customers, we are developing non-GMO high oleic palm oil (all our palm oil raw materials are non-GMO). High oleic oil is high in monounsaturated fats and has a better nutritional profile. We are carrying out a research project on developing a new hybrid high oleic palm oil and are testing several potential hybrids.

Work Environment and Industrial Relations

The palm oil industry supports economic growth and employment, especially in rural areas, helping to lift local communities' incomes and living standards. In 2020, we created jobs for over 173,500 people in Indonesia, including 70,800 plasma scheme smallholders.

Recognising, respecting and strengthening workers' rights

We believe in the fair, equal and respectful treatment for all our employees. Through the GSEP, we have also reinforced our commitment to ensuring that the rights of all people working in our operations are respected. The company also fully complies with local, national and ratified international laws. We adhere to all Indonesian labour laws covering freedom of association for our employees, decent pay and working hours, non-discrimination and the complete elimination of child and forced labour. Where legal frameworks are not yet in place, we defer to the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Our commitment to fair labour practices is similarly emphasised in our Company's Code of Conduct and employment practices. We have an equal opportunities policy on employment, banning discrimination based on race, national origin, religion, disability, gender, sexual orientation, union membership and political affiliation. Employees enter into employment freely, and are not required to deposit identity papers or money.

Prohibiting child labour

As per regulations, the minimum age for employment in GAR in any capacity is 18 years. We aim to prevent all forms of child labour, and we rigorously enforce these principles at all our plantations, mills and other workplaces. Our recruitment officers check identification cards against the candidate's schooling records, such as their school diploma, to ensure that we do not employ anyone aged below 18 years. We also provide schools and daycare centres for our workers' children so that parents can leave their children somewhere safe while they are at work.

We are engaging our supply chain on our stand against child labour as part of our efforts to help suppliers comply with the GSEP and adopt responsible practices. Together with partners like the International Labour Organization (ILO), we have conducted workshops focusing on responsible labour practices for our suppliers.

Freedom of association and trade union membership

Freedom of association is mandated by Indonesian Law and Regulation No. 21/2000 on Trade/Labour Unions and is in line with ILO Convention No. 98 on the freedom of organisation and collective bargaining.

Each of our units has union representatives who are elected by members. Union representatives meet with local management representatives regularly in bipartite forums to discuss and resolve issues. In 2020, there were 122 labour unions across our operations, representing over 62,000 employees (69 percent).

Employee profile in Indonesia

	2020		2019		2018	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Permanent	**52,716**	**18,277**	51,996	18,124	45,897	16,231
Fixed-term	**19,557**	**12,239**	18,589	12,034	23,788	16,387
Full-time	**68,261**	**25,874**	67,285	26,388	64,735	25,749
Part-time	**4,012**	**4,642**	3,300	3,861	4,950	6,869
New hires	**1,544**	**538**	1,418	408	1,937	502
New hire rate	**2.9%**	**2.9%**	2.7%	2.3%	4.2%	3.1%
Turnover	**3,679**	**1,254**	1,425	385	1,821	470
Turnover rate	**7.0%**	**6.9%**	2.7%	2.1%	4.0%	2.9%

Continuing Responsible Practices During a Global Crisis

Occupational Health and Safety

With over a hundred thousand employees across our operations, we take our responsibility in providing a safe and healthy workplace very seriously. Our Occupational Health and Safety (OHS) management aims to minimise workplace accidents, fatalities and other adverse health impacts. We also provide access to healthcare at 104 clinics across our plantations. These clinics offer a critical service to our employees and local communities. This has been especially clear during the global pandemic, which saw patient numbers increase fourfold.

Each of our units has an OHS Supervisory Committee, which promotes co-operation between management and employees on OHS and complies with Law No. 1 of 1970 on Occupational Safety. On average, our plantations and mills' committees have 40 members, with 60 percent worker representation.

We regret to report two fatalities involving our employees and two contractor fatalities in 2020. The causes of the fatal incidents included being struck with a palm harvesting tool and falling.

We take the health and safety of our employees and contractors very seriously - we have investigated each accident thoroughly and implemented action plans to prevent future occurrences. We are striving to instil stronger OHS awareness and practices throughout all our operations and aim for a declining trend in fatalities and workplace accidents.

We are working to ensure that our employees stay safe and healthy during the ongoing global pandemic. We instituted new management measures at the workplace, including frequent disinfection, cleaning and safe distancing. More details can be found on our website.

Corporate governance and ethics

We are committed to pursuing our business objectives with integrity and in compliance with the law, no matter where we operate. We comply with all applicable laws in countries where we do business, including all anti-bribery and corruption regulations.

We expect all our employees, contractors and business partners to adhere to our Code of Conduct which is available on the website. The Code also applies to the Board members with respect to all activities they engage on behalf of the Company.

No significant cases of bribery or corruption were reported in 2020.

The Code also emphasises the Company's commitment to fair employment practices, diversity,

Fatalities

2020	2019	2018
4 (including 2 contractors)	6	11 (including 2 contractors)

Workplace injuries

	Upstream	Downstream
Number of recordable work-related injuries	489	7
Rate of recordable work-related injuries (per 1,000,000 work hours)	2.09	0.47
Lost-time injury frequency rate (LTIFR) - excluding contractors	2.09	0.43
Main types of work-related injury	Falls, cuts, struck by falling FFB, crushed by vehicles/machinery, contact with dangerous wild animals	Falls, cuts, and electrocution

and its stand against discrimination and zero tolerance for harassment or abuse. No cases of harassment or abuse were reported in 2020.

Furthermore, the Code details avenues for raising concerns and whistleblowing procedures, encouraging employees to report any possible improprieties in confidence and without fear of retaliation.

We carry out annual mandatory refresher courses and online e-testing on the Code of Conduct for our employees. Executives also signed Integrity Pacts committing them to ethical and lawful behaviour.

We require our suppliers to comply with the Supplier Code of Conduct which obligates suppliers to comply with our policies, including the GSEP.

Social and Community Engagement

Rights of communities and indigenous peoples

While the establishment of palm oil plantations can bring many benefits to local communities, we also recognise that we have to ensure that communities know their rights and understand fully what changes this will bring. As stated in the GSEP, we aim to fulfil Free, Prior and Informed Consent (FPIC) requirements before any operations begin[10]. Our rollout of Participatory Mapping (PM) is part of our implementation of FPIC.

GAR is also committed to improving its processes and procedures regarding respecting the customary rights of local and indigenous communities. In addition to FPIC, each of our plantations has social community engagement and development plans and has carried out Social Impact Assessments.

Empowering the community

We work with a wide range of stakeholders to carry out our comprehensive community and social programmes. These range from providing educational and healthcare facilities to disaster relief, as illustrated on page 76.

Our partners include government agencies, local communities as well as non-profits such as the Eka Tjipta Foundation (a non-profit social organisation founded by the family of the late Eka Tjipta Widjaja in 2006) and the Tzu Chi Foundation in Indonesia (affiliated with the non-denominational global Tzu Chi organisation established in Taiwan).

In 2020, we focused on providing aid to those impacted by COVID-19, such as through the donation of cooking oil, food and the provision of masks to employees and local communities. Our long-term Alternative Livelihood programmes are also helping local communities maintain food security and build resilience. However, the pandemic also disrupted and curtailed some of our annual CSR programmes due to the necessity of safe distancing and avoidance of large crowds.

10 GAR has voluntarily stopped all new nucleus estate development since November 2014

Continuing Responsible Practices During a Global Crisis

Providing **public infrastructure:** roads, bridges, places of worship, community centres

COVID-19 aid:
136,900 masks for employees and local communities

3,200 sets of PPE (Hazmat suits, masks/face shields, gloves) to medical personnel

Spraying of disinfectant in 28 villages for **>1,600** households

12,900 food packages to 8,800 recipients affected by COVID-19

100% of plantations have social and community development programmes
Free bus services for school children

>2,100 teachers

280 schools

>34,000 students

>2,300 books for students

>1,400 students received school bags and stationery

230 students received 120 sets of desk and chairs

36 Rumah Pintar (Smart Houses) for community training

US$2.3 million for scholarships

Child health, vaccination & nutrition programmes for some **2,500** beneficiaries

>330 medical personnel treat **>1,600** patients daily at **>100** clinics

2,100 blood donors

Visits to **2,800** people in orphanages and nursing homes

Free medical services: cataracts, and cleft lip surgeries for **1,700** patients

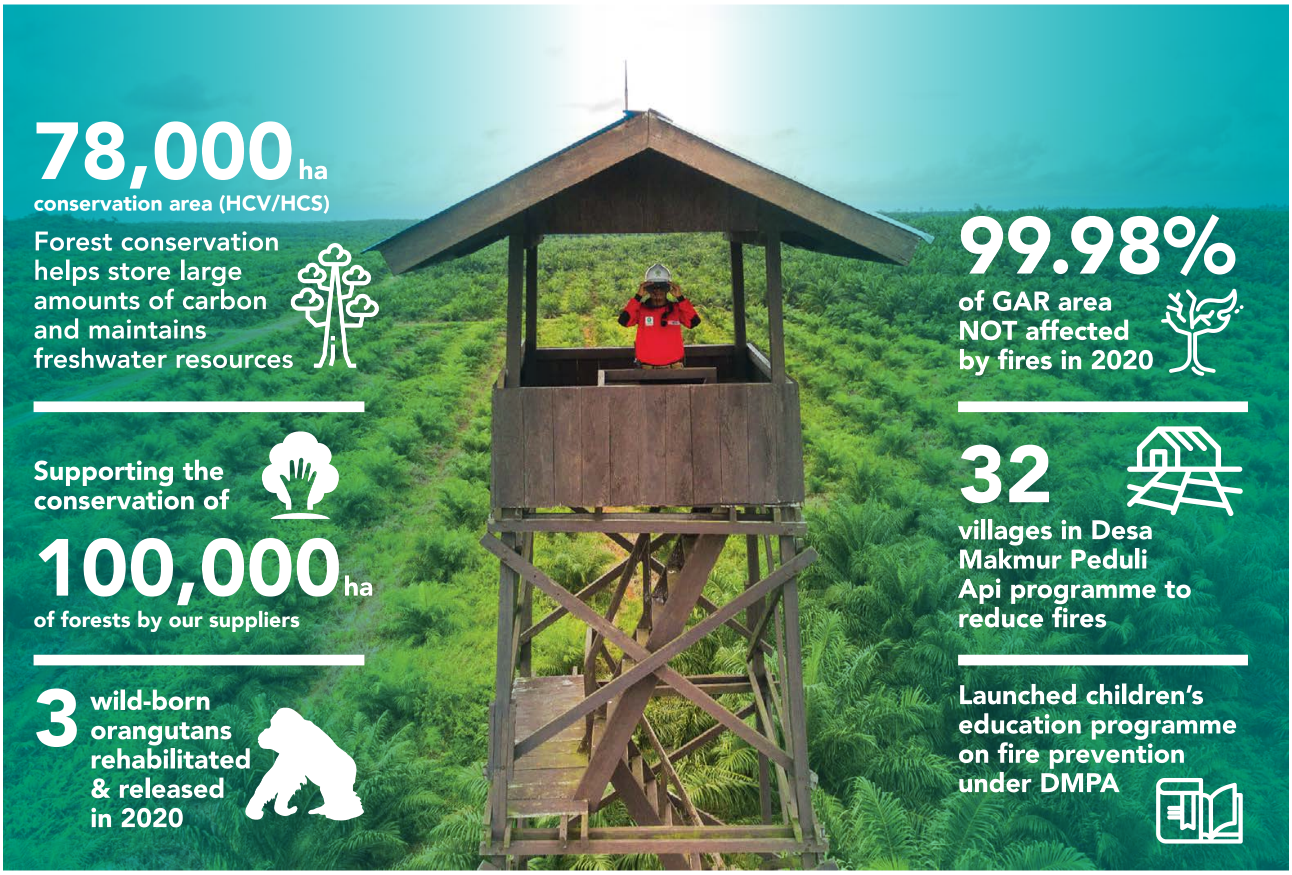
Mother & child health education for **3,200** beneficiaries

17,900 litres of discounted branded cooking oil in impoverished areas

13,100 litres of free branded cooking oil to help those impacted by COVID-19

Planting **5,100** beneficial, medicinal and fruit trees

Aid for **7,300** victims of natural disasters



Forest conservation and biodiversity protection

GAR maintains a forest conservation area of some 78,000 hectares – an area bigger than the size of Singapore - comprising High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas. Through Participatory Conservation Planning (PCP), we have engaged with 22 villages to date, covering a total area of over 237,000 hectares. Through this process, we have convinced several communities to conserve around 43,000 hectares of forests. Working with our suppliers, we support their conservation commitments of over 100,000 hectares of forests to date. This brings the total conservation area that we are supporting directly and indirectly to over 220,000 hectares.

We were able to continue working on rehabilitating the 2,600 hectare Peat Ecosystem in West Kalimantan despite the COVID-19 pandemic. In collaboration with Tanjung Pura University, we have devised a water management master plan that will ensure the peat area's water levels are maintained to eliminate future fires. Over 1,000 hectares have also been revegetated and are regularly monitored.

Operating in Indonesia places us in or near areas of rich and varied biodiversity, and we remain committed to preserving and protecting this biodiversity. This is achieved by identifying and protecting HCV areas backed up by our Zero Tolerance Policy towards hunting, injuring, possessing and killing of rare and endangered wildlife.

We continuously educate our employees, local communities and related stakeholders on the importance of protecting rare and endangered species. Orangutan conservation is a particular focus for GAR. Under our partnership with Orangutan Foundation International (OFI) we supported the release of another three rehabilitated orangutans back to the wild in 2020. Since 2011, a total of 127 orangutans have been released under the programme. We aim to release 160 orangutans by 2021, but this timetable is likely to be affected by the ongoing global pandemic.

All our efforts in this area help contribute to the achievement of UN SDG 15, which aims to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Continuing Responsible Practices During a Global Crisis

Managing fire and haze

We remain focused on our long-term efforts to prevent fire and haze. Since 1997, we have strictly adhered to a Zero Burning Policy. In 2020, 99.98 percent of the GAR area was not affected by fire.

Our fire prevention measures include having more than 10,000 Emergency Response Personnel on standby across all our plantations. Our estates are also equipped with fire-fighting equipment. For more details, see our website.

We continued to support our fire-free programme, Desa Makmur Peduli Api (DMPA), during the pandemic. To date, 32 villages have been enrolled in the programme. In 2020, we also launched an education programme aimed at elementary school pupils using a children's book Rumbun and Jungle Friends under the DMPA initiative. The book helps teachers educate pupils on the importance of preventing forest and land fires. Our team in Indonesia managed to continue their outreach and training through Zoom calls and podcasts, reaching 400 teachers through dedicated virtual workshops and another 700 participants via podcasts.

R&D for sustainable palm oil

Our dedicated research arm, SMART Research Institute (SMARTRI) in Libo, Riau, plays a crucial role in improving yields, researching climate change mitigation and adaptation in palm oil plantations, and finding ways to combat diseases and pests while minimising chemical use.

Following the development and launch of the super high-yielding seeds Eka 1 and Eka 2 capable of producing over 10 tonnes/hectare/year of CPO in 2017, SMARTRI and the SMART Biotechnology Centre in Sentul, Bogor, have been working on creating clonal stock for replanting over the next few years. As of end-2020, about 3.3 million clones have been produced for replanting.

These efforts support UN SDG 2, which aims to promote sustainable agriculture and improve agricultural productivity.

Corporate Directory

BOARD OF DIRECTORS
Franky Oesman Widjaja (Chairman)
Muktar Widjaja
Rafael Buhay Concepcion, Jr.
Lew Syn Pau
Foo Meng Kee
Christian G H Gautier De Charnacé
Kaneyalall Hawabhay
Khemraj Sharma Sewraz

AUDIT COMMITTEE
Lew Syn Pau (Chairman)
Foo Meng Kee
Christian G H Gautier De Charnacé

NOMINATING COMMITTEE
Foo Meng Kee (Chairman)
Lew Syn Pau
Franky Oesman Widjaja

REMUNERATION COMMITTEE
Foo Meng Kee (Chairman)
Lew Syn Pau
Franky Oesman Widjaja

SECRETARY
IQ EQ Corporate Services (Mauritius) Ltd

REGISTERED OFFICE
c/o IQ EQ Corporate Services (Mauritius) Ltd
33 Edith Cavell Street
Port Louis, 11324
Mauritius
Tel: (230) 212 9800 Fax: (230) 212 9833

CORRESPONDENCE ADDRESS
108 Pasir Panjang Road #06-00
Golden Agri Plaza
Singapore 118535
Tel: (65) 6590 0800 Fax: (65) 6590 0887

INVESTOR RELATIONS
Richard Fung
Email: investor@goldenagri.com.sg

SHARE REGISTRAR AND TRANSFER OFFICE
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: (65) 6593 4848 Fax: (65) 6593 4847

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 Mauritius
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, ACA
(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

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Financial Reports

RESOURCEFUL RESPONSIBLE RESILIENT

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

REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2020

CONTENTS

Report of the Directors

31 DECEMBER 2020

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 2020.

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.
Lew Syn Pau
Foo Meng Kee
Christian G H Gautier De Charnacé
Kaneyalall Hawabhay
Khemraj Sharma Sewraz

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 2020 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 2020 and 21 January 2021, except as follows:

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse or their nominees: At the beginning of the year	Shareholdings registered in the name of directors or their spouse or their nominees: At the end of the year	Shareholdings in which directors are deemed to have an interest: At the beginning of the year	Shareholdings in which directors are deemed to have an interest: At the end of the year
The Company	Shares of US$0.025 each			
Lew Syn Pau	3,000,000	10,000,000	-	-
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 2021.

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 is a member, or with a company in which he 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:

Lew Syn Pau (AC Chairman)
Foo Meng Kee
Christian G H Gautier De Charnacé

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 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; 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.

6 Audit Committee (cont'd)

The AC reviews with Management, and where relevant, with the internal and external 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: 18 March 2021

Statement by the Directors

31 DECEMBER 2020

In the opinion of the directors, the consolidated financial statements set out on pages 92 to 176 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2020 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: 18 March 2021

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 2020, 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 a summary of significant accounting policies.

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 2020, 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 19 and Note 40 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$766.5 million and financial assets at fair value through profit or loss ("FVTPL") amounted to US$726.0 million. These accounted for approximately 16% of the Group's total assets as at 31 December 2020.

The Group engaged third party valuers to value the investments of certain unquoted investment funds which are classified as Level 3 in the fair value hierarchy. The other funds are valued based on third party information such as broker quotes; fund statements provided by non-related 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 39 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 2020, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US$98.1 million and US$26.8 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, and to verify the existence and ownership of the derivatives.

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.

(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.

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.

(cont'd)

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

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: 18 March 2021

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Revenue	5	7,077,888	6,431,799
Cost of sales	6	(5,927,846)	(5,600,332)
Gross profit		1,150,042	831,467
Operating expenses			
Selling expenses	7	(548,864)	(354,650)
General and administrative expenses	7	(295,266)	(341,115)
		(844,130)	(695,765)
Operating Profit		305,912	135,702
Other income/(expenses)			
Financial income	8	15,787	18,154
Financial expenses	8	(141,384)	(166,524)
Share of results of associated companies		4,203	3,890
Share of results of joint ventures		619	(13,010)
Foreign exchange (loss)/gain		(32,099)	37,263
Provision for expected credit loss on trade and other receivables	10	(940)	(20,185)
Other operating income	9	32,760	262,813
		(121,054)	122,401
Exceptional items			
(Loss)/Gain on disposal of subsidiaries	41b,c	(265)	12,871
Allowance for impairment loss on property, plant and equipment	23	(530)	(10,747)
Impairment loss of investment in a joint venture	21	(5,372)	-
		(6,167)	2,124
Profit before income tax	10	178,691	260,227
Income tax	11	(116,580)	(47,159)
Profit for the year		62,111	213,068
Attributable to:			
Owners of the Company		31,755	193,977
Non-controlling interests		30,356	19,091
		62,111	213,068
Earnings per ordinary share (US cents per share)			
Basic and diluted	12a	0.25	1.52

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

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Profit for the year		62,111	213,068
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on post-employment benefits	38	6,848	(5,071)
Share of other comprehensive (loss)/income of:			
Joint ventures		(21)	(43)
An associated company		11	-
Changes in fair value of financial assets at fair value through other comprehensive income	40	(100,579)	58,503
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences on consolidation		10,107	(5,453)
Share of other comprehensive loss of:			
Joint ventures		(860)	(149)
Associated companies		(1,105)	(146)
Other comprehensive (loss)/income, net of income tax		(85,599)	47,641
Total comprehensive (loss)/income for the year		(23,488)	260,709
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(53,396)	243,210
Non-controlling interests		29,908	17,499
		(23,488)	260,709

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Assets			
Current Assets			
Cash and cash equivalents	13	402,921	209,614
Short-term investments	14	694,508	574,747
Trade receivables	15	737,203	500,663
Other current assets	16	501,127	599,072
Biological assets	24	86,498	64,304
Inventories	17	935,459	1,014,557
		3,357,716	2,962,957
Non-Current Assets			
Long-term receivables and assets	18	213,629	232,523
Long-term investments	19	872,642	1,236,858
Investment in associated companies	20	23,359	21,184
Investment in joint ventures	21	152,942	185,199
Investment properties	22	107	105
Property, plant and equipment	23	2,709,883	2,689,806
Bearer plants	25	1,416,734	1,029,815
Deferred tax assets	26	180,517	232,667
Intangible assets	27	198,851	188,217
		5,768,664	5,816,374
Total Assets		**9,126,380**	**8,779,331**

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

	Note	2020	2019
		US$'000	US$'000
Liabilities and Equity			
Current Liabilities			
Short-term borrowings	28	1,792,049	1,852,319
Bonds and notes payable	30	153,859	-
Lease liabilities	31	18,396	18,471
Trade payables	32	604,360	557,707
Other payables	33	297,693	296,095
Taxes payable	11	22,820	12,513
		2,889,177	2,737,105
Non-Current Liabilities			
Lease liabilities	31	24,881	20,425
Bonds and notes payable	30	113,195	111,359
Long-term borrowings	29	1,042,740	1,141,217
Deferred tax liabilities	26	154,676	85,632
Long-term payables and liabilities	34	470,097	178,149
		1,805,589	1,536,782
Total Liabilities		4,694,766	4,273,887
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	(37,517)	(31,726)
Other paid-in capital		184,318	184,318
Other reserves			
Option reserve		31,471	31,471
Currency translation reserve		(10,411)	(20,071)
Fair value reserve		64,612	165,191
PRC statutory reserve		4,330	3,820
Other reserve		35,463	29,731
		125,465	210,142
Retained earnings		2,436,627	2,457,300
		4,245,927	4,357,068
Non-Controlling Interests		185,687	148,376
Total Equity		4,431,614	4,505,444
Total Liabilities and Equity		**9,126,380**	**8,779,331**

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

	Attributable to Owners of the Company								
	Issued Capital	Share Premium	Treasury Shares	Other Paid-in Capital	Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1.1.2020	320,939	1,216,095	(31,726)	184,318	210,142	2,457,300	4,357,068	148,376	4,505,444
Profit for the year	-	-	-	-	-	31,755	31,755	30,356	62,111
Other comprehensive loss	-	-	-	-	(84,641)	(510)	(85,151)	(448)	(85,599)
Total comprehensive (loss)/income for the year	-	-	-	-	(84,641)	31,245	(53,396)	29,908	(23,488)
Dividends (Note 37)	-	-	-	-	-	(51,918)	(51,918)	-	(51,918)
Shares buy back and held as treasury shares (Note 36)	-	-	(5,791)	-	-	-	(5,791)	-	(5,791)
Waiver of loan from non-controlling shareholder	-	-	-	-	-	-	-	7,378	7,378
Changes in interest in a subsidiary (Note 41b)	-	-	-	-	(36)	-	(36)	36	-
Disposal of a subsidiary (Note 41b)	-	-	-	-	-	-	-	(11)	(11)
Balance at 31.12.2020	320,939	1,216,095	(37,517)	184,318	125,465	2,436,627	4,245,927	185,687	4,431,614
Balance at 1.1.2019	320,939	1,216,095	(31,726)	184,318	160,592	2,317,577	4,167,795	141,436	4,309,231
Profit for the year	-	-	-	-	-	193,977	193,977	19,091	213,068
Other comprehensive income/(loss)	-	-	-	-	49,233	-	49,233	(1,592)	47,641
Total comprehensive income for the year	-	-	-	-	49,233	193,977	243,210	17,499	260,709
Dividends (Note 37)	-	-	-	-	-	(54,258)	(54,258)	-	(54,258)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(11,487)	(11,487)
Transactions with non-controlling interests (Note 41d)	-	-	-	-	(163)	-	(163)	163	-
Capital subscribed by non-controlling shareholders (Note 41d)	-	-	-	-	-	-	-	22	22
Disposal of subsidiaries (Note 41c)	-	-	-	-	480	4	484	743	1,227
Balance at 31.12.2019	320,939	1,216,095	(31,726)	184,318	210,142	2,457,300	4,357,068	148,376	4,505,444

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Cash flows from operating activities			
Profit before income tax		178,691	260,227
Adjustments for:			
Depreciation of investment properties	22	5	4
Depreciation of property, plant and equipment	23	214,390	206,859
Depreciation of bearer plants	25	111,124	100,270
Amortisation of intangible assets		3,922	4,703
Net gain from changes in fair value of biological assets	24	(15,769)	(515)
Unrealised net foreign exchange loss/(gain)		31,436	(6,080)
Share of results of associated companies		(4,203)	(3,890)
Share of results of joint ventures		(619)	13,010
Loss/(Gain) on disposal of property, plant and equipment	9	2,476	(1,051)
Bearer plants and property, plant and equipment written off	9	1,010	1,728
Provision for expected credit loss on:			
Trade receivables, net	10	838	179
Other receivables, net	10	102	20,006
Allowance for/(Write-back) of impairment loss on:			
Inventories		1,047	(3,072)
Property, plant and equipment	23	530	10,747
Loss/(Gain) on disposal of subsidiaries	41b,c	265	(12,871)
Changes in fair value of financial assets at fair value through profit or loss	9	7,139	(233,807)
Non-trade receivables written off	9	4,206	8,762
Deferred landrights written off		7	-
Impairment loss of investment in a joint venture	21	5,372	-
Interest income	8	(15,787)	(18,154)
Interest expense	8	138,378	164,534
Operating cash flows before working capital changes		664,560	511,589
Changes in operating assets and liabilities:			
Trade receivables		(225,901)	(1,230)
Other receivables		63,586	75,650
Inventories		85,535	(26,651)
Trade payables		42,830	(77,972)
Other payables		187,333	49,377
Cash generated from operations		817,943	530,763
Interest paid		(129,928)	(166,261)
Interest received		12,817	25,604
Tax refund/(paid)		43,028	(18,874)
Net cash generated from operating activities		743,860	371,232

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

Consolidated Statement of Cash Flows (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		14,601	12,520
Proceeds from disposal of bearer plants		245	512
Capital expenditure on property, plant and equipment		(134,442)	(250,514)
Capital expenditure on bearer plants	25	(51,216)	(31,759)
Payments for investment in financial assets		(305,598)	(295,489)
Redemption/Return of capital from investment in financial assets		181,639	253,685
Investment in Plasma/KKPA program plantations, net		(7,253)	(1,804)
Net cash inflow from acquisition of subsidiaries	41a	8,980	-
Net cash inflow from disposal of subsidiaries	41b,c	543	48
Dividend received from joint ventures		5,069	-
Dividend received from an associated company		1,190	-
Payments for intangible assets	27	(15,094)	(18,432)
Increase in long-term receivables and assets		(19,276)	(23,936)
Net cash used in investing activities		(320,612)	(355,169)
Cash flows from financing activities			
Proceeds from short-term borrowings		4,449,407	4,893,368
Proceeds from long-term borrowings		109,217	308,454
Proceeds from bond issue	35	142,718	-
Payments of dividends		(51,918)	(65,745)
Payments of short-term borrowings		(4,540,912)	(4,523,347)
Payments of long-term borrowings		(305,361)	(461,909)
Payments for shares buy back	36	(5,791)	-
Payments of principal element of lease liabilities	35	(21,115)	(20,922)
Payments of bonds and notes payable	35	-	(124,869)
Capital subscribed by non-controlling shareholders		-	22
Payments of deferred bond and loan charges and bank loan administration costs		(6,186)	(4,267)
(Increase)/Decrease in cash in banks and time deposits pledged		(1,259)	31,530
Net cash (used in)/generated from financing activities		(231,200)	32,315
Net increase in cash and cash equivalents		192,048	48,378
Cash and cash equivalents at the beginning of the year		207,125	158,747
Cash and cash equivalents at the end of the year	13	399,173	207,125

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2020

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 of the subsidiaries, associated companies and joint ventures are described in Note 46 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 2020 were authorised for issue by the Board of Directors on 18 March 2021.

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 2020. 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 standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1, Classification of Liabilities as Current and Non-Current	1 January 2023
Amendments to IAS 1, *Disclosure of Accounting Policies and IFRS Practice Statement 2 – Making Materiality Judgements*	1 January 2023
Amendments to IAS 8, *Definition of Accounting Estimates*	1 January 2023
Amendments to IAS 16, *Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to IFRS 3, *Reference to the Conceptual Framework*	1 January 2022
Amendments to IFRS 16, *Covid-19 – Related Rent Concessions*	1 June 2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Improvements to IFRSs	
• IAS 41, *Agriculture*	1 January 2022
• IFRS 1, *First-time Adoption of International Financial Reporting Standards*	1 January 2022
• IFRS 9, *Financial Instruments*	1 January 2022

The directors of the Company expect the adoption of the standards above will have no material impact on the consolidated financial statements in the period of initial application.

3 Summary of Significant 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.

In March 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic, with many governments taking stringent measures to contain the spread of virus. This has resulted in border closures, production stoppages, workplace closures, movement controls and other social distancing measures. The Group's downstream operations were affected by the resultant temporary logistic issues and supply chain disruption during the first half of 2020. The impact of Covid-19 has been considered by the Group in preparing its financial report for the year. 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.

Currency translation differences on financial assets at fair value through profit or loss are recognised as part of the fair value gain or loss in the income statement while the translation differences on financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

3 **Summary of Significant Accounting Policies** (cont'd)

(c) Foreign Currencies (cont'd)

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).

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.

3 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation (cont'd)

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.

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.

3 **Summary of Significant Accounting Policies** (cont'd)

(e) Associated Companies and Joint Ventures (cont'd)

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.

(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.

Transfer 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.

3 Summary of Significant Accounting Policies (cont'd)

(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:

	No. of years
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.

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.

3 **Summary of Significant Accounting Policies** (cont'd)

(h) Bearer Plants (cont'd)

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.

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 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.

3 Summary of Significant Accounting Policies (cont'd)

(k) Financial Assets (cont'd)

- 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.

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.

3 **Summary of Significant Accounting Policies** (cont'd)

(k) Financial Assets (cont'd)

- Impairment of financial assets (cont'd)

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.

(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.

3 Summary of Significant Accounting Policies (cont'd)

(l) Financial Instruments and Hedge Accounting (cont'd)

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.

(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.

3 **Summary of Significant Accounting Policies** (cont'd)

(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 Significant 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.

3 Summary of Significant 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 Significant 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 No. 13/2003 dated 25 March 2003 (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.

3 **Summary of Significant 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.

(ad) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under other income.

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.

The Covid-19 pandemic has resulted in economic slowdown and created questions about the uncertainties relating to the impairment and recoverable amount of certain assets. An assessment was made by management whether for the current financial year there were any indications that these assets may be impacted adversely. If any such indication existed, an estimate was made of the realisable amount and/or fair value of the relevant assets. Information about critical accounting estimates, assumptions and judgement that have significant effect on the amounts recognised are as follows:

(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 23 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 and other available information, taking into consideration the weighted estimation uncertainty on cash flows due to the impact of Covid-19.

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.

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 38. 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 38 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, taking into consideration any investee's underlying businesses that were in sectors at risk of Covid-19.

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 40 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 40 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 18 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. As a result of above impairment review, management has determined the recoverable amount of certain property, plant and equipment is less than their carrying amounts. Accordingly, during the current financial year, an impairment loss of US$530,000 (2019: US$10,747,000) (Note 23) has been recognised in the consolidated income statement.

5 Revenue

	2020 US$'000	2019 US$'000
Sales in Indonesia		
Third parties	1,298,384	973,147
Associated companies	7,494	12,259
Joint ventures	118,319	100,047
Related parties	6,479	7,097
	1,430,676	1,092,550
Sales outside Indonesia		
Third parties	5,647,080	5,339,174
Related parties	132	75
	5,647,212	5,339,249
	7,077,888	6,431,799

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:

	2020 US$'000	2019 US$'000
Sales in Indonesia		
Palm oil based products:		
Crude palm oil	16,474	25,838
Margarine and fat	54,719	43,325
Palm fatty acid distillate	34,062	27,333
Palm kernel	1,196	2,489
Palm kernel meal	6,355	6,042
Palm kernel oil	120,282	103,055
Refined bleached deodorised olein	466,804	361,855
Refined bleached deodorised stearin	68,664	63,895
Refined bleached deodorised palm oil	110,247	53,531
Refined bleached deodorised palm kernel oil	3,195	14,070
Oleochemical products	39,151	35,533
Biodiesel products	468,225	292,492
Others	25,142	13,520
	1,414,516	1,042,978
Others	16,160	49,572
Total sales in Indonesia	1,430,676	1,092,550
Sales outside Indonesia		
Palm oil based products:		
Crude palm oil	1,012,784	926,863
Margarine and fat	134,588	102,477
Palm fatty acid distillate	85,274	86,786
Palm kernel meal	86,971	75,608
Palm kernel oil	132,405	154,511
Refined bleached deodorised olein	1,344,981	1,645,078
Refined bleached deodorised stearin	297,029	238,733
Refined bleached deodorised palm oil	654,813	544,682
Refined bleached deodorised palm kernel oil	198,112	175,935
Oleochemical products	194,051	171,082
Biodiesel products	1,733	108,669
Others	148,024	152,520
	4,290,765	4,382,944
Soy bean based products	321,300	302,478
Sunflower oil	588,441	428,285
Sugar based products	240,240	50,234
Noodles and snack products	82,871	74,425
Revenue from provision of port and storage facilities	3,499	2,707
Others	120,096	98,176
Total sales outside Indonesia	5,647,212	5,339,249
	7,077,888	6,431,799

6 Cost of Sales

	Note	2020 US$'000	2019 US$'000
Cost of inventories recognised as an expense		5,251,140	4,994,404
Depreciation of property, plant and equipment		173,156	168,888
Depreciation of bearer plants	25	111,124	100,270
Processing and direct costs		311,826	309,960
Changes in fair value of derivative financial instruments		80,600	26,810
		5,927,846	5,600,332

7 Selling, General and Administrative Expenses

	Note	2020 US$'000	2019 US$'000
Selling expenses			
Freight and related expenses		258,133	248,926
Export tax and administration		194,315	10,778
Salaries and employee benefits expense		19,390	20,923
Advertising and promotions		22,768	22,390
Depreciation of property, plant and equipment		8,500	6,328
Bulking		478	847
Amortisation of intangible assets	27	-	28
Others		45,280	44,430
		548,864	354,650
General and administrative expenses			
Salaries and employee benefits expense		191,978	220,664
Rent, tax and licenses		7,776	8,897
Depreciation of property, plant and equipment		30,862	29,792
Professional fees		15,221	17,936
Travelling		6,305	13,820
Repairs and maintenance		7,628	9,430
Office supplies and utilities		7,481	7,323
Amortisation of intangible assets	27	3,656	4,411
Others		24,359	28,842
		295,266	341,115
		844,130	695,765

8 Financial Income and Financial Expenses

	2020 US$'000	2019 US$'000
Interest income from:		
Third parties	13,245	12,163
Joint ventures and associated companies	2,421	5,920
Related parties	121	71
Financial income	15,787	18,154

8 Financial Income and Financial Expenses (cont'd)

	Note	2020 US$'000	2019 US$'000
Interest expense to:			
Third parties		(129,588)	(158,008)
Joint ventures		(71)	(122)
Related parties		(1,984)	(1,189)
Amortisation of deferred loan charges	29	(6,642)	(5,210)
Amortisation of deferred bond charges	30	(93)	(5)
Total interest expense		(138,378)	(164,534)
Finance charges		(3,006)	(1,990)
Financial expenses		(141,384)	(166,524)
Net financial expenses		(125,597)	(148,370)

9 Other Operating Income

	Note	2020 US$'000	2019 US$'000
Net gain from changes in fair value of biological assets	24	15,769	515
Gain on sale of other materials		10,972	4,409
Rental income		8,412	8,358
Income from sales of seedlings		5,896	2,561
Insurance and product claims		4,981	4,626
Government grant income:			
Wage Support Schemes		4,898	-
Property tax rebates and cash grants		427	-
Government grant expense		(271)	-
Investment income		2,397	8,966
Management and service fee income from joint ventures and an associated company		982	1,804
Changes in fair value of financial assets at fair value through profit or loss		(7,139)	233,807
Non-trade receivables written off	16	(4,206)	(8,762)
(Loss)/Gain on disposal of property, plant and equipment		(2,476)	1,051
Depreciation of property, plant and equipment		(1,872)	(1,851)
Bearer plants and property, plant and equipment written off		(1,010)	(1,728)
Depreciation of investment properties	22	(5)	(4)
Others		(4,995)	9,061
		32,760	262,813

During the current financial year, the Group has received various government grant income from the Singapore and China governments to help deal with the impact from the Covid-19 pandemic. The Group recorded government grants amounting to US$4,898,000 (2019: Nil) related to various temporary wage support schemes, and government grants amounting to US$427,000 (2019: Nil) related to property tax rebates and cash grants received, of which US$271,000 (2019: Nil) of the amount received was passed on to its tenants during the current financial year.

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:

	Note	2020 US$'000	2019 US$'000
Audit fees paid/payable to:			
Auditors of the Company		364	363
Auditors of the subsidiaries		1,179	1,148
Non-audit services paid/payable to:			
Auditors of the Company		5	-
Auditors of the subsidiaries		30	78
Provision for expected credit loss on:			
Trade receivables, net		838	179
Other receivables, net		102	20,006
Employee compensation:			
Wages and salaries		205,020	231,406
Post-employment benefits expense	38	13,055	15,008
Employer's contributions to defined contribution plans		4,288	4,447

11 Income Tax

	Note	2020 US$'000	2019 US$'000
Income tax expense attributable to the results is made up of:			
Current income tax			
Current year		47,123	26,330
Under-provision in respect of prior years		774	990
		47,897	27,320
Deferred income tax			
Current year	26	37,100	19,839
Reduction in tax rate	26	31,583	-
		116,580	47,159

Taxes Payable

Details of taxes payable are as follows:

	2020 US$'000	2019 US$'000
Estimated income tax payable of subsidiaries	14,297	4,994
Income and other taxes:		
Article 21	1,285	1,423
Article 23	2,810	2,425
Article 25	206	1,546
Article 26	167	375
Value added tax	4,055	1,750
	22,820	12,513

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesian statutory tax rate is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate. During the current financial year, the Indonesian corporate tax rate was reduced from 25% to 22%.

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:

	2020 US$'000	2019 US$'000
Profit before income tax	178,691	260,227
Adjustments for:		
Share of results of associated companies	(4,203)	(3,890)
Share of results of joint ventures	(619)	13,010
	173,869	269,347
Tax calculated at a tax rate of 22% (2019: 25%)	38,251	67,337
Effect of different tax rates in other countries	9,020	8,188
Non-deductible expenses, net	9,111	6,118
Permanent differences arising mainly from remeasurement	25,422	(35,396)
Recognition of previously unrecognised tax losses	(1,006)	-
Utilisation of previously unrecognised tax losses	(2,881)	(3,709)
Income tax at preferential rate	(2,123)	(2,805)
Effect of reduction in tax rate	31,583	-
Unrecognised deferred tax assets	8,429	6,436
Under-provision in prior years' current income tax	774	990
	116,580	47,159

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$31,755,000 (2019: US$193,977,000) by the weighted average number of ordinary shares (excluding treasury shares) during the year of 12,699,848,082 (2019: 12,734,756,156).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2020 and 2019.

(b) Net Asset Value Per Share

Net asset value per share of US$0.35 (2019: US$0.35) is calculated by dividing total equity of US$4,431,614,000 (2019: US$4,505,444,000) by the number of issued ordinary shares (excluding treasury shares) as at the end of the reporting period of 12,692,073,056 (2019: 12,734,756,156).

13 Cash and Cash Equivalents

	2020 US$'000	2019 US$'000
Cash on hand	286	279
Cash in banks	388,130	203,442
Time deposits	14,505	5,893
Cash and cash equivalents in statement of financial position	402,921	209,614
Less: Cash in banks and time deposits pledged	(3,748)	(2,489)
Cash and cash equivalents in the consolidated statement of cash flows	399,173	207,125

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

	2020 US$'000	2019 US$'000
United States dollar	269,213	98,764
Indonesian rupiah	78,845	58,549
Chinese renminbi	17,528	34,466
Euro	15,977	4,057
Singapore dollar	12,245	6,572
Others	9,113	7,206
	402,921	209,614

The above cash and cash equivalents include balances with related parties of US$14,751,000 (2019: US$8,058,000). 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:

	2020 %	2019 %
United States dollar	0.1 – 1.5	1.5
Indonesian rupiah	3.3 – 5.5	4.3 – 5.8
Indian rupee	5.0 – 8.0	5.0 – 8.9
Malaysian ringgit	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:

	2020 US$'000	2019 US$'000
Time deposits	74,558	61,956
Equity securities at FVOCI	18,950	23,776
Financial assets at FVTPL:		
Equity securities held for trading	10,247	15,782
Debt securities held for trading	140,436	22,916
Convertible debt securities held for trading	450,317	450,317
	601,000	489,015
	694,508	574,747

14 Short-Term Investments (cont'd)

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

	2020 US$'000	2019 US$'000
United States dollar	619,554	510,193
Indian rupee	73,675	63,402
Chinese renminbi	689	645
Indonesian rupiah	590	507
	694,508	574,747

Time deposits amounting to US$74,364,000 (2019: US$61,520,000) 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:

	2020 %	2019 %
United States dollar	-	1.5
Indian rupee	3.8 – 7.8	6.0 – 8.3
Chinese renminbi	1.8	1.8
Indonesian rupiah	3.5 – 6.0	4.3

15 Trade Receivables

	2020 US$'000	2019 US$'000
Third parties	728,067	499,454
Related parties	2,341	2,292
Associated companies	279	705
Joint ventures	11,983	2,875
	742,670	505,326
Less: Allowance for impairment loss	(5,467)	(4,663)
	737,203	500,663

Trade receivables of the Group, including intra-group trade receivables which have been eliminated on consolidation, amounting to US$413,980,000 (2019: US$287,469,000) have been pledged as security for credit facilities (Note 28 and Note 29). The average turnover for the year was 32 days (2019: 29 days).

As at 31 December 2020, the majority of the Group's trade receivables are current, with 11% (2019: 11%) and 4% (2019: 5%) of the trade receivables which are past due but not credit-impaired for less than 3 months and more than 3 months respectively. 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.

15 Trade Receivables (cont'd)

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

	2020 US$'000	2019 US$'000
Balance at the beginning of the year	4,663	4,869
Provision for ECLs during the year	850	190
Reversal of unutilised amounts	(12)	(11)
Receivables written off against allowance	(43)	(24)
Disposal of a subsidiary	-	(394)
Translation adjustment	9	33
Balance at the end of the year	5,467	4,663

The trade receivables are denominated in the following currencies:

	2020 US$'000	2019 US$'000
United States dollar	408,343	276,302
Indonesian rupiah	211,729	123,874
Euro	81,344	65,248
Indian rupee	24,360	26,941
Others	11,427	8,298
	737,203	500,663

16 Other Current Assets

	Note	2020 US$'000	2019 US$'000
Non-trade receivables from:			
Third parties		125,908	138,292
Related parties		161	347
Joint ventures		23,568	24,105
Derivative receivable	39	98,058	104,169
Staff advances		6,197	7,210
		253,892	274,123
Less: Allowance for impairment loss		(13,116)	(13,010)
		240,776	261,113
Advances and deposits to suppliers		72,607	87,984
Advances for purchases of property, plant and equipment and others		45,227	64,832
Prepaid taxes		107,578	150,311
Prepaid expenses		24,581	21,376
Others		10,358	13,456
		501,127	599,072

The amounts receivable from third parties include the government grant receivables of US$318,000 relating to cash grants in relation to various temporary wage support schemes introduced by the Singapore government during the current financial year.

16 Other Current Assets (cont'd)

Save for the amounts receivable disclosed below, the amounts receivable from related parties and joint ventures are interest-free, unsecured and expected to be repaid within the next twelve months.

As at 31 December 2020, the amounts receivable from joint ventures of US$22,643,000 (2019: US$22,211,000) bear interest ranging from 1.8% to 4.2% (2019: 3.4% to 5.0%) per annum.

The Group recognised loss allowance for ECLs at an amount equal to 12-month ECLs except for an amount of US$12,000,000 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:

	2020 US$'000	2019 US$'000
Balance at the beginning of the year	13,010	850
Provision for ECLs during the year	102	12,221
Reversal of unutilised amounts	-	(215)
Receivables written off against allowance	(29)	(36)
Translation adjustment	33	190
Balance at the end of the year	13,116	13,010

During the current financial year, the Group wrote off non-trade receivables of US$4,206,000 (2019: US$8,762,000) as the recoverability is remote.

The other current assets are denominated in the following currencies:

	2020 US$'000	2019 US$'000
Indonesian rupiah	318,496	373,170
United States dollar	115,414	111,667
Chinese renminbi	39,934	69,992
Indian rupee	22,727	36,208
Euro	3,966	6,895
Others	590	1,140
	501,127	599,072

17 Inventories

	2020 US$'000	2019 US$'000
Raw materials	339,416	358,473
Finished goods	403,159	462,376
Goods in transit	73,476	47,913
	816,051	868,762
Consumables:		
Fertilisers and general material	27,885	46,500
Fuel, chemical and packing supplies	53,114	56,397
Others	38,409	42,898
	935,459	1,014,557

17 Inventories (cont'd)

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

	2020 US$'000	2019 US$'000
Balance at the beginning of the year	2,582	6,252
Allowance for impairment loss during the year	2,427	1,714
Write-back of impairment loss during the year	(1,380)	(4,786)
Write-off against allowance	(1,540)	(551)
Translation adjustment	144	(47)
Balance at the end of the year	2,233	2,582

During the current financial year, the Group recognised an allowance for impairment loss of US$2,427,000 (2019: US$1,714,000) in cost of sales as the carrying amount of certain inventories was higher than the net realisable value. Allowance for impairment loss of US$1,380,000 (2019: US$4,786,000) has been reversed as a result of an increase in net realisable value of certain inventories.

Inventories amounting to US$527,907,000 (2019: US$441,177,000) have been pledged to banks as security for credit facilities (Note 28 and Note 29).

18 Long-Term Receivables and Assets

	2020 US$'000	2019 US$'000
Loans receivable from joint ventures and an associated company	32,763	21,846
Tax recoverable	114,814	157,756
Advances for projects	30,162	24,831
Advances for plasma plantations, net	11,464	4,608
Advances for investment in land	1,495	1,495
Land clearing	4,190	3,959
Others	18,741	18,028
	213,629	232,523

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

	2020 US$'000	2019 US$'000
Indonesian rupiah	164,267	186,558
United States dollar	44,986	40,527
Malaysian ringgit	3,361	3,298
Others	1,015	2,140
	213,629	232,523

The unsecured loans receivable from joint ventures and an associated company bear interest ranging from 3.2% to 12.0% (2019: 5.4% to 12.0%) per annum with maturity dates ranging between January 2022 and April 2024.

The loans receivable from joint ventures and an associated company shown above are net of provision for expected credit loss of US$8,000,000 (2019: US$8,000,000). The Group recognised loss allowance for ECLs 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.

18 Long-Term Receivables and Assets (cont'd)

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.

19 Long-Term Investments

	2020 US$'000	2019 US$'000
Equity securities at FVOCI	747,594	772,800
Financial assets at FVTPL:		
Equity/Fund securities	125,048	277,816
Convertible debt securities	-	186,242
	125,048	464,058
	872,642	1,236,858

As at 31 December 2019, the above convertible debt securities related to a secured 3% interest-bearing loan extended by the Group to a third party with a maturity date in October 2021. On the maturity date, the Group would be granted an option to either convert the loan into shares of the borrower or to settle in cash. In December 2020, the Group entered into an agreement with the borrower to acquire 100% shareholding of Centrino Investment Ltd., a subsidiary of the borrower. The purchase consideration was fully settled by the outstanding debts owing by the borrower to the Group (Note 41a).

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

	2020 US$'000	2019 US$'000
United States dollar	779,067	1,176,212
Euro	93,575	60,646
	872,642	1,236,858

20 Investment in Associated Companies

	2020 US$'000	2019 US$'000
Unquoted equity shares, at cost	11,646	11,646
Share of post-acquisition reserves, net of dividend received	12,028	10,109
Translation adjustment	(315)	(571)
	23,359	21,184

Particulars of the associated companies are disclosed in Note 46 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:

	2020 US$'000	2019 US$'000
Results		
Revenue	62,481	65,367
Profit for the year	4,793	5,457
Assets and liabilities		
Total assets	119,013	102,092
Total liabilities	(67,405)	(55,718)
Net assets	51,608	46,374

21 Investment in Joint Ventures

	2020 US$'000	2019 US$'000
Unquoted equity shares, at cost	212,659	230,899
Share of post-acquisition reserves, net of dividend received	(60,230)	(44,967)
Translation adjustment	513	(733)
	152,942	185,199

During the current financial year, the Group recognised an impairment loss on investment in a joint venture of US$5,372,000 based on a valuation carried out by an independent valuer. The valuation was based on the discounted cash flow method. The expected cash flows are determined using projected tariff rate and revenue growth, net of operating expense over the estimated useful life of 24 years. Particulars of the joint ventures are disclosed in Note 46 to the consolidated financial statements.

21 Investment in Joint Ventures (cont'd)

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:

	2020 US$'000	2019 US$'000
Results		
Revenue	448,596	428,213
Loss for the year	(1,307)	(31,749)
Assets and liabilities		
Total assets	821,409	996,104
Total liabilities	(534,265)	(667,046)
Non-controlling interests	(8,548)	(7,064)
Net assets	278,596	321,994

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

	2020 US$'000	2019 US$'000
Interest in joint ventures (50%)	139,298	160,997
Goodwill on acquisition	5,342	13,017
Unrecognised share of post-acquisition reserve	8,302	11,185
Net carrying amount	152,942	185,199

22 Investment Properties

	Note	2020 US$'000	2019 US$'000
Cost			
Balance at the beginning of the year		252	262
Translation adjustment		52	(10)
Balance at the end of the year		304	252
Less: Accumulated depreciation			
Balance at the beginning of the year		147	150
Charge for the year	9	5	4
Translation adjustment		45	(7)
Balance at the end of the year		197	147
Net carrying amount		107	105

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$126,000 (2019: US$119,000) and US$20,000 (2019: US$19,000) respectively. As at 31 December 2020, the fair value of the Group's investment properties is approximately US$1,202,000 (2019: US$1,130,000) determined based on valuation carried out by independent professional valuer and is classified under Level 2 of the fair value hierarchy.

23 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
Cost	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1.1.2020	16,289	389,932	664,717	1,409,516	1,252,672	205,203	383,069	192,595	4,513,993
Translation adjustment	(83)	1,081	1,030	8,760	9,144	746	88	6	20,772
Additions	13	461	8,748	10,160	3,528	8,075	9,459	116,156	156,600
Disposals	-	(496)	(15,548)	(26,478)	(1,074)	(4,138)	(48,237)	(1,130)	(97,101)
Write-off	-	-	(1,548)	(2,994)	(3,508)	(3,397)	(8,274)	(123)	(19,844)
Acquisition of subsidiaries (Note 41a)	-	14,106	8,323	25,338	11,420	1,219	9,425	21,853	91,684
Disposal of a subsidiary (Note 41b)	-	(242)	-	-	(323)	(150)	(11)	-	(726)
Transfer from intangible assets (Note 27)	-	-	-	-	-	345	-	-	345
Reclassification	32	148	40,752	36,915	36,585	9,758	10,747	(134,937)	-
Balance at 31.12.2020	16,251	404,990	706,474	1,461,217	1,308,444	217,661	356,266	194,420	4,665,723
Accumulated depreciation and impairment loss									
Balance at 1.1.2020	-	22,346	221,040	547,403	607,727	162,983	262,501	187	1,824,187
Translation adjustment	-	433	582	4,481	8,250	628	39	12	14,425
Charge for the year	-	1,772	47,655	65,815	53,138	13,683	32,327	-	214,390
Disposals	-	-	(14,854)	(25,370)	(920)	(3,346)	(34,426)	-	(78,916)
Write-off	-	-	(1,495)	(2,712)	(3,242)	(3,363)	(8,030)	-	(18,842)
Disposal of a subsidiary (Note 41b)	-	-	-	-	(42)	(61)	(4)	-	(107)
Transfer from intangible assets (Note 27)	-	-	-	-	-	173	-	-	173
Reclassification	-	148	2	2,174	(6,533)	4,101	108	-	-
Allowance for impairment loss	-	-	-	355	51	109	15	-	530
Balance at 31.12.2020	-	24,699	252,930	592,146	658,429	174,907	252,530	199	1,955,840
Net book values									
Balance at 31.12.2020	16,251	380,291	453,544	869,071	650,015	42,754	103,736	194,221	2,709,883

As at 31 December 2020, 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$619,962,000 (2019: US$625,106,000).

23 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 1.1.2019	13,974	389,833	618,987	1,373,156	1,203,346	197,675	358,387	177,711	4,333,069
Translation adjustment	(81)	73	(17)	(506)	(2,375)	70	(5)	(209)	(3,050)
Additions	-	911	925	6,924	16,688	9,724	26,944	202,909	265,025
Disposals	-	-	(289)	(15,394)	(12,152)	(3,338)	(19,684)	(40)	(50,897)
Write-off	-	-	(325)	(1,768)	(1,450)	(2,039)	(3,696)	(10)	(9,288)
Disposal of subsidiaries (Note 41c)	-	(969)	(2,233)	(4,605)	(656)	(1,442)	(2,942)	(8,019)	(20,866)
Reclassification	2,396	84	47,669	51,709	49,271	4,553	24,065	(179,747)	-
Balance at 31.12.2019	16,289	389,932	664,717	1,409,516	1,252,672	205,203	383,069	192,595	4,513,993
Accumulated depreciation and impairment loss									
Balance at 1.1.2019	-	21,102	178,769	492,751	555,428	156,851	256,566	-	1,661,467
Translation adjustment	-	(76)	(7)	(510)	(1,816)	(50)	(8)	-	(2,467)
Charge for the year	-	1,320	42,927	66,601	53,881	12,250	29,880	-	206,859
Disposals	-	-	(70)	(11,748)	(5,326)	(3,199)	(19,085)	-	(39,428)
Write-off	-	-	(223)	(1,525)	(1,105)	(1,997)	(3,458)	-	(8,308)
Disposal of subsidiaries (Note 41c)	-	-	(356)	(1,217)	(138)	(883)	(2,089)	-	(4,683)
Allowance for impairment loss	-	-	-	3,051	6,803	11	695	187	10,747
Balance at 31.12.2019	-	22,346	221,040	547,403	607,727	162,983	262,501	187	1,824,187
Net book values									
Balance at 31.12.2019	16,289	367,586	443,677	862,113	644,945	42,220	120,568	192,408	2,689,806

During the current financial year, the Group carried out its annual impairment review and recorded an impairment loss amounting to US$530,000 (2019: US$10,747,000) 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.

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$22,158,000 (2019: US$14,511,000) 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$1,108,000 (2019: Nil).

The Group holds land rights in Indonesia in the form of Hak Guna Usaha (HGU) which will expire in 2022 to 2098 and the management believes that those land rights can be extended upon expiry.

24 Biological Assets

	Note	2020 US$'000	2019 US$'000
Balance at the beginning of the year		64,304	63,789
Acquisition of subsidiaries	41a	6,425	-
Net gain from changes in fair value recognised as part of other operating income	9	15,769	515
Balance at the end of the year		86,498	64,304

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 7,302,000 (2019: 7,617,000) 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$3,572,000 (2019: US$2,797,000), as a result of a higher gain arising from changes in fair value of biological assets.

As at 31 December 2020, biological assets amounting to US$29,513,000 (2019: US$23,082,000) have been pledged to banks as security for credit facilities (Note 28 and Note 29).

25 Bearer Plants

	Note	2020 US$'000	2019 US$'000
Cost			
Balance at the beginning of the year		2,624,246	2,594,621
Additions		51,216	31,759
Disposal		(245)	(512)
Write-off		(33,046)	(9,042)
Acquisition of subsidiaries	41a	436,077	-
Transfer from land clearing		11,003	7,420
Balance at the end of the year		3,089,251	2,624,246
Less: Accumulated depreciation			
Balance at the beginning of the year		1,594,431	1,502,455
Charge for the year	6	111,124	100,270
Write-off		(33,038)	(8,294)
Balance at the end of the year		1,672,517	1,594,431
Net book value		1,416,734	1,029,815

As at 31 December 2020, bearer plants amounting to US$257,420,000 (2019: US$162,931,000) 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:

	2020 US$'000	2019 US$'000
Deferred tax assets	180,517	232,667
Deferred tax liabilities	(154,676)	(85,632)
	25,841	147,035

	Accelerated tax depreciation US$'000	Unutilised tax losses/capital allowances US$'000	Valuation allowances/ others US$'000	Total US$'000
Deferred tax assets/(liabilities)				
Balance at 1 January 2020	116,301	172,681	(141,947)	147,035
Charged to income statement (Note 11)	(24,573)	(15,246)	2,719	(37,100)
Charged to other comprehensive income (Note 38)	-	-	(1,028)	(1,028)
Effect of reduction in tax rate:				
Charged to income statement (Note 11)	(28,795)	(17,230)	14,442	(31,583)
Charged to other comprehensive income (Note 38)	-	-	986	986
Acquisition of subsidiaries (Note 41a)	(3,542)	1,569	(50,862)	(52,835)
Disposal of a subsidiary (Note 41b)	3	(129)	(6)	(132)
Translation adjustment	33	218	247	498
Balance at 31 December 2020	59,427	141,863	(175,449)	25,841
Balance at 1 January 2019	139,912	185,930	(159,899)	165,943
Charged to income statement (Note 11)	(23,724)	(12,960)	16,845	(19,839)
Charged to other comprehensive income (Note 38)	-	-	1,681	1,681
Disposal of subsidiaries (Note 41c)	92	(266)	(522)	(696)
Translation adjustment	21	(23)	(52)	(54)
Balance at 31 December 2019	116,301	172,681	(141,947)	147,035

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$81,991,000 (2019: US$78,441,000) have not been recognised for taxes that would be payable on the remittance to Mauritius of unremitted retained earnings of approximately US$2,733,023,000 (2019: US$2,614,686,000) 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$210,152,000 (2019: US$222,535,000).

26 Deferred Tax (cont'd)

	2020 US$'000	2019 US$'000
Expiry dates in year ending:		
31 December 2020	-	41,872
31 December 2021	36,514	37,173
31 December 2022	26,659	33,211
31 December 2023	76,186	74,339
31 December 2024	25,317	31,439
31 December 2025	42,255	932
31 December 2026	136	-
No expiry dates and subject to terms and conditions	3,085	3,569
	210,152	222,535

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$37,861,000 (2019: US$41,535,000) has not been recognised in the consolidated financial statements.

27 Intangible Assets

	Goodwill US$'000	Brands and trademarks US$'000	Deferred landrights US$'000	Others US$'000	Total US$'000
Cost					
Balance at 1 January 2020	134,263	8,491	12,391	62,685	217,830
Additions			1,969	13,125	15,094
Acquisition of subsidiaries (Note 41a)	-	-	264	-	264
Write-off	-	-	(13)	-	(13)
Transfer to property, plant, and equipment (Note 23)	-	-	-	(345)	(345)
Translation adjustment	(565)	(18)	-	414	(169)
Balance at 31 December 2020	133,698	8,473	14,611	75,879	232,661
Less: Accumulated amortisation					
Balance at 1 January 2020	-	7,191	6,625	15,797	29,613
Amortisation charged to:					
General and administrative expenses (Note 7)	-	82	133	3,441	3,656
Cost of sales	-	-	266	-	266
Write-off	-	-	(6)	-	(6)
Transfer to property, plant, and equipment (Note 23)	-	-	-	(173)	(173)
Translation adjustment	-	(1)	-	455	454
Balance at 31 December 2020	-	7,272	7,018	19,520	33,810
Net carrying amount					
Balance at 31 December 2020	133,698	1,201	7,593	56,359	198,851

27 Intangible Assets (cont'd)

	Goodwill	Brands and trademarks	Deferred landrights	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
Balance at 1 January 2019	151,263	8,444	11,669	46,035	217,411
Additions	-	-	1,163	17,269	18,432
Disposal of a subsidiary (Note 41c)	(16,641)	(22)	(441)	(1,100)	(18,204)
Translation adjustment	(359)	69	-	481	191
Balance at 31 December 2019	134,263	8,491	12,391	62,685	217,830
Less: Accumulated amortisation					
Balance at 1 January 2019	-	7,112	6,230	11,962	25,304
Amortisation charged to:					
Selling expenses (Note 7)	-	-	6	22	28
General and administrative expenses (Note 7)	-	85	131	4,195	4,411
Cost of sales	-	-	264	-	264
Disposal of a subsidiary (Note 41c)	-	(18)	(6)	(357)	(381)
Translation adjustment	-	12	-	(25)	(13)
Balance at 31 December 2019	-	7,191	6,625	15,797	29,613
Net carrying amount					
Balance at 31 December 2019	134,263	1,300	5,766	46,888	188,217

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 approximately a 16% (2019: 14%) margin. A terminal value was estimated based on the 5th year's future cash flow using the terminal growth rate of 5.0% (2019: 5.0%) and pre-tax discount rates ranging from 6.4% to 12.1% (2019: 7.6% to 10.8%). 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

	Note	2020	2019
		US$'000	US$'000
Short-term loans:			
United States dollar		1,248,710	1,560,008
Indonesian rupiah		262,662	-
Euro		3,236	3,374
Indian rupee		-	1,327
		1,514,608	1,564,709
Current maturities of long-term loans	29	279,964	290,530
		1,794,572	1,855,239
Less: Unamortised loan charges	29	(2,523)	(2,920)
		1,792,049	1,852,319

28 Short-Term Borrowings (cont'd)

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

	2020 US$'000	2019 US$'000
Secured loans	1,004,846	924,553
Unsecured loans	509,762	640,156
	1,514,608	1,564,709

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 less than 12 months from the end of the financial year and the weighted average effective interest rates per annum during the year are as follows:

	2020 %	2019 %
United States dollar	2.77	3.41
Euro	1.45	1.51
Indonesian rupiah	7.17	-
Indian rupee	-	8.79

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

29 Long-Term Borrowings

	Note	2020 US$'000	2019 US$'000
Long-term loans:			
United States dollar		1,057,323	1,353,142
Singapore dollar		80,181	74,981
Indonesian rupiah		188,429	-
Indian rupee		-	7,154
Total long-term loans		1,325,933	1,435,277
Less: Current maturities of long-term loans	28	(279,964)	(290,530)
		1,045,969	1,144,747
Less: Unamortised deferred loan charges		(3,229)	(3,530)
Non-current portion		1,042,740	1,141,217

Movements in unamortised deferred loan charges are as follows:

	Note	2020 US$'000	2019 US$'000
Balance at the beginning of the year		6,450	7,386
Additions		5,482	4,267
Acquisition of subsidiaries		460	-
Amortisation during the year	8	(6,642)	(5,210)
Translation adjustment		2	7
Balance at the end of the year		5,752	6,450
Less: Current portion	28	(2,523)	(2,920)
Non-current portion		3,229	3,530

29 **Long-Term Borrowings** (cont'd)

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

	2020 US$'000	2019 US$'000
Secured loans	1,057,570	1,126,089
Unsecured loans	268,363	309,188
	1,325,933	1,435,277

Certain time deposits, short-term investments, trade receivables, inventories, property, plant and equipment, biological assets 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:

	2020 %	2019 %
United States dollar	3.62	4.89
Singapore dollar	1.92	3.16
Indonesian rupiah	8.40	-
Indian rupee	-	10.17

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 2020 and 2019 are as follows:

	Original loan currency			U.S. Dollar Equivalent
Year	US$'000	S$'000	IDR'000	US$'000
As at 31 December 2020				
Long-term borrowings repayable in:				
2021	259,554	313	284,535,300	279,964
2022	313,981	1,250	421,486,700	344,809
2023	302,538	102,250	456,771,000	412,267
2024	181,250	1,250	699,951,500	231,820
Thereafter	-	937	795,040,500	57,073
Total	1,057,323	106,000	2,657,785,000	1,325,933
Current portion (Note 28)	(259,554)	(313)	(284,535,300)	(279,964)
Non-current portion	797,769	105,687	2,373,249,700	1,045,969

29 Long-Term Borrowings (cont'd)

Year	Original loan currency US$'000	S$'000	INR'000	U.S. Dollar Equivalent US$'000
As at 31 December 2019				
Long-term borrowings repayable in:				
2020	289,829	-	50,000	290,530
2021	265,544	-	110,000	267,087
2022	313,981	-	125,000	315,735
2023	302,538	101,000	150,000	379,623
2024	181,250	-	75,000	182,302
Total	1,353,142	101,000	510,000	1,435,277
Current portion (Note 28)	(289,829)	-	(50,000)	(290,530)
Non-current portion	1,063,313	101,000	460,000	1,144,747

30 Bonds and Notes Payable

	2020 US$'000	2019 US$'000
Unsecured SGD multicurrency medium-term notes:		
4.75% p.a. fixed rate, due 2021	113,465	111,359
Unsecured IDR Bonds:		
8.00% p.a. fixed rate, due 2021	40,553	-
8.50% p.a. fixed rate, due 2023	43,141	-
9.75% p.a. fixed rate, due 2023	19,851	-
9.00% p.a. fixed rate, due 2025	11,804	-
10.50% p.a. fixed rate, due 2025	38,851	-
	267,665	111,359
Less: Deferred bond charges	(611)	-
	267,054	111,359
Less: Current portion	(153,859)	-
Non-current portion	113,195	111,359

Movements in deferred bond charges are as follows:

	Note	2020 US$'000	2019 US$'000
Balance at the beginning of the year		-	5
Additions		704	-
Amortisation during the year	8	(93)	(5)
Balance at the end of the year		611	-

31 Lease Liabilities – the Group as a lessee

	2020 US$'000	2019 US$'000
Lease liabilities:		
United States dollar	23,817	18,763
Indonesian rupiah	12,255	11,192
Euro	5,879	6,598
Others	1,326	2,343
Total lease liabilities	43,277	38,896
Less: Current portion of lease liabilities	(18,396)	(18,471)
Non-current portion	24,881	20,425

The above lease liabilities include balances with related parties of US$7,957,000 (2019: US$11,192,000).

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 1 to 14 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 22).

- 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:

	2020 US$'000	2019 US$'000
Landrights	2,751	2,898
Storage tanks, land improvements and bridges	17,914	15,296
Buildings	10,401	14,280
Transportation equipment	13,690	7,948
Machinery and equipment	454	-
	45,210	40,422

The additions of ROU assets classified within property, plant and equipment during the current financial year was US$22,158,000 (2019: US$14,511,000).

31 Lease Liabilities – the Group as a lessee (cont'd)

Depreciation charges on ROU assets classified within property, plant and equipment are as follows:

	2020 US$'000	2019 US$'000
Landrights	258	257
Storage tanks, land improvements and bridges	5,942	5,713
Buildings	10,560	12,651
Transportation equipment	4,106	2,764
Machinery and equipment	341	-
	21,207	21,385

Amounts recognised in the consolidated income statement and statement of cash flows are as follows:

	2020 US$'000	2019 US$'000
Interest expense on lease liabilities	1,791	1,778
Expenses relating to short-term leases	9,779	13,546
Total cash outflows for leases	22,906	22,700

32 Trade Payables

	2020 US$'000	2019 US$'000
Trust receipts payable	264,956	238,738
Trade payables to:		
Third parties	322,278	297,044
Associated companies	1,820	637
Joint ventures	4,528	3,404
Related parties	10,778	17,884
	604,360	557,707

The above trust receipts payable, which represent amounts due to certain banks, bear interest ranging from 1.3% to 3.1% (2019: 2.8% to 3.5%) per annum. The trust receipts payable and trade payables are denominated in the following currencies:

	2020 US$'000	2019 US$'000
United States dollar	335,964	296,136
Indonesian rupiah	238,420	221,393
Chinese renminbi	11,445	11,416
Euro	8,968	6,494
Indian rupee	6,898	20,335
Malaysian ringgit	2,374	1,411
Others	291	522
	604,360	557,707

33 Other Payables

	Note	2020 US$'000	2019 US$'000
Non-trade payables to:			
Third parties		92,236	83,218
Joint ventures		3,595	6,157
Related parties		732	743
Derivative payable	39	26,763	24,372
Interest payable		10,473	8,758
		133,799	123,248
Advances and deposits		81,987	113,102
Accrued expenses		81,907	59,745
		297,693	296,095

The amounts payable to related parties are unsecured, interest free and repayable on demand.

As at 31 December 2020, the amounts payable to joint ventures of US$3,375,000 (2019: US$3,300,000) bears interest ranging from 1.6% to 3.3% (2019: 3.2% to 4.0%) per annum and are repayable within the next twelve months. The remaining amounts payable to joint ventures are unsecured, interest free and repayable on demand.

As at 31 December 2019, included in the amounts payable to third parties were loan payables to a non-controlling shareholder of subsidiaries of US$5,360,000 which incurred interest ranging from 4.1% to 4.8% per annum. During the current financial year, the amounts payable of US$7,378,000 had been waived off by the non-controlling shareholder. The other payables are denominated in the following currencies:

	2020 US$'000	2019 US$'000
Indonesian rupiah	121,053	93,208
United States dollar	91,948	132,885
Chinese renminbi	43,081	41,244
Indian rupee	31,506	18,871
Singapore dollar	5,437	5,038
Euro	3,478	3,631
Others	1,190	1,218
	297,693	296,095

34 Long-Term Payables and Liabilities

	Note	2020 US$'000	2019 US$'000
Post-employment benefits liability, denominated in Indonesian rupiah	38	100,473	94,471
Rental deposits, denominated in Singapore dollar		865	905
Put option liability, denominated in Indian rupee		80,759	82,773
Advance received, denominated in United States dollar		288,000	-
		470,097	178,149

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. During the current financial year, the Group received an advance from a customer pursuant to an agreement to supply crude palm oil to the customer 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:

	Borrowings US$'000	Lease liabilities US$'000	Bonds and notes payable US$'000
Balance at 1 January 2020	2,993,536	38,896	111,359
Additions	4,558,624	-	142,718
Repayment	(4,846,273)	(21,115)	-
Payment of deferred bond and loan charges	(5,482)	-	(704)
Non-cash changes:			
New leases	-	22,158	-
Amortisation	6,642	-	93
Acquisition of subsidiaries (Note 41a)	118,447	4,030	-
Partial termination of lease contracts	-	(1,017)	-
Translation adjustment	9,295	325	13,588
Balance at 31 December 2020	2,834,789	43,277	267,054
Balance at 1 January 2019	2,775,478	45,188	234,611
Additions	5,201,822	-	-
Repayment	(4,985,256)	(20,922)	(124,869)
Payment of deferred loan charges	(4,267)	-	-
Non-cash changes:			
New leases	-	14,511	-
Amortisation	5,210	-	5
Disposal of subsidiaries (Note 41c)	-	(162)	-
Translation adjustment	549	281	1,612
Balance at 31 December 2019	2,993,536	38,896	111,359

36 Issued Capital and Treasury Shares

	No. of ordinary shares		Amount	
	Issued capital	Treasury shares	Issued capital US$'000	Treasury shares US$'000
Issued and fully paid:				
Balance at 31 December 2019 and 1 January 2020	12,837,548,556	(102,792,400)	320,939	(31,726)
Treasury shares purchased	-	(42,683,100)	-	(5,791)
Balance at 31 December 2020	12,837,548,556	(145,475,500)	320,939	(37,517)

The Company acquired 42,683,100 of its own shares in the open market during the current financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of US$5,791,000 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.

37 Dividends

	2020 US$'000	2019 US$'000
Final dividend paid in respect of previous year of S$0.0058 (2019: S$0.0058) per share	51,918	54,258

At the Annual Meeting to be held on 28 April 2021, a final dividend (tax not applicable) of S$0.0048 per share, amounting to S$60,921,950.67 (equivalent to approximately US$46,083,000) 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 2021.

38 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 2020, the amounts for such additional provisions were determined based on actuarial computations valuations prepared by the independent actuary, PT Dayamandiri Dharmakonsilindo, using the projected unit credit method.

The principal actuarial assumptions used by the actuaries were as follows:

	2020	2019
Discount rate	5.4% - 7.5%	6.8% - 8.2%
Salary growth rate	5.0%	6.0%
Retirement age	55 years	55 years

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:

	Note	2020 US$'000	2019 US$'000
Balance at the beginning of the year		94,471	71,768
Post-employment benefits expense during the year recognised in the income statement	10	13,055	15,008
Post-employment benefits (income)/expense during the year recognised in other comprehensive income		(6,890)	6,752
Payments made during the year		(2,521)	(459)
Acquisition of subsidiaries	41a	2,005	-
Disposal of subsidiaries	41c	-	(2,271)
Translation adjustment		353	3,673
Balance at the end of the year	34	100,473	94,471

38 Post-Employment Benefits Liability (cont'd)

The components of the post-employment benefits expense recognised in the income statement are as follows:

	2020 US$'000	2019 US$'000
Current service cost	9,380	9,340
Past service cost	(2,251)	68
Interest cost	5,926	5,600
Post-employment benefits expense recognised in the income statement (Note 10)	13,055	15,008

The components of the post-employment benefits income/(expense) recognised in other comprehensive income are as follows:

	2020 US$'000	2019 US$'000
Actuarial loss arising from changes in assumptions	(979)	(8,066)
Actuarial gain arising from experience adjustment	7,869	1,314
Post-employment benefits income/(expense) recognised in other comprehensive income	6,890	(6,752)
Less: Deferred income tax (Note 26)	(42)	1,681
Net post-employment benefits income/(expense) recognised in other comprehensive income	6,848	(5,071)

39 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, except for certain derivatives designated as cash flow hedges, wherein hedge accounting has been applied.

The details of the contracts outstanding as at the end of the reporting period are as follows:

	2020		2019	
	Notional amount US$'000	Assets/ (Liabilities) US$'000	Notional amount US$'000	Assets/ (Liabilities) US$'000
Forward currency contracts	880,129	28,458	1,108,993	32,290
Commodity futures contracts	799,675	17,968	1,319,907	88,692
Firm commitment contracts	1,072,098	24,869	1,023,000	(41,185)
Total derivative financial instruments		71,295		79,797
Less: Current assets (Note 16)		(98,058)		(104,169)
Current liabilities (Note 33)		(26,763)		(24,372)

During the current financial year, the Group recognised a net loss from forward foreign currency contracts of US$9,197,000 (2019: net gain of US$42,712,000) in the income statement as part of net foreign exchange loss.

40 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 2020 and 2019, 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:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) 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
(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
At 31 December 2020				
Financial assets at FVOCI (Equity)	-	-	766,544	766,544
Financial assets at FVTPL held for trading	5,684	10,591	709,773	726,048
Derivative receivable	-	98,058	-	98,058
Derivative payable	-	(26,763)	-	(26,763)
	5,684	81,886	1,476,317	1,563,887
At 31 December 2019				
Financial assets at FVOCI (Equity)	-	-	796,576	796,576
Financial assets at FVTPL held for trading	9,863	23,609	919,601	953,073
Derivative receivable	-	104,169	-	104,169
Derivative payable	-	(24,372)	-	(24,372)
	9,863	103,406	1,716,177	1,829,446

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.

40 Financial Instruments (cont'd)

Methods and Assumptions Used to Determine Fair Values (cont'd)

The methods and assumptions used by management to determine fair values are as follows:

(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 is determined by reference to fund statements provided by non-related fund managers. 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 non-related 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 2020, fair value of financial assets amounting to US$163,592,000 (2019: US$544,661,000) 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, taking into account any weighted estimation uncertainty on cash flows due to the impact of the Covid-19 pandemic. 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 (2019: 25 years).	The estimated fair value increases as the estimated average life increases.
Discount rate per annum of 9.18% (2019: 8.19% to 18.18%).	The estimated fair value increases as the estimated discount rate per annum decreases.
Average selling price at US$639 (2019: US$620) 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$20.2 million.

- Fund statements

As at 31 December 2020, fair value of financial assets amounting to US$768,833,000 (2019: US$660,553,000) was made with reference to the fund statements provided by non-related 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, taking into consideration any investee's underlying businesses that were affected by the impact of the Covid-19 pandemic.

40 Financial Instruments (cont'd)

Methods and Assumptions Used to Determine Fair Values (cont'd)

(iii) Level 3 fair value measurements (cont'd)

- Discounted cash flow method

As at 31 December 2020, fair value of financial assets amounting to US$543,892,000 (2019: US$510,963,000) 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 18 years (2019: 18 years).	The estimated fair value increases as the estimated useful life increases.
Weighted average cost of capital per annum of 11% (2019: 10%).	The estimated fair value increases as the estimated weighted average cost of capital decreases.
Terminal growth rate of 1.5% (2019: 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 firm (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$43.2 million. If the weighted average cost of capital 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$33.2 million.

As at the end of previous financial year, if the pricing for the uncontracted capacity were 2.5% lower and operating expenses were 2.5% higher while all the other variables were held constant, the fair value of the investment would decrease by approximately US$20.5 million. If the utilisation rate for the uncontracted capacity decreased by 5% while all other variables were held constant, the fair value of the investment would decrease by US$3.5 million. If the terminal growth rate decreased by 0.5% while all the other variables were held constant, the fair value of the investment would decrease by approximately US$22.8 million.

40 Financial Instruments (cont'd)

Methods and Assumptions Used to Determine Fair Values (cont'd)

During the current financial year, net loss of US$7.1 million (2019: net gain of US$233.8 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:

	Financial assets at FVOCI US$'000	Financial assets at FVTPL US$'000
Balance at 1 January 2020	796,576	919,601
Additions	89,976	180,735
Redemption/Return of capital	(19,429)	(93,488)
Redemption of investments (Non-cash, Note 41a)	-	(304,500)
Changes in fair value recognised in other comprehensive income	(100,579)	-
Changes in fair value recognised in the income statement	-	7,425
Balance at 31 December 2020	766,544	709,773
Balance at 1 January 2019	670,983	679,796
Additions	187,380	17,349
Redemption/Return of capital	(120,290)	(20,596)
Changes in fair value recognised in other comprehensive income	58,503	-
Changes in fair value recognised in the income statement	-	243,052
Balance at 31 December 2019	796,576	919,601

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.

41 Acquisition and Disposal of Subsidiaries and Transactions with Non-Controlling Interests

(a) Acquisition of subsidiaries during the financial year 2020

(i) In December 2020, the Group through its wholly-owned subsidiary, acquired 100% shareholding in Centrino Investment Ltd. ("Centrino"). The purchase consideration was fully settled by the outstanding debts, owing by Centrino's holding company to the Group (Note 19). Following the acquisition, Centrino together with its subsidiaries, PT Piranti Muktisentosa, PT Tsani Hutani Abadi, PT Kruing Lestari Jaya, PT Rimba Rayatama Jaya and PT Harapan Rimba Raya became subsidiaries of the Group (collectively "Centrino group").

From the date of acquisition, Centrino group does not contribute significantly to the Group's results for the financial year 2020. If the acquisition has been completed on 1 January 2020, the Group's total revenue and profit before income tax for the year would have been US$7,128,036,000 and US$128,156,000 respectively.

(ii) In November 2020, the Group accepted an offer from Ascend Agri Fund Limited (the "Fund"), a long-term equity security at fair value through profit or loss held by the Group (Note 19), to redeem the Group's investment in the Fund by means of a distribution in specie by the Fund of its Indonesia assets, which comprise Woodside Financial Limited ("Woodside") and its subsidiaries, Accord Investments Ltd, PT Pelangi Mega Buana, PT Kusuma Binamakmur, PT Bumimas Sentramakmur, PT Mitranusa Permata, PT Kharisma Riau Sentosa Prima, PT Perkasa Mekar Abadi, PT Agrolestari Subur Sejahtera and PT Agrolestari Hijau Sentosa (collectively "Woodside group"). After the redemption, control and 100% of the issued capital of Woodside were transferred to the Group and Woodside group became subsidiaries of the Group.

From the date of redemption, Woodside group does not contribute significantly to the Group's results for the financial year 2020. If the redemption has been completed on 1 January 2020, management estimated that there would have been no significant change to the Group's total revenue while the Group's profit before income tax for the year would have been US$167,181,000.

The following table summarises the fair value of the identifiable assets acquired and liabilities assumed at the acquisition dates:

	Centrino group US$'000	Woodside group US$'000	Total US$'000
Bearer plants	367,399	68,678	436,077
Property, plant and equipment	83,361	8,323	91,684
Long-term receivables and assets	7,700	661	8,361
Intangible assets	-	264	264
Cash and cash equivalents	4,265	4,715	8,980
Trade and other receivables	12,684	32,340	45,024
Biological assets	5,186	1,239	6,425
Inventories	7,182	502	7,684
Trade and other payables	(91,658)	(9,296)	(100,954)
Borrowings	(118,383)	(64)	(118,447)
Lease liabilities	(4,030)	-	(4,030)
Taxes payable	(110)	(349)	(459)
Long-term payables	(21,269)	-	(21,269)
Post-employment benefits liabilities	(1,342)	(663)	(2,005)
Deferred tax liabilities	(42,485)	(10,350)	(52,835)
Net assets acquired/Purchase consideration	208,500	96,000	304,500
Less: Non-cash settlement	(208,500)	(96,000)	(304,500)
Cash outflow on acquisition	-	-	-
Less: Cash and cash equivalents acquired	(4,265)	(4,715)	(8,980)
Net cash inflow on acquisition	(4,265)	(4,715)	(8,980)

41 Acquisition and Disposal of Subsidiaries and Transactions with Non-Controlling Interests (cont'd)

(b) Disposal of a subsidiary during the financial year 2020

In July 2020, the Group through its subsidiary, subscribed for an additional 18,111 new shares in PT Goldensnack Mas Sejahtera ("GMS") for a consideration of IDR18.1 billion (equivalent to US$1,236,000). Following the share subscription, the Group's effective interest in GMS increased from 91.98% to 99.22%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of US$36,000.

Subsequently in August 2020, the Group through its subsidiary, disposed its entire 99.22% shareholding in GMS for a consideration of IDR8 billion (equivalent to US$545,000). Following the disposal, GMS ceased to be a subsidiary of the Group.

The following table summarises the carrying amount of the major class of the identifiable assets and liabilities disposed:

	Carrying Amount US$'000
Long-term receivables	3
Property, plant and equipment	619
Deferred tax assets	132
Cash and cash equivalents	2
Trade and other receivables	11
Inventories	56
Trade and other payables	(2)
Net assets derecognised	821
Less: Non-controlling interests' proportionate share of net assets	(11)
Net assets disposed of	810
Loss on disposal of a subsidiary	(265)
Total proceeds from disposal	545
Less: Cash of disposed subsidiary	(2)
Net cash inflow on disposal	543

(c) Disposal of subsidiaries during the financial year 2019

(i) In March 2019, the Group through its wholly-owned subsidiary, subscribed for a limited partnership interest in Olympus Fund, L.P. (the "Fund"). The Group's contribution and commitment towards the Fund was by injection of both non-cash assets ("Non-cash Contribution") and cash components.

The Non-cash Contribution comprises divestment of the Group's 100% shareholding in PT Sinarmas Distribusi Nusantara ("SDN") to the Fund, for an aggregate consideration of IDR898 billion (equivalent to US$63,759,000), including the settlement of SDN's outstanding payables to the Group. Following the transaction, SDN ceased to be a subsidiary of the Group.

41 Acquisition and Disposal of Subsidiaries and Transactions with Non-Controlling Interests (cont'd)

(c) Disposal of subsidiaries during the financial year 2019 (cont'd)

(ii) In May 2019, the Group through its wholly-owned subsidiary, disposed its entire shareholding in Maizuru Green Initiatives GK ("MGI GK") for a consideration of JPY1,000,000 (equivalent to US$9,000). Following the disposal, MGI GK ceased to be a subsidiary of the Group.

(iii) In October 2019, the Group through its wholly-owned subsidiary, disposed its entire 75% shareholding in Golden Jubilee International Holding Pte. Ltd. ("GJIH") for a consideration of US$364,000. Following the disposal, GJIH together with its subsidiaries, GS Energy Holding Pte. Ltd., PT Bioenergi Semesta Mas, PT Jambi Semesta Biomassa and PT Riau Semesta Biomassa ("GJIH Group") ceased as subsidiaries of the Group and the amount receivable from GJIH Group of US$4,693,000 was written off.

The following table summarises the carrying amount of the major class of the identifiable assets and liabilities disposed:

	SDN	MGI GK	GJIH	Total
	US$'000	US$'000	US$'000	US$'000
Long-term receivables	5,998	-	-	5,998
Property, plant and equipment	2,723	7,767	5,693	16,183
Intangible assets	17,823	-	-	17,823
Deferred tax assets	341	-	355	696
Cash and cash equivalents	7,005	-	325	7,330
Short-term investments	8,916	-	-	8,916
Trade and other receivables	44,315	-	2,185	46,500
Inventories	15,265	-	2,298	17,563
Trade and other payables	(47,964)	(7,801)	(12,738)	(68,503)
Taxes payable	(39)	-	-	(39)
Lease liabilities	-	-	(162)	(162)
Post-employment benefits liabilities	(2,073)	-	(198)	(2,271)
Net assets/(liabilities) derecognised	52,310	(34)	(2,242)	50,034
Less: Non-controlling interests' proportionate share of net liabilities	-	-	743	743
Net assets/(liabilities) disposed of	52,310	(34)	(1,499)	50,777
Reclassification of retained earnings	-	-	4	4
Reclassification of other reserve	-	-	480	480
Adjusted net assets/(liabilities) disposed	52,310	(34)	(1,015)	51,261
Gain on disposal of subsidiaries	11,449	43	1,379	12,871
Total proceeds from disposal	63,759	9	364	64,132
Less: Settlement by Non-cash Contribution	(56,754)	-	-	(56,754)
Less: Cash of disposed subsidiaries	(7,005)	-	(325)	(7,330)
Net cash inflow on disposal	-	9	39	48

41 Acquisition and Disposal of Subsidiaries and Transactions with Non-Controlling Interests (cont'd)

(d) Changes in ownership interest in subsidiaries during the financial year 2019

(i) During the previous financial year, the Group has undertaken an internal restructuring exercise. Pursuant thereto:

- GJIH, the Group's indirect 75% subsidiary, transferred its entire shareholding in GF International Holdings Pte. Ltd. ("GFIH") to a wholly-owned subsidiary of the Group for a consideration of US$1. As a result of this transfer, the Group's effective interest in GFIH increased from 75% to 100%.

- GMS, an indirect subsidiary of the Group, issued 157 new shares to a non-controlling shareholder for a consideration of IDR157 million (equivalent to US$11,000). Subsequent to the shares issuance, the Group acquired the remaining 300 shares in PT Goldenfood International Indonesia ("GFII"), the immediate holding company of GMS, from its non-controlling shareholder for a consideration of IDR1 resulting in GFII becoming a wholly-owned subsidiary of the Group. Following these transactions, the Group's effective interest in GMS, increased from 70.02% to 91.98%.

As a result of the internal restructuring exercise, the Group recognised a decrease in other reserves of US$346,000 and an increase in non-controlling interest of US$357,000 (inclusive of cash contribution by a non-controlling shareholder of US$11,000).

(ii) In November 2019, Vulcan AI Pte Ltd ("Vulcan"), a newly incorporated subsidiary of the Group, issued 225 new shares to a non-controlling shareholder for a consideration of US$11,000. The Group through its subsidiary, also subscribed for additional 650 new shares in Vulcan for a consideration of US$33,000. Following these transactions, the Group's effective interest in Vulcan decreased from 100% to 74.32%. The Group recognised an increase in other reserves of US$183,000 and a decrease in non-controlling interest of US$172,000 (inclusive of cash contribution by a non-controlling shareholder of US$11,000).

42 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 - comprises the processing and merchandising of palm and oilseed based products i.e. bulk, branded, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia mainly food and beverages.

42 Operating Segment Information (cont'd)

2020	Plantations and palm oil mills US$'000	Palm, laurics and others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	19,590	7,058,298	-	7,077,888
Inter-segment sales	1,462,567	-	(1,462,567)	-
Total revenue	1,482,157	7,058,298	(1,462,567)	7,077,888
EBITDA	416,098	255,010	(2,101)	669,007
Other information				
Capital expenditure	118,414	67,224	-	185,638
Unallocated capital expenditure				20
Total capital expenditure				185,658
Depreciation and amortisation	(227,606)	(102,378)	543	(329,441)
Allowance for impairment loss of property, plant and equipment	-	(530)	-	(530)
Impairment loss of investment in a joint venture	-	(5,372)	-	(5,372)
Provision for expected credit loss on trade and other receivables	-	(940)	-	(940)
Net gain from changes in fair value of biological assets	15,769	-	-	15,769
Changes in fair value of financial assets at fair value through profit or loss	(3,271)	(3,868)	-	(7,139)
Interest on borrowings	(91,206)	(47,172)	-	(138,378)
Share of profit of:				
Associated companies	587	3,616	-	4,203
Joint ventures	-	619	-	619
Assets				
Segment assets	5,012,637	3,747,936	(1,438,478)	7,322,095
Investment in:				
Associated companies	2,921	20,438	-	23,359
Joint ventures	-	152,942	-	152,942
Unallocated assets				1,627,984
Total assets				9,126,380
Liabilities				
Segment liabilities	(623,355)	(2,933,947)	1,432,219	(2,125,083)
Unallocated liabilities				(2,569,683)
Total liabilities				(4,694,766)

42 Operating Segment Information (cont'd)

2019	Plantations and palm oil mills US$'000	Palm, laurics and others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	40,312	6,391,487	-	6,431,799
Inter-segment sales	1,283,433	-	(1,283,433)	-
Total revenue	1,323,745	6,391,487	(1,283,433)	6,431,799
EBITDA	298,977	397,864	(146)	696,695
Other information				
Capital expenditure	171,557	109,709	-	281,266
Unallocated capital expenditure				1,007
Total capital expenditure				282,273
Depreciation and amortisation	(211,161)	(100,675)	-	(311,836)
Allowance for impairment loss of property, plant and equipment	-	(10,747)	-	(10,747)
Provision for expected credit loss on trade and other receivables	-	(20,185)	-	(20,185)
Net gain from changes in fair value of biological assets	515	-	-	515
Changes in fair value of financial assets at fair value through profit or loss	47,446	186,361	-	233,807
Interest on borrowings	(86,717)	(77,817)	-	(164,534)
Share of profit/(loss) of:				
Associated companies	1,076	2,814	-	3,890
Joint ventures	-	(13,010)	-	(13,010)
Assets				
Segment assets	4,195,099	3,518,604	(1,105,117)	6,608,586
Investment in:				
Associated companies	2,502	18,682	-	21,184
Joint ventures	-	185,199	-	185,199
Unallocated assets				1,964,362
Total assets				8,779,331
Liabilities				
Segment liabilities	(384,893)	(2,880,913)	1,121,473	(2,144,333)
Unallocated liabilities				(2,129,554)
Total liabilities				(4,273,887)

42 Operating Segment Information (cont'd)

A reconciliation of total EBITDA to total profit before income tax is as follows:

	2020 US$'000	2019 US$'000
EBITDA for reportable segments	671,108	696,841
Other EBITDA	(2,101)	(146)
Net gain from changes in fair value of biological assets	15,769	515
Depreciation and amortisation	(329,441)	(311,836)
Foreign exchange (loss)/gain	(32,099)	37,263
Interest on borrowings	(138,378)	(164,534)
Exceptional items, net	(6,167)	2,124
Profit before income tax	178,691	260,227

Revenue based on geographical location of customers is as follows:

	2020 US$'000	2019 US$'000
China	801,991	810,750
Indonesia	1,430,676	1,092,550
India	1,296,826	1,526,533
Rest of Asia	1,835,304	1,585,289
Europe	1,098,671	922,840
Others	614,420	493,837
Consolidated revenue	7,077,888	6,431,799

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:

	2020 US$'000	2019 US$'000
Indonesia	4,209,433	3,769,305
China	101,408	101,395
Singapore	136,859	151,606
India	74,753	76,476
Others	45,475	68,465
Total non-current non-financial assets	4,567,928	4,167,247

43 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:

	2020 US$'000	2019 US$'000
(i) Sale of services		
Rental income from related parties	368	354
Rental income from joint ventures	215	221
Rental income from an associated company	1	6
(ii) Purchase of goods and services		
Insurance premium to a related party	5,798	5,977
Purchase of non-palm oil products from related parties	50,148	119,593
Freight and related expenses to joint ventures	2,371	23,034
Rental and service charge expense to related parties	136	1,222
Rental and service charge expense to an associated company	97	-
Rental and service charge expense to a joint venture	-	1,120
Transport and port expense to related parties	-	1,031
(iii) Dividend income from:		
- joint ventures	5,069	-
- an associated company	1,190	-

(b) The key management personnel remuneration is as follows:

	2020 US$'000	2019 US$'000
Directors of the holding company	5,442	5,921
Other key management personnel	4,975	6,354

Included in the above remuneration are post-employment benefits of US$44,212 for the current financial year (2019: US$41,908).

44 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 2019. 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.

44 **Financial Risk Management** (cont'd)

(a) Capital Risk Management (cont'd)

	Note	2020 US$'000	2019 US$'000
Short-term borrowings	28	1,792,049	1,852,319
Long-term borrowings	29	1,042,740	1,141,217
Bonds and notes payable	30	267,054	111,359
Lease liabilities	31	43,277	38,896
Total debts		3,145,120	3,143,791
Less: Cash and cash equivalents	13	(402,921)	(209,614)
Net debts		2,742,199	2,934,177
Total equity		4,431,614	4,505,444
Net debts-to-equity ratio (times)		0.62	0.65

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 payables and advances and deposits.

	2020 US$'000	2019 US$'000
Net debts	2,742,199	2,934,177
Less: Liquid working capital:		
Short-term investments	(694,508)	(574,747)
Trade receivables	(737,203)	(500,663)
Inventories (excluding consumables)	(816,051)	(868,762)
Advances and deposits to suppliers	(72,607)	(87,984)
Trade payables	604,360	557,707
Advances and deposits	81,987	113,102
Adjusted net debts	1,108,177	1,572,830
Total equity	4,431,614	4,505,444
Adjusted net debts-to-equity ratio (times)	0.25	0.35

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 share 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.

44 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 2020, if interest rates on net financial liabilities at variable rate had been 0.5% lower with all other variables held constant, profit before income tax and total equity for the year would have been higher by approximately US$11,527,000 and US$9,079,000 (2019: US$13,637,000 and US$10,506,000) 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.

	2020 US$'000	2019 US$'000
Financial Assets		
Variable rate	439,761	256,173
Fixed rate	91,355	256,612
Non-interest bearing	2,449,697	2,292,056
	2,980,813	2,804,841
Financial Liabilities		
Variable rate	2,739,338	2,977,190
Fixed rate	674,113	413,999
Non-interest bearing	469,828	433,557
	3,883,279	3,824,746

(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.

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.

44 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk (cont'd)

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$11,890,000.

As at the end of the previous 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 increased/decreased by US$18,582,000.

(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.

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 18 to the consolidated financial statements.

44 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(v) 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 is the carrying amount of each class of assets in the statement of financial position, except as follows:

	2020 US$'000	2019 US$'000
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
Total facilities	575,098	764,669
Total outstanding	490,571	514,019

(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 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
At 31 December 2020				
Short-term loans	1,537,566	-	-	1,537,566
Long-term loans	326,988	1,090,947	24,504	1,442,439
Bonds and notes payable	167,864	140,792	-	308,656
Lease liabilities	19,899	22,615	4,166	46,680
Other financial liabilities	738,159	-	-	738,159
Financial guarantee contracts	85,136	205,027	200,408	490,571
	2,875,612	1,459,381	229,078	4,564,071
At 31 December 2019				
Short-term loans	1,580,578	-	-	1,580,578
Long-term loans	346,858	1,239,518	-	1,586,376
Bonds and notes payable	5,290	111,721	-	117,011
Lease liabilities	19,723	21,658	91	41,472
Other financial liabilities	680,955	-	-	680,955
Financial guarantee contracts	71,658	193,695	248,666	514,019
	2,705,062	1,566,592	248,757	4,520,411

45 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:

	2020 US$'000	2019 US$'000
Capital expenditure	31,895	40,342
Investment in equity securities	68,964	99,855

46 Group Companies

The details of the subsidiaries are as follows:

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	Effective interest of the Company 2019 %
Subsidiaries held by the Company				
Asia Integrated Agri Resources Limited	Investment holding	Bermuda	100.00	100.00
Blue Sky Golden Energy Ltd (b1)	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. (b17)	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 (b1)	Trading in crude palm oil and related products and treasury management	Malaysia	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held by the Company (cont'd)				
Golden Americas Pte. Ltd. *(formerly known as "Sinarmas Food 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 (b8)	Investment holding	Hong Kong	100.00	100.00
Golden Oleo Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Madascar 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	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. (b16),(Note 41a)	Investment holding	Malaysia	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
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 (b15),(Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	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 (b15),(Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	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 Investment Limited (b8),(d)	Investment holding	Hong Kong	-	100.00
Aurorea Investment Limited (b8)	Investment holding	Hong Kong	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
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)	Investment holding	British Virgin Islands	100.00	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	100.00	100.00
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 (b16),(Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	100.00	-
PT Bumipalma Lestaripersada (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. (b16),(Note 41a)	Investment holding	Malaysia	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
Eco Investment Ltd (b1)	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
Gemini Edibles & Fats India Private 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
GFI Food and Beverages Limited (b3)	Sale of food and beverage products	Federal Republic of Nigeria	100.00	100.00
PT Global Media Telekomindo (b1)	Telecommunication and multimedia services	Indonesia	100.00	100.00
Golden Adventure (GSW) Pte. Ltd.	Ship owning and ship chartering	Singapore	70.00	70.00
Golden Agri International Enterprises Pte. Ltd. *(formerly known as "Golden Agri International India Holding Pte. Ltd.")*	Investment holding and business and management consultancy services	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri International Trading (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International Trading (Mauritius) Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Golden Agri Investment & Management Limited (b4)	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 (b3),(c)	Trading in sugar and vegetable oils	Brazil	100.00	-
Golden Agri-Resources Europe B.V. (b1)	Investment holding, treasury management and trading in tropical oils and their by-products; oleochemicals	The Netherlands	100.00	100.00
Golden Agri-Resources Europe Holding Pte. Ltd. (c)	Investment holding	Singapore	100.00	-
Golden Agri-Resources Germany GmbH (b13)	Trade and distribution of oleochemical products	Germany	100.00	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 Nigeria Limited (b3)	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
Golden Agri SEA (Labuan) Ltd (b17)	Trading in crude palm oil and its related products	Malaysia	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri Trading (L) Ltd (b17)	Trading in edible oils and its related products	Malaysia	100.00	100.00
Golden Airlines Limited (b8)	Investment holding	Hong Kong	100.00	100.00
Golden Avenue (GSW) Pte. Ltd.	Ship owning and ship chartering	Singapore	70.00	70.00
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
PT Goldenfood International Indonesia (b1)	Investment holding	Indonesia	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
PT Goldensnack Mas Sejahtera (b1),(Note 41b)	Manufacturing and trading of snacks products	Indonesia	-	91.98
GP Pakistan (Mauritius) Limited (b1)	Investment holding	Mauritius	100.00	100.00
PT Harapan Rimba Raya (b16), (Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	100.00	-
Harford Holdings Limited (b2)	Investment holding	British Virgin Islands	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	Effective interest of the Company 2019 %
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 (b16),(Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	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 (b16), (Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	100.00	-
PT Kurnia Cakra Sakti (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kusuma Binamakmur (b3), (Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
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)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Mitrakarya Agroindo (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Mitranusa Permata (b16), (Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	100.00	-
PT Mutiara Mahkota Mulia (b5)	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
Parsec Innovation Labs LLC (b3)	Provision of IT business solutions	United States of America	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
Parsec Innovation Pte. Ltd. (f)	Investment holding	Singapore	-	100.00
PT Pelangi Mega Buana (b16), (Note 41a)	Investment holding	Indonesia	100.00	-
PT Pelangi Sungai Siak (b3)	Oil palm cultivation and palm oil producer	Indonesia	78.54	78.54
PT Perkasa Mekar Abadi (b3), (Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	100.00	-
PT Persada Graha Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Piranti Muktisentosa (b16),(Note 41a)	Investment holding	Indonesia	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 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 Bangunyaman (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Rimba Rayatama Jaya (b16), (Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	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
PT Sawit Mas Sejahtera (b5)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
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 (b8)	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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
Smart Trac Resources Trading Limited (b8)	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 (b3)	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	100.00	100.00
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 (b16), (Note 41a)	Investment holding	Indonesia	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 (b13)	Investment holding	Germany	100.00	100.00
Vulcan AI Pte. Ltd.	Digital analytics	Singapore	74.32	74.32
Vulcan AI Technologies Pte. Ltd. (c)	Digital analytics	Singapore	74.32	-
Windflower Investments Limited (b2)	Investment holding and treasury management	British Virgin Islands	100.00	100.00
Woodside Financial Limited (b2), (Note 41a)	Investment holding	Malaysia	100.00	-

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
Subsidiaries held through subsidiaries (cont'd)				
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
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 (c),(b9)	Investment holding	People's Republic of China	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:				
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
Temix Oleo S.r.l. (b3)	Production and distribution of fatty alcohols and derivatives, fatty acids and other chemicals	Italy	25.00	25.00
PT Wahana Agung Persada (b5)	Consultancy services and trading	Indonesia	49.00	49.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2020 %	2019 %
The Group's joint ventures are:				
Golden Stena Bulk IMOIIMAX I Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX III Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX VII Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX VIII Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden-Agri Stena Pte. Ltd.	Provision of ship management services and chartering and operation of vessels	Singapore	50.00	50.00
Nuova Energia S.r.l. (b7),(e)	Building and operation of wind power farms	Italy	-	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) 86.04% of the share capital of Purimas is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

46 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 in its country of incorporation.

(3) Statutory audit is not required as the subsidiary is newly incorporated/inactive.

(4) Audited by SHL CPA Limited, Certified Public Accountants (Practising).

(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 & Company, Certified Public Accounts (Practising).

(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 Chandiok & Co LLP and member firms of Moore Global Network Limited for financial year 2020 and 2019 respectively.

(13) Audited by Wir Treuhand GmbH.

(14) Audited by R Chan & Associates Pac.

(15) Audited by KAP Anwar & Rekan.

(16) Audited by KAP Kanaka Puradiredja Suhartono.

(17) Audited by KBCF Tan, Chartered Accountants and member firms of Moore Global Network Limited for the financial year 2020 and 2019 respectively.

(c) During the current financial year, the following new companies have been incorporated:

Subsidiaries	Initial Issued and Paid-up Capital
Golden Agri-Resources Brasil Sociedade Limitada Unipessoal	1,000 shares of BRL$1 each
Golden Agri-Resources Europe Holding Pte. Ltd.	1 share of US$1
Vulcan AI Technologies Pte. Ltd.	1 share of US$1
	Registered capital
Zhuhai Sinarmas Huafeng Enterprise Co., Ltd.	US$5,287,949

46 Group Companies (cont'd)

Notes: (cont'd)

(d) During the current financial year, Aurea Investment Limited was deregistered.

(e) In June 2020, the Group, through its wholly-owned subsidiary, disposed its entire 50% shareholding in Nuova Energia S.r.l ("NE") to an investee for a consideration of EUR19,500,000 (equivalent to US$21,528,000). The consideration is settled by the Group's additional subscription in the increased subscribed capital of the investee. Following the transaction, NE ceased to be a joint venture of the Group.

(f) In April 2020, Parsec Innovation Pte. Ltd. was struck off.

(g) As at 31 December 2020, the accumulated non-controlling interests is US$185,687,000 (2019: US$148,376,000), of which US$84,553,000 (2019: US$77,254,000) is for 7.6% non-controlling interests in SMART and its subsidiaries ("SMART Group") and US$90,869,000 (2019: US$65,718,000) is for 43.73% non-controlling interests in Gemini Edibles & Fats India Private 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	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Non-current assets	1,348,954	1,441,039	58,998	59,730
Current assets	1,389,891	829,517	272,744	258,260
Non-current liabilities	550,394	446,088	152	7,821
Current liabilities	1,046,258	778,107	123,794	159,892
Revenue	2,781,665	2,558,536	986,731	906,336
Profit for the year	93,426	31,316	60,428	36,453
Total comprehensive income	96,335	29,480	57,519	33,555
Profit allocated to NCI	7,088	5,252	26,425	15,941
Dividends paid to NCI	-	11,487	-	-
Cash inflows from operating activities	47,372	323,468	60,815	17,573
Cash outflows from investing activities	(221,964)	(141,503)	(15,326)	(51,208)
Cash inflows/(outflows) from financing activities	305,051	(157,030)	(45,489)	33,635
Net increase in cash and cash equivalents	130,459	24,935	-	-

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS

Commentary of the Directors

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 2020.

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 loss for the year ended 31 December 2020 was US$66,356,000 (2019: US$25,122,000).

At the Annual Meeting to be held on 28 April 2021, a final dividend (tax not applicable) of S$0.0048 per share, amounting to S$60,921,950.67 (equivalent to approximately US$46,083,000) 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 2021.

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 Mauritius, 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 2020.

CORPORATE SECRETARY
IQ EQ CORPORATE SERVICES (MAURITIUS) LTD
33 Edith Cavell Street,
Port Louis, 11324,
MAURITIUS

Date: 18 March 2021

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 2020 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 a summary of accounting policies, as set out on pages 183 to 203.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 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 Mauritius
Chartered Accountants

Shweta Moheeput, BSc, ACA
Licensed by FRC

Port Louis, Mauritius

Date: 18 March 2021

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Administrative expenses		(663)	(709)
Interest income		4	1
Financial expenses	6	-	(87)
Foreign exchange loss		(31)	(26)
Waiver of payables to subsidiary		4,045	-
Profit/(Loss) before income tax	7	3,355	(821)
Income tax	8	(403)	(516)
Profit/(Loss) for the year		2,952	(1,337)
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		(69,308)	(23,785)
Other comprehensive loss		(69,308)	(23,785)
Total comprehensive loss for the year, net of tax		(66,356)	(25,122)

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

Statement of Financial Position

AS AT 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Current assets			
Cash and cash equivalents	9	515	58
Other current assets	10	2,761	11
		3,276	69
Non-current assets			
Interest in subsidiaries	11	3,429,024	3,431,525
Long-term investments	12	163,592	184,445
		3,592,616	3,615,970
Total Assets		3,595,892	3,616,039
Current liabilities			
Accrued operating expenses		368	334
Payable to third parties	13	8	7
Loans and advances from subsidiaries, unsecured	14	1,418	129,348
		1,794	129,689
Non-current liabilities			
Loans and advances from subsidiaries, unsecured	14	231,813	-
Total Liabilities		233,607	129,689
Equity			
Issued capital	15	320,939	320,939
Share premium		1,850,965	1,850,965
Treasury shares	15	(37,517)	(31,726)
Other reserves			
Option reserve		31,471	31,471
Fair value reserve		(91,453)	(22,145)
		(59,982)	9,326
Retained earnings		1,287,880	1,336,846
		3,362,285	3,486,350
Total Liabilities and Equity		3,595,892	3,616,039

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 2020

	Issued Capital US$'000	Share Premium US$'000	Treasury Shares US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total US$'000
Balance at 1 Jan 2020	320,939	1,850,965	(31,726)	9,326	1,336,846	3,486,350
Dividends paid (Note 17)	-	-	-	-	(51,918)	(51,918)
Shares buy back and held as treasury shares (Note 15)	-	-	(5,791)	-	-	(5,791)
Profit for the year	-	-	-	-	2,952	2,952
Other comprehensive loss	-	-	-	(69,308)	-	(69,308)
Total comprehensive (loss)/income for the year	-	-	-	(69,308)	2,952	(66,356)
Balance at 31 Dec 2020	320,939	1,850,965	(37,517)	(59,982)	1,287,880	3,362,285
Balance at 1 Jan 2019	320,939	1,850,965	(31,726)	33,111	1,392,441	3,565,730
Dividends paid (Note 17)	-	-	-	-	(54,258)	(54,258)
Loss for the year	-	-	-	-	(1,337)	(1,337)
Other comprehensive loss	-	-	-	(23,785)	-	(23,785)
Total comprehensive loss for the year	-	-	-	(23,785)	(1,337)	(25,122)
Balance at 31 Dec 2019	320,939	1,850,965	(31,726)	9,326	1,336,846	3,486,350

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

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US$'000	2019 US$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		3,355	(821)
Adjustments for:			
Interest expense	6	-	87
Interest income		(4)	(1)
Waiver of payables to subsidiary		(4,045)	-
Operating cash flows before working capital changes		(694)	(735)
Changes in operating assets and liabilities:			
Accrued operating expenses		34	10
Payable to third parties		1	-
Other current assets		(16)	-
Cash used in operations		(675)	(725)
Interest received		4	1
Tax paid		(403)	(516)
Net cash used in operating activities		(1,074)	(1,240)
Cash flows from investing activities			
Disbursement of loans and advances to subsidiaries		(233)	(170)
Payment for long-term investments		(48,455)	(33,165)
Net cash used in investing activities		(48,688)	(33,335)
Cash flows from financing activities			
Proceeds from loans and advances from subsidiaries, net	14	107,928	88,803
Payment of dividends		(51,918)	(54,258)
Payment for shares buy back	15	(5,791)	-
Net cash generated from financing activities		50,219	34,545
Net increase/(decrease) in cash and cash equivalents		457	(30)
Cash and cash equivalents at the beginning of the year		58	88
Cash and cash equivalents at the end of the year	9	515	58

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

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 18 March 2021.

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 2020. 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, *Classification of Liabilities as Current and Non-Current*	1 January 2023
Amendments to IAS 1, *Disclosure of Accounting Policies and IFRS Practice Statement 2 – Making Materiality Judgements*	1 January 2023
Amendments to IAS 8, *Definition of Accounting Estimates*	1 January 2023
Amendments to IFRS 3, *Reference to the Conceptual Framework*	1 January 2022
Improvements to IFRS 9, *Financial Instruments*	1 January 2022

The directors expect the adoption of the standards above will have no material financial impact on the financial statements in the period of initial application.

3 Summary of 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 Accounting Policies (cont'd)

(e) 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. 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.

3 Summary of 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 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.

3 Summary of 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 2019.

The Company is not subjected to externally imposed capital requirements.

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 2020 and 2019 is as follows:

	2020 US$'000	2019 US$'000
Loans and advances from subsidiaries	233,231	129,348
Less: Cash and cash equivalents	(515)	(58)
Net debts	232,716	129,290
Equity	3,362,285	3,486,350
Debts-to-equity ratio (times)	0.07	0.04

(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.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(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 Aa3. 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.

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:

	2020 US$'000	2019 US$'000
Corporate guarantees provided to financial institutions on trade and banking facilities of subsidiaries:		
- Total facilities	2,933,506	3,029,395
- Total outstanding	2,222,386	2,397,838
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
- Total facilities	575,098	764,669
- Total outstanding	490,571	514,019

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.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(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 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
At 31 December 2020				
Payable to third parties	8	-	-	8
Loans and advances from subsidiaries, unsecured	1,418	231,813	-	233,231
Financial guarantee contracts	1,642,329	870,220	200,408	2,712,957
	1,643,755	1,102,033	200,408	2,946,196
At 31 December 2019				
Payable to third parties	7	-	-	7
Loans and advances from subsidiaries, unsecured	129,348	-	-	129,348
Financial guarantee contracts	1,637,084	1,026,107	248,666	2,911,857
	1,766,439	1,026,107	248,666	3,041,212

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 loss recognised in the financial statements.

5 Critical Accounting Estimate, Assumption and Judgement (cont'd)

(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 12 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$69,308,000 (2019: US$23,785,000) in other comprehensive income.

6 Financial Expenses

	2020 US$'000	2019 US$'000
Interest expenses on loans from subsidiaries	-	87

7 Profit/(Loss) before Income Tax

This is arrived at after charging:

	2020 US$'000	2019 US$'000
Audit fees paid/payable to auditors	236	239
Non-audit services paid/payable to auditors	3	-

8 Income Tax

	2020 US$'000	2019 US$'000
Income tax expense attributable to the results is made up of:		
- Under-provision in respect of prior years' income tax	403	516

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:

	2020 US$'000	2019 US$'000
Profit/(Loss) before income tax	3,355	(821)
Tax calculated at tax rate of 15% (2019: 15%)	503	(123)
(Non-taxable income)/Non-deductible expenses	(480)	4
Utilisation of previously unrecognised tax losses	(23)	-
Unrecognised deferred tax assets	-	119
Under-provision in respect of prior years' current income tax	403	516
	403	516

8 **Income Tax** (cont'd)

The Company has been established as a "Category 1 Global Business Licence Company" for the purpose of the Financial Services Act 2007 (grandfathering provisions apply up to 30 June 2021). The profit of the Company, as adjusted for income tax purposes, is subject to income tax at 15%. It is, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid and 80% of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. Interest income from any bank under the Banking Act 2004 is exempt from tax and there is no tax on capital gains in Mauritius.

At 31 December 2020, the Company had accumulated tax losses of US$640,000 (2019: US$793,000) and is therefore not liable to income tax. These unutilised tax losses will expire in 2024 and 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.

9 **Cash and Cash Equivalents**

	2020 US$'000	2019 US$'000
Cash at banks are denominated in:		
- Singapore dollar	433	37
- United States dollar	82	21
	515	58

10 **Other Current Assets**

	2020 US$'000	2019 US$'000
Prepaid expenses	26	10
Deposit	1	1
Advances to subsidiaries, unsecured	2,734	-
	2,761	11

The advances to subsidiaries are non-trade in nature, interest-free and repayable on demand.

The other current assets are denominated in the following currencies:

	2020 US$'000	2019 US$'000
United States dollar	2,568	8
Singapore dollar	193	3
	2,761	11

11 Interest in Subsidiaries

	2020 US$'000	2019 US$'000
Investment in unquoted equity shares, at cost	3,429,024	3,429,024
Interest-free loans and advances to subsidiaries, unsecured	-	2,501
	3,429,024	3,431,525

During the current financial year, the interest-free loans and advances to subsidiaries had been reclassified to short-term advances.

The loans and advances to subsidiaries are denominated in the following currencies:

	2020 US$'000	2019 US$'000
United States dollar	-	2,409
Singapore dollar	-	92
	-	2,501

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	
		2020	2019	2020	2019
		%	%	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	Investment holding	100	100	-*	-*
Easton Capital Resources Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Agri Capital Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	1,144,652	1,144,652
Golden Agri International Finance Ltd Mauritius	Treasury management	100	100	-*	-*
Golden Agri International Finance (2) Ltd (a)(ii) British Virgin Islands	Treasury management	100	100	-*	-*
Golden Agri International (Mauritius) Ltd Mauritius	Investment holding and business and management consultancy services	100	100	-*	-*

11 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 2020 %	2019 %	Cost of investment 2020 US$'000	2019 US$'000
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. *(formerly known as "Sinarmas Food Pte. Ltd.")* (a)(iv) Singapore	Investment holding	100	100	-*	-*
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	-*	-*

11 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 2020	2019	Cost of investment 2020	2019
		%	%	US$'000	US$'000
Madascar Investment Ltd Mauritius	Investment holding	100	100	67,600	67,600
PT Purimas Sasmita (a)(i),(b) Indonesia	Investment holding, building management services, business and management consultancy and trading	100	100	646,360	646,360
				3,429,024	3,429,024

* Cost of investment is less than US$1,000.

Notes:

(a) The above subsidiaries are audited by Moore Mauritius except for subsidiaries that are indicated below:

(i) Audited by member firms of Moore Global Network Limited of which Moore Mauritius is a member.

(ii) No statutory audit required by law in its country of incorporation.

(iii) Audited by other firm of accountants, Alan Chan & Company, Certified Public Accountants (Practising).

(iv) Statutory audit is not required as the subsidiary is inactive.

(v) Audited by KBCF Tan, Chartered Accountants and member firms of Moore Global Network Limited for the financial year 2020 and 2019 respectively.

(b) 86.04% of the share capital in PT Purimas Sasmita is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

12 Long-Term Investments

	2020 US$'000	2019 US$'000
Equity securities at FVOCI	163,592	184,445

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 9.18% (2019:18.18%).	The estimated fair value increases as the estimated discount rate per annum decreases.
Average selling price of US$639 (2019:US$620) per metric tonne.	The estimated fair value increases as the estimated selling price increases.

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$20.2 million.

Movements in Level 3 financial assets measured at fair value are as follows:

	2020 US$'000	2019 US$'000
Equity Securities at FVOCI		
Balance at 1 January	184,445	175,065
Additions	48,455	33,165
Changes in fair value recognised in other comprehensive income	(69,308)	(23,785)
Balance at 31 December	163,592	184,445

13 Payable to Third Parties

Payable to third parties are denominated in Singapore dollar. As at 31 December 2020 and 2019, the carrying amounts of payable to third parties approximate their fair values due to the relatively short-term maturity of these balances.

14 Loans and Advances from Subsidiaries, Unsecured

	2020 US$'000	2019 US$'000
Loans and advances from subsidiaries, unsecured:		
- Current	1,418	129,348
- Non-current	231,813	-
	233,231	129,348

The loans and advances from subsidiaries are interest-free and denominated in the following currencies:

	2020 US$'000	2019 US$'000
United States dollar	232,389	128,572
Others	842	776
	233,231	129,348

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 calculated based on discounted expected future cash flows. The discount rate used is based on market rate for similar instruments at the end of the reporting period. As at 31 December 2020, the carrying amount of the non-current loans and advances from subsidiaries approximates its fair value.

The reconciliation of movement of liabilities to cash flows arising from financing activities is presented as follows:

	2020 US$'000	2019 US$'000
Balance at 1 January	129,348	40,458
Additions	107,928	88,803
Non-cash changes:		
Waiver of payables to subsidiary	(4,045)	-
Interest expense	-	87
Balance at 31 December	233,231	129,348

15 Issued Capital and Treasury Shares

	No. of ordinary shares		Amount	
	Issued capital	Treasury shares	Issued capital	Treasury shares
			US$'000	US$'000
Issued and fully paid:				
Balance at 31 December 2019				
and 1 January 2020	12,837,548,556	(102,792,400)	320,939	(31,726)
Treasury shares purchased	-	(42,683,100)	-	(5,791)
Balance at 31 December 2020	12,837,548,556	(145,475,500)	320,939	(37,517)

The Company acquired 42,683,100 of its own shares in the open market during the current financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of US$5,791,000 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.

16 Related Party Transactions

Other than the related party information disclosed elsewhere in the financial statements, there are no significant transactions with related parties.

17 Dividends

	2020	2019
	US$'000	US$'000
Ordinary dividends paid:		
Final dividend paid in respect of the previous year of		
S$0.0058 (2019: S$0.0058) per share	51,918	54,258

At the Annual Meeting to be held on 28 April 2021, a final dividend (tax not applicable) of S$0.0048 per share, amounting to S$60,921,950.67 (equivalent to approximately US$46,083,000) 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 2021.

Shareholding Statistics

AS AT 11 MARCH 2021

STATED CAPITAL	:	US$2,134,387,077.32
NUMBER OF SHARES ISSUED (A) (excluding treasury shares and subsidiary holdings)	:	12,692,073,056
NUMBER OF TREASURY SHARES HELD (B)	:	145,475,500
NUMBER OF SUBSIDIARY HOLDINGS HELD (C)	:	Nil
PERCENTAGE OF (B) AND (C) AGAINST (A)	:	1.15%
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	816	2.27	37,039	0.00
100 – 1,000	3,375	9.38	1,767,514	0.02
1,001 – 10,000	13,929	38.72	84,037,556	0.66
10,001 – 1,000,000	17,717	49.25	1,104,260,598	8.70
1,000,001 & ABOVE	136	0.38	11,501,970,349	90.62
Total	**35,973**	**100.00**	**12,692,073,056**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
RAFFLES NOMINEES (PTE) LIMITED	3,388,761,954	26.70
DBS NOMINEES PTE LTD	2,037,451,332	16.05
BANK J. SAFRA SARASIN LTD, SINGAPORE BRANCH	1,250,000,000	9.85
HSBC (SINGAPORE) NOMINEES PTE LTD	1,151,377,079	9.07
CITIBANK NOMINEES SINGAPORE PTE LTD	852,446,393	6.72
MASSINGHAM INTERNATIONAL LTD	777,047,817	6.12
UOB KAY HIAN PTE LTD	479,639,002	3.78
GOLDEN MOMENT LIMITED	475,000,000	3.74
FLAMBO INTERNATIONAL LIMITED	260,000,000	2.05
DBSN SERVICES PTE LTD	195,451,775	1.54
OCBC SECURITIES PRIVATE LTD	104,327,960	0.82
PHILLIP SECURITIES PTE LTD	61,482,802	0.49
UNITED OVERSEAS BANK NOMINEES PTE LTD	32,737,370	0.26
DB NOMINEES (SINGAPORE) PTE LTD	24,271,970	0.19
DBS VICKERS SECURITIES (S) PTE LTD	23,756,573	0.19
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	23,341,897	0.18
MORGAN STANLEY ASIA (S) SECURITIES PTE LTD	23,093,775	0.18
MAYBANK KIM ENG SECURITIES PTE.LTD	22,658,236	0.18
BNP PARIBAS NOMINEES SINGAPORE PTE LTD	15,293,665	0.12
OCBC NOMINEES SINGAPORE PTE LTD	11,070,708	0.09
TOTAL	**11,209,210,308**	**88.32**

SUBSTANTIAL SHAREHOLDERS

	No. of Shares in which they have an Interest				
Name	**Direct Interest**	**Percentage % (1)**	**Deemed Interest**	**Percentage % (1)**	**Total Percentage (Direct and Deemed Interest) % (1)**
ASCENT WEALTH INVESTMENT LIMITED ("Ascent")	1,050,000,000	8.27	-	-	8.27
MASSINGHAM INTERNATIONAL LTD ("MIL")	2,032,197,897	16.01	-	-	16.01
GOLDEN MOMENT LIMITED ("Golden Moment")	3,070,000,000	24.19	-	-	24.19
FLAMBO INTERNATIONAL LIMITED ("Flambo")(2)	260,000,000	2.05	6,152,197,897	48.47	50.52
THE WIDJAJA FAMILY MASTER TRUST(2) ("WFMT(2)")(3)	-	-	6,412,197,897	50.52	50.52
SILCHESTER INTERNATIONAL INVESTORS LLP ("SII")(4)	-	-	1,529,796,300	12.05	12.05
KOPERNIK GLOBAL INVESTORS, LLC ("KGI")(5)	-	-	636,828,400	5.02	5.02

Notes:

(1) Percentage is calculated based on 12,692,073,056 issued shares (excluding treasury shares and subsidiary holdings) as at 11 March 2021.
(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 8 August 2018, 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 18 September 2020, KGI has a deemed interest in the shares as it has discretionary power in the disposal rights over shares as an investment adviser.

Based on the information available to the Company as at 11 March 2021, approximately 32.22%(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 by electronic means on **Wednesday, 28 April 2021 at 2.00 p.m.** (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2020 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To declare a final dividend of S$0.0048 per ordinary share for the year ended 31 December 2020. **(Resolution 2)**

3. To approve Directors' Fees of S$413,153 for the year ended 31 December 2020. (FY2019: S$450,586) **(Resolution 3)**

4. To re-appoint the following Directors:

(i) Mr. Foo Meng Kee, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 4)**

(ii) Mr. Christian G H Gautier De Charnacé, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 5)**

(iii) Mr. Khemraj Sharma Sewraz, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 6)**

(iv) Mr. Muktar Widjaja, retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited. **(Resolution 7)**

{please see note 1}

5. To re-appoint Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**

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." *{please see note 2}* **(Resolution 9)**

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, Chapter 50 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

(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 10)**

Renewal of Interested Person Transactions Mandate

6C. "(a) That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, 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 any party who is of the class of Interested Persons described in the said Appendix 2, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the said Appendix 2 (the "**IPT Mandate**");

(b) That the IPT Mandate shall, unless revoked or varied by the Company in members meeting, continue in force until the next annual meeting of the Company; and

(c) 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 IPT Mandate and/or this Resolution." *{please see note 5}* **(Resolution 11)**

By Order of the Board

Rafael Buhay Concepcion, Jr.
Director
7 April 2021
Singapore

Notes:

(i) Due to the current COVID-19 pandemic, to minimise physical interactions and COVID-19 transmission risks, the Annual Meeting will be held by electronic means.

(ii) In view thereof, members will not be able to attend the Annual Meeting in person. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual Meeting are set out hereinbelow. This Notice of Annual Meeting can be accessed on the SGXNET website at the URL https://www.sgx.com/securities/company-announcements. Any reference to a time of day is made by reference to Singapore time.

(iii) As the Annual Meeting will be held by electronic means, a member of the Company will be able to observe the proceedings of the Annual Meeting through a "live" webcast ("**Live Webcast**") via his/her/its mobile phones, tablets or computers or listen to the Annual Meeting proceedings through a "live" audio feed ("**Audio Only Means**") via telephone. In order to do so, a member of the Company who wishes to watch the Live Webcast or listen via the Audio Only Means must register by **2.00 p.m. on Sunday, 25 April 2021**, at the URL https://globalmeeting.bigbangdesign.co/goldenagri/. Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions by **2.00 p.m. on Tuesday, 27 April 2021**, on how to access the Live Webcast and Audio Only Means to observe the Annual Meeting proceedings.

(iv) A member of the Company who registers to watch the Live Webcast or listen via the Audio Only Means may also submit questions related to the resolutions to be tabled for approval at the Annual Meeting. To do so, all questions must be submitted by **2.00 p.m. on Sunday, 25 April 2021** via the following:

(a) pre-registration link at URL https://globalmeeting.bigbangdesign.co/goldenagri/; or

(b) email to: investor@goldenagri.com.sg

The Company will endeavor to address all substantial and relevant questions received from members prior to the Annual Meeting, and publish its response on the SGXNET at URL https://www.sgx.com/securities/company-announcements.

(v) If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual Meeting, he/she/it must appoint the Chairman of the Annual Meeting ("**Chairman**") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual Meeting. In appointing the Chairman as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

(vi) The Chairman, as proxy, need not be a member of the Company.

(vii) The instrument appointing the Chairman as proxy, 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 c/o 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 Sunday, 25 April 2021** being not less than seventy-two (72) hours before the time appointed for holding the Annual Meeting (or at any adjournment thereof) and in defaults the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 pandemic and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post or in person, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

(viii) The instrument appointing the Chairman as proxy must be under the hand of the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing the Chairman as proxy 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 instrument of proxy may be treated as invalid.

(ix) Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including investors holding through Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**"), who wish to appoint the Chairman as proxy, should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares, to submit their votes at least seven (7) working days before the time appointed for the holding of the Annual Meeting.

Additional Notes relating to the Notice of Annual Meeting:

1. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2020 for further information on each of Mr. Foo Meng Kee, Mr. Christian G H Gautier De Charnacé, Mr. Khemraj Sharma Sewraz and Mr. Muktar Widjaja. Mr. Foo Meng Kee, Mr. Christian G H Gautier De Charnacé and Mr. Khemraj Sharma Sewraz are considered to be independent. If re-appointed, both Mr. Foo and Mr. Gautier De Charnacé will remain as members of the Audit Committee.

Golden Agri-Resources Ltd
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

2. Resolution 9, 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 10, 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 Company with financial institutions in which Interested Persons have an interest.

5. Resolution 11, 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.

GOLDEN AGRI-RESOURCES LTD
(Incorporated in the Republic of Mauritius)
(Company No. 17099/2833)

ANNUAL MEETING PROXY FORM

I/We,____ (Name)

________________________________(NRIC/Passport/Company Registration Number)

of____ (Address)

being a member/members of Golden Agri-Resources Ltd (the **"Company"**) hereby appoint the Chairman of the Meeting ("**Chairman**") as my/our proxy/proxies to vote for me/us on my/our behalf at the annual meeting of the Company (the "**Annual Meeting**") to be held by electronic means on **Wednesday, 28 April 2021 at 2.00 p.m.** (Singapore time), and at any adjournment thereof in the following manner as specified below.

NOTE: Voting on all resolutions will be conducted by poll. If you wish to exercise 100% of your votes "**For**" or "**Against**" a resolution, please indicate with an "X" in the corresponding box against the resolution. If you wish to "**Abstain**" from voting on a resolution, please indicate with an "X" in the corresponding box against that resolution. If you wish to split your votes, please indicate the number of votes "**For**" and/or "**Against**" and/or "**Abstain**" in the corresponding box against that resolution. In the absence of specific directions, the appointment of the Chairman as your proxy will be treated as invalid.

(Please indicate your vote "For" or "Against" or "Abstain" with an "X" within the box provided.)

No.	Resolutions	For	Against	Abstain
	ORDINARY BUSINESS			
1	Adoption of Audited Financial Statements for the year ended 31 December 2020 together with the Directors' and Auditors' Reports thereon			
2	Declaration of Final Dividend for the year ended 31 December 2020			
3	Approval of Directors' Fees for the year ended 31 December 2020			
4	Re-appointment of Mr. Foo Meng Kee			
5	Re-appointment of Mr. Christian GH Gautier De Charnacé			
6	Re-appointment of Mr. Khemraj Sharma Sewraz			
7	Re-appointment of Mr. Muktar Widjaja			
8	Re-appointment of Auditors			
	SPECIAL BUSINESS			
9	Renewal of Share Issue Mandate			
10	Renewal of Share Purchase Mandate			
11	Renewal of Interested Person Transactions Mandate			

Dated this _______ day of __________________ 2021.

Total Number of Shares held in:	
(a) CDP 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.

4th fold and glue all sides firmly. Stapling & spot sealing is disallowed.

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

4th fold and glue all sides firmly. Stapling & spot sealing is disallowed.

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Notes:

1. 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, this proxy form will be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 pandemic, to minimise physical interactions and COVID-19 transmission risks, a member of the Company will not be able to attend the Annual Meeting in person. A member of the Company (whether individual or corporate) must appoint the Chairman as his/her/its proxy to vote on his/her/its behalf at the Annual Meeting if such member wishes to exercise his/her/its voting rights at the Annual Meeting. In appointing the Chairman as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of each of the resolutions in the proxy form, failing which the appointment of the Chairman as your proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("**Investors**") (including investors holding through Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead 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 7 working days before the date of the Annual Meeting to submit his/her vote.
4. This proxy form, duly completed and signed, must be submitted to the Company **not less than seventy-two (72) hours before the time appointed for the Annual Meeting** in the following manner:
   (a) by depositing a physical copy at its correspondence address at c/o 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535; or
   (b) if submitted electronically, by email to the Company at investor@goldenagri.com.sg

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In view of the current COVID-19 pandemic and the related safe distancing measures which may make it difficult for members of the Company to submit proxy forms by post or in person, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or of his/her/its 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 in writing.
6. 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.
7. 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.
8. 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/her 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 7 April 2021.

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Sinar Mas Agribusiness and Food