gar
agribusiness and food

BUILDING A RESILIENT BUSINESS

Innovation AND Sustainability

GOLDEN AGRI-RESOURCES LTD

ANNUAL REPORT 2019

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Brief Profile

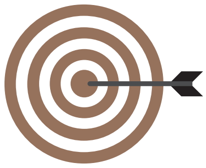
LISTED ON THE SINGAPORE EXCHANGE SINCE 1999, GOLDEN AGRI-RESOURCES LTD IS ONE OF THE LEADING INTEGRATED PALM OIL PLANTATION COMPANIES IN THE WORLD, GENERATING REVENUE OF US$6.4 BILLION AND UNDERLYING PROFIT OF US$272 MILLION IN 2019.

GAR is focused on sustainable palm oil production. Our primary activities start from cultivating almost 500 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.

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

2019 Milestones

MARCH

Finalist in Asia Sustainability Reporting Awards for:
- Asia's Best Supply Chain Reporting
- Asia's Best Online Sustainability Report
- Asia's Best Materiality Reporting
- Asia's Best Environmental Reporting

MAY

Winner of Winsemius Award 2019 in the Manufacturing and Supply Chain category, awarded by ADB-DutchCham

JULY

FTSE4Good

INDONESIA MOST INNOVATIVE BUSINESS AWARD 2019

- GAR is confirmed as FTSE4Good Index constituent for the second year
- First low 3-MCPD plant is in operations in Sumatra
- PT SMART Tbk, GAR's main subsidiary – Indonesia Most Innovative Business Award 2019, as the most innovative company in deforestation monitoring technology

AUGUST

SINGAPORE ENVIRONMENTAL ACHIEVEMENT AWARDS

- A merit winner for the SEC-CITIC Telecom Singapore Environmental Achievement Awards under the regional category by Singapore Environment Council
- A Special Recognition Community at the Sustainable Business Awards 2019
- PT SMART Tbk – Indonesia Best Issuers Award 2019 in Agriculture Sector from Pikiran Rakyat and ThinknovateComm

NOVEMBER

- GAR is ranked as an Achiever in Child Rights – assessment by Global Child Forum and Boston Consulting Group
- Adding a niche sugar trading business through absorption of RCMA business

DECEMBER

Full Traceability to the Plantation for 78% of the palm oil supply chain

Financial Highlights

	2019	2018	2017	2016
Consolidated Income Statement (US$'000)				
Revenue	**6,431,799**	7,167,428	7,507,599	7,208,849
Gross profit	**831,467**	1,006,834	1,097,406	1,014,387
EBITDA[1,9]	**696,695**	572,975	664,651	571,660
Underlying profit[2,9]	**271,815**	180,717	253,837	186,277
Net profit/(loss)[3]	**193,977**	(1,772)	74,032	399,619
Weighted average number of shares (million shares)	**12,735**	12,735	12,735	12,735
Underlying profit[2] per share (US$ cents)	**2.13**	1.42	1.99	1.46
Earnings/(loss) per share (US$ cents)	**1.52**	(0.01)	0.58	3.14
Consolidated Statement of Financial Position (US$'000)				
Total assets	**8,779,331**	8,545,580	8,137,780	8,306,415
Total current assets	**2,962,957**	2,885,498	2,874,675	2,776,057
Total current liabilities	**2,737,105**	2,490,902	2,597,794	2,715,100
Total non-current liabilities	**1,536,782**	1,744,598	1,431,433	1,495,364
Non-controlling interests	**148,376**	141,436	101,570	42,201
Equity attributable to owners of the Company	**4,357,068**	4,168,644	4,006,983	4,053,750
Ratios				
Gross profit margin	**12.9%**	14.0%	14.6%	14.1%
EBITDA[1] margin	**10.8%**	8.0%	8.9%	7.9%
Underlying profit[2] margin	**4.2%**	2.5%	3.4%	2.6%
Net profit/(loss)[3] margin	**3.0%**	(0.02)%	1.0%	5.5%
Return on equity[4]	**6.2%**	4.3%	6.3%	4.6%
Return on assets[5]	**3.1%**	2.1%	3.1%	2.2%
Current ratio (times)	**1.08**	1.16	1.11	1.02
Net debt to equity[6] (times)	**0.35**	0.40	0.41	0.43
Receivable turnover[7] (days)	**29**	26	25	26
Inventory turnover[8] (days)	**66**	59	56	50
Other Information				
Average CPO price - FOB Belawan (US$ per tonne)	**523**	565	682	664

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 value of biological assets, depreciation of bearer plants, exceptional items, foreign exchange gain or loss, and deferred tax income or expense

3 Net profit/(loss) = net profit or loss 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

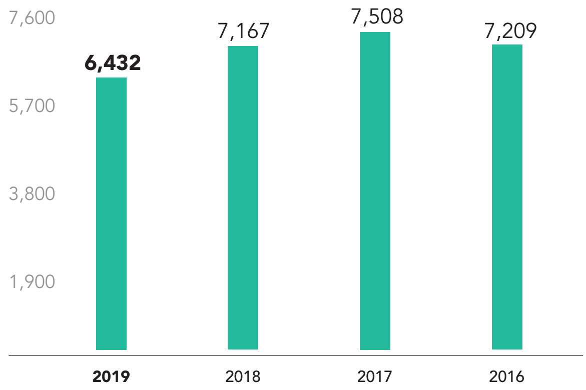
6 Net debt to equity = (total borrowings - cash and cash equivalents - short-term investments - liquid working capital) / total equity

7 Receivable turnover = average trade receivables / revenue x 365

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

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

REVENUE (in US$ million)

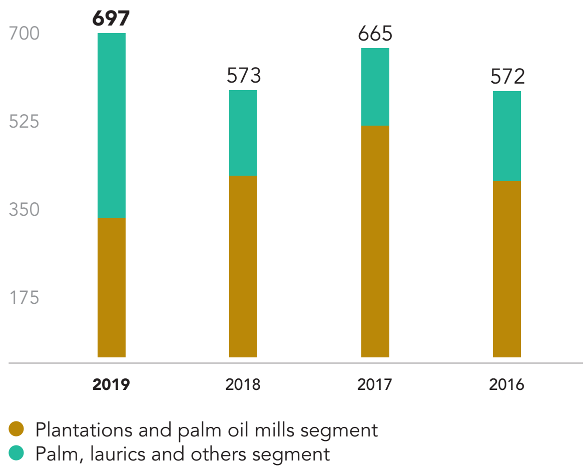


Revenue

US$6.43 billion ▼10%

affected by weaker CPO market prices

EBITDA (in US$ million)

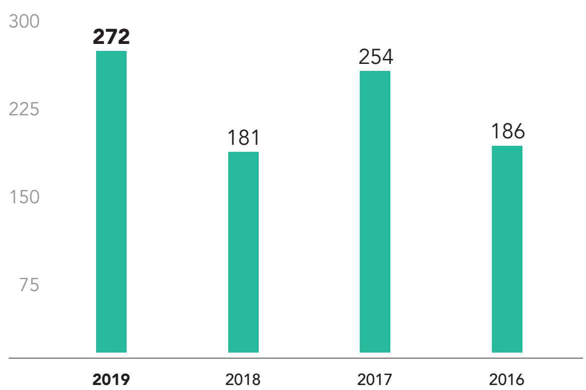


EBITDA

US$697 million ▲22%

expanded contribution from palm, laurics and others segment

UNDERLYING PROFIT (in US$ million)



Dividend

Proposed at

S$0.58 cents per share

for FY2019 income

Chairman's Statement

Multiple opportunities in technology advancement are presenting themselves to the palm oil industry at a pace we have never seen before. GAR aims to be at the forefront of this evolving trend by intensifying strategic efforts to transform our business and build new competitive advantages.

Franky Oesman Widjaja
Chairman and Chief Executive Officer

DEAR SHAREHOLDERS,

The Board is pleased to see Golden Agri-Resources Ltd (GAR) ending financial year 2019 (FY2019) on a high note. The commendable performance of our downstream business balanced the adverse impact of lower average Crude Palm Oil (CPO) prices during the year. This validates GAR's strategy over the last several years of investing in and growing a diverse fully integrated operation to provide business resiliency against price fluctuations of the type seen for most of the FY2019.

ROBUST 2019 PERFORMANCE WITH EXPANDED CONTRIBUTION FROM DOWNSTREAM BUSINESS

In FY2019, GAR registered revenue of US$6.43 billion with expanded sales volume of palm oil derivative products. Despite soft CPO market prices during the year, GAR was able to increase EBITDA by 22 percent to US$697 million with the core growth mainly coming from the downstream business. Net profit reversed to US$194 million from a loss position last year. The turnaround also benefitted from a higher net fair value gain on financial assets in accordance with IFRS 9 as well as foreign exchange gain recorded during the year.

The performance of our upstream business continues to be dependent on CPO market prices. The decline in prices combined with lower production volume resulted in upstream EBITDA margin decreasing to 23 percent. In FY2019, our oil palm trees produced six percent less fruit as yield was affected by dry weather conditions and a slight decline in mature area due to the replanting programme. Palm product output was at 2.91 million tonnes, translating into a yield of 5.8 tonnes per hectare, still amongst the highest in the industry.

Our palm and laurics downstream business performed notably well during the current year. Sales volume of the downstream segment continued to grow as we expanded destination sales and increased the proportion of value added products, including biodiesel. As a result, we achieved robust performance amidst depressed CPO prices with the downstream business contribution accounting for 57 percent of our total consolidated EBITDA in the current year.

As at end 2019, total assets grew to almost US$8.78 billion with our continued investments in replanting and enhancement of our downstream processing assets, as well as the net fair value gain on financial assets recorded during the year. Our gearing (net debt to equity ratio) remained healthy at 0.35 times. Notwithstanding this, we aim to deleverage when cash flow improves to further strengthen our financial position.

For FY2019 income, the Board proposes to distribute final dividend of 0.58 Singapore cents per share, the same amount as the previous year's distribution. The dividend represents 20 percent of underlying profit, in line with GAR's dividend policy. The percentage of underlying profit was lower compared to prior year's distribution as part of our precautionary measures against the current outbreak of COVID-19.

INNOVATION FOR STRENGTHENING BUSINESS RESILIENCY

Multiple opportunities in technology advancement are presenting themselves to the palm oil industry at a pace we have never seen before. GAR aims to be at the forefront of this evolving trend by intensifying strategic efforts to transform our business and build new competitive advantages. GAR is excited to embrace innovative ways of working to achieve a higher level of efficiency and productivity in all areas.

GAR is recognised as one of the most productive companies in the palm oil industry. In sustaining high productivity, our replanting programme has been accelerated, refreshing the estates with latest-generation, higher-yielding planting materials. The newer estates are developed according to modern best practice standards to transform our yield curve. The anticipated yield improvement will bring down production cost per tonne substantially, thereby strengthening our resiliency to future price volatility.

Over the years, we have successfully broadened the global market for palm based value added products. This covers an extensive portfolio of sustainable and quality products for food, industrial and bio-energy usage. We continue to harness these competitive strengths by enhancing the capability of our Indonesian refineries in generating new product variants, such as low 3-MCPD products, to meet increasing customer demands. We also plan to expand the capacity of our biodiesel facility in Kalimantan in order to support the government's biodiesel programme. We will further leverage our established global destination markets in over 70 countries to extract value across the supply chain.

CHAIRMAN'S STATEMENT

OUR PROGRESS TOWARDS RESPONSIBLY PRODUCED PALM OIL

In FY2019, we continued to make good progress towards achieving responsibly produced palm oil. We completed traceability to the plantation (TTP) for 78 percent of our palm supply chain and are confident we will hit the target of 100 percent TTP by end 2020.

Aside from providing our customers verified information on where and from whom we source our raw materials, we have been using traceability to strengthen our relationship with our suppliers. This has enabled us to help them further progress towards compliance with our sustainability commitments. We continue to support our suppliers through targeted training on key issues like human rights, Free, Prior and Informed Consent (FPIC) implementation and responsible labour practices.

We extended support to independent smallholders through the Independent Farmers Replanting Programme and other schemes. As of 2019, over 5,500 smallholders have enrolled in these schemes and are improving their productivity, livelihoods and income.

A challenging fire season in 2019 put our fire management procedures to the test. With our strict adherence to the Zero Burning Policy and our strengthened fire management processes, we were able to keep the fire-affected areas contained, and 99.5 percent of our area was not affected. With Global Forest Watch reporting that the vast majority of fires occurred outside palm oil plantations, we remain committed to long-term fire prevention with communities around us through our Desa Makmur Peduli Api programme.

In 2019, GAR joined a pioneering industry initiative to improve surveillance of deforestation in Indonesia. Together with nine major palm oil producers and buyers, we are funding the development of a new, radar-based forest monitoring system known as Radar Alerts for Detecting Deforestation (RADD). This will make it easier for us to see deforestation happening in near-real-time and to take speedy follow-up actions.

To assist the Board in its oversight responsibilities relating to sustainability matters, GAR's Sustainability Committee, comprising the senior leadership team, meets regularly to guide the development and

With issues like climate change and the preservation of the natural world becoming more urgent than ever, we believe our efforts are not just key to sustainable development but also critical to our industry which relies on stable climate conditions.

implementation of GAR's sustainability strategy. The Committee reports to myself and the Board, and is responsible for determining our material sustainability issues, and their management. The Board receives regular updates on our sustainability performance and considers our material issues as part of its strategy formulation.

Our work towards responsible palm oil also supports the UN Sustainable Development Goals. With issues like climate change and the preservation of the natural world becoming more urgent than ever, we believe our efforts are not just key to sustainable development but also critical to our industry which relies on stable climate conditions.

STRONG FUNDAMENTALS REMAIN THOUGH SHORT TERM VOLATILITY EXPECTED

At the end of 2019, the palm oil industry saw a tightening supply and demand situation and CPO price continued its recovery in early 2020. Global supply growth is estimated to be muted in 2020 given dry weather conditions and less fertiliser application by smaller operators last year. Meanwhile, a major source of demand growth is coming from Indonesia with the full implementation of the B30 biodiesel mandate. However, the global proliferation of the COVID-19 virus is a new risk factor. While we continue to monitor development of the outbreak closely, we expect the impact on palm oil demand to be short term.

Moving forward, a few things are certain. With global population growth and rising standards of living, people are looking for more responsible options to provide food needs while protecting the environment. In addition, global energy demands are growing and sustainably produced and renewable alternatives to fossil fuels are needed. There is no doubt that palm oil is the most efficient among other vegetable oils, in terms of highest yields and lowest production cost. We maintain our firm belief that palm oil will continue serving a key role in efficiently addressing growing worldwide demand for food amidst the limited availability of arable land. It also has an important role to play in the bio-energy sector. The Indonesian government has progressively increased its biodiesel mixture mandates. And despite, current concerns about palm oil's role in bio-energy in other markets we see long-term opportunities for this renewable energy option.

BOARD REFRESHMENT AND APPRECIATION

GAR's Board membership has been refreshed with the joining of Mr Khemraj Sharma Sewraz as Non-Executive Independent Director of the Company. We welcome Mr Sewraz in bringing diverse insights to our business with his broad experience in the audit, tax and advisory fields. At the same time, we would like to thank Mr William Chung Nien Chin for his valuable contribution to GAR during his service.

We believe the commitment of our people enables GAR to weather challenges and industry volatility. We are, therefore, deeply appreciative of everyone's hardwork, cooperation and support of GAR, not only from our employees, but also from our customers, creditors, business partners, shareholders and all other stakeholders. With their continued strength of commitment, GAR will strive to be the best partner to all our stakeholders in the global palm oil business.

Franky Oesman Widjaja
Chairman and Chief Executive Officer
17 March 2020

Board of Directors

From left to right: Khemraj Sharma Sewraz, Rafael Buhay Concepcion, Jr., Foo Meng Kee, 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 62, 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; and 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. Mr. Franky Widjaja was Co-Chair of WEF: Grow Asia until August 2019.

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.

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 (2017 – 2019):
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

From left to right: Franky Oesman Widjaja, Lew Syn Pau, Kaneyalall Hawabhay, Christian G H Gautier De Charnacé

Director from December 2006 to 28 February 2018. His last re-appointment as a Director was in 2018.

Mr. Muktar Widjaja, aged 65, 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 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 (2017 – 2019):
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 53, 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 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 (2017 – 2019):
Nil

BOARD OF DIRECTORS

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 the Company from 1999 to May 2007. His last re-appointment as a Director was in 2017.

Mr. Lew, aged 66, 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
- Food Empire Holdings Ltd
- Golden Energy and Resources Limited
- SUTL Enterprise Limited
- Sinarmas Land Limited

Other principal commitments:
Nil

Past directorships in other Singapore listed companies (2017 – 2019):
- Poh Tiong Choon Logistics Limited (delisted on 4 January 2018)

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. Mr. Foo joined the Board of Directors of GAR in 2017 and his last re-appointment as a Director was in 2018.

Mr. Foo, aged 70, 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 (2017 – 2019):
- Jiutian Chemical Group Limited
- Lee Metal Group Ltd
- Sinarmas Land Limited

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 2019.

Mr. Gautier De Charnacé, aged 70, 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 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 on the London Stock Exchange on 11 October 2019.

Mr. Gautier De Charnacé was CEO Investment Banking Asia Pacific at BNP Paribas Bank ("BNP") prior to retiring in 2017, having held that position since 2013. He was with

BNP since 1980. When he was with BNP, he was Head of Paribas branches and region in Seoul, Taipei and Los Angeles / Western US region (1980 - 1990); Managing Director and Head of Asia Pacific region based in Paris (1991 - 1993); Managing Director and successively Head of Capital Markets and Corporate Finance for Asia Pacific based in London, Singapore, Hong Kong, Tokyo and Hong Kong (1993 - 2013). Mr. 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:
Nil

Other principal commitments:
- Independent President Commissioner of PT BNP Paribas Sekuritas Indonesia

Past directorships in other Singapore listed companies (2017 – 2019):
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 2019. He was a member of its Audit Committee from 21 February 2006 to 24 April 2019.

Mr. Hawabhay, aged 72, 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 (2017 – 2019):
Nil

Khemraj Sharma Sewraz
Non-Executive Independent Director

Mr. Khemraj Sharma Sewraz was appointed as a Non-Executive Independent Director of GAR on 15 November 2019.

Mr. Sewraz, aged 69, 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 (2017 – 2019):
Nil

Senior Management

Franky Oesman Widjaja
Chairman and Chief Executive Officer

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

Jo Daud Dharsono
Head of Upstream Operations

The Biao Ling
Managing Director, Upstream Operations

Hemant K. Bhatt
Head of Downstream and Commercial

Paul John Hickman
Head of Global Vegetable Oils and Oilseeds

Jesslyne Widjaja
Director, Corporate Strategy and Business Development

Harjanto Tanuwidjaja
Chief Human Resources Officer

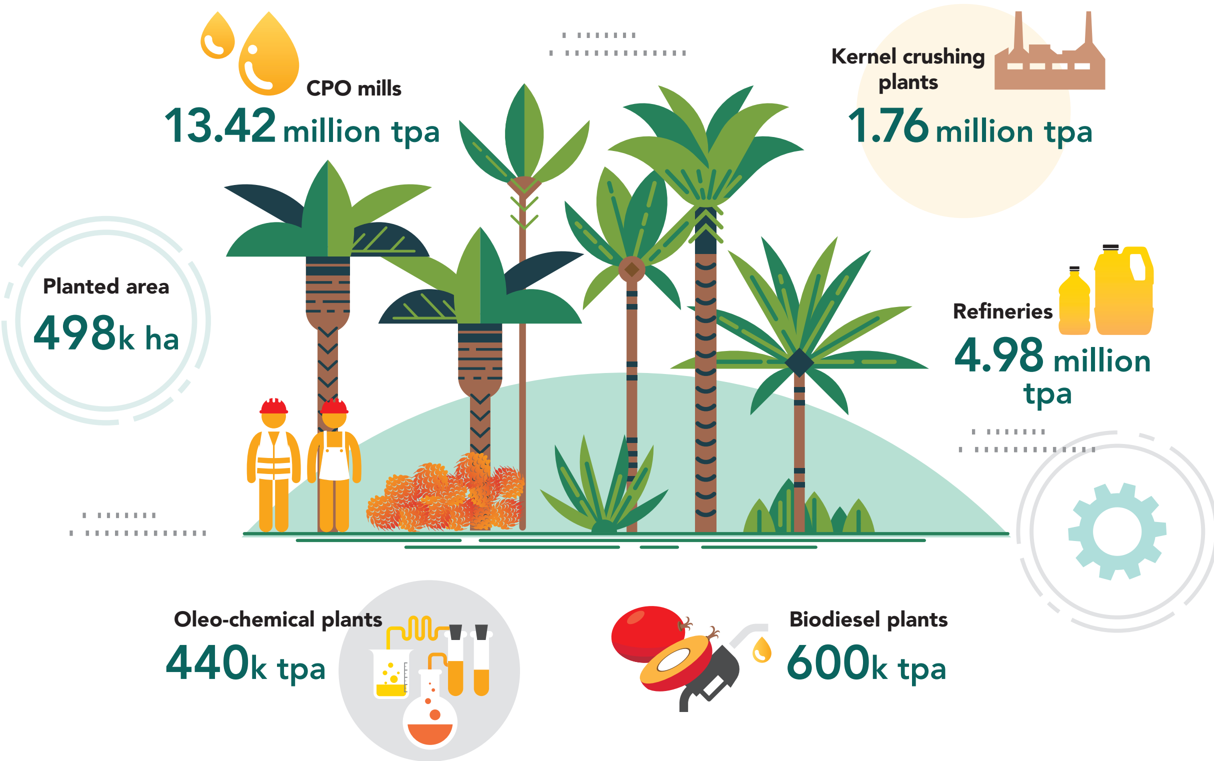
Agus Purnomo
Managing Director, Sustainability and Strategic Stakeholder Engagement

Chen Sau Hua
Deputy Chief Financial Officer

Pedy Harianto
Head of Controllership and Compliance

Khoo Kok Yeow
Chief Information Officer

Operations Review



PLANTATION AND PALM OIL MILLS

2019 Operational Performance

Leading oil palm plantation group in Indonesia with continuous improvement in operational excellence

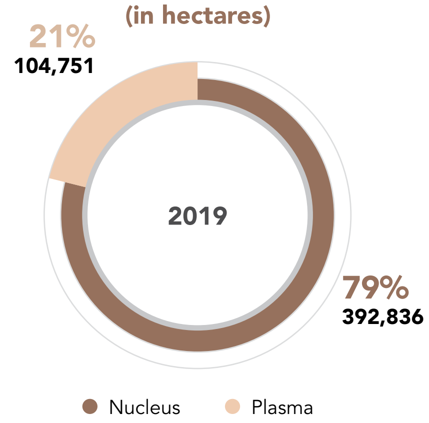
Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") maintains its position as the leading oil palm plantation group in Indonesia with its estates spanning from east to west across the archipelago. The Company manages more than 170 oil palm estates with total planted area of 497,587 hectares. As at end 2019, 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 497,587 hectares, 74 percent is at the prime age segment of 7 to 25 years that provides the highest yields, whilst 14 percent is still at the immature and young age of up to 6 years, securing production growth in the coming years. The replanting activity has been further accelerated to about 17,200 hectares during the current year. As a result, immature estates expanded to 8 percent to total area, whilst average age of our estates is maintained at 16 years and provides a solid foundation for GAR's near to medium term growth. The replanted and younger estates use newer-generation, higher-yielding planting materials that will further boost the growth of GAR's production in the future.

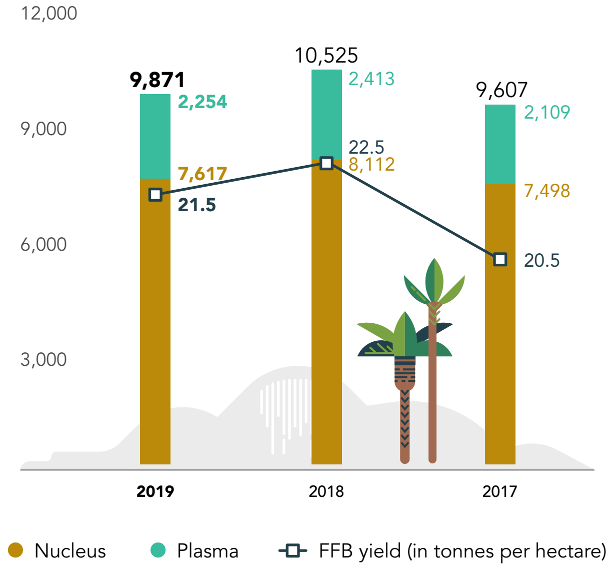
GAR's leading productivity and cost efficiency result from having among the largest and best managed plantations in the industry. Our large-scale operations are well supported by our advanced information technology system and world-class oil palm research and development centre (SMART Research Institute or "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 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.

OPERATIONS REVIEW

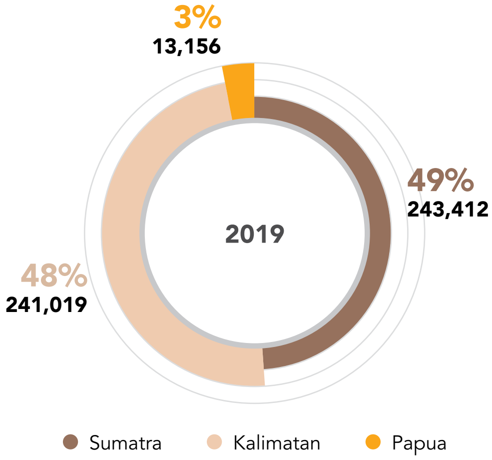
PLANTATIONS BY OWNERSHIP (in hectares)



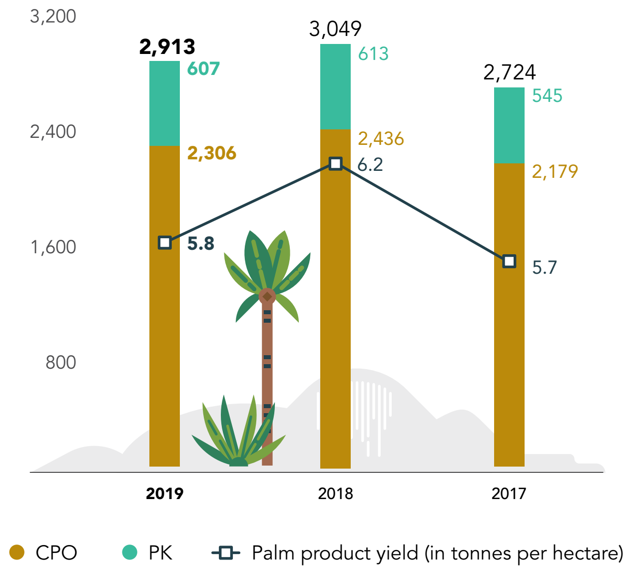
FRESH FRUIT BUNCH OUTPUT (in '000 tonnes, except for FFB yield)



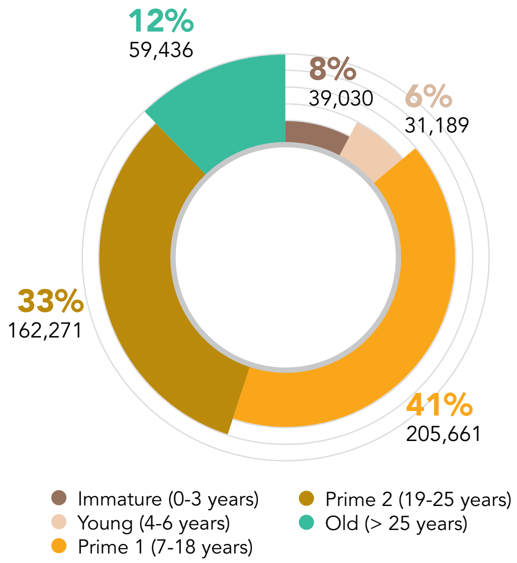
GEOGRAPHICAL MIX OF OUR PLANTATIONS (in hectares)



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



PLANTATIONS BY AGE PROFILE (in hectares)



2019 plantation output softened subsequent to last year's bumper crop

Following the bumper crop in 2018, harvested fresh fruit bunches ("FFB") production in the current year moderated by six percent to 9.87 million tonnes with average fruit yield of 21.5 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 46 mills with a combined installed annual capacity of 13.42 million tonnes, expanded by 150 thousand tonnes from the previous year.

In line with lower harvested FFB, palm product output of the mills decreased to 2.91 million tonnes, comprising 2.31 million tonnes of CPO and 607 thousand tonnes of PK. Average palm product yield reached 5.8 tonnes per hectare, with oil extraction and kernel extraction rates standing at 21.5 percent and 5.7 percent, respectively.

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

Business Strategy

Achieving sustainable growth through operational excellence, yield improvement and cost efficiency

We continuously add value to our operations, by relentlessly enhancing operational excellence to remain at the cutting edge of the palm oil industry. Our research and development division plays a vital role in supporting the sustainable growth of GAR, through innovation and developing best practices, including an enhanced oil palm breeding programme. We constantly invest in research and development to invent new technologies that will improve productivity and reduce cost of our oil palm operations in a sustainable way. Our research institute has integrated research activities in developing practical field applications with the latest technology.

The institute also undertakes research in plant breeding and biotechnology, and in producing tissue culture planting materials through an advanced biotechnology programme in addition to the existing high-yielding

Dami Mas DxP seeds. These planting materials – Eka 1 and Eka 2 – are expected to have exceptionally high fruit yield in combination with high oil extraction ratio. We are speeding up the multiplication of these planting materials through tissue culture, to cultivate sufficient quantity to plant a larger commercial area. This is to support our endeavours in replanting old estates to further enhance long-term yields and increase production without utilising more land under cultivation.

We consistently seek to sustain our cost leadership through continuous improvement by relentlessly exploring options in the areas of precision agriculture and other technology and science driven solutions to further enhance the efficiency of our operations. We are bringing our operational excellence to the next level by creating best-in-class plantations that integrate technologies through mechanisation, automation and digitalisation. Newer replanted estates are developed using the latest techniques and higher yielding planting materials and are designed to accommodate infrastructure necessary for in-field fertilising and harvesting mechanisation. The main objective is to increase labour productivity and consistency in operations. Above all, micro supervision is essential to ensure that high level breakthroughs are put into operation meticulously, thereby resulting in the highest outcomes.

Exploring strategic opportunities for growth

Whilst we are mindful of sustainable utilisation of our land resources, at the same time, 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 2019, GVL's planted area stood at approximately 18,800 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 (GSEP). GVL is also a member of the Roundtable of Sustainable Palm oil ("RSPO") and adheres to its Principles and Criteria.

PALM, LAURICS AND OTHERS

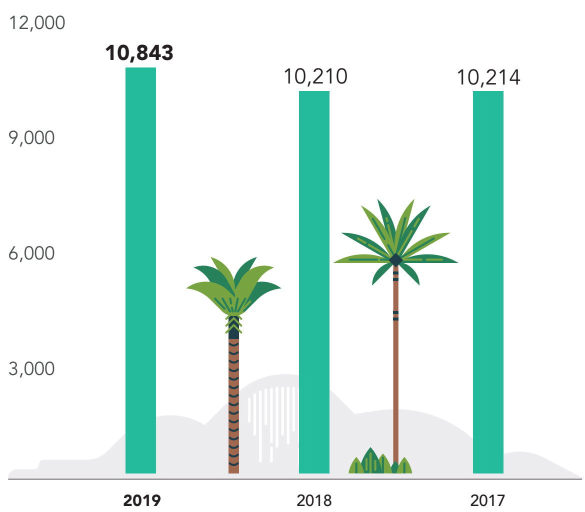
2019 Operational Performance

Well-established downstream operations with efficient large-volume sourcing, and end-to-end processing and distribution facilities

Part 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 large-volume 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, KOSHER, GMP+B2, RSPO, ISCC, Halal and many others.

We operated almost five million tonnes per annum refineries in Indonesia with average utilisation rate of 94 percent during the year. Our 1.76 million tonnes per annum kernel crushing plants and 600 thousand tonnes biodiesel plants also operated at their full capacity. 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.

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



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 oilseeds business in China, total volume handled during 2019 reached 10.8 million tonnes, six percent higher than that in the previous year.

Our research and development plays an important role in developing new product alternatives to meet increasing customer demands. We are extending our capabilities and shifting the product mix to higher value-added products. By end 2019, 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 rearranging product and customer portfolio mix to produce better margin. Meanwhile for biodiesel, we received 89 percent larger allocation volume from the Indonesian government in 2019 compared to the previous year with full implementation of the B20 programme.

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.

Golden-Agri Stena Pte. Ltd., our joint venture in global transportation, has played a significant role in extending our distribution and logistics capabilities to supply our products to consumers worldwide. Our destination business growth is strengthened with the joint venture between Golden-Agri Stena Pte. Ltd. and Bay Crest Management developed in October 2018. 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. During 2019, our destination sales further expanded to 81 percent of our export volume.

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 735 thousand tonnes to cater more demand. The refined products are sold locally in the eastern part of India with established brands through an extensive distribution system.

OPERATIONS REVIEW

Business Strategy

Strengthening presence as leading global merchandiser for Indonesia palm oil products

Our downstream capacity has enabled us to cover our upstream production and capture the merchandising opportunity that is unique to GAR given our close access to third party plantations, and to grow our global diversified customer base. We continue to enhance our vertically integrated operation capability to become a world class producer of diversified value-added, quality and sustainable products. We are also expanding our geographical mix by constantly exploring growth opportunities in other prospective destination countries. Our strategy in the short term is to continue enhancing our facilities' capability to produce a broader product portfolio, strengthen marketing presence, and to serve and focus on the most profitable market segments while cautiously monitoring the current development of COVID-19 globally.

Biodiesel in Indonesia is a growing market with the government's commitment to implement a progressively larger biodiesel mixture mandate. Accordingly, we have received 41 percent larger allocation from the government for 2020 delivery as the B30 programme is implemented starting January 2020. We plan to expand biodiesel capacity in South Kalimantan by 450 thousand tonnes annually which is estimated to complete in 2021.

We are strengthening our penetration in existing markets and broadening it to other potential domestic and international markets by leveraging 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.

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.

Focus on operational excellence to manage costs and enhance margin

GAR's initiatives to manage costs in downstream operations include increasing utilisation rate of all its processing facilities, capitalising on various distribution channels and transportation options, diversifying supply sources for materials, as well as implementing prudent and effective merchandising strategies to obtain the highest quality input materials at the lowest price.

Moving forward, we remain focused on our efforts to optimise our integrated business model by extracting value throughout the downstream value chain. As the integration progresses, we expect to continue maximising our refining activity given GAR's competitive advantage with our vertically integrated business model, the new technology employed in our refineries, and the close access to third party plantations.

We intend to maintain our presence in China and India as the two largest edible oil markets in the world. Facing intense competition, our strategy is to strengthen our position in target markets by leveraging the capability of our sales distribution channels and strengthening business relationships with reputable customers by pursuing additional value-added services. GAR implements a niche strategy by focusing on the smaller yet more profitable markets.

We expect China's commodity market environment to remain competitive in the foreseeable future. Therefore, we will continue to actively manage flexible production in all existing facilities to manage cost and stabilise performance. We are also leveraging our long experience and established market presence by aiming for higher value-added products.

Financial Review

Golden Agri-Resources Ltd and its subsidiaries ("GAR") recorded revenue of US$6.4 billion for financial year 2019 ("FY2019"), a ten percent decrease compared to the previous year primarily affected by weaker crude palm oil ("CPO") prices. Despite the lower revenue, EBITDA[1] and underlying profit[2] reached US$697 million and US$272 million or 22 percent and 50 percent higher, respectively. Amidst soft CPO market prices, GAR's financial results were enhanced by stronger performance of the palm, laurics and others segment and higher net fair value gain on financial assets recorded in accordance with IFRS 9.

GAR's financial position as at 31 December 2019 remained robust in the challenging business environment. Total consolidated assets grew to US$8.8 billion and net gearing ratio (net debt to equity ratio[3]) improved to 0.35 times.

SEGMENTAL PERFORMANCE

Plantations and Palm Oil Mills

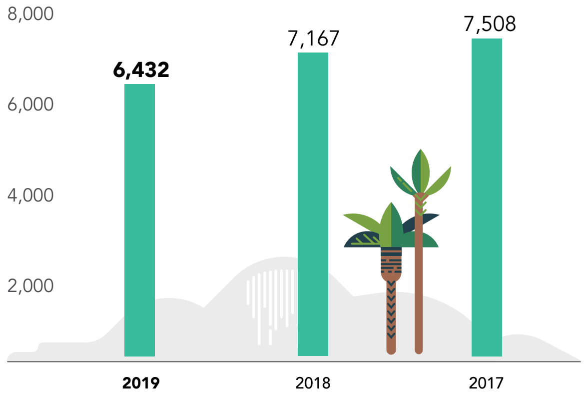
The plantation and palm oil mills segment posted a nine percent lower revenue at approximately US$1.3 billion mainly attributable to the weakening of CPO market prices and lower palm product output. This segment delivered EBITDA[1] of US$299 million, a decrease of 23 percent compared to FY2018, with an EBITDA margin of 23 percent. EBITDA from our plantations and palm oil mills segment included the allocated net fair value gain on financial assets that is recorded as part of the other operating income.

Palm, Laurics and Others

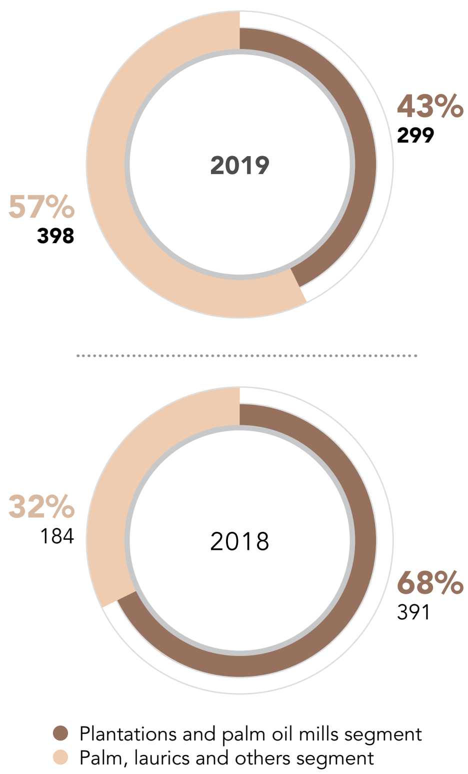
The palm, laurics and others segment refers to all processing and merchandising of palm and oilseed-based products, comprising of bulk and branded products, biodiesel, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia.

Revenue from this segment decreased by ten percent to US$6.4 billion primarily attributable to declining CPO prices, which was partly offset by expanded sales volume. Despite lower prices, EBITDA[1] from this segment increased significantly to US$398 million from US$184 million last year, mainly due to contribution from biodiesel and destination sales as well as higher allocated net fair value gain on financial assets in accordance with IFRS 9.

REVENUE (in US$ million)



EBITDA BY SEGMENT (in US$ million)

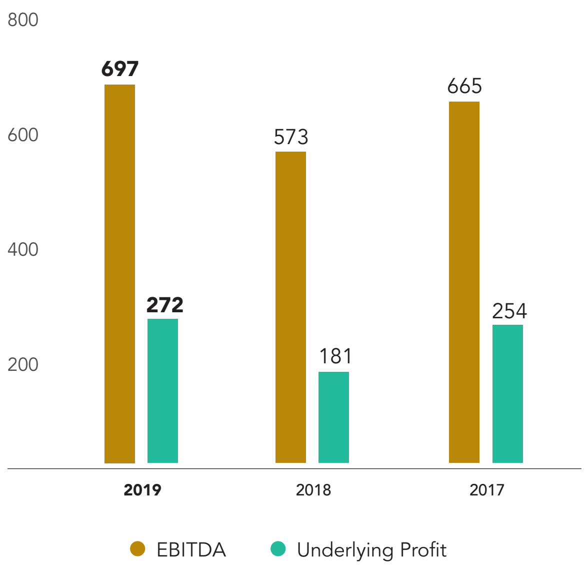


Note:
EBITDA segmental breakdown excludes inter-segment eliminations

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

FINANCIAL REVIEW

EBITDA AND UNDERLYING PROFIT (in US$ million)



Note:
2019 and 2018 EBITDA and underlying profit include fair value gain on financial assets in accordance with IFRS 9.

OPERATING EXPENSES

Operating expenses were 19 percent lower than in the prior year at US$696 million attributable to lower selling expenses. Selling expenses saw a 32 percent decrease to US$355 million largely due to the elimination of export duty and levy in Indonesia during FY2019. Meanwhile, general and administrative expenses were slightly higher at US$341 million, which primarily came from higher depreciation expenses.

FINANCIAL EXPENSES, NET

As compared to the prior year, net financial expenses were higher by 17 percent at US$148 million mainly due to lower financial income from time deposits and investment in the current year.

SHARE OF RESULTS OF JOINT VENTURES, NET

GAR recorded lower share of loss in joint ventures of US$13 million in the current year as compared to US$40 million in the previous year. Higher share of loss in the previous year was mainly due to loss incurred by a joint venture that started commercial operations at the end of 2017.

FOREIGN EXCHANGE GAIN, NET

GAR recorded a net foreign exchange gain of US$37 million in FY2019 as compared to net loss of US$20 million in the previous year. This was mainly attributable to unrealised translation gain on foreign currency denominated monetary assets and liabilities as IDR strengthened against USD during the year, and fair value gain on forward foreign currency contracts entered to hedge the currency exposure.

OTHER OPERATING INCOME, NET

Net other operating income increased to US$243 million in FY2019 from US$125 million in the previous year, primarily attributable to higher net fair value gain of financial assets recorded in accordance with IFRS 9, in line with higher fair market valuation. GAR adopted IFRS 9 at beginning of 2018 where all the financial assets, particularly unquoted securities are required to be stated at fair value instead of cost. The fair value was mainly based on external valuation reports.

EXCEPTIONAL ITEMS

Current year's exceptional items of US$2 million gain related to gain on disposal of certain subsidiaries in Indonesia, partly offset by allowance for impairment loss made on certain fixed assets.

INCOME TAX

Net tax expense decreased to US$47 million mainly in line with lower taxable income in certain subsidiaries recorded for the current year.

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

GAR recorded US$272 million of underlying profit in FY2019, 50 percent higher than in FY2018. After including net gain from changes in fair value of biological assets, depreciation of bearer plants, exceptional items, foreign exchange gain, and deferred tax expense, GAR posted a net profit attributable to owners of the Company of US$194 million for the current year, compared to a loss of US$2 million recorded in FY2018. The increase in profit was primarily due to larger contribution from the palm, laurics and others segment as well as higher net fair value gain on financial assets recorded during the year, which were partly offset by weaker CPO market prices.

ASSETS

Total assets increased by US$234 million to US$8.8 billion as at end 2019 as compared to US$8.5 billion as at end 2018.

Total current assets increased by US$77 million as at 31 December 2019 mainly due to increase in short-term investments of US$223 million mainly resulting from fair value gain, partially offset by decrease in other current assets of US$141 million mainly due to lower deposits and advances to suppliers and lower receivables from joint ventures and related parties.

Total non-current assets increased by US$156 million mainly due to recognition of right-of-use assets and additional investments in joint ventures, as well as logistics and technology related-investments, partially offset with lower tax recoverable.

LIABILITIES

As at 31 December 2019, total liabilities increased slightly to US$4.3 billion. The increase in total liabilities was mainly attributable to higher borrowings partially offset by lower trade payables.

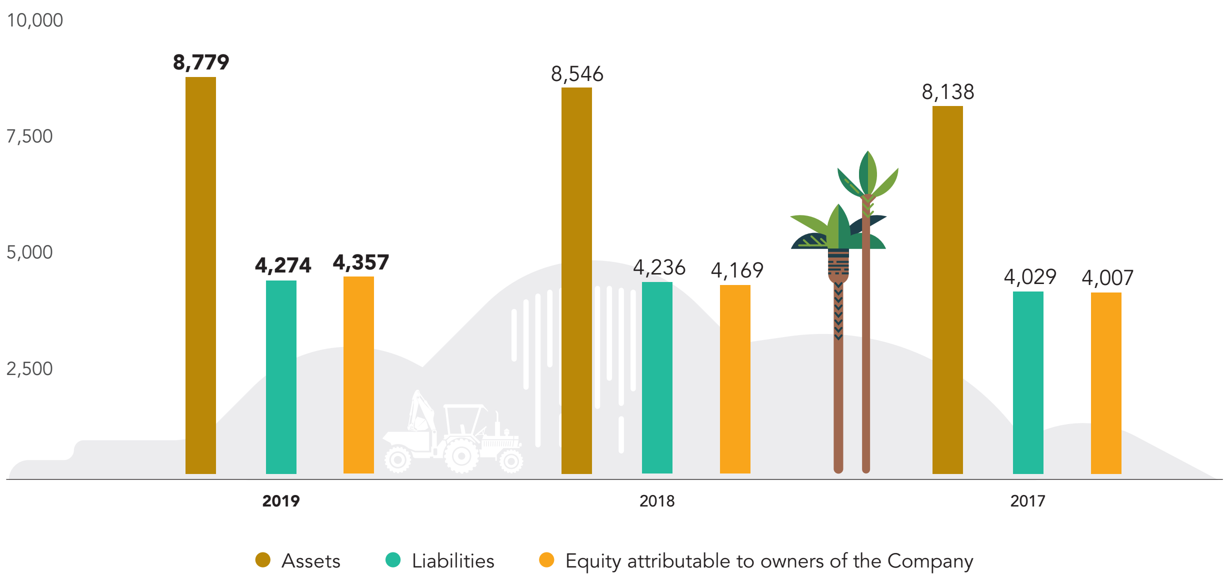
Trade payables decreased by US$126 million to US$558 million as at 31 December 2019. The decrease was in line with lower purchases during the year as CPO market prices were weaker.

Total borrowings at the end of 2019 stood at US$3.1 billion, a slight increase by US$134 million compared to end of 2018. 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. There was also no failure in the payments neither for interest nor principal repayments during FY2019.

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Total equity attributable to owners of the Company at the end of 2019 was US$4.4 billion, five percent higher than end of 2018. The increase was mainly due to net income recorded for FY2019, partially offset by dividends paid during the current year.

ASSETS, LIABILITIES AND EQUITY (in US$ million)



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 shareholder value.

The Monetary Authority of Singapore issued a revised Code of Corporate Governance on 6 August 2018 effective for financial years beginning on or after 1 January 2019 (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. Where practices vary, adequate reasons should be given and how adopted practices are consistent with the intent of the principle.

This report describes the Company's corporate governance practices and structures in place during the financial year ended 31 December 2019 ("FY2019"), which are substantially in compliance, with explanations given for deviations from practices of the Code.

For easy reference, the principles of the Code are set out in italics in this report.

BOARD MATTERS

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 to enhance the long-term value of the Group to its shareholders and other stakeholders.

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. In FY2019, all Directors were reminded, and took 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.

Having attended external courses / seminars, Directors are requested, in turn, to share their key takeaways with fellow Directors at the next Board meeting.

1.4 Training and Orientation for New Directors

As a standard procedure, newly appointed Directors are provided with a formal appointment letter setting out the terms of appointment, general duties and obligations of a Director pursuant to the relevant legislations and regulations. They are also given the relevant governing documents of the Company, meetings schedule and contact particulars of senior Management. From FY2019, those without prior experience as a director of a Singapore listed company, are required to attend SGX-ST 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, 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 FY2019 External Training for Directors

External courses/seminars attended by certain Director(s) in 2019 include the following:

(1) Audit Committee Seminar 2019: The Audit Committee in the New Normal (January 2019);

(2) Listed Entity Director Essentials (March 2019);

(3) Auditing and Disrupting Technologies Impact on Internal Audit (April 2019);

(4) Audit Committee Essentials (May 2019);

(5) Singapore Governance and Transparency Forum (August 2019); and

(6) SIAS-Global Corporate Governance Conference – Technology – The New Face of Corporate Governance? (September 2019).

A recently appointed Non-executive Independent Director underwent a listed director course in March 2019, and visited the Group's facilities in Marunda and Sentul, Indonesia in October 2019.

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 ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("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.

Pages 27 to 42 of this report sets out further information on these Board Committees.

1.8 Composition of the Board and Board Committees

At present, 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[1]	–	Non-executive, Independent Director
Khemraj Sharma Sewraz[2]	–	Non-executive, Independent Director

Please refer to pages 10 to 13 of this Annual Report for key information, including qualifications, on the Directors.

Notes:
1. Ceased as member of AC at conclusion of AM on 24 April 2019.
2. Appointed as Non-executive Independent Director on 15 November 2019.

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

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 2019 and Attendance Record

In 2019, 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. 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	Board Meetings	AC Meetings	NC Meetings	RC Meetings	AM	Total Attendance at Meetings
Executive Directors						
Franky Oesman Widjaja	6/6	–	3/3	2/2	1/1	12/12
Muktar Widjaja	5/6	–	–	–	1/1	6/7
Rafael Buhay Concepcion, Jr.	6/6	–	–	–	1/1	7/7
Non-Executive Independent Directors						
Lew Syn Pau	6/6	5/5	3/3	2/2	1/1	17/17
Foo Meng Kee	6/6	5/5	3/3	2/2	1/1	17/17
Christian G H Gautier De Charnacé	6/6	5/5	–	–	1/1	12/12
Kaneyalall Hawabhay[1]	6/6	2/2	–	–	1/1	9/9
Khemraj Sharma Sewraz[2]	1/1	–	–	–	–	1/1
William Chung Nien Chin[3]	5/5	–	–	–	–	5/6
Number of Meetings Held	**6**	**5**	**3**	**2**	**1**	**17**

Notes:
1. Ceased as member of AC at conclusion of AM on 24 April 2019.
2. Appointed as Non-executive Independent Director on 15 November 2019.
3. Resigned as Non-executive Independent Director on 15 November 2019.

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 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 on its composition 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 circumstances:

(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 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. A 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 FY2019, the NC reviewed a matrix of the composition and skills of the existing Board, and submitted its recommendation to the Board to seek improvement for gender diversity at the Board level.

The NC will review the Company's progress on its recommendation.

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 is also 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.

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.

4.3 FY2019 Director Movements

In order to refresh the AC and keep its size to 3 members, Mr. Kaneyalall Hawabhay ceased as a member of the AC at the conclusion of the AM in April 2019.

In November 2019, Mr. William Chung Nien Chin resigned as a Director, and Mr. Khemraj Sharma Sewraz was appointed as a Non-executive Independent Director. The Board had approved the new appointment upon recommendation of the NC after due consideration being given to the relevant facts, including the depth of experience, qualifications, independence, level of commitment and contribution of Mr. Khemraj Sharma Sewraz in the role. Mr Khemraj Sharma Sewraz was introduced by a fellow Independent Director for possible directorship in the Company.

4.4 Director Independence Review

The Board has adopted the definition of "independence" in the Code 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").

Further, 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, 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 4.5 below on Rigorous Review.

4.5 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 and Mr. Kaneyalall Hawabhay ("2IDs") have served as a Non-executive Independent Director beyond 9 years, and are therefore subject to the Rigorous Review.

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.

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.

4.6 Re-appointment and Re-election at 2020 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.

Newly appointed Directors hold office until the next AM and shall be eligible for re-election thereat pursuant to Article 96 of the Constitution ("Art96").

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 2020 AM pursuant to the respective regulation stated above, are:

(i) Mr. Kaneyalall Hawabhay, Mr. Christian G H Gautier De Charnacé and Mr. Foo Meng Kee will each retire at the 2020 AM under Sec138 and, being eligible, has each offered himself for re-appointment as a Director thereat;

(ii) Mr. Khemraj Sharma Sewraz, who was appointed by the Board in November 2019, will retire at the 2020 AM under Art96, and, being eligible, has offered himself for re-appointment thereat; and

(iii) Mr. Lew Syn Pau, being eligible, has offered himself for re-appointment at the 2020 AM under R720.

The NC has recommended each of the above Directors' re-appointment as a Director at the 2020 AM.

In its deliberation on the re-appointment of Directors who, being eligible, have offered themselves for re-appointment, the NC takes into consideration the Director's attendance, participation, contribution, commitment and performance during the previous year, as well as his 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.

4.7 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 2019. 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 6, 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 Board Performance

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.

The NC will review for any added assessments of Board Committees, and make appropriate, recommendation(s) to the Board.

REMUNERATION MATTERS

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

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 is involved in deliberations in respect of any remuneration, fee, compensation, incentives or any form of benefits to be granted to him.

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.

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 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 and NC member. In respect of such additional roles, fee for acting as LID was introduced in FY2019. 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$450,586 as Directors' Fees be paid to the Non-executive Independent Directors for FY2019. These fees will be tabled for shareholders' approval at the 2020 AM.

Principle 8: Disclosure on 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 FY2019 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$4,000,000 to below S$4,250,000				
Franky Oesman Widjaja	30.0%	70.0%	–	100%
S$1,750,000 to below S$2,000,000				
Muktar Widjaja	49.7%	50.3%	–	100%
S$1,500,000 to below S$1,750,000				
Rafael Buhay Concepcion, Jr.	35.0%	65.0%	–	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[1]	–	–	100%	100%
Khemraj Sharma Sewraz[2]	–	–	100%	100%
William Chung Nien Chin[3]	–	–	100%	100%

Notes:
1. Ceased as member of AC at conclusion of AM on 24 April 2019.
2. Appointed as Non-executive Independent Director on 15 November 2019.
3. Resigned as Non-executive Independent Director on 15 November 2019.

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 2019 are as follows:

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

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 FY2019, being two, Ms. Jesslyne Widjaja and Ms. Emmeline Widjaja, the daughters of the CEO, is as follows:

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.

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 FY2019.

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

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

9.1 Responsibilities for Risk Management and Internal Controls

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

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

The ERMC assists Management in its role of managing risks, as part of the Group's efforts to strengthen its risk management processes and enable accountability for its adequacy and effectiveness. The ERMC currently comprises 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 51 to 53 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 FY2019 financial statements of GAR and its subsidiaries, the CEO and the CFO have provided assurance to the Board on their integrity and fairness.

In turn, the CEO and CFO have obtained relevant assurances on corporate governance from the business heads in the Group, as follows:

(a) **Financial Records**
The financial records of the Group for FY2019 have been properly maintained and the FY2019 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, 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.

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 financial statements of the Group for FY2019 ("FY2019 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 audited FY2019 Financial Statements. The Board has on 17 March 2020 approved the FY2019 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. The external auditors, Moore Stephens LLP did not provide any non-audit services to the Group during FY2019. Fee for audit services to the external auditors is disclosed in the Notes to the FY2019 Financial Statements on page 108 of this Annual Report.

The AC reviewed the external audit plan and scope for FY2019. The AC also met with the external auditors without the presence of Management whereby the external 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 2020 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, Mr. Ma Joe De Castro Perucho, who reports to the AC Chairman. On administrative matters, he 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 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 FY2019.

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.

SHAREHOLDER RIGHTS AND ENGAGEMENT

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 person or by proxy. 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 made available on the Company's website[1], 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 advertised in the newspapers and released via SGXNET.

11.2 Conduct of General Meetings

During the AMs which are held in Singapore, shareholders are given the opportunity to communicate their views and to engage the Board and Management on the Group's business activities and financial performance. Directors are encouraged to attend shareholder meetings. In particular, members of the AC, NC and RC and the external auditors are asked to be present to address questions at such meetings.

In 2017, the Constitution was amended to allow relevant intermediaries to appoint more than two proxies to attend, speak and vote at shareholder meetings. Such appointments were accordingly permitted by the Company starting with the 2018 AM.

At shareholder meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted, as the authentication of shareholder identity information and other related integrity issue still remain a concern.

In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2013 AM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a "one- share, one-vote" basis. The voting results of all votes cast "for" and "against" and the respective percentages, in respect of each resolution, will be instantly displayed on-screen at the meeting. The detailed breakdown of results showing the total number of votes cast "for" and "against" each resolution and the respective percentages are announced via SGXNET and the Company's website after the AM.

The Company does not believe that it will necessarily benefit the Company by uploading minutes of general meetings on its corporate website, since such minutes are available to shareholders, upon their request.

1 https://goldenagri.com.sg/investors/financial-information/annual-reports/

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$0.0058 per ordinary share for FY2019, subject to shareholders' approval at the 2020 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[2] 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 and, during FY2019, its quarterly results 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[3], upon release via SGXNET.

The Company has been announcing its quarterly results since 2003 to-date and, starting from 2007, conducts regular briefings and/or conference calls with analysts and the media. For the results announcements, we generate materials, including financial statements as well as management discussion and analysis in presentation slides and press releases. During these briefings, 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 meets analysts every year.

2 https://goldenagri.com.sg/wp-content/uploads/2018/03/GAR-IR-policy.pdf
3 https://goldenagri.com.sg/investors/sgx-filings/

In addition, we offer direct and frequent access to our senior Management through one-on-one or group meetings, conferences, roadshows, calls and emails. Aside from direct meetings with equity and fixed income investors and analysts domestically and internationally, the Company frequently participates in investor conferences and roadshows in the region, such as in Singapore, Hong Kong, Bangkok, Kuala Lumpur, Jakarta and also in the U.S. and European countries. 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. We also arrange site visits to our plantations and refineries to provide investors and analysts with better understanding of our day-to-day operations; including sustainability initiatives.

12.2 Financial Calendar 2020

28 February	Announcement of Full Year 2019 results
6 April	Release of Annual Report 2019
27 April	Annual Meeting 2020
	Proposed 2019 final dividend*
4 May 2020	Last day for trading for cum dividend (scrip-less holders)
6 May 2020 5:00 p.m.	Record date and time
8 May 2020	Books closure date
18 May 2020	Dividend payment date
May**	Announcement of First Quarter 2020 results
August**	Announcement of Half Year 2020 results
November**	Announcement of Third Quarter 2020 results
February 2021**	Announcement of Full Year 2020 results

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

* Subject to shareholders' approval at the 2020 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: https://goldenagri.com.sg/investors/ir-calendar/

MANAGING STAKEHOLDER RELATIONSHIPS

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.

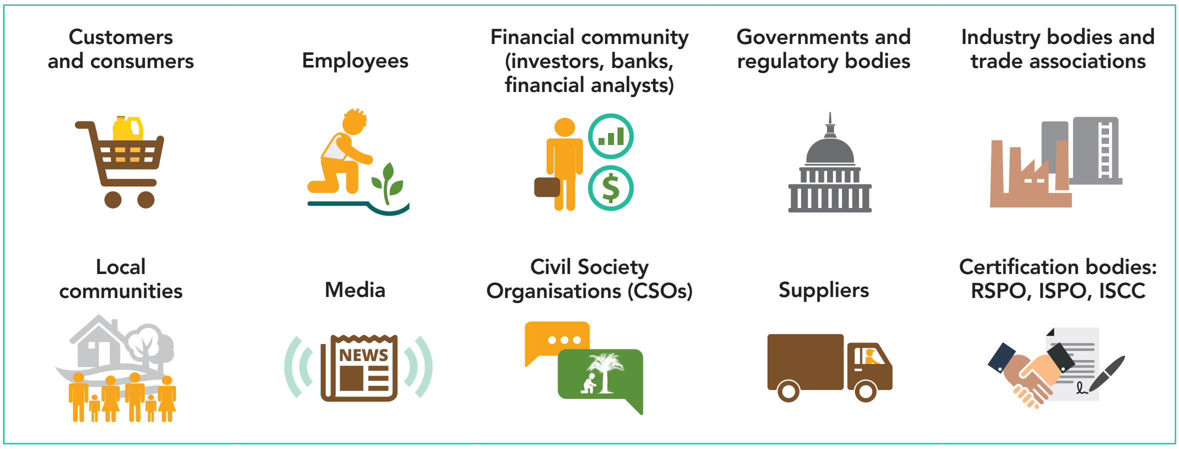
13.1 Engagement with Stakeholders

We operate in a dynamic industry, which is why engagement and close collaboration with stakeholders is 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 is 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[4].

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.

4 https://goldenagri.com.sg/sustainability/sustainability-report/

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$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920) FY2019 US$	Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than S$100,000) FY2019 US$
PT Asuransi Sinar Mas	#1	Nil	6,342,955
PT Bank Sinarmas Tbk ("BSM")	#1	Nil	21,549,319 [#2]
PT Cakrawala Mega Indah ("CMI")	#1	Nil	30,910,700 [#3]
PT Golden Energy Mines Tbk	#1	Nil	599,659
PT Indah Kiat Pulp & Paper Tbk	#1	Nil	454,227
PT Maritim Sinar Utama	#1	Nil	672,267
PT Pindo Deli Pulp and Paper Mills	#1	Nil	140,160
PT Rolimex Kimia Nusamas ("RKN")	#1	Nil	64,908,268 [#4]
PT Roundhill Capital Indonesia ("RCI")	#1	Nil	15,680,925 [#5]
PT Royal Oriental	#1	Nil	1,550,222
PT Sinar Jati Mitra	#1	Nil	476,772
PT Sinar Mas Tjipta	#1	Nil	770,000
Total		**Nil**	**144,055,474**

Notes:
- * Renewed at GAR's Annual Meeting on 24 April 2019 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 2019 is approximately US$8.06 million.
- #3 Purchase of paper products and chemicals from CMI.
- #4 Purchase of fertilizers and chemicals from RKN; sale of oleochemical products to RKN.
- #5 Purchase of coal from RCI.

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

Information relating to Directors seeking re-election at the 2020 AM is as follows:

Name of Director	Kaneyalall Hawabhay ("KH")	Christian G H Gautier De Charnacé ("CGDC")	Foo Meng Kee ("FMK")	Khemraj Sharma Sewraz ("KSS")	Lew Syn Pau ("LSP")
Date of Appointment	27 May 2003	13 November 2018	2 November 2001; 25 April 2017	15 November 2019	24 May 1999; 31 December 2007
Date of last re-appointment (if applicable)	24 April 2019	24 April 2019	23 April 2018	N/A	25 April 2017
Age	72	70	70	69	66
Country of principal residence	Mauritius	Thailand	Singapore	Mauritius	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to item 4.6 on pages 33 and 34 of this Annual Report.	Please refer to item 4.6 on pages 33 and 34 of this Annual Report.	Please refer to item 4.6 on pages 33 and 34 of this Annual Report.	Please refer to item 4.6 on pages 33 and 34 of this Annual Report.	Please refer to item 4.6 on pages 33 and 34 of this Annual Report.
Whether appointment is executive, and if so, the area of responsibility	No	No	No	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive, Independent Director.	Non-executive, Independent Director. Member of AC.	Non-executive, Independent Director. Chairman of NC and RC, Member of AC.	Non-executive, Independent Director.	Non-executive, Independent Director. Lead Independent Director, Chairman of AC, Member of NC and RC.
Professional qualifications Working experience and occupation(s) during the past 10 years	Please refer to page 13 of this Annual Report.	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 page 12 of this Annual Report.
Shareholdings interest in the listed issuer and its subsidiaries	Nil	Please refer to item 3 on page 72 of this Annual Report.	Nil	Nil	Please refer to item 3 on page 72 of this Annual Report.
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	Nil	Nil
Conflict of interest (including any competing business)	Nil	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	Yes

Name of Director	Kaneyalall Hawabhay ("KH")	Christian G H Gautier De Charnacé ("CGDC")	Foo Meng Kee ("FMK")	Khemraj Sharma Sewraz ("KSS")	Lew Syn Pau ("LSP")
Other Principal Commitments* Including Directorships#	**Past (for the last 5 years)** • Samena Capital Mauritius Management • SC India Credit Management (Mauritius) Companies liquidated: • Ascend Mauritius Services Company • Falcon Mauritius I Ltd • Falcon Mauritius II Ltd • FEG Mauritius III Ltd • FEG Mauritius Ltd • FO Mauritius II Ltd • FO Mauritius IV Ltd • NSR Towers Mauritius, LLC Companies in liquidation: • Enhanced Investment Products Aleph India Ltd • Enhanced Investment Products India Ltd • EW Special Opportunities Fund LLC • Venus Multi-Strategy Fund (Mauritius) Limited • Indiabulls Asset Management Mauritius	**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)** • Lafe (Emerald Hill) Development Ltd • Capital Connections Pte Ltd • Poh Tiong Choon Logistics Limited (delisted) • Stanbridge BH Investment Limited (struck off)
	Present • Anchor Marine 2 Inc • Anchor Marine 3 Inc • Anchor Marine Inc • Anchor Offshore Services Inc • Apigen Investments Limited • Bay Canyon • Bay Canyon Holdings • Catalys Ventures Cap Limited • Claris Pharmaservices • Claris SteriOne • CLSA (Mauritius) Limited • EC Global Ltd • Enhanced Index Fund PCC • Ezion Exerter Limited • FEG Mauritius FPI Ltd • FEG Mauritius Holdings Ltd • FEG Mauritius II Ltd • FEI Mauritius Ltd • FO Mauritius Holdings Ltd • FO Mauritius I Ltd • FO Mauritius III Ltd • KKR Account Adviser (Mauritius) Ltd • KKR Holdings Mauritius Ltd • Mount Gardens Services • Oracle Global (Mauritius) Ltd • Select Property Holdings (Mauritius) Ltd • Strategic Equipment Inc • Teras Endeavour Limited • Teras Lisa Limited • Teras Titanium Ltd • Victory Drilling	**Present** • 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** • BIGL Asia Pacific Limited • BIGL Asia Pte Ltd • BIGL Enterprises (Singapore) Pte Ltd • BIGL Enterprise Management (Beijing) Co., Ltd • BIGL Holdings Pte Ltd • BIGL Technologies (Thailand) Co., Ltd • Broadway Industrial Group Ltd • Food Empire Holdings Ltd • Golden Energy and Resources Limited • Oldham Alpha Investments Pte Ltd • Oldham Sophia Investments Pte Ltd • Stanbridge Enterprise Limited • Stanbridge International Investments Limited • Sinarmas Land Limited • SUTL Enterprise Limited

Notes:
* "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	KH	CGDC	FMK	KSS	LSP
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	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	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	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	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	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	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	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	Yes[3]

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, the 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 LSP is a director of SML and in 2001, SML (then known as AFP) was investigated by the CAD. As far as LSP is aware, the CAD had completed its investigations against AFP and no further action was taken against AFP. As far as LSP is aware, he was not the subject of any investigation and no action has ever been taken against him by the CAD.

3 In 2005, LSP was investigated by the CAD and subsequently charged for breaching a section of the Companies Act in Singapore. However, in 2006, LSP was acquitted fully by the High Court of Singapore of the charge.

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, and Head of Controllership & 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 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 and Strategic Risk

Business and strategic risks relate to information utilised to make investment decisions that impact the Company's purpose and strategy leading to the inability to generate expected returns from capital expenditure.

ENTERPRISE RISK MANAGEMENT

Factors include macroeconomics, condition of financial markets, competitive pressure, commercial regulations in domestic and foreign jurisdictions, environmental regulations and geopolitics.

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 tend to 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. Other aspects like environmental and conservation regulations, tariffs, 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. We also 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.

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 a separate Credit Risk Team which is involved in the credit portfolio review. The team has implemented a process to periodically and regularly evaluate counterparties and review assigned limits.

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 67 – *"Progress in Our Resposible Palm Oil Journey"*).

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 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 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

We continuously focus on developing our company towards a world-class organisation, and managing our talent is critical to achieve this vision. We have two main agenda points in talent management during 2019.

IDENTIFYING AND DEVELOPING TALENT TO ENSURE STRONG SUCCESSION PIPELINE

We believe all roles and positions are important. Nevertheless, we prioritise succession effort on roles that pose the greatest risk to our business, if left vacant. To build a strong succession pipeline, we regularly conduct a Talent Review. It is a forum to discuss our people, where all senior leaders are accountable to their people and results, while HR orchestrates the process through deployment of the Sinarmas Competency Model as our common language. When we discuss people, we highlight their performance, potential and opportunities for development, career aspiration and the implication for business results. Employees who are considered as talent will go through regular development discussions and intensive development initiatives (such as training, coaching/mentoring, assignment to projects, and job rotation), preparing them to take a higher leadership or succession role.

For the talent development, we have launched several key initiatives that are linked to GAR's Competency Model, such as Managing for Results, Interaction Management, Situational Leadership and Myers-Briggs Type Indicator (MBTI). Compulsory training that focuses on preparation of the individual's career progression remains on-going, through the Basic Management Development Programme, Supervisory Management Development Programme, Middle Management Development Programme, General Management Development Programme and Executive Development Programme.

INTRODUCING OBJECTIVE & KEY RESULTS (OKR) APPROACH AS A STRATEGY EXECUTION SYSTEM

Objective & Key Results (OKR) approach has been newly introduced as a strategy execution system in order to achieve business results. Through OKR, every individual will work towards an ambitious, concrete, action-oriented and result-driven target in the spirit of Simple-Precision-Modular. Regular performance feedback is one of the important aspects to ensure the effectiveness of OKR. This can be carried out more intensively through Workday, an HR digital platform, as it includes an anytime feedback feature that encourages a more open and meaningful communication between line managers, subordinates and fellow co-workers.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Progress in Our Responsible Palm Oil Journey

As the first company in the palm oil industry to adopt a Forest Conservation Policy in 2011, we want to provide decent jobs, secure livelihoods, rural development and social progress while protecting and respecting the natural environment. As an agribusiness we are fully aware that careful stewardship of forests and their ecosystem services in the landscapes where we are located, is absolutely critical for the longevity of our business and the livelihoods of our employees and the communities around our operations.

In this, we are guided by the GAR Social and Environmental Policy or the GSEP.[1] It contains our commitments for our most material sustainability issues and our overall approach to their responsible management.

This report provides a summary of our progress and challenges in managing our most critical sustainability issues in FY2019. Our full Sustainability Report will be published in June 2020 along with updates on our website. Unless otherwise stated, this report focuses on the Company's activities in Indonesia.

This report has been prepared in accordance with Global Reporting Initiative Standards – Core option. For a full content index of our GRI indicators, please refer to our full Sustainability Report and our website.

OUR MATERIAL SUSTAINABILITY TOPICS

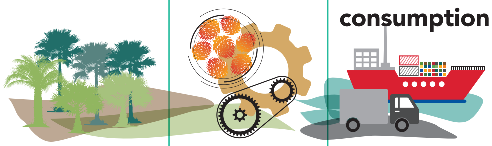
Through the principle of materiality, we prioritise and focus on the most significant economic, environmental, social and governance (ESG) issues that shape our success as a business and are of greatest importance to our stakeholders.

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 of materiality in 2015. It informs the continuous development of our sustainability strategy and the content of our reporting to ensure it is responsive to stakeholders' needs and interests.

Details of our methodology for identifying material issues and our materiality matrix can be seen on our website: https://goldenagri.com.sg/sustainability/sustainability-report/

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 high concern to stakeholders. These form the focus of GAR's sustainability policy, strategic approach to responsible palm oil and sustainability reporting. The table also provides a description and details the part of our value chain which may actually or potentially be impacted by those issues.

1 See https://goldenagri.com.sg/wp-content/uploads/2016/09/GAR_Social_and_Environmental_Policy-2.pdf



Description of Material Issues	Value Chain: Plantation	Value Chain: Processing	Value Chain: 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

PROGRESS IN OUR RESPONSIBLE PALM OIL JOURNEY

Key Targets and Progress

The Targets Table below shows our progress in managing our priority issues. The table also tracks our progress on the UN Sustainable Development Goals.[2] While the palm oil industry has an impact on many of the 17 goals, we believe that our current efforts and strengths can specifically help to promote SDGs 2, 12 and 15.

Our Most Material Sustainability Issues	2019 Progress	Targets	Status
Conservation of High Carbon Stock (HCS) and peat lands; Conservation of biodiversity and High Conservation Value (HCV) areas; Preventing Fire and Haze Related UN SDG: 15 LIFE ON LAND 17 PARTNERSHIPS FOR THE GOALS	• Conservation planning with communities temporarily on hold to prioritise completion of Participatory Mapping (PM)	• Resume rollout of conservation planning with communities. See schedule on GAR website: https://goldenagri.com.sg/sustainability/forest-conservation/	NEEDS WORK
	• Physical rehabilitation of 2,600 hectare Peat Ecosystem at PT AMNL, West Kalimantan: maintaining water levels and buffer zone/revegetated area of 321 hectares	• Continue with physical rehabilitation of peat area and revegetation of the surrounding area – target 500 hectares • Run peat awareness programme in two schools in PT AMNL	ON TRACK
	• Maintained over 2,700 hectares of rehabilitated riparian buffer zones • Replanting of native plant species carried out in 18 concessions (96% of the rehabilitated riparian zones)	• Complete revegetation of riparian zones • Continue maintaining riparian buffer zones	ON TRACK
	• 99.5% of GAR area **NOT** affected by fire during challenging fire season • Strengthened fire mitigation procedures focusing on preparedness; early warning systems and quick response teams	• Continue to strengthen fire mitigation procedures • Continue to work with communities on long-term fire prevention through the Desa Makmur Peduli Api programme	ON TRACK
	• Released 8 orangutans under renewed programme with Orangutan Foundation International (OFI)	• Target 60 to be released between 2018-2021; 100 released from 2011-2017	ON TRACK
Rights of communities and indigenous peoples	• GAR rolled out Participatory Mapping (PM) which aims to respect and safeguard community or FPIC rights in 93 villages to date • No incidents of FPIC violations or violations of rights of indigenous peoples in 2019	• Continue with PM programme. See schedule on GAR website https://goldenagri.com.sg/sustainability/forest-conservation/	ON TRACK
Labour relations and Human rights; Occupational Health and Safety and Employee wellbeing	• No significant incidents of discrimination or abuse reported in 2019	• Continue to maintain peaceful and productive industrial relations through open dialogue, fair labour practices, and respectful communication in the workplace	ON TRACK
	• Number of fatalities decreased year-on-year	• Continue to instil awareness of OHS and safe practices in all operations and amongst contractors • Aim for declining trend in workplace accidents	ON TRACK

2 Visit this page to understand more about UN Sustainable Development Goals: https://sustainabledevelopment.un.org/?menu=1300

Our Most Material Sustainability Issues	2019 Progress	Targets	Status
Traceability and supply chain transformation; Supplier inclusiveness and smallholder livelihoods Related UN SDG: 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND 17 PARTNERSHIPS FOR THE GOALS	• 78% of palm supply chain fully traceable – 90 out of 424 3rd-party mills reported 100% TTP • Stopped procuring from 0.5% of suppliers in 2019 due to non-compliance with GSEP and GAR policies	• 100% TTP for 3rd-party mills by 2020	ON TRACK
	• Annual SMART Seed and SMART Sustainable Palm Oil Training (SPOT) supplier workshops on traceability, responsible labour practices, implementation of FPIC and human rights • Began guiding suppliers to design more targeted and needs-based CSR programmes using Social Impact Assessments • Shared the GSEP with 100% of our suppliers • Support for 100% of plasma smallholders • Support schemes for over 5,500 independent smallholders to date	• Continue with capacity building events to assist and support suppliers to improve practices • Extend engagement and sustainability support efforts beyond the mill to suppliers at plantation level including agents and smallholder farmers • 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 2019 • Employees continued to receive 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: 2 ZERO HUNGER	• About 2.5 million clones of Eka 1 and Eka 2 capable of producing more than 10 tonnes/ha/year of CPO have been produced to date	• 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	• Nearly all (98%) margarine, shortening and specialty fat products reformulated to be trans-fat free • Continued with mitigation processes to eliminate co-contaminants (for e.g., 3-MCPD) • R&D into new high oleic palm oil hybrid to meet demand from global customers	• Aim for full removal of trans fatty acids from products by 2023 • Continue R&D into new high oleic palm oil hybrid	ON TRACK

* The full table will be published in the GAR SR2019 and updated on our website

MANAGING OUR PRIORITY ESG ISSUES

Marketplace and Supply Chain

Traceability and supply chain transformation
We continued to make significant progress towards full Traceability to the Plantation (TTP) for our palm supply chain in 2019. By end 2019, we achieved nearly 80 percent TTP for GAR-owned and third party supplier mills, putting us on track to hit our target of 100 percent TTP by end 2020 for third party suppliers.

Aside from being able to guarantee the provenance of our raw materials, traceability provides us with a 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, we have been engaging intensively and extensively with our suppliers through multiple avenues, gaining their trust and confidence. We start by carrying out engagement and site visits to suppliers, especially those deemed high-risk, to document and understand the gaps and difficulties that they face in adopting responsible practices. To date, we have completed site visits and assessed both Tier 1 and Tier 2 suppliers at all our downstream processing locations. Reports can be viewed on our website: https://goldenagri.com.sg/sustainability-dashboard/traceability

This assessment enables us to help our suppliers improve through capacity building and sharing of best practices. In 2019, based on assessments of our suppliers' most pressing needs, we continued to help them with training in traceability; responsible labour practices; and implementation of FPIC and human rights. We are also guiding them to design more targeted and needs-based CSR programmes using Social Impact Assessments. As of 2019, we have shared and emphasised the importance of the GSEP with all (100 percent) of our suppliers.

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

Three workshops and seminars on labour practices were organised for our suppliers in 2019. These were held across Indonesia in East Kalimantan, Langkat and Central Kalimantan. Read more about our efforts on our website: https://goldenagri.com.sg/category/blogs/

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 2019, we stopped procuring from about 0.5 percent of our suppliers for non-compliance with our GSEP commitments, and from over seven percent since 2015.

Supporting smallholders

Smallholders are a critical part of the palm supply chain in Indonesia with about two million farmers controlling around 44 percent of palm oil estates in the country. 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 it was launched in 2014. The programme was set up to encourage 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 and Jambi secure loans of nearly IDR 400 billion from state-owned banks. As at end 2019, around 1,400 farmers had enrolled in the scheme.

We continue to run other finance and support programmes for independent smallholders. Through the Smallholders Development Programme, GAR has provided technical assistance and long tenure interest-free credit to over 4,000 independent farmers in East Kalimantan since 2013. Farmers have access to high-yielding seeds, fertiliser and herbicides, and heavy equipment rental, at below market rates. To date, we have disbursed more than IDR30 billion in interest-free loans and other aid.

Our efforts in this area help contribute to UN SDG 12 which aims to ensure sustainable consumption and production patterns.

Product safety and quality

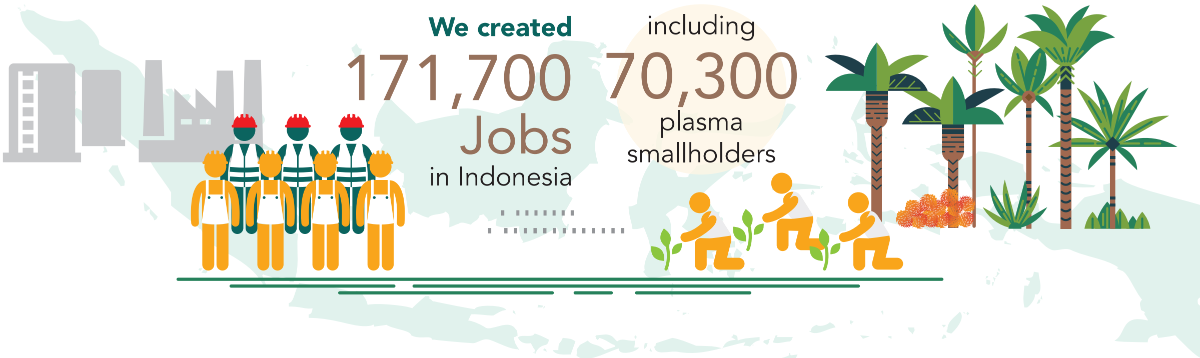
We are aware of consumer concerns about the health and safety aspects of our end products. Our Downstream Research and Development department is actively addressing this area. GAR continues to focus on minimising occurrence of 3-monochloropropane diol (3-MCPD) precursors following the European Food Standards Authority revision of 3-MCPD and glycidyl fatty acid esters (GE) levels. Our business is successfully tackling 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. In 2019, GAR participated in the FAPAS UK 3-MCPDE, 2-MCPDE and GE proficiency tests with satisfactory results. These tests are conducted yearly. For more details see http://goldenagri.com.sg/research-development-safeguard-consumer-health/.

We have put considerable effort into removing trans fatty acids from all our products and as of end 2019, we achieved this for 98 percent of all margarine, shortening and specialty products. While we aimed to be fully trans-fat-free by 2019, we have a small number of customers wishing to keep their existing formulas. This represents less than two percent of our total products and is mainly for local Indonesian consumption. Nevertheless, we continue to work towards the WHO target to eliminate industrial trans fatty acids by 2023.

Cooking oil fortification is another focus area, with the Government of Indonesia implementing mandatory fortification of Vitamin A in cooking oil. We are making sure we provide healthy fortified cooking oil in line with legal requirements. In addition to Vitamin A, our Filma margarine is also fortified with vitamins B1, B2 and B3.

Following interest from several global customers, we have started exploring the development of a 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. In 2019, a joint research project between upstream and downstream R&D began to explore developing new hybrid high oleic palm oil. Several hybrids have been selected and tested at pilot scale.

Work Environment and Industrial Relations



The palm oil industry supports economic growth, especially in rural areas, helping to lift incomes and living standards of local communities. In 2019, we created employment for over 171,700 people in Indonesia including 70,300 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 issues such as 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 (ILO)'s Declaration on Fundamental Principles and Rights at Work.

Our commitment to fair labour practices is similarly emphasised in our company Code of Conduct[4] 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, without being 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 this 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. We also provide schools and day care 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. In 2019, we created and distributed a video about child rights to our third-party suppliers.

Employee profile in Indonesia[3]

	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Permanent	**51,996**	**18,124**	45,897	16,231	44,382	6,600
Fixed-term	**18,589**	**12,034**	23,788	16,387	28,196	25,452
Full-time	**67,285**	**26,388**	64,735	25,749	64,300	17,167
Part-time	**3,300**	**3,861**	4,950	6,869	8,278	14,885
New hires	**1,418**	**408**	1,937	502	2,646	1,014
New hire rate	**2.7%**	**2.3%**	4.2%	3.1%	6.0%	15.4%
Turnover	**1,425**	**385**	1,821	470	3,387	669
Turnover rate	**2.7%**	**2.1%**	4.0%	2.9%	7.6%	10.1%

3 Based on registered employees in the company's database system
4 https://goldenagri.com.sg/wp-content/uploads/2016/01/Code_of_Conduct_-_English_final2.pdf

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 2019, there were 121 labour unions across our operations representing over 81,000 employees (79 percent).

Occupational Health and Safety

With over 100,000 employees across our operations, we take our responsibility in providing a safe and healthy workplace very seriously. Our Occupational Health and Safety (OHS) management is aimed at minimising workplace accidents, fatalities and other negative health impacts. We also provide access to healthcare at 140 clinics across our plantations.

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

We regret to report six fatalities in 2019. The fatal incidents included accidental crushing by tractor tires; being crushed by falling FFB; being struck by lightning; being caught or struck by machinery; and falls.

We have investigated each accident thoroughly and implemented action plans to prevent future occurrences. We are working on instilling stronger OHS awareness and practices throughout all our operations and continue to aim for a declining trend in fatalities and workplace accidents.

Fatalities

2019	2018	2017
6	11 (including 2 contractors)	6

Corporate Governance and Ethics

We are committed to pursuing our business objectives with integrity and in compliance with the law, everywhere we operate. We comply with all applicable laws in countries in which 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: https://goldenagri.com.sg/wp-content/uploads/2016/01/Code_of_Conduct_-_English_final2.pdf The Code also applies to Board members with respect to all activities they engage on behalf of the Company.

No significant cases of bribery or corruption were reported in 2019.

Following internal review as a result of a closed corruption case in 2018[5] involving three executives at a GAR subsidiary, PT Binasawit Abadipratama (PT BAP), we have continued with 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.

The Code also emphasises the Company's commitment to fair employment practices; diversity; and its stand against discrimination and zero tolerance for harassment or abuse. No significant cases of harassment and abuse were reported in 2019.

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 require our suppliers to comply with the Supplier Code of Conduct[6] which obligates suppliers to comply with our policies including the GSEP.

Workplace injuries

	Upstream	Downstream
Number of recordable work-related injuries	781	25
Rate of recordable work-related injuries (per 1,000,000 work hours)	4.09	2.5
Lost-time injury frequency rate (LTIFR)	2.88	0.12
Main types of work-related injury	Falls, cuts, struck by falling FFB, crushed by vehicles/machinery, contact with dangerous wild animals	Pinched or caught in machinery, collisions

5 The 2018 case is considered closed following the end of the court case and court ruling. See our statement in GAR 2018 Annual Report page 42: https://goldenagri.com.sg/wp-content/uploads/2019/04/GAR-AR-2018_final_LowRes.pdf

6 Visit this page to download our Supplier Code of Conduct: https://www.smart-tbk.com/en/tentang/tata-kelola-perusahaan/kode-etik-pemasok/

PROGRESS IN OUR RESPONSIBLE PALM OIL JOURNEY

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 understand fully what changes this will bring. We are committed to safeguarding and respecting the rights of local communities and indigenous peoples whose lives are impacted by our operations. As stated in the GSEP, we aim to fulfil Free, Prior and Informed Consent (FPIC) requirements before any operations begin[7]. Our rollout of Participatory Mapping (PM) is part of our implementation of FPIC and in 2019 we engaged with over 90 villages in PM. Read more about PM on our website[8].

GAR is also committed to improving its processes and procedures with regards to 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 the next page.

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 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).

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

8 https://goldenagri.com.sg/solving-the-conundrum-of-achieving-un-sdgs-the-delicate-balancing-act-of-promoting-human-development-while-protecting-forests/

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

FREE bus services for school children

>280 schools

>2,160 teachers

>40,800 students

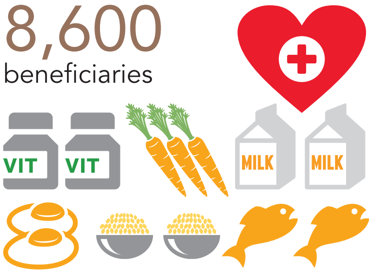
US$2.4 MIL for scholarships

Donation of books, learning materials and facilities to **14,300** recipients

36 Rumah Pintar (Smart Houses) for community training

>330 medical personnel treat **>380** patients daily at **140** clinics

Child health, vaccination & nutrition programmes for **8,600** beneficiaries



FREE medical service & dental for **5,900** patients

Mother & child health education for **4,000** beneficiaries

Planting **120,000** beneficial, medicinal and fruit trees

Sale of **176,300** litres of branded cooking oil at below market prices in impoverished areas

Safe Water Garden Project:

10 installations to treat household wastewater & fertilise gardens

Aid for **18,200** victims of natural disasters

4,700 blood donors

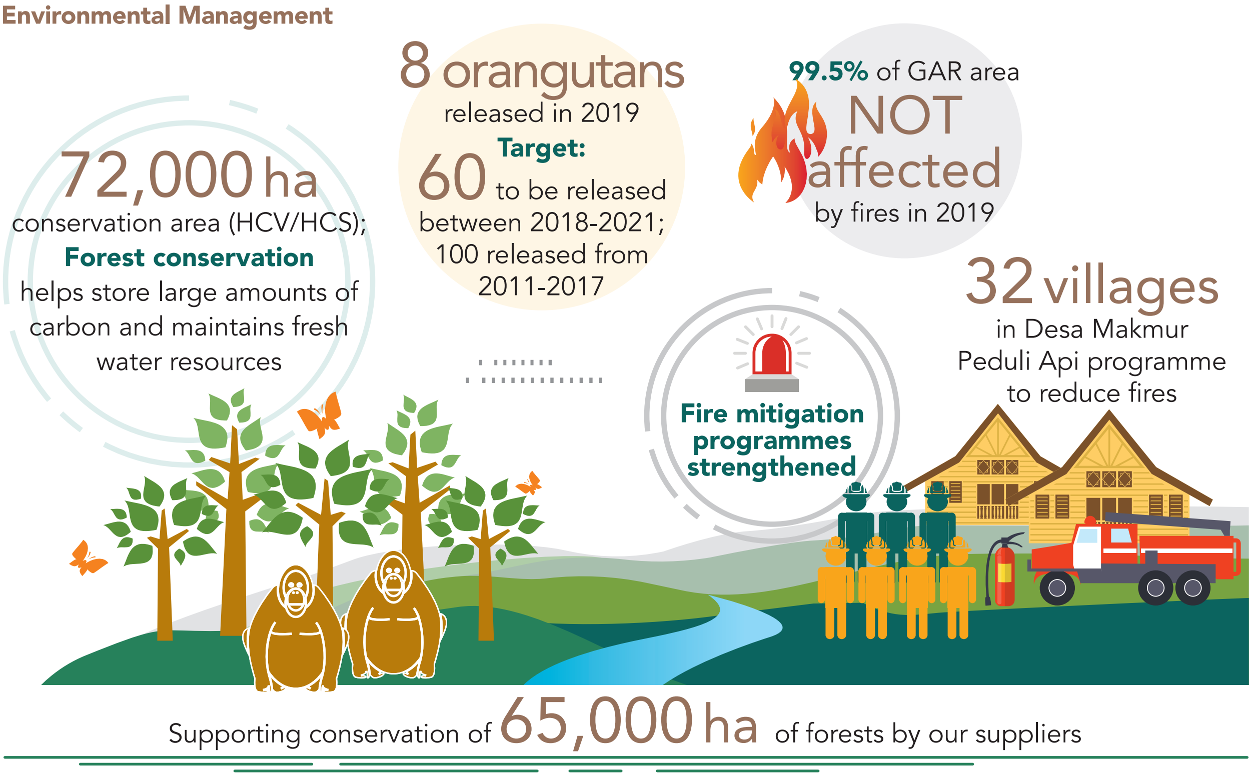
Visits to **6,200** people in orphanages and nursing homes

100% plantations have social and community development programmes

Environmental conservation training programmes for **2,900** participants

PROGRESS IN OUR RESPONSIBLE PALM OIL JOURNEY

Environmental Management



Forest conservation and biodiversity protection

GAR continues to maintain a forest conservation area of over 72,000 hectares – roughly 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 and convinced several local communities to conserve over 7,700 hectares of forests[9]. Working with our suppliers, we are supporting their conservation of 65,000 hectares of forests to date. This brings the total conservation area that we are supporting directly and indirectly to over 144,000 hectares.

We carried on with the physical rehabilitation of the 2,600 hectare Peat Ecosystem in PT AMNL, West Kalimantan, monitoring and keeping the peat area's water levels and maintaining the 350 hectares of buffer zone we have replanted since 2016.

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 special focus for GAR. Under our renewed partnership with Orangutan Foundation International[10] (OFI) we supported the release of eight rehabilitated orangutans back to the wild in 2019. Together, we aim to release 60 orangutans by 2021, in addition to the 100 previously released from 2011 to 2017.

GAR is maintaining riparian buffer zones which have been rehabilitated. From 2015 to 2018, we completed the rehabilitation of over 2,700 hectares of riparian zones across all our concessions and in 2019, we had revegetated up to 96 percent of these areas.

In 2019, GAR joined a pioneering industry initiative to improve surveillance of deforestation in Indonesia. Together with nine other major palm oil producers and buyers, GAR is supporting and

9 In 2019, we temporarily halted our conservation planning with communities in order to focus our resources fully on completing Participatory Mapping with communities

10 https://orangutan.org/

funding the development of a new radar-based forest monitoring system known as Radar Alerts for Detecting Deforestation (RADD). This partnership between ourselves and Bunge, Cargill, Mondelēz International, Musim Mas, Nestlé, Pepsico, Sime Darby Plantation, Unilever and Wilmar will make it much easier for companies and other stakeholders to see deforestation happening in near-real-time and with greater accuracy. With this information, GAR and other companies can speed up follow-up actions on the ground and work to improve the sustainability of supply chains. Read more on our website.[11]

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.

Tackling a challenging 2019 fire season

Warmer and drier climate conditions in 2019 led to a challenging fire season in Indonesia. Due to our strengthened fire mitigation and fire-fighting procedures we were able to keep the fire-affected areas contained, and as a result, 99.5 percent of our production area was unaffected.

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 https://goldenagri.com.sg/sustainability/forest-conservation/fire-management/

As monitoring by the non-profit Global Forest Watch showed that the vast majority of the fires in 2019 occurred in areas other than palm oil plantations, we remain committed to our long-term fire prevention community programme or Desa Makmur Peduli Api (DMPA) in 32 villages. In 2019, we focused on strengthening our fire prevention and mitigation procedures amongst the villages taking part in DMPA. This included:

- Prevention: raise fire prevention awareness, community empowerment and improve water management system
- Preparedness: have well-trained and well-equipped personnel and improve infrastructure
- Early warning systems (EWS): monitor hot spot maps; have effective and efficient fire patrol systems; implement a rating system for potential for fires; use social media channels to disseminate fire prevention messages.
- Quick response: deploy fire-fighting team that is on standby to supress fires quickly

This exercise helped us tackle the 2019 fire season.

R&D for sustainable palm oil

Our dedicated research arm SMART Research Institute (SMARTRI)[12] in Libo, Riau, plays a key role in improving yields, researching climate change mitigation and adaptation in palm oil plantations, as well as 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[13] in Sentul, Bogor, have been working on creating clonal stock for replanting over the next few years. To date, about 2.5 million clones have been produced.

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

11 https://goldenagri.com.sg/wp-content/uploads/2019/11/Palm-Oil-Industry-to-Jointly-Develop-Radar-Monitoring-Technology-to-Detect-Deforestation.pdf
12 https://goldenagri.com.sg/sustainability/research-development/smart-research-institute/
13 https://goldenagri.com.sg/sustainability/research-development/smart-biotechnology-centre/

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

Financial Reports

BUILDING A RESILIENT BUSINESS

Innovation AND Sustainability

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GOLDEN AGRI-RESOURCES LTD

(Incorporated in Mauritius)

AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2019

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Report of The Directors

31 DECEMBER 2019

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 2019.

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 (appointed on 15 November 2019)

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 2019 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 2019 and 21 January 2020, except as follows:

	Shareholdings registered in the name of directors or their spouse or their nominees		Shareholdings in which directors are deemed to have an interest	
Name of directors in which interests are held	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
The Company	Shares of US$0.025 each			
Lew Syn Pau	1,000,000	3,000,000	-	-
Christian G H Gautier De Charnacé	-	352,000	-	-

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2020.

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 of 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: 17 March 2020

Statement by The Directors

31 DECEMBER 2019

In the opinion of the directors, the consolidated financial statements set out on pages 80 to 163 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2019 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: 17 March 2020

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 2019, 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 2019, 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$796.6 million and financial assets at fair value through profit or loss ("FVTPL") amounted to US$953.1 million. These accounted for approximately 20% of the Group's total assets as at 31 December 2019.

The Group engaged third party valuers to value the investments of the 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 2019, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US$104.2 million and US$24.4 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.

Independent Auditor's Report

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

(cont'd)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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: 17 March 2020

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Revenue	5	6,431,799	7,167,428
Cost of sales	6	(5,600,332)	(6,160,594)
Gross profit		831,467	1,006,834
Operating expenses			
Selling expenses	7	(354,650)	(522,582)
General and administrative expenses	7	(341,115)	(336,276)
		(695,765)	(858,858)
Operating Profit		135,702	147,976
Other income/(expenses)			
Financial income	8	18,154	37,456
Financial expenses	8	(166,524)	(163,931)
Share of results of associated companies		3,890	845
Share of results of joint ventures		(13,010)	(40,350)
Foreign exchange gain/(loss)		37,263	(20,497)
Provision for expected credit loss on trade and other receivables	10	(20,185)	8
Other operating income	9	262,813	125,487
		122,401	(60,982)
Exceptional items			
Gain on disposal of subsidiaries	41a	12,871	-
Allowance for impairment loss on property, plant and equipment	23	(10,747)	(1,345)
		2,124	(1,345)
Profit before income tax	10	260,227	85,649
Income tax	11	(47,159)	(83,771)
Profit for the year		213,068	1,878
Attributable to:			
Owners of the Company		193,977	(1,772)
Non-controlling interests		19,091	3,650
		213,068	1,878
Earnings/(Loss) per ordinary share (US cents per share)			
Basic and diluted	12a	1.52	(0.01)

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

Consolidated statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Profit for the year		213,068	1,878
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on post-employment benefits	38	(5,071)	27,015
Share of other comprehensive (loss)/income of joint ventures		(43)	33,489
Changes in fair value of financial assets at fair value through other comprehensive income	40	58,503	73,667
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences on consolidation		(5,453)	(20,676)
Share of other comprehensive loss of:			
Joint ventures		(149)	(2,580)
Associated companies		(146)	(576)
Other comprehensive income, net of income tax		47,641	110,339
Total comprehensive income for the year		260,709	112,217
Total comprehensive income attributable to:			
Owners of the Company		243,210	109,505
Non-controlling interests		17,499	2,712
		260,709	112,217

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Assets			
Current Assets			
Cash and cash equivalents	13	209,614	192,766
Short-term investments	14	574,747	351,855
Trade receivables	15	500,663	533,692
Other current assets	16	663,376	804,835
Inventories	17	1,014,557	1,002,350
		2,962,957	2,885,498
Non-Current Assets			
Long-term receivables and assets	18	232,523	323,525
Long-term investments	19	1,236,858	1,077,772
Investment in associated companies	20	21,184	17,546
Investment in joint ventures	21	185,199	88,723
Investment properties	22	105	112
Property, plant and equipment	23	2,689,806	2,624,108
Bearer plants	25	1,029,815	1,092,166
Deferred tax assets	26	232,667	244,023
Intangible assets	27	188,217	192,107
		5,816,374	5,660,082
Total Assets		**8,779,331**	**8,545,580**

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

	Note	2019	2018
		US$'000	US$'000
Liabilities and Equity			
Current Liabilities			
Short-term borrowings	28	1,852,319	1,376,266
Bonds and notes payable	30	-	124,640
Lease liabilities	31	18,471	-
Trade payables	32	557,707	683,349
Other payables	33	296,095	287,748
Taxes payable	11	12,513	18,899
		2,737,105	2,490,902
Non-Current Liabilities			
Lease liabilities	31	20,425	-
Bonds and notes payable	30	111,359	109,971
Long-term borrowings	29	1,141,217	1,399,212
Deferred tax liabilities	26	85,632	78,080
Long-term payables and liabilities	34	178,149	157,335
		1,536,782	1,744,598
Total Liabilities		4,273,887	4,235,500
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	(31,726)	(31,726)
Other paid-in capital		184,318	184,318
Other reserves			
Option reserve		31,471	31,471
Currency translation reserve		(20,071)	(16,702)
Fair value reserve		165,191	106,688
PRC statutory reserve		3,820	3,820
Other reserve		29,731	35,315
		210,142	160,592
Retained earnings		2,457,300	2,318,426
		4,357,068	4,168,644
Non-Controlling Interests		148,376	141,436
Total Equity		4,505,444	4,310,080
Total Liabilities and Equity		**8,779,331**	**8,545,580**

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2019

	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 31.12.2018	320,939	1,216,095	(31,726)	184,318	160,592	2,318,426	4,168,644	141,436	4,310,080
Effect of adoption of IFRS 16	-	-	-	-	-	(849)	(849)	-	(849)
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 41c)	-	-	-	-	(163)	-	(163)	163	-
Capital subscribed by non-controlling shareholders (Note 41c)	-	-	-	-	-	-	-	22	22
Disposal of subsidiaries (Note 41a)	-	-	-	-	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
Balance at 1.1.2018	320,939	1,216,095	(31,726)	184,318	86,825	2,331,271	4,107,722	101,570	4,209,292
(Loss)/Profit for the year	-	-	-	-	-	(1,772)	(1,772)	3,650	1,878
Other comprehensive income/(loss)	-	-	-	-	111,277	-	111,277	(938)	110,339
Total comprehensive income/(loss) for the year	-	-	-	-	111,277	(1,772)	109,505	2,712	112,217
Dividends (Note 37)	-	-	-	-	-	(11,073)	(11,073)	-	(11,073)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(464)	(464)
Non-controlling interests for incorporation of subsidiaries (Note 46e)	-	-	-	-	-	-	-	136	136
Transactions with non-controlling interests (Note 41d)	-	-	-	-	(37,510)	-	(37,510)	37,482	(28)
Balance at 31.12.2018	320,939	1,216,095	(31,726)	184,318	160,592	2,318,426	4,168,644	141,436	4,310,080

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Cash flows from operating activities			
Profit before income tax		260,227	85,649
Adjustments for:			
Depreciation of investment properties	22	4	5
Depreciation of property, plant and equipment	23	206,859	181,330
Depreciation of bearer plants	25	100,270	99,072
Amortisation of intangible assets		4,703	3,639
Net (gain)/loss from changes in fair value of biological assets	24	(515)	20,129
Unrealised net foreign exchange gain		(6,080)	(6,135)
Share of results of associated companies		(3,890)	(845)
Share of results of joint ventures		13,010	40,350
(Gain)/Loss on disposal of property, plant and equipment	9	(1,051)	793
Bearer plants and property, plant and equipment written off	9	1,728	1,175
Provision for expected credit loss on:			
Trade receivables, net	10	179	(9)
Other receivables, net	10	20,006	1
Write-back of impairment loss on inventories		(3,072)	(161)
Allowance for impairment loss on property, plant and equipment	23	10,747	1,345
(Gain)/Loss on disposal of subsidiaries	41a,b	(12,871)	189
Changes in fair value of financial assets at fair value through profit or loss	9	(233,807)	(131,537)
Non-trade receivables written off	9	8,762	3,134
Interest income	8	(18,154)	(37,456)
Interest expense	8	164,534	161,309
Operating cash flows before working capital changes		511,589	421,977
Changes in operating assets and liabilities:			
Trade receivables		(1,230)	(48,442)
Other receivables		75,650	(166,049)
Inventories		(26,651)	63,137
Trade payables		(77,972)	138,633
Other payables		49,377	52,314
Cash generated from operations		530,763	461,570
Interest paid		(166,261)	(153,166)
Interest received		25,604	33,088
Tax paid		(18,874)	(58,225)
Net cash generated from operating activities		371,232	283,267

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		12,520	5,468
Proceeds from disposal of bearer plants		512	1,083
Capital expenditure on property, plant and equipment	23	(250,514)	(229,041)
Capital expenditure on bearer plants	25	(31,759)	(36,854)
Payments for investment in financial assets		(170,187)	(187,268)
Return of capital from investment in financial assets		128,383	56,573
Investment in associated companies	46d	-	(6,097)
(Investment in)/Proceeds from Plasma/KKPA program plantations, net		(1,804)	1,964
Cash inflow from non-controlling interest for incorporation of subsidiaries	46e	-	136
Net cash inflow from disposal of subsidiaries	41a,b	48	70,514
Dividend received from joint ventures		-	34,405
Dividend received from an associated company		-	772
Payments for intangible assets	27	(18,432)	(25,455)
Increase in long-term receivables and assets		(23,936)	(26,632)
Net cash used in investing activities		(355,169)	(340,432)
Cash flows from financing activities			
Proceeds from short-term borrowings		4,893,368	4,911,253
Proceeds from long-term borrowings		308,454	658,467
Proceeds from notes issue		-	112,613
Payments of dividends		(65,745)	(11,537)
Payments of short-term borrowings		(4,523,347)	(4,930,839)
Payments of long-term borrowings		(461,909)	(418,395)
Payments of principal element of lease liabilities	35	(20,922)	-
Payments of bonds and notes payable	35	(124,869)	(309,262)
Capital subscribed by non-controlling shareholders		22	-
Proceeds from dilution of interests in a subsidiary	41d	-	83,380
Acquisition of additional interests in a subsidiary	41d	-	(28)
Payments of deferred loan charges and bank loan administration costs	29	(4,267)	(6,172)
Decrease/(Increase) in cash in banks and time deposits pledged		31,530	(766)
Net cash generated from financing activities		32,315	88,714
Net increase in cash and cash equivalents		48,378	31,549
Cash and cash equivalents at the beginning of the year		158,747	127,198
Cash and cash equivalents at the end of the year	13	207,125	158,747

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2019

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 2019 were authorised for issue by the Board of Directors on 17 March 2020.

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 2019. Except for the adoption of IFRS 16, *Leases*, the effect of which is discussed below, the adoption of the new and revised IFRSs has had no material financial impact on the financial statements of the Group.

<u>IFRS 16, *Leases*</u>

IFRS 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives*; and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 requires lessees to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The ROU asset is depreciated and interest expense is recognised on the lease liability. ROU assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

On 1 January 2019, the Group has applied a modified retrospective approach that does not restate comparative information, but recognises the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group elected an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

2 New and Revised International Financial Reporting Standards ("IFRSs") (cont'd)

(a) Adoption of New and Revised IFRSs (cont'd)

IFRS 16, *Leases* (cont'd)

The Group has, on a lease-by-lease basis:

- applied a single discount rate to a portfolio of leases with reasonable similar characteristics;
- relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- excluded initial direct costs in the measurement of ROU asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

There are no significant changes to the accounting by the Group as a lessor.

For leases previously classified as operating leases, the Group chose to measure its ROU assets at a carrying amount as if IFRS 16 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 January 2019. The Group recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonable similar characteristics. The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening retained earnings. Comparative information is not restated.

On 1 January 2019, the Group:

(i) recognised right-of-use assets of US$44,339,000 and lease liabilities of US$45,188,000, recognising the difference of US$849,000 in retained earnings.

(ii) reclassified prepaid rental expenses of US$3,155,000 under operating lease arrangements to right-of-use assets.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rates applied range from 4.35% to 5.50% per annum.

The difference between the operating lease commitments disclosed applying IAS 17 in the Group's financial statements as at 31 December 2018 and the lease liabilities recognised in the statement of financial position as at 1 January 2019 are presented below:

	Group US$'000
Operating lease commitments disclosed at 31 December 2018	46,118
Less: Discounted using the incremental borrowing rate at 1 January 2019	(4,921)
Less: Lease of low-value assets and short-term leases	(1,869)
Add: Extension options which are reasonably certain to be exercised	5,860
Lease liabilities recognised at 1 January 2019	45,188

2 New and Revised International Financial Reporting Standards ("IFRSs") (cont'd)

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

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

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 and IAS 8, *Definition of Material*	1 January 2020
Amendments to IAS 1, *Classification of Liabilities as Current and Non-Current*	1 January 2022
Amendments to IFRS 3, *Definition of a Business*	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*	1 January 2020

The directors of the Company expect the adoption of the amendments 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. 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.

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

(c) Foreign Currencies (cont'd)

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.

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)

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.

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.

3 Summary of Significant Accounting Policies (cont'd)

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

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.

(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.

3 Summary of Significant Accounting Policies (cont'd)

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

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.

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.

3 Summary of Significant Accounting Policies (cont'd)

(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.

- 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.

3 Summary of Significant Accounting Policies (cont'd)

(k) Financial Assets (cont'd)

• Classification of financial assets (cont'd)

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.

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.

3 Summary of Significant Accounting Policies (cont'd)

(k) Financial Assets (cont'd)

• Impairment of financial assets (cont'd)

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.

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.

3 Summary of Significant Accounting Policies (cont'd)

(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.

(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.

3 Summary of Significant Accounting Policies (cont'd)

(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

<u>Accounting policy applicable from 1 January 2019</u>

- *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.

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.

3 Summary of Significant Accounting Policies (cont'd)

(s) Leases (cont'd)

Accounting policy applicable from 1 January 2019 (cont'd)

- *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.

Accounting policy applicable before 1 January 2019

- *When the Group is the lessee*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recognised in the statement of financial position at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a financial expense which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Payments made under operating leases are charged to the income statement in equal annual amounts over the period of the lease.

- *When the Group is the lessor*

The Group's accounting policies as a lessor under IAS 17, *Leases* are similar to IFRS 16 as described above.

(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) 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.

3 Summary of Significant Accounting Policies (cont'd)

(v) 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.

(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.

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.

3 Summary of Significant Accounting Policies (cont'd)

(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) 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.

3 Summary of Significant Accounting Policies (cont'd)

(ab) 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.

(ac) Financial Guarantees

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

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

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

4 Critical Accounting Estimates, Assumptions and Judgements

The Group makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(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.

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

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

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

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 Notes 23 and 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. The growth and discount rates are based on industry forecasts. The expected cash flows are based on past practices and margins with reference to the historical results.

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

(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.

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.

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

(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.

(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$10,747,000 (2018: US$1,345,000) (Note 23) has been recognised in the consolidated income statement.

5 Revenue

	2019 US$'000	2018 US$'000
Sales in Indonesia		
Third parties	973,147	942,993
Associated companies	12,259	17,053
Joint ventures	100,047	114,639
Related parties	7,097	6,996
	1,092,550	1,081,681
Sales outside Indonesia		
Third parties	5,339,174	6,085,599
Related parties	75	148
	5,339,249	6,085,747
	6,431,799	7,167,428

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:

	2019 US$'000	2018 US$'000
Sales in Indonesia		
Palm oil based products:		
Crude palm oil	25,838	29,775
Margarine and fat	43,325	36,983
Palm fatty acid distillate	27,333	30,771
Palm kernel	2,489	2,932
Palm kernel meal	6,042	6,107
Palm kernel oil	103,055	114,988
Refined bleached deodorised olein	361,855	396,206
Refined bleached deodorised stearin	63,895	50,845
Refined bleached deodorised palm oil	53,531	57,639
Refined bleached deodorised palm kernel oil	14,070	11,816
Oleochemical products	35,533	34,959
Biodiesel products	292,492	196,233
Others	13,520	7,261
	1,042,978	976,515
Others	49,572	105,166
Total sales in Indonesia	1,092,550	1,081,681
Sales outside Indonesia		
Palm oil based products:		
Crude palm oil	926,863	1,038,523
Margarine and fat	102,477	108,481
Palm fatty acid distillate	86,786	96,109
Palm kernel meal	75,608	78,831
Palm kernel oil	154,511	183,927
Refined bleached deodorised olein	1,645,078	1,793,466
Refined bleached deodorised stearin	238,733	289,551
Refined bleached deodorised palm oil	544,682	686,854
Refined bleached deodorised palm kernel oil	175,935	294,636
Oleochemical products	171,082	201,334
Biodiesel products	108,669	81,410
Others	152,520	140,877
	4,382,944	4,993,999
Soy bean based products	302,478	467,940
Sunflower oil	428,285	399,398
Sugar based products	50,234	1,452
Noodles and snack products	74,425	94,587
Revenue from provision of port and storage facilities	2,707	2,849
Others	98,176	125,522
Total sales outside Indonesia	5,339,249	6,085,747
	6,431,799	7,167,428

Notes to the Consolidated Financial Statements

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6 Cost of Sales

	Note	2019 US$'000	2018 US$'000
Cost of inventories recognised as an expense		4,994,404	5,566,000
Depreciation of property, plant and equipment		168,888	152,471
Depreciation of bearer plants	25	100,270	99,072
Processing and direct costs		309,960	327,316
Changes in fair value of derivative financial instruments		26,810	15,735
		5,600,332	6,160,594

7 Selling, General and Administrative Expenses

	Note	2019 US$'000	2018 US$'000
Selling expenses			
Freight and related expenses		248,926	248,592
Export tax and administration		10,778	172,235
Salaries and employee benefits expense		20,923	27,556
Advertising and promotions		22,390	26,467
Depreciation of property, plant and equipment		6,328	4,830
Bulking		847	1,189
Amortisation of intangible assets	27	28	29
Others		44,430	41,684
		354,650	522,582
General and administrative expenses			
Salaries and employee benefits expense		220,664	224,621
Rent, tax and licenses		8,897	21,002
Depreciation of property, plant and equipment		29,792	19,983
Professional fees		17,936	14,188
Travelling		13,820	13,884
Repairs and maintenance		9,430	8,373
Office supplies and utilities		7,323	4,676
Amortisation of intangible assets	27	4,411	3,346
Others		28,842	26,203
		341,115	336,276
		695,765	858,858

8 Financial Income and Financial Expenses

	Note	2019 US$'000	2018 US$'000
Interest income from:			
Third parties		12,163	28,934
Joint ventures and associated companies		5,920	8,470
Related parties		71	52
Financial income		18,154	37,456
Interest expense to:			
Third parties		(158,008)	(154,447)
Joint ventures		(122)	(109)
Related parties		(1,189)	-
Amortisation of deferred loan charges	29	(5,210)	(6,790)
Amortisation of deferred bond charges	30	(5)	(9)
Amortisation of premium on notes		-	46
Total interest expense		(164,534)	(161,309)
Finance charges		(1,990)	(2,622)
Financial expenses		(166,524)	(163,931)
Net financial expenses		(148,370)	(126,475)

9 Other Operating Income

	Note	2019 US$'000	2018 US$'000
Changes in fair value of financial assets at fair value through profit or loss		233,807	131,537
Investment income		8,966	12,149
Rental income		8,358	7,737
Income from sales of seedlings		2,561	5,557
Insurance and product claims		4,626	2,381
Gain on sale of other materials and by-products		4,409	2,230
Management and service fee income from joint ventures and an associated company		1,804	858
Loss on disposal of a subsidiary	41b	-	(189)
Net gain/(loss) from changes in fair value of biological assets	24	515	(20,129)
Depreciation of property, plant and equipment		(1,851)	(4,046)
Depreciation of investment properties	22	(4)	(5)
Non-trade receivables written off	16	(8,762)	(3,134)
Bearer plants and property, plant and equipment written off		(1,728)	(1,175)
Gain/(Loss) on disposal of property, plant and equipment		1,051	(793)
Others		9,061	(7,491)
		262,813	125,487

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	2019 US$'000	2018 US$'000
Audit fees paid/payable to:			
Auditors of the Company		363	329
Auditors of the subsidiaries		1,148	1,092
Non-audit services paid/payable to:			
Auditors of the Company		-	-
Auditors of the subsidiaries		78	56
Provision for expected credit loss on:			
Trade receivables, net		179	(9)
Other receivables, net		20,006	1
Employee compensation:			
Wages and salaries		231,406	243,236
Post-employment benefits expense	38	15,008	14,587
Employer's contributions to defined contribution plans		4,447	4,331

11 Income Tax

	Note	2019 US$'000	2018 US$'000
Income tax expense attributable to the results is made up of:			
Current income tax			
Current year		26,330	36,470
Under-provision in respect of prior years		990	1,604
		27,320	38,074
Deferred income tax	26	19,839	45,697
		47,159	83,771

Taxes Payable

Details of taxes payable are as follows:

	2019 US$'000	2018 US$'000
Estimated income tax payable of subsidiaries	4,994	6,320
Income and other taxes:		
Article 21	1,423	4,097
Article 23	2,425	3,083
Article 25	1,546	3,649
Article 26	375	347
Value added tax	1,750	1,403
	12,513	18,899

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesian statutory tax rate of 25% (2018: 25%) is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate.

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:

	2019 US$'000	2018 US$'000
Profit before income tax	260,227	85,649
Adjustments for:		
Share of results of associated companies	(3,890)	(845)
Share of results of joint ventures	13,010	40,350
	269,347	125,154
Tax calculated at a tax rate of 25% (2018: 25%)	67,337	31,289
Effect of different tax rates in other countries	8,188	12,443
Non-deductible expenses, net	6,118	10,243
Permanent differences arising mainly from remeasurement	(35,396)	13,266
Recognition of previously unrecognised tax losses	-	(165)
Utilisation of previously unrecognised tax losses	(3,709)	(895)
Income tax at preferential rate	(2,805)	(1,465)
Unrecognised deferred tax assets	6,436	17,451
Under-provision in prior years' current income tax	990	1,604
	47,159	83,771

12 Earnings/(Loss) Per Share and Net Asset Value Per Share

(a) Earnings/(Loss) Per Share

Earnings/(Loss) per share amounts are calculated by dividing net profit attributable to the owners of the Company of US$193,977,000 (2018: net loss of US$1,772,000) by the weighted average number of ordinary shares (excluding treasury shares) during the year of 12,734,756,156 (2018: 12,734,756,156).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2019 and 2018.

(b) Net Asset Value Per Share

Net asset value per share of US$0.35 (2018: US$0.34) is calculated by dividing total equity of US$4,505,444,000 (2018: US$4,310,080,000) by the number of issued ordinary shares (excluding treasury shares) as at the end of the reporting period of 12,734,756,156 (2018: 12,734,756,156).

13 Cash and Cash Equivalents

	2019 US$'000	2018 US$'000
Cash on hand	279	928
Cash in banks	203,442	168,371
Time deposits	5,893	23,467
Cash and cash equivalents in statement of financial position	209,614	192,766
Less: Cash in banks and time deposits pledged	(2,489)	(34,019)
Cash and cash equivalents in the consolidated statement of cash flows	207,125	158,747

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

	2019 US$'000	2018 US$'000
United States dollar	98,764	70,428
Indonesian rupiah	58,549	40,505
Chinese renminbi	34,466	33,086
Indian rupee	5,165	38,837
Others	12,670	9,910
	209,614	192,766

The above cash and cash equivalents include balances with related parties of US$8,058,000 (2018: US$4,762,000).

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:

	2019 %	2018 %
United States dollar	1.5	1.7
Indonesian rupiah	4.3 – 5.8	4.3 – 5.8
Indian rupee	5.0 – 8.9	5.0 – 8.0

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:

	2019 US$'000	2018 US$'000
Time deposits	61,956	38,600
Equity securities at FVOCI	23,776	35,421
Financial assets at FVTPL:		
Equity securities held for trading	15,782	17,592
Debt securities held for trading	22,916	38,201
Convertible debt securities held for trading	450,317	222,041
	489,015	277,834
	574,747	351,855

14 Short-Term Investments (cont'd)

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

	2019 US$'000	2018 US$'000
United States dollar	510,193	313,155
Indian rupee	63,402	37,504
Chinese renminbi	645	654
Indonesian rupiah	507	542
	574,747	351,855

Time deposits amounting to US$61,520,000 (2018: US$38,158,000) have been pledged to banks as security for credit facilities (Notes 28 and 29).

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

	2019 %	2018 %
United States dollar	1.5	0.5
Indian rupee	6.0 – 8.3	4.0 – 8.8
Chinese renminbi	1.8	1.8
Indonesian rupiah	4.3	4.3 – 4.8

15 Trade Receivables

	2019 US$'000	2018 US$'000
Third parties	499,454	523,094
Related parties	2,292	3,241
Associated companies	705	1,058
Joint ventures	2,875	11,168
	505,326	538,561
Less: Allowance for impairment loss	(4,663)	(4,869)
	500,663	533,692

Trade receivables of the Group, including intra-group trade receivables which have been eliminated on consolidation, amounting to US$287,469,000 (2018: US$324,025,000) have been pledged as security for credit facilities (Notes 28 and 29). The average turnover for the year was 29 days (2018: 26 days).

As at 31 December 2019, the majority of the Group's trade receivables are current, with 11% (2018: 19%) and 5% (2018: 3%) 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 impairment of trade receivables are as follows:

	2019 US$'000	2018 US$'000
Balance at the beginning of the year	4,869	5,171
Provision for ECLs during the year	190	32
Reversal of unutilised amounts	(11)	(41)
Receivables written off against allowance during the year	(24)	(224)
Disposal of a subsidiary	(394)	-
Translation adjustment	33	(69)
Balance at the end of the year	4,663	4,869

The trade receivables are denominated in the following currencies:

	2019 US$'000	2018 US$'000
United States dollar	276,302	310,098
Indonesian rupiah	123,874	123,819
Euro	65,248	66,738
Indian rupee	26,941	26,513
Others	8,298	6,524
	500,663	533,692

16 Other Current Assets

	Note	2019 US$'000	2018 US$'000
Non-trade receivables from:			
Third parties		138,292	135,634
Related parties		347	34,875
Joint ventures		24,105	68,230
Derivative receivable	39	104,169	102,742
Staff advances		7,210	6,109
		274,123	347,590
Less: Allowance for impairment loss		(13,010)	(850)
		261,113	346,740
Biological assets	24	64,304	63,789
Advances and deposits to suppliers		87,984	167,384
Advances for purchases of property, plant and equipment and others		64,832	76,418
Prepaid taxes		150,311	117,481
Prepaid expenses		21,376	21,370
Others		13,456	11,653
		663,376	804,835

The amounts receivable from related parties are interest-free, unsecured and expected to be repayable within the next twelve months. The amounts receivable from joint ventures are unsecured, bear interest ranging from 3.4% to 5.0% (2018: 3.3% to 4.6%) per annum and are expected to be repayable within the next twelve months. During the current financial year, an amount receivable from a joint venture of US$54,150,000 (2018: US$62,920,000) has been converted into equity in the joint venture.

16 Other Current Assets (cont'd)

The Group recognised loss allowance for ECLs at an amount equal to 12-month ECLs except for an amount of US$12,000,000 (2018: Nil) based on lifetime ECLs in line with the significant change in credit risks of the debtors. Movements in credit loss allowance for impairment of non-trade receivables are as follows:

	2019 US$'000	2018 US$'000
Balance at the beginning of the year	850	918
Provision for ECLs during the year	12,221	18
Reversal of unutilised amounts	(215)	(17)
Receivables written off against allowance during the year	(36)	(34)
Translation adjustment	190	(35)
Balance at the end of the year	13,010	850

During the current financial year, the Group wrote off non-trade receivables of US$8,762,000 (2018: US$3,134,000) as the recoverability is remote.

The other current assets are denominated in the following currencies:

	2019 US$'000	2018 US$'000
Indonesian rupiah	373,170	400,208
United States dollar	175,971	318,520
Chinese renminbi	69,992	41,622
Indian rupee	36,208	36,393
Euro	6,895	7,436
Others	1,140	656
	663,376	804,835

17 Inventories

	2019 US$'000	2018 US$'000
Raw materials	358,473	364,425
Finished goods	462,376	451,989
Goods in transit	47,913	35,642
	868,762	852,056
Consumables:		
Fertilisers and general material	46,500	63,566
Fuel, chemical and packing supplies	56,397	50,434
Others	42,898	36,294
	1,014,557	1,002,350

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:

	2019 US$'000	2018 US$'000
Balance at the beginning of the year	6,252	7,449
Allowance for impairment loss during the year	1,714	6,183
Write-back of impairment loss during the year	(4,786)	(6,344)
Write-off against allowance	(551)	(623)
Translation adjustment	(47)	(413)
Balance at the end of the year	2,582	6,252

During the current financial year, the Group recognised an allowance for impairment loss of US$1,714,000 (2018: US$6,183,000) in cost of sales as the carrying amount of certain inventories was higher than the net realisable value. Allowance for impairment loss of US$4,786,000 (2018: US$6,344,000) has been reversed as a result of an increase in net realisable value of certain inventories.

Inventories amounting to US$441,177,000 (2018: US$279,190,000) have been pledged to banks as security for credit facilities (Notes 28 and 29).

18 Long-Term Receivables and Assets

	2019 US$'000	2018 US$'000
Loans receivable from joint ventures and an associated company	21,846	80,793
Tax recoverable	157,756	204,729
Advances for projects	24,831	12,290
Advances for plasma plantations, net	4,608	2,651
Advances for investment in land	1,495	1,495
Land clearing	3,959	1,894
Others	18,028	19,673
	232,523	323,525

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

	2019 US$'000	2018 US$'000
Indonesian rupiah	186,558	232,820
United States dollar	40,527	84,758
Malaysian ringgit	3,298	3,263
Others	2,140	2,684
	232,523	323,525

The unsecured loans receivable from joint ventures and an associated company bear interest ranging from 5.4% to 12% (2018: 3.3% to 12.0%) per annum with maturity dates ranging between January 2022 and April 2024. During the current financial year, loan receivable from a joint venture of US$55,850,000 has been converted into equity in the joint venture.

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

The loans receivable from joint ventures and an associated company shown above are net of provision for expected credit loss. During the current financial year, the Group recognised loss allowances at an amount equal to 12-month ECLs except for an amount of US$8,000,000 (2018: Nil) based on lifetime ECLs in line with the significant change in credit risks of the debtors.

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.

A Plasma Program plantation is funded by an investment credit facility by designated banks to the Plasma farmers.

Advances for Plasma plantations represent accumulated costs (including borrowing costs and indirect overhead costs) to develop Plasma areas, less the investment credit obtained from the bank. When a Plasma plantation is completed and ready to be transferred or turned-over to the Plasma farmers, the corresponding investment credit from the bank is also transferred to the Plasma farmers. Gain or loss resulting from the difference between the carrying amount of the Plasma plantation transferred and the related investment credit transferred is credited or charged to the income statement.

19 Long-Term Investments

	2019 US$'000	2018 US$'000
Equity securities at FVOCI	772,800	635,562
Financial assets at FVTPL:		
Equity/Fund securities	277,816	254,634
Convertible debt securities	186,242	187,576
	464,058	442,210
	1,236,858	1,077,772

The above convertible debt securities relate 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 is granted an option to either convert the loan into shares of the borrower or to settle in cash.

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

	2019 US$'000	2018 US$'000
United States dollar	1,176,212	1,020,098
Euro	60,646	57,674
	1,236,858	1,077,772

20 Investment in Associated Companies

	2019 US$'000	2018 US$'000
Unquoted equity shares, at cost	11,646	11,646
Share of post-acquisition reserves, net of dividend received	10,109	6,365
Translation adjustment	(571)	(465)
	21,184	17,546

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:

	2019 US$'000	2018 US$'000
Results		
Revenue	65,367	56,880
Profit for the year	5,457	2,245
Assets and liabilities		
Total assets	102,092	49,054
Total liabilities	(55,718)	(25,436)
Net assets	46,374	23,618

As at 31 December 2019 and 2018, there are no losses which are in excess of the Group's interests in the associated companies.

21 Investment in Joint Ventures

	2019 US$'000	2018 US$'000
Unquoted equity shares, at cost	230,899	120,899
Share of post-acquisition reserves, net of dividend received	(44,967)	(31,765)
Translation adjustment	(733)	(411)
	185,199	88,723

Particulars of the joint ventures are disclosed in Note 46 to the consolidated financial statements. Summarised aggregated financial information in respect of the Group's joint ventures, which is not adjusted for the percentage of ownership held by the Group, is as follows:

	2019 US$'000	2018 US$'000
Results		
Revenue	428,213	493,582
Loss for the year	(31,749)	(61,040)
Assets and liabilities		
Total assets	996,104	996,667
Total liabilities	(667,046)	(859,973)
Non-controlling interests	(7,064)	(5,204)
Net assets	321,994	131,490

21 Investment in Joint Ventures (cont'd)

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

	2019 US$'000	2018 US$'000
Interest in joint ventures (50%)	160,997	65,745
Goodwill on acquisition	13,017	13,280
Unrecognised share of post-acquisition reserve	11,185	9,698
Net carrying amount	185,199	88,723

22 Investment Properties

	Note	2019 US$'000	2018 US$'000
Cost			
Balance at the beginning of the year		262	307
Translation adjustment		(10)	(45)
Balance at the end of the year		252	262
Less: Accumulated depreciation			
Balance at the beginning of the year		150	183
Charge for the year	9	4	5
Translation adjustment		(7)	(38)
Balance at the end of the year		147	150
Net carrying amount		105	112

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$119,000 (2018: US$119,000) and US$19,000 (2018: US$19,000) respectively.

As at 31 December 2019, the fair value of the Group's investment properties is approximately US$1,130,000 (2018: US$1,182,000) 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 31.12.2018	13,974	386,678	582,000	1,337,208	1,203,346	197,675	349,700	177,711	4,248,292
Effect of adoption of IFRS16	-	3,155	36,987	35,948	-	-	8,687	-	84,777
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 41a)	-	(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 31.12.2018	-	21,102	162,434	478,352	555,428	156,851	250,017	-	1,624,184
Effect of adoption of IFRS16	-	-	16,335	14,399	-	-	6,549	-	37,283
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 41a)	-	-	(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

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 1.1.2018	8,511	386,049	535,270	1,321,062	1,196,911	187,584	325,385	120,854	4,081,626
Translation adjustment	(430)	(1,811)	-	(8,272)	(11,586)	(880)	(422)	(806)	(24,207)
Additions	-	1,986	2,350	1,398	5,394	10,047	21,119	186,747	229,041
Disposals	-	-	(156)	(583)	(11,283)	(2,076)	(10,948)	(27)	(25,073)
Write-off	-	(52)	(77)	(1,704)	(4,973)	(1,518)	(4,771)	-	(13,095)
Reclassification	5,893	506	44,613	25,307	28,883	4,518	19,337	(129,057)	-
Balance at 31.12.2018	13,974	386,678	582,000	1,337,208	1,203,346	197,675	349,700	177,711	4,248,292
Accumulated depreciation and impairment loss									
Balance at 1.1.2018	-	20,496	130,729	431,905	518,551	147,305	242,481	-	1,491,467
Translation adjustment	-	(376)	-	(6,224)	(11,544)	(632)	(271)	-	(19,047)
Charge for the year	-	1,079	31,876	53,576	58,587	13,514	22,698	-	181,330
Disposals	-	-	(113)	(366)	(6,043)	(2,004)	(10,286)	-	(18,812)
Write-off	-	-	(55)	(1,434)	(4,621)	(1,498)	(4,491)	-	(12,099)
Allowance for impairment loss	-	-	-	896	-	449	-	-	1,345
Reclassification	-	(97)	(3)	(1)	498	(283)	(114)	-	-
Balance at 31.12.2018	-	21,102	162,434	478,352	555,428	156,851	250,017	-	1,624,184
Net book values									
Balance at 31.12.2018	13,974	365,576	419,566	858,856	647,918	40,824	99,683	177,711	2,624,108

During the current financial year, the Group carried out its annual impairment review and recorded an impairment loss amounting to US$10,747,000 (2018: US$1,345,000) 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 is 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 $14,511,000 acquired under leasing arrangement (Note 31).

As at 31 December 2019, the net carrying amount of property, plant and equipment, which has been pledged as security for credit facilities (Notes 28 and 29), amounted to US$625,106,000 (2018: US$612,390,000).

The Group holds land rights in Indonesia in the form of Hak Guna Usaha (HGU) which will expire in 2020 to 2098 and the management believes that those land rights can be extended upon expiry.

24 Biological Assets

	Note	2019 US$'000	2018 US$'000
Balance at the beginning of the year		63,789	83,918
Net gain/(loss) from changes in fair value recognised as part of other operating income	9	515	(20,129)
Balance at the end of the year	16	64,304	63,789

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 7,617,000 (2018: 8,111,800) 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 attributable to owners of the Company would have increased and total equity attributable to owners of the Company would have increased by approximately US$2,797,000, as a result of a higher gain arising from changes in fair value of biological assets.

As at the end of the previous reporting period, if we assume the market prices of FFB increased by 5% with all other variables being held constant, loss attributable to owners of the Company would have decreased and total equity attributable to owners of the Company would have increased by approximately US$2,843,000, as a result of a lower loss arising from changes in fair value of biological assets.

As at 31 December 2019, biological assets amounting to US$23,082,000 (2018: US$20,545,000) have been pledged to banks as security for credit facilities (Notes 28 and 29).

25 Bearer Plants

	Note	2019 US$'000	2018 US$'000
Cost			
Balance at the beginning of the year		2,594,621	2,511,321
Additions		31,759	86,828
Disposal		(512)	(1,083)
Write-off		(9,042)	(6,604)
Transfer from land clearing		7,420	4,159
Balance at the end of the year		2,624,246	2,594,621
Less: Accumulated depreciation			
Balance at the beginning of the year		1,502,455	1,409,808
Charge for the year	6	100,270	99,072
Write-off		(8,294)	(6,425)
Balance at the end of the year		1,594,431	1,502,455
Net book value		1,029,815	1,092,166

As at 31 December 2019, bearer plants amounting to US$162,931,000 (2018: US$136,229,000) have been pledged to banks as security for credit facilities (Notes 28 and 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:

	2019 US$'000	2018 US$'000
Deferred tax assets	232,667	244,023
Deferred tax liabilities	(85,632)	(78,080)
	147,035	165,943

	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 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 41a)	92	(266)	(522)	(696)
Translation adjustment	21	(23)	(52)	(54)
Balance at 31 December 2019	116,301	172,681	(141,947)	147,035
Balance at 1 January 2018	186,994	193,407	(159,510)	220,891
Charged to income statement (Note 11)	(47,281)	(7,272)	8,856	(45,697)
Charged to other comprehensive loss (Note 38)	-	-	(9,001)	(9,001)
Translation adjustment	199	(205)	(244)	(250)
Balance at 31 December 2018	139,912	185,930	(159,899)	165,943

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$78,441,000 (2018: US$72,340,000) have not been recognised for taxes that would be payable on the remittance to Mauritius of unremitted retained earnings of approximately US$2,614,686,000 (2018: US$2,411,345,000) 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$222,535,000 (2018: US$275,394,000).

26 Deferred Tax (cont'd)

	2019 US$'000	2018 US$'000
Expiry dates in year ending:		
31 December 2019	-	60,814
31 December 2020	41,872	36,733
31 December 2021	37,173	45,997
31 December 2022	33,211	43,668
31 December 2023	74,339	69,418
31 December 2024	31,439	8,347
31 December 2025	932	-
No expiry dates and subject to terms and conditions	3,569	10,417
	222,535	275,394

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$41,535,000 (2018: US$42,729,000) 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 2019	151,263	8,444	11,669	46,035	217,411
Additions	-	-	1,163	17,269	18,432
Disposal of a subsidiary (Note 41a)	(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 41a)	-	(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

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 2018	153,202	8,558	11,671	21,027	194,458
Additions	-	-	-	25,455	25,455
Write-off	-	-	(2)	-	(2)
Translation adjustment	(1,939)	(114)	-	(447)	(2,500)
Balance at 31 December 2018	151,263	8,444	11,669	46,035	217,411
Less: Accumulated amortisation					
Balance at 1 January 2018	-	7,042	5,837	8,821	21,700
Amortisation charged to:					
Selling expenses (Note 7)	-	1	1	27	29
General and administrative expenses (Note 7)	-	84	130	3,132	3,346
Cost of sales	-	-	264	-	264
Write-off	-	-	(2)	-	(2)
Translation adjustment	-	(15)	-	(18)	(33)
Balance at 31 December 2018	-	7,112	6,230	11,962	25,304
Net carrying amount					
Balance at 31 December 2018	151,263	1,332	5,439	34,073	192,107

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 14% (2018: 17%) margin. A terminal value was estimated based on the 5th year's future cash flow using the terminal growth rates ranging from 2.0% to 5.0% (2018: 5.0%) and pre-tax discount rates ranging from 7.6% to 10.8% (2018: 5.4% to 12.9%).

If the management estimates the terminal growth rates at 0.5% lower, the recoverable amount of the goodwill will still exceed its carrying amount.

28 Short-Term Borrowings

	Note	2019	2018
		US$'000	US$'000
Short-term loans:			
United States dollar		1,560,008	1,180,938
Indian rupee		1,327	8,864
Euro		3,374	5,153
		1,564,709	1,194,955
Current maturities of long-term loans	29	290,530	184,444
		1,855,239	1,379,399
Less: Unamortised loan charges	29	(2,920)	(3,133)
		1,852,319	1,376,266

28 Short-Term Borrowings (cont'd)

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

	2019 US$'000	2018 US$'000
Secured loans	924,553	684,566
Unsecured loans	640,156	510,389
	1,564,709	1,194,955

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:

	2019 %	2018 %
United States dollar	3.41	2.87
Euro	1.51	1.52
Indian rupee	8.79	7.87

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	2019 US$'000	2018 US$'000
Long-term loans:			
United States dollar		1,353,142	1,510,854
Singapore dollar		74,981	74,047
Indian rupee		7,154	3,008
Total long-term loans		1,435,277	1,587,909
Less: Current maturities of long-term loans	28	(290,530)	(184,444)
		1,144,747	1,403,465
Less: Unamortised deferred loan charges		(3,530)	(4,253)
Non-current portion		1,141,217	1,399,212

Movements in unamortised deferred loan charges are as follows:

	Note	2019 US$'000	2018 US$'000
Balance at the beginning of the year		7,386	8,012
Additions		4,267	6,172
Amortisation during the year	8	(5,210)	(6,790)
Translation adjustment		7	(8)
Balance at the end of the year		6,450	7,386
Less: Current portion	28	(2,920)	(3,133)
Non-current portion		3,530	4,253

29 Long-Term Borrowings (cont'd)

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

	2019 US$'000	2018 US$'000
Secured loans	1,126,089	1,389,159
Unsecured loans	309,188	198,750
	1,435,277	1,587,909

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:

	2019 %	2018 %
United States dollar	4.89	4.91
Singapore dollar	3.16	2.87
Indian rupee	10.17	9.92

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 2019 and 2018 are as follows:

	Original loan currency			U.S. Dollar Equivalent
Year	US$'000	S$'000	INR'000	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

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 2018				
Long-term borrowings repayable in:				
2019	184,337	-	7,500	184,444
2020	271,055	-	-	271,055
2021	234,218	-	10,000	234,361
2022	496,956	-	-	496,956
2023	223,038	101,000	192,500	299,843
Thereafter	101,250	-	-	101,250
Total	1,510,854	101,000	210,000	1,587,909
Current portion (Note 28)	(184,337)	-	(7,500)	(184,444)
Non-current portion	1,326,517	101,000	202,500	1,403,465

30 Bonds and Notes Payable

	2019 US$'000	2018 US$'000
Unsecured SGD multicurrency medium-term notes:		
4.75% p.a. fixed rate, due 2021	111,359	109,971
Unsecured RM Islamic medium-term notes:		
5.35% p.a. profit rate, due 2019	-	117,740
Unsecured IDR Bonds:		
9.25% p.a. fixed rate, due 2019	-	6,905
	111,359	234,616
Less: Deferred bond charges	-	(5)
	111,359	234,611
Less: Current portion	-	(124,640)
Non-current portion	111,359	109,971

Movements in deferred bond charges are as follows:

	Note	2019 US$'000	2018 US$'000
Balance at the beginning of the year		5	14
Amortisation during the year	8	(5)	(9)
Balance at the end of the year		-	5

31 Lease Liabilities – the Group as a lessee

Nature of the Group's leasing activities and carrying amount of ROU assets

- Landrights

The Group has made an upfront payment to secure the right-of-use of certain plots of land for lease period ranging from 5 to 20 years for construction of storage tanks.

- Leasehold land and building

The Group has made periodic lease payments for buildings for the purpose of its office usage. These buildings are recognised within property, plant and equipment.

The Group has also made an upfront payment to secure the right-of-use of leasehold land, which the Group constructed buildings on it and used them in the Group's leasing activities. The right-of-use of the land and building is classified as an investment property (Note 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:

	31 December 2019 US$'000	1 January 2019 US$'000
Landrights	2,898	3,155
Storage tanks, land improvement and bridges	15,296	20,652
Buildings	14,280	21,549
Transportation equipment	7,948	2,138
	40,422	47,494

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

Depreciation charges on ROU assets classified within property, plant and equipment during the current financial year are as follows:

	2019 US$'000
Landrights	257
Storage tanks, land improvement and bridges	5,713
Buildings	12,651
Transportation equipment	2,764
	21,385

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

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

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

Lease liabilities

	2019 US$'000
Lease liabilities:	
United States dollar	18,763
Indonesian rupiah	11,192
Euro	6,598
Others	2,343
Total lease liabilities	38,896
Less: Current portion of lease liabilities	(18,471)
Non-current portion	20,425

The above lease liabilities include balances with related parties of US$11,192,000.

32 Trade Payables

	2019 US$'000	2018 US$'000
Trust receipts payable	238,738	326,825
Trade payables to:		
Third parties	297,044	311,740
Associated companies	637	410
Joint ventures	3,404	9,008
Related parties	17,884	35,366
	557,707	683,349

The above trust receipts payable, which represent amounts due to certain banks, bear interest ranging from 2.8% to 3.5% (2018: 3.2% to 4.0%) per annum. The trust receipts payable and trade payables are denominated in the following currencies:

	2019 US$'000	2018 US$'000
United States dollar	296,136	429,327
Indonesian rupiah	221,393	217,401
Indian rupee	20,335	22,240
Chinese renminbi	11,416	7,969
Euro	6,494	3,254
Malaysian ringgit	1,411	2,879
Others	522	279
	557,707	683,349

33 Other Payables

	Note	2019 US$'000	2018 US$'000
Non-trade payables to:			
Third parties		83,218	76,883
Joint ventures		6,157	3,357
Related parties		743	248
Derivative payable	39	24,372	857
Interest payable		8,758	15,700
		123,248	97,045
Advances and deposits		113,102	138,665
Accrued expenses		59,745	52,038
		296,095	287,748

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

As at 31 December 2019, included in the amounts payable to joint ventures are US$3,300,000 (2018: US$3,176,000) which bear interest ranging from 3.2% to 4.0% (2018: 3.1% to 3.8%) per annum and are repayable within the next twelve months.

As at 31 December 2019, included in the amounts payable to third parties are US$5,360,000 (2018: US$3,238,000) which bear interest ranging from 4.1% to 4.8% (2018: 3.7% to 4.4%) per annum and are repayable within the next twelve months.

The other payables are denominated in the following currencies:

	2019 US$'000	2018 US$'000
United States dollar	132,885	138,714
Indonesian rupiah	93,208	84,488
Chinese renminbi	41,244	39,201
Indian rupee	18,871	14,934
Singapore dollar	5,038	4,316
Euro	3,631	3,077
Others	1,218	3,018
	296,095	287,748

34 Long-Term Payables and Liabilities

	Note	2019 US$'000	2018 US$'000
Post-employment benefits liability, denominated in Indonesian rupiah	38	94,471	71,768
Rental deposits, denominated in Singapore dollar		905	802
Deferred rental income, denominated in United States dollar		-	1,385
Put option liability, denominated in Indian rupee		82,773	83,380
		178,149	157,335

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.

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 31 December 2018	2,775,478	-	234,611
Recognition of lease liabilities on initial adoption of IFRS 16	-	45,188	-
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 41a)	-	(162)	-
Translation adjustment	549	281	1,612
Balance at 31 December 2019	2,993,536	38,896	111,359
Balance at 1 January 2018	2,560,809	-	431,330
Additions	5,569,720	-	112,613
Repayment	(5,349,234)	-	(309,262)
Payment of deferred loan charges	(6,172)	-	-
Non-cash changes:			
Amortisation	6,790	-	(37)
Translation adjustment	(6,435)	-	(33)
Balance at 31 December 2018	2,775,478	-	234,611

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 2018 and 2019	12,837,548,556	(102,792,400)	320,939	(31,726)

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

	2019 US$'000	2018 US$'000
Final dividend paid in respect of previous year of S$0.0058 (2018: S$0.00116) per share	54,258	11,073

At the Annual Meeting to be held on 27 April 2020, a final dividend (tax not applicable) of S$0.0058 per share, amounting to S$73,861,585.70 (equivalent to approximately US$54,834,0000) 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 2020.

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 2019, 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:

	2019	2018
Discount rate	6.8% - 8.2%	8.1% - 8.8%
Salary growth rate	6.0%	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	2019 US$'000	2018 US$'000
Balance at the beginning of the year		71,768	99,779
Post-employment benefits expense during the year recognised in the income statement	10	15,008	14,587
Post-employment benefits expense/(income) during the year recognised in other comprehensive income		6,752	(36,016)
Payments made during the year		(459)	(356)
Disposal of subsidiaries	41a	(2,271)	-
Translation adjustment		3,673	(6,226)
Balance at the end of the year	34	94,471	71,768

38 Post-Employment Benefits Liability (cont'd)

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

	2019 US$'000	2018 US$'000
Current service cost	9,340	11,229
Past service cost	68	(3,107)
Interest cost	5,600	6,465
Post-employment benefits expense recognised in the income statement (Note 10)	15,008	14,587

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

	2019 US$'000	2018 US$'000
Actuarial (loss)/gain arising from changes in assumptions	(8,066)	31,740
Actuarial gain arising from experience adjustment	1,314	4,276
Post-employment benefits (expense)/income recognised in other comprehensive income	(6,752)	36,016
Less: Deferred income tax (Note 26)	1,681	(9,001)
Net post-employment benefits (expense)/income recognised in other comprehensive income	(5,071)	27,015

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 end of the reporting period are as follows:

	2019		2018	
	Notional amount US$'000	Assets/ (Liabilities) US$'000	Notional amount US$'000	Assets/ (Liabilities) US$'000
Forward currency contracts	1,108,993	32,290	294,929	19,865
Commodity futures contracts	1,319,907	88,692	631,108	(28,723)
Firm commitment contracts	1,023,000	(41,185)	1,476,693	110,743
Total derivative financial instruments		79,797		101,885
Less: Current assets (Note 16)		(104,169)		(102,742)
Current liabilities (Note 33)		(24,372)		(857)

During the current financial year, the Group recognised a net gain from forward foreign currency contracts of US$42,712,000 (2018: US$34,582,000) in the income statement as part of net foreign exchange gain.

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, short-term borrowings, short-term bonds and notes payables and short-term lease liabilities 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 2019 and 2018, 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 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
At 31 December 2018				
Financial assets at FVOCI (Equity)	-	-	670,983	670,983
Financial assets at FVTPL held for trading	12,039	28,209	679,796	720,044
Derivative receivable	-	102,742	-	102,742
Derivative payable	-	(857)	-	(857)
	12,039	130,094	1,350,779	1,492,912

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 2019, fair value of financial assets amounting to US$544,661,000 (2018: US$536,731,000) was determined by reference to valuations performed using the net present value method. 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 (2018: 25 years).	The estimated fair value increases as the estimated average life increases.
Discount rate per annum ranging from 8.19% to 18.18% (2018: 7.1% to 18.35%).	The estimated fair value increases as the estimated discount rate per annum decreases.
Average selling price at US$620 (2018: ranging from US$641 to US$689) per metric tonne.	The estimated fair value increases as the estimated selling price increases.

As at the end of current financial year, the average selling prices 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$39.6 million.

- Fund statements

As at 31 December 2019, fair value of financial assets amounting to US$660,553,000 (2018: US$534,333,000) 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.

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 2019, fair value of financial assets amounting to US$510,963,000 (2018: US$279,715,000) was determined by reference to valuations performed using the discounted cash flow method. The expected cash flows from these renewable energy and technology businesses are 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 (2018: 25 years with refurbishment work done).	The estimated fair value increases as the estimated useful life increases.
Weighted average cost of capital per annum of 10% (2018: 5.1% to 12.6%).	The estimated fair value increases as the estimated weighted average cost of capital decreases.
Terminal growth rate of 1.5% (2018: Nil).	The estimated fair value increases as the growth rate increases.

As at the end of current 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 decrease 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 decrease 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.

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$7.6 million. If the utilisation rate for the uncontracted capacity decrease by 5% and the average useful life decrease by 3 years while all other variables were held constant, the fair value of the investment would decrease by US$32.2 million.

During the current financial year, net gain of US$233.8 million (2018: US$133.6 million) was recognised in the consolidated income statement due to changes in fair value. 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 2019	670,983	679,796
Net additions	187,377	4,849
Return of capital	(120,287)	(8,096)
Changes in fair value recognised in other comprehensive income	58,503	-
Fair value gain recognised in income statement	-	243,052
Balance at 31 December 2019	796,576	919,601

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 (cont'd)

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 2018	504,887	528,499
Net additions	136,776	23,118
Return of capital	(44,347)	(12,226)
Changes in fair value recognised in other comprehensive income	73,667	-
Fair value gain recognised in income statement	-	140,405
Balance at 31 December 2018	670,983	679,796

There were no transfers between Level 1, 2 and 3 during the current financial year.

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 and documents the evidence obtained from the third parties the reasonableness of basis. All variances, if any, will be reviewed and reported to the Group's Chief Financial Officer.

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

(a) Disposal and liquidation 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.

(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.

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

(a) Disposal and liquidation of subsidiaries during the financial year 2019 (cont'd)

(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 US$'000	MGI GK US$'000	GJIH US$'000	Total US$'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)
Long-term 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

(iv) In December 2019, the members' voluntary liquidation of PT Rama Flora Sejahtera and PT Sangatta Andalan Utama is deemed to be completed. The financial impact arising from the liquidation of the above subsidiaries is not significant.

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

(b) Disposal and liquidation of subsidiaries during the financial year 2018

(i) In April 2018, the Group completed the disposal of its entire shareholding in Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group for a consideration of RMB532,034,000 (equivalent to US$84,543,000). The following table summarises the carrying amount of major classes of identifiable assets and liabilities disposed:

	Carrying Amount US$'000
Property, plant and equipment	99,717
Cash and cash equivalents	14,029
Other receivables	2,016
Inventories	1,096
Trade and other payables	(1,884)
Borrowings	(28,978)
Net assets derecognised	85,996
Net foreign currency realised upon disposal	(1,264)
Net assets disposed	84,732
Loss on disposal of a subsidiary (Note 9)	(189)
Proceeds from disposal	84,543
Less: Cash of disposed subsidiary	(14,029)
Net cash inflow on disposal	70,514

(ii) In December 2018, the members' voluntary liquidation of PT Aimer Sawitmas, PT Berau Sarana Jaya and PT Nabati Energi Mas is deemed to be completed. The financial impact arising from the liquidation of the above subsidiaries is not significant.

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

(i) During the current 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%.

- PT Goldensnack Mas Sejahtera ("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).

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

(d) Changes in ownership interest in subsidiaries during the financial year 2018

(i) On 25 September 2018, the Group through its subsidiary, entered into conditional agreements for the participation by a new investor in 25% of the enlarged issued and fully paid up share capital of Gemini Edibles & Fats India Private Limited ("GEFI"), a 75.02% owned subsidiary of the Group.

Under the transaction, the new investor has subscribed for new shares in GEFI for an amount of INR4.4 billion (equivalent to US$63,042,000) and purchased existing shares held by the Group and other non-controlling shareholders on a pro-rata basis, for an amount of INR1.5 billion (equivalent to US$20,338,000) and INR0.5 billion (equivalent to US$6,779,000) respectively. Following the completion of the transaction on 2 November 2018, the Group's effective interest in GEFI decreased from 75.02% to 56.27%. The Group recognised an increase in other reserves and non-controlling interest of US$46,272,000 and US$37,108,000 respectively.

As the new investor shall have the put option to sell GEFI's shares to the Group as one of the possible exit routes in the future, the Group recognised a put option liability in long-term payables and a decrease in other reserves of US$83,380,000.

(ii) In July 2018, the Group through its subsidiary, subscribed for additional 9,001 new shares in PT Bioenergi Semesta Mas ("BSM") for a consideration of IDR9,001,000,000 (equivalent to US$626,000). Subsequently in October 2018, the Group through its subsidiaries, acquired an aggregate of 410 shares in BSM for a total consideration of US$28,000. Following the acquisition, the Group's effective interest in BSM increased from 59.90% to 60.02% and the Group recognised a decrease in other reserves of US$28,000.

(iii) In November 2018, the Group through its subsidiary, acquired additional 1,000 shares in PT Fortuna Abadi Mandiri ("FAM") for a consideration of IDR9,160,000 (equivalent to US$623). Following the acquisition, FAM become the Group's wholly-owned subsidiary. The Group recognised a decrease in other reserves and an increase in non-controlling interest of US$374,000.

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)

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)

2018	Plantations and palm oil mills US$'000	Palm, laurics and others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	65,903	7,101,525	-	7,167,428
Inter-segment sales	1,385,372	-	(1,385,372)	-
Total revenue	1,451,275	7,101,525	(1,385,372)	7,167,428
EBITDA	390,584	184,235	(1,844)	572,975
Other information				
Capital expenditure	168,636	92,103	-	260,739
Unallocated capital expenditure				5,156
Total capital expenditure				265,895
Depreciation and amortisation	(187,458)	(96,588)	-	(284,046)
Allowance for impairment loss of property, plant and equipment	-	(1,345)	-	(1,345)
Net loss from changes in fair value of biological assets	(20,129)	-	-	(20,129)
Changes in fair value of financial assets at fair value through profit or loss	23,232	108,305	-	131,537
Interest on borrowings	(85,733)	(75,576)	-	(161,309)
Share of profit/(loss) of:				
Associated companies	149	696	-	845
Joint ventures	-	(40,350)	-	(40,350)
Assets				
Segment assets	3,980,271	3,664,543	(842,345)	6,802,469
Investment in:				
Associated companies	1,866	15,680	-	17,546
Joint ventures	-	88,723	-	88,723
Unallocated assets				1,636,842
Total assets				8,545,580
Liabilities				
Segment liabilities	(298,382)	(2,734,287)	819,467	(2,213,202)
Unallocated liabilities				(2,022,298)
Total liabilities				(4,235,500)

42 Operating Segment Information (cont'd)

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

	2019 US$'000	2018 US$'000
EBITDA for reportable segments	696,841	574,819
Other EBITDA	(146)	(1,844)
Net gain/(loss) from changes in fair value of biological assets	515	(20,129)
Depreciation and amortisation	(311,836)	(284,046)
Foreign exchange gain/(loss)	37,263	(20,497)
Interest on borrowings	(164,534)	(161,309)
Exceptional items, net	2,124	(1,345)
Profit before income tax	260,227	85,649

Revenue based on geographical location of customers is as follows:

	2019 US$'000	2018 US$'000
China	810,750	853,214
Indonesia	1,092,550	1,081,681
India	1,526,533	1,591,286
Rest of Asia	1,585,289	2,055,937
Europe	922,840	1,015,425
Others	493,837	569,885
Consolidated revenue	6,431,799	7,167,428

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:

	2019 US$'000	2018 US$'000
Indonesia	3,769,305	3,693,276
China	101,395	107,784
Singapore	151,606	136,706
India	76,476	56,114
Others	68,465	58,885
Total non-current non-financial assets	4,167,247	4,052,765

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:

	2019 US$'000	2018 US$'000
(i) Sale of services		
Rental income from related parties	354	303
Rental income from joint ventures	221	218
Rental income from an associated company	6	-
(ii) Purchase of goods and services		
Insurance premium to a related party	5,977	5,603
Purchase of non-palm oil products from related parties	119,593	142,945
Freight and related expenses to joint ventures	23,034	174,920
Rental and service charge expense to related parties	1,222	14,092
Rental and service charge expense to a joint venture	1,120	-
Transport and port expense to related parties	1,031	2,464
(iii) Dividend income from:		
- joint ventures	-	34,405
- an associated company	-	772

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

	2019 US$'000	2018 US$'000
Directors of the holding company	5,921	5,829
Other key management personnel	6,354	9,841

Included in the above remuneration are post-employment benefits of US$41,908 for the current financial year (2018: US$45,546).

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 2018. 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	2019 US$'000	2018 US$'000
Short-term borrowings	28	1,852,319	1,376,266
Long-term borrowings	29	1,141,217	1,399,212
Bonds and notes payable	30	111,359	234,611
Lease liabilities	31	38,896	-
Total debts		3,143,791	3,010,089
Less: Cash and cash equivalents	13	(209,614)	(192,766)
Net debts		2,934,177	2,817,323
Total equity		4,505,444	4,310,080
Net debts-to-equity ratio (times)		0.65	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.

	2019 US$'000	2018 US$'000
Net debts	2,934,177	2,817,323
Less: Liquid working capital:		
Short-term investments	(574,747)	(351,855)
Trade receivables	(500,663)	(533,692)
Inventories (excluding consumables)	(868,762)	(852,056)
Advances and deposits to suppliers	(87,984)	(167,384)
Trade payables	557,707	683,349
Advances and deposits	113,102	138,665
Adjusted net debts	1,572,830	1,734,350
Total equity	4,505,444	4,310,080
Adjusted net debts-to-equity ratio (times)	0.35	0.40

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 2019, 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$13,637,000 and US$10,506,000 (2018: US$12,158,000 and US$9,402,000) 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.

	2019	2018
	US$'000	US$'000
Financial Assets		
Variable rate	256,173	342,706
Fixed rate	256,612	252,656
Non-interest bearing	2,292,056	1,988,256
	2,804,841	2,583,618
Financial Liabilities		
Variable rate	2,977,190	2,766,892
Fixed rate	413,999	576,436
Non-interest bearing	433,557	447,155
	3,824,746	3,790,483

(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 increased/decreased by US$18,582,000 (2018: US$21,912,000).

(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 Notes 15, 16 and 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:

	2019 US$'000	2018 US$'000
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
Total facilities	764,669	757,376
Total outstanding	514,019	490,525

(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 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
At 31 December 2018				
Short-term loans	1,206,652	-	-	1,206,652
Long-term loans	256,736	1,445,047	107,520	1,809,303
Bonds and notes payable	133,028	115,552	-	248,580
Other financial liabilities	780,394	-	-	780,394
Financial guarantee contracts	67,093	155,373	268,059	490,525
	2,443,903	1,715,972	375,579	4,535,454

45 Significant Commitments

Operating lease commitments

At the end of the previous reporting period, the commitment in respect of non-cancellable operating leases for the rental of office premises and equipment with a term of more than one year are as follows. The leases have varying terms, escalation clauses and renewal rights.

	2018 US$'000
Within one year	23,591
Between one year to five years	22,083
After five years	444
Minimum lease payments paid under operating leases	27,318

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:

	2019 US$'000	2018 US$'000
Capital expenditure	40,342	94,392
Investment in equity securities	99,855	136,913

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 2019 %	Effective interest of the Company 2018 %
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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2019 %	2018 %
Subsidiaries held by the Company (cont'd)				
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. (b1)	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
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
Sinarmas Food Pte. Ltd. (b3)	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 2019 %	2018 %
Subsidiaries held through subsidiaries				
PT Abadimas Investama (b1)	Investment holding and business and management consultancy services	Indonesia	100.00	100.00
Aerolink Investment Pte. Ltd. *(formerly known as "Aerolink Investment 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
PT Agrokarya Primalestari (b12)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Mandiri (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Sentosa (b12)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agropalma Sejahtera (b1)	Investment holding	Indonesia	100.00	100.00
Ascent Industrial Complex Sdn. Bhd. (b6)	Operation of bulking stations, export, import, administration of transportation services, management and trading	Malaysia	100.00	100.00
Asia Palm Oil Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Aurea Investment Limited (b8)	Investment holding	Hong Kong	100.00	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

46 **Group Companies** (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
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. (b2)	Investment holding	Malaysia	100.00	100.00
PT Bioenergi Semesta Mas (b1),(Note 41a)	Investment holding	Indonesia	-	60.02
PT Bina Kreasi Teknologi (b3)	Investment holding, trading and the provision of services in technology products	Indonesia	100.00	100.00
PT Binasawit Abadipratama (b12)	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
Blue Sky Golden Fulcrum Ltd (b2), (f)	Investment holding	British Virgin Islands	-	100.00
PT Buana Adhitama (b12)	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 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
PT Citra Bhakti Mandiri (b12)	Investment holding	Indonesia	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2019 %	Effective interest of the Company 2018 %
Subsidiaries held through subsidiaries (cont'd)				
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
Eco Investment Ltd (b2)	Investment holding	Malaysia	100.00	100.00
Enterprise Capital Corporation (b2)	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 (b1)	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. (Note 41c)	General wholesale trade	Singapore	100.00	75.00
GFI Food and Beverages Limited (b3),(c)	Sale of food and beverage products	Federal Republic of Nigeria	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 India Holding Pte. Ltd.	Investment holding and business and management consultancy services	Singapore	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri International (L) Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International (M) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International (M) Trading Sdn. Bhd. (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International Trading (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
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 Europe B.V. (b1)	Investment holding and finance, and trading in tropical oils and their by-products	The Netherlands	100.00	100.00
Golden Agri-Resources Germany GmbH *(formerly known as "Oliqem GmbH")* (b13)	Trade and distribution of oleochemical products	Germany	100.00	100.00
Golden Agri-Resources Iberia, S.L. (b1)	Sales, marketing and trading of tropical oils and their by-products	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. *(formerly known as "Victory Tropical Oil USA, Inc.")* (b1)	Trading in tropical oils and their by-products	United States of America	100.00	100.00
Golden Agri SEA (Labuan) Ltd (b1)	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 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri Trading (L) Ltd (b1)	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), (Note 41c)	Sale of food products	People's Republic of China	100.00	75.00
Golden Funds & Investment Services Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
PT Goldenfood International Indonesia *(formerly known as "PT Goldensnack Cakrawala Persada")* (b1),(Note 41c)	Investment holding	Indonesia	100.00	70.00
Golden Jubilee International Holding Pte. Ltd. (Note 41a)	Investment holding	Singapore	-	75.00
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 41c)	Manufacturing and trading of snacks products	Indonesia	91.98	70.02
GP Pakistan (Mauritius) Limited (b1)	Investment holding	Mauritius	100.00	100.00
GS Energy Holding Pte. Ltd. (Note 41a)	Investment holding	Singapore	-	60.00
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

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
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
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 Jambi Semesta Biomassa (b1),(Note 41a)	Trading	Indonesia	-	59.98
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 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 Kurnia Cakra Sakti (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Langgeng Subur (b1)	Cultivation of ornamental plants	Indonesia	92.40	92.40
Madascar Capital Pte. Ltd.	Investment holding	Singapore	100.00	100.00

46 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2019 %	Effective interest of the Company 2018 %
Subsidiaries held through subsidiaries (cont'd)				
Maizuru Green Initiatives GK (b3),(Note 41a)	Renewable energy power generation	Japan	-	100.00
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 (b12)	Oil palm cultivation and palm oil producer	Indonesia	100.00	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 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
Parsec Innovation Pte. Ltd.	Investment holding	Singapore	100.00	100.00
PT Pelangi Sungai Siak (b3)	Oil palm cultivation and palm oil producer	Indonesia	78.54	78.54
PT Persada Graha Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Perusahaan Perkebunan Panigoran (b1)	Oil palm cultivation and palm oil producer	Indonesia	92.40	92.40
PT Pratama Ronaperintis (b3)	Investment holding	Indonesia	64.68	64.68
PT Primatama Kreasimas (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Prisma Cipta Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Propertindo Prima (b1)	Transportation services	Indonesia	92.40	92.40
PT Putra Manunggal Abadi (b12)	Investment holding	Indonesia	100.00	100.00
PT Rama Flora Sejahtera (b3),(Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	-	92.40
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 Riau Semesta Biomassa (b5),(Note 41a)	Trading in palm kernel shells	Indonesia	-	59.94
PT Sangatta Andalan Utama (b3),(Note 41a)	Oil palm cultivation and palm oil producer	Indonesia	-	92.40
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
PT Sawitakarya Manunggul (b1)	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 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
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
PT Sinarmas Distribusi Nusantara (b1),(Note 41a)	Distributor of fast moving consumer products	Indonesia	-	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)	Provision of administration and management 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 2019 %	2018 %
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 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)	Distribution of oleochemical products	Germany	100.00	100.00
Vulcan AI Pte. Ltd. (c), (Note 41c)	Digital analytics	Singapore	74.32	-
Windflower Investments Limited (b2)	Investment holding and treasury management	British Virgin Islands	100.00	100.00
Wuhan Jin Ding Foodstuff Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
Zhongshan Huifeng Investment Advisory Co., Ltd (b9)	Dormant	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 2019 %	2018 %
Subsidiaries held through subsidiaries (cont'd)				
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 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 2019 %	2018 %
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)	Building and operation of wind power farms	Italy	50.00	50.00
Sinarmas LDA Maritime Pte. Ltd. (b14)	Shipping and logistics business	Singapore	50.00	50.00
GSW F-Class Pte. Ltd.	Investment holding and ownership of vessel(s)	Singapore	50.00	50.00
Sinarmas Cepsa Pte. Ltd. (b7)	Investment holding	Singapore	50.00	50.00
PT Super Wahana Tehno (b1)	Production and distribution of bottled ionised mineral water	Indonesia	46.20	46.20

46 Group Companies (cont'd)

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.

(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 member firms of Moore Global Network Limited and Purwantono, Sungkoro & Surja (Ernst & Young) for financial year 2019 and 2018 respectively.

(13) Audited by Wir Treuhand GmbH.

(14) Audited by R Chan & Associates Pac and Paul Wan & Co. for financial year 2019 and 2018 respectively.

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

Subsidiaries	Initial Issued and Paid-up Capital
GFI Food and Beverages Limited	5,000,000 shares of NGN1 each
Vulcan AI Pte. Ltd.	1 share of US$1

46 Group Companies (cont'd)

Notes: (cont'd)

(d) During the financial year 2018, the Group through its wholly-owned subsidiaries, acquired the following associated companies:

Name of Associated Companies	Cost of acquisition
	US$'000
Emperius Infralogistics Private Limited	1,164
Temix Oleo S.r.l	4,610
PT Wahana Agung Persada	323
	6,097

(e) During the financial year 2018, the Group recognised a cash inflow from its 25% non-controlling interest of US$121,000 following the incorporation of GJIH and cash inflow from its 40% non-controlling interest of US$15,000 following the incorporation of GS Energy Holding Pte. Ltd.

(f) In November 2019, Blue Sky Golden Fulcrum Ltd has been struck off.

(g) As at 31 December 2019, the accumulated non-controlling interests is US$148,376,000 (2018: US$141,436,000), of which US$77,254,000 (2018: US$83,617,000) is for 7.6% non-controlling interests in SMART and its subsidiaries ("SMART Group") and US$65,718,000 (2018: US$51,131,000) 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	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Non-current assets	1,441,039	1,399,883	59,730	38,820
Current assets	829,517	947,983	258,260	217,860
Non-current liabilities	446,088	594,982	7,821	4,569
Current liabilities	778,107	586,077	159,892	132,389
Revenue	2,558,536	2,634,420	906,336	739,795
Profit for the year	31,316	27,595	36,453	9,283
Total comprehensive income	29,480	39,221	33,555	3,873
Profit allocated to NCI	5,252	2,097	15,941	2,860
Dividends paid to NCI	11,487	464	-	-
Cash inflows/(outflows) from operating activities	323,468	50,326	17,573	(9,588)
Cash outflows from investing activities	(141,503)	(86,968)	(51,208)	(50,240)
Cash (outflows)/inflows from financing activities	(157,030)	33,973	33,635	59,828
Net increase/(decrease) in cash and cash equivalents	24,935	(669)	-	-

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GOLDEN AGRI-RESOURCES LTD

(Incorporated in Mauritius)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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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 2019.

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 2019 was US$25,122,000 (2018: total comprehensive income of US$1,363,824,000).

At the Annual Meeting to be held on 27 April 2020, a final dividend (tax not applicable) of S$0.0058 per share, amounting to S$73,861,585.70 (equivalent to approximately US$54,834,000) 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 2020.

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 2019.

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

Date: 17 March 2020

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 2019 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 171 to 190.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2019 and of its financial performance 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: 17 March 2020

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Administrative expenses		(709)	(1,137)
Interest income		1	-
Financial expenses	6	(87)	(156)
Foreign exchange loss		(26)	(175)
Gain on disposal of a subsidiary	11c	-	1,358,592
(Loss)/Profit before income tax	7	(821)	1,357,124
Income tax	8	(516)	(1,813)
(Loss)/Profit for the year		(1,337)	1,355,311
Other comprehensive income:			
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		(23,785)	8,513
Other comprehensive (loss)/income		(23,785)	8,513
Total comprehensive (loss)/income for the year, net of tax		(25,122)	1,363,824

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

Statement of Financial Position

AS AT 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Current assets			
Cash and cash equivalents	9	58	88
Other current assets	10	11	11
		69	99
Non-current assets			
Interest in subsidiaries	11	3,431,525	3,431,355
Long-term investments	12	184,445	175,065
		3,615,970	3,606,420
Total Assets		3,616,039	3,606,519
Current liabilities			
Accrued operating expenses		334	324
Payable to third parties	13	7	7
Loans and advances from subsidiaries, unsecured	14	129,348	40,458
		129,689	40,789
Total Liabilities		129,689	40,789
Equity			
Issued capital	15	320,939	320,939
Share premium		1,850,965	1,850,965
Treasury shares	15	(31,726)	(31,726)
Other reserves			
Option reserve		31,471	31,471
Fair value reserve		(22,145)	1,640
		9,326	33,111
Retained earnings		1,336,846	1,392,441
		3,486,350	3,565,730
Total Liabilities and Equity		3,616,039	3,606,519

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 2019

	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 2019	320,939	1,850,965	(31,726)	33,111	1,392,441	3,565,730
Dividends paid (Note 16)	-	-	-	-	(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
Balance at 1 Jan 2018	320,939	1,850,965	(31,726)	31,471	48,203	2,219,852
Effect of adoption of IFRS 9	-	-	-	(6,873)	-	(6,873)
Balance at 1 Jan 2018	320,939	1,850,965	(31,726)	24,598	48,203	2,212,979
Dividends paid (Note 16)	-	-	-	-	(11,073)	(11,073)
Profit for the year	-	-	-	-	1,355,311	1,355,311
Other comprehensive income	-	-	-	8,513	-	8,513
Total comprehensive income for the year	-	-	-	8,513	1,355,311	1,363,824
Balance at 31 Dec 2018	320,939	1,850,965	(31,726)	33,111	1,392,441	3,565,730

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

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$'000	2018 US$'000
Cash flows from operating activities			
(Loss)/Profit before income tax		(821)	1,357,124
Adjustments for:			
Interest expense	6	87	156
Interest income		(1)	-
Gain on disposal of a subsidiary	11c	-	(1,358,592)
Operating cash flows before working capital changes		(735)	(1,312)
Changes in operating assets and liabilities:			
Accrued operating expenses		10	40
Payable to third parties		-	1
Other current assets		-	55
Cash used in operations		(725)	(1,216)
Interest received		1	-
Tax paid		(516)	(1,392)
Net cash used in operating activities		(1,240)	(2,608)
Cash flows from investing activities			
(Disbursement of)/Repayment of loans and advances to subsidiaries		(170)	20,139
Payment for long-term investments		(33,165)	(16,500)
Net cash (used in)/generated from investing activities		(33,335)	3,639
Cash flows from financing activities			
Proceeds from loans and advances from subsidiaries, net		88,803	10,087
Payment of dividends		(54,258)	(11,073)
Net cash generated from/(used in) financing activities		34,545	(986)
Net (decrease)/increase in cash and cash equivalents		(30)	45
Cash and cash equivalents at the beginning of the year		88	43
Cash and cash equivalents at the end of the year	9	58	88
Disclosure of non-cash transactions:			
Capitalisation of loans and advances to subsidiaries to investment in subsidiaries		-	1,243,857
Capitalisation of consideration from disposal of a subsidiary to investment in subsidiaries		-	1,358,592

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

Notes to the Financial Statements

31 DECEMBER 2019

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 (SGX).

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 17 March 2020.

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 2019. 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 IFRSs	
• IAS 1 and IAS 8, *Definition of Material*	1 January 2020
• IAS 1, *Classification of Liabilities as Current or Non-Current*	1 January 2022

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

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.

3 Summary of Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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 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: amortised cost and equity instruments at 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. 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. Where the effect of time value of money is material, the liabilities are the present values of the expenditures expected to be required to settle the obligation.

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 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.

(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 2018.

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 2019 and 2018 is as follows:

	2019 US$'000	2018 US$'000
Loans and advances from subsidiaries	129,348	40,458
Less: Cash and cash equivalents	(58)	(88)
Net debts	129,290	40,370
Equity	3,486,350	3,565,730
Debts-to-equity ratio (times)	0.04	0.01

(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's exposure to interest rate risk arises from its loans and advances from subsidiaries. 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 Company constantly reviews its debt portfolio and monitors the changes in interest rate environment to ensure that interest receipts and payments are within acceptable level. Information relating to the interest rates and terms of repayment of interest-bearing financial assets and liabilities are disclosed in their respective notes to the financial statements. The table below set out the interest rate profile of interest-bearing financial assets and liabilities at carrying amount:

	2019 US$'000	2018 US$'000
Financial Assets at Variable Rates		
Cash and cash equivalents	58	88
Financial Liabilities at Variable Rates		
Other financial liabilities	-	7,777

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:

	2019 US$'000	2018 US$'000
Corporate guarantees provided to financial institutions on trade and banking facilities of subsidiaries:		
- Total facilities	3,029,395	3,365,920
- Total outstanding	2,397,838	2,635,222
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
- Total facilities	764,669	757,376
- Total outstanding	514,019	490,525

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	1 to 5 years	Over 5 years	Total
	US$'000	US$'000	US$'000	US$'000
At 31 December 2019				
Loans and advances from subsidiaries, unsecured	129,348	-	-	129,348
Financial guarantee contracts	1,637,084	1,026,107	248,666	2,911,857
	1,766,432	1,026,107	248,666	3,041,205
At 31 December 2018				
Loans and advances from subsidiaries, unsecured	40,458	-	-	40,458
Financial guarantee contracts	1,515,722	1,240,716	369,309	3,125,747
	1,556,180	1,240,716	369,309	3,166,205

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. Where market-observable data are not available in estimating the fair value of its investment, the Company engages independent professional valuers to perform the valuation. 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$23,785,000 (2018: fair value gain of US$8,513,000) in other comprehensive income.

6 Financial Expenses

	2019 US$'000	2018 US$'000
Interest expenses on loans from subsidiaries	87	156

7 (Loss)/Profit before Income Tax

This is arrived at after charging:

	2019 US$'000	2018 US$'000
Audit fees paid/payable to auditors	239	204
Staff costs*	-	439

* This represents short-term employment benefits paid to key management personnel who are also directors.

8 Income Tax

	2019 US$'000	2018 US$'000
Income tax expense attributable to the results is made up of:		
- Under-provision in respect of prior years' income tax	516	1,813

The reconciliation of the current year income tax and the product of accounting (loss)/profit multiplied by the Mauritius statutory tax rate is as follows:

	2019 US$'000	2018 US$'000
(Loss)/Profit before income tax	(821)	1,357,124
Tax calculated at tax rate of 15% (2018: 15%)	(123)	203,568
Non-deductible expenses/(Non-taxable income)	4	(203,770)
Unrecognised deferred tax assets	119	202
Under-provision in respect of prior years' current income tax	516	1,813
	516	1,813

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 2019, the Company had accumulated tax losses of US$1,557,000 (2018: US$764,000). 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.

The amount and expiry dates of unutilised tax losses for which no deferred tax asset is recognised are as follows:

	2019 US$'000	2018 US$'000
Expiry dates in year ending:		
31 December 2022	764	764
31 December 2024	793	-
	1,557	764

9 **Cash and Cash Equivalents**

	2019 US$'000	2018 US$'000
Cash at banks are denominated in:		
- Singapore dollar	37	27
- United States dollar	21	61
	58	88

10 **Other Current Assets**

	2019 US$'000	2018 US$'000
Prepaid expenses denominated in:		
- United States dollar	7	7
- Singapore dollar	3	3
Deposit denominated in United States dollar	1	1
	11	11

11 **Interest in Subsidiaries**

	2019 US$'000	2018 US$'000
Investment in unquoted equity shares, at cost	3,429,024	3,429,024
Interest-free loans and advances to subsidiaries, unsecured	2,501	2,331
	3,431,525	3,431,355

The fair value of loans and advances is not determinable as the timing of the future cash flows arising from the repayment of this amount is not likely to be in the near future and cannot be measured reliably, hence this amount is recognised at transaction price.

11 Interest in Subsidiaries (cont'd)

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

	2019 US$'000	2018 US$'000
United States dollar	2,409	2,304
Singapore dollar	92	27
	2,501	2,331

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 2019 %	Percentage of effective interest held by the Company 2018 %	Cost of investment 2019 US$'000	Cost of investment 2018 US$'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	-*	-*
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)(i) Malaysia	Trading in crude palm oil and related products	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 2019	2018	Cost of investment 2019	2018
		%	%	US$'000	US$'000
Golden Agri Investment (S) Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Agri (Labuan) Ltd ("GAL") (a)(i) Malaysia	Trading in crude palm oil and related products and treasury management	100	100	1,457,797	1,457,797
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	-*	-*
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
Sinarmas Food Pte. Ltd. (a)(iv) Singapore	Investment holding	100	100	-*	-*
				3,429,024	3,429,024

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

11 Interest in Subsidiaries (cont'd)

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.

(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.

(c) During the financial year 2018, the Company disposed its entire interest in Asia Palm Oil Investment Pte. Ltd. to GAL for a consideration of US$1,358,592,000. The Company recognised a gain on disposal of US$1,358,592,000.

12 Long-Term Investments

	2019 US$'000	2018 US$'000
Equity securities at FVOCI	184,445	175,065

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 and was determined by reference to valuation report prepared by independent professional valuers. The valuation was performed using the net present value method on its underlying plantation assets. 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 18.18% (2018:18.35%)	The estimated fair value increases as the estimated discount rate per annum decreases
Average selling price of US$620 (2018:US$689) per metric tonne	The estimated fair value increases as the estimated selling price increases

12 Long-Term Investments (cont'd)

As at the end of the current financial year, if the average selling price per metric tonne were 2.5% lower while all the other variables were held constant, the carrying amount of the investments would decrease by US$11.1 million.

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

	2019 US$'000	2018 US$'000
Equity Securities at FVOCI		
Balance at 1 January	175,065	150,052
Additions	33,165	16,500
Changes in fair value recognised in other comprehensive income	(23,785)	8,513
Balance at 31 December	184,445	175,065

13 Payable to Third Parties

Payable to third parties are denominated in Singapore dollar. As at 31 December 2019 and 2018, 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

The unsecured loans and advances from subsidiaries are interest-free and repayable on demand.

As at 31 December 2018, the loans and advances from subsidiaries included US$7,777,000 which bore interest at rates ranging from 1.5% to 2.3% per annum.

The carrying amounts of these loans approximate their fair values due to the relatively short-term maturity of these balances. The loans and advances from subsidiaries are denominated in the following currencies:

	2019 US$'000	2018 US$'000
United States dollar	128,572	40,116
Others	776	342
	129,348	40,458

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

	2019 US$'000	2018 US$'000
Balance at 1 January	40,458	30,215
Additions	88,803	10,087
Non-cash changes:		
Interest expense	87	156
Balance at 31 December	129,348	40,458

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 2018 and 2019	12,837,548,556	(102,792,400)	320,939	(31,726)

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 Dividends

	2019	2018
	US$'000	US$'000
Ordinary dividends paid:		
Final dividend paid in respect of the previous year of S$0.0058 (2018: S$0.00116) per share	54,258	11,073

At the Annual Meeting to be held on 27 April 2020, a final dividend (tax not applicable) of S$0.0058 per share, amounting to S$73,861,585.70 (equivalent to approximately US$54,834,000) 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 2020.

Shareholding Statistics

AS AT 24 MARCH 2020

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	763	2.07	34,320	0.00
100 – 1,000	3,420	9.26	1,806,715	0.01
1,001 – 10,000	14,354	38.89	86,871,308	0.68
10,001 – 1,000,000	18,246	49.43	1,130,248,095	8.91
1,000,001 & ABOVE	130	0.35	11,473,112,618	90.40
Total	**36,913**	**100.00**	**12,692,073,056**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
RAFFLES NOMINEES (PTE) LIMITED	3,129,096,940	24.65
DBS NOMINEES PTE LTD	2,027,887,975	15.98
BANK J. SAFRA SARASIN LTD, SINGAPORE BRANCH	1,250,000,000	9.85
MASSINGHAM INTERNATIONAL LTD	1,077,047,817	8.49
HSBC (SINGAPORE) NOMINEES PTE LTD	995,381,522	7.84
CITIBANK NOMINEES SINGAPORE PTE LTD	842,687,486	6.64
GOLDEN MOMENT LIMITED	475,000,000	3.74
UOB KAY HIAN PTE LTD	308,691,757	2.43
DBSN SERVICES PTE LTD	307,498,636	2.42
FLAMBO INTERNATIONAL LIMITED	260,000,000	2.05
RHB SECURITIES SINGAPORE PTE LTD	204,361,589	1.61
OCBC SECURITIES PRIVATE LTD	90,584,600	0.71
PHILLIP SECURITIES PTE LTD	42,292,052	0.33
UNITED OVERSEAS BANK NOMINEES PTE LTD	34,306,205	0.27
SOCIETE GENERALE SPORE BRANCH	27,507,000	0.22
MAYBANK KIM ENG SECURITIES PTE. LTD.	25,412,756	0.20
DBS VICKERS SECURITIES (S) PTE LTD	23,865,973	0.19
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	21,539,737	0.17
BNP PARIBAS NOMINEES SINGAPORE PTE LTD	18,069,731	0.14
DB NOMINEES (SINGAPORE) PTE LTD	17,619,255	0.14
TOTAL	**11,178,851,031**	**88.07**

Shareholding Statistics

AS AT 24 MARCH 2020

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”)	750,000,000	5.91	-	-	5.91
MASSINGHAM INTERNATIONAL LTD (“MIL”)	2,332,197,897	18.38	-	-	18.38
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

Notes:

(1) Percentage is calculated based on 12,692,073,056 issued shares (excluding treasury shares and subsidiary holdings) as at 24 March 2020.

(2) The deemed interest of Flambo arises from its interest in 750,000,000 shares, 2,332,197,897 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 750,000,000 shares held by Ascent, 2,332,197,897 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.

Based on the information available to the Company as at 24 March 2020, approximately 37.22%[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 on **Monday, 27 April 2020 at 3.00 p.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To declare a final dividend of S$0.0058 per ordinary share for the year ended 31 December 2019. **(Resolution 2)**

3. To approve Directors' Fees of S$450,586 for the year ended 31 December 2019. (FY2018: S$391,016) **(Resolution 3)**

4. To re-appoint the following Directors:

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

(ii) Mr. Foo Meng Kee, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 5)**

(iii) Mr. Christian G H Gautier De Charnacé, retiring pursuant to Section 138 of The Companies Act 2001 of Mauritius. **(Resolution 6)**

(iv) Mr. Khemraj Sharma Sewraz, retiring pursuant to Article 96 of the Constitution of the Company. **(Resolution 7)**

(v) Mr. Lew Syn Pau, retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited **(Resolution 8)**

{please see note 1}

5. To re-appoint Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**

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 10)**

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 11)**

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 4A}* **(Resolution 12)**

By Order of the Board

Rafael Buhay Concepcion, Jr.
Director
6 April 2020
Singapore

Notes:

(i) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual Meeting. Where such member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(ii) A proxy need not be a member of the Company.

(iii) If the appointor is a corporation, the proxy form must be executed under seal or the hand of its attorney or officer duly authorised.

(iv) The form of proxy must be lodged at the mailing address of the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 no later than 72 hours before the time appointed for the holding of the Annual Meeting in order for the proxy(ies) to be able to attend and/or vote at the Annual Meeting.

(v) Completion and return of the form of proxy will not prevent a member from attending, speaking and voting at the Annual Meeting if he/she so wishes. The appointment of the proxy(ies) for the Annual Meeting will be deemed to be revoked if the member attends the Annual Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the form of proxy(ies) to the Annual Meeting.

Precautionary Measures to be taken at Annual Meeting to be Held Amidst the COVID-19 Situation

The Company is concerned about ensuring the wellbeing of shareholders attending the Annual Meeting during the current COVID-19 situation.

To shareholders and others who are unwell or placed on quarantine orders or stay-at-home notices, please do not attend the Annual Meeting.

We will implement measures at the Annual Meeting that may cause some inconvenience and delay in registration, thus seek all shareholders understanding and cooperation. Shareholders and others are therefore advised to arrive earlier at the Annual Meeting venue. Such measures include the following:

(1) Before registering attendance for the Annual Meeting, all persons will have to undergo a temperature check and complete a declaration form (which may also be used for contact tracing, if required).

(2) Anyone who has a fever or is exhibiting flu-like symptoms will be declined entry to the Annual Meeting venue.

All who are present at the Annual Meeting are advised to practice physical distancing, minimise social contact and mingling along the corridor or ballroom of the Annual Meeting venue.

Shareholders are also advised that, in view of the COVID-19 situation, attendance at the Annual Meeting is not essential. In order to vote on any or all of the resolutions at the Annual Meeting, you are encouraged to appoint the Chairman of the Annual Meeting as your proxy, and to indicate how you wish your votes to be cast, on your behalf, in the Proxy Form. Please be reminded of the cut off time for submission of all Proxy Forms.

No buffet or food will be served after the Annual Meeting as added measure to minimise contact.

Please refer to the Company's letter to shareholders for more details.

As the COVID-19 situation continues to evolve, the Company will monitor developments and take any further measures as recommended by the relevant authorities.

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 2019 for further information on each of Mr. Kaneyalall Hawabhay, Mr. Foo Meng Kee, Mr. Christian G H Gautier De Charnacé, Mr. Khemraj Sharma Sewraz and Mr. Lew Syn Pau. All 5 Directors are considered to be independent. If re-appointed, both Mr. Foo and Mr. Gautier De Charnacé will remain as members of the Audit Committee, and Mr. Lew will remain as Chairman of the Audit Committee.

2. The Ordinary Resolution 10 proposed in item 6A above, 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. The Ordinary Resolution 11 proposed in item 6B above, 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.

4A. The Ordinary Resolution 12 proposed in item 6C above, if passed, is to renew for another year, up to the next annual meeting of the Company, the mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next annual meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

ANNUAL MEETING PROXY FORM

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual Meeting.
2. For CPF/SRS investors who have shares in Golden Agri-Resources Ltd, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Note:
No buffet or food will be served after the Annual Meeting.

I/We, ____ (Name)

____(NRIC/Passport/Company Registration Number)

of____ (Address)

being a member/members of Golden Agri-Resources Ltd (the **"Company"**) hereby appoint:

Name	Address	NRIC / Passport / Company Registration Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

or failing him/her/them, the Chairman of the Annual Meeting of the Company (the "**Annual Meeting**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual Meeting to be held on **Monday, 27 April 2020 at 3.00 p.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from, voting on the resolutions as set out in the Notice of Annual Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual Meeting.

Note: The Chairman of the Annual Meeting will be exercising his right under Article 60(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the Annual Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual Meeting will be voted on by way of poll.

No.	Resolutions	*No. of votes "For"	*No. of votes "Against"	*No. of votes "Abstain"
	ORDINARY BUSINESS			
1	Adoption of Reports and Audited Financial Statements			
2	Declaration of Final Dividend			
3	Approval of Directors' Fees for the year ended 31 December 2019			
4	Re-appointment of Mr. Kaneyalall Hawabhay			
5	Re-appointment of Mr. Foo Meng Kee			
6	Re-appointment of Mr. Christian GH Gautier De Charnacé			
7	Re-appointment of Mr. Khemraj Sharma Sewraz			
8	Re-appointment of Mr. Lew Syn Pau			
9	Re-appointment of Auditors			
	SPECIAL BUSINESS			
10	Renewal of Share Issue Mandate			
11	Renewal of Share Purchase Mandate			
12	Renewal of Interested Person Transactions Mandate			

* If you wish to exercise all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution, please indicate "X" within the relevant box provided. If not, please indicate number of votes "For" or "Against" or "Abstain" for each resolution within the box provided.

Dated this _______ day of _________________ 2020.

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. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. The instrument appointing a proxy or proxies must be deposited at the mailing address of the Company at 108 Pasir Panjang Road #06-00, Golden Agri Plaza, Singapore 118535 not less than 72 hours before the time set for the Annual Meeting.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

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5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

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 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 6 April 2020.

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