INDOFOOD AGRI RESOURCES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200106551G)

RESPONSES TO SGX QUERIES ON UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Directors (the "**Board**") of Indofood Agri Resources Ltd. (the "**Company**" and together with its subsidiaries, the **"Group**") refers to the queries received from the Singapore Exchange Regulation ("**SGX RegCo**") on 9 March 2021 with regard to the Company's unaudited financial statements for the year ended 31 December 2020, and wishes to respond to the queries as follows:

SGX RegCo's Query (1)

Page 1: Share of results of associate companies: (Rp249,324,000,000)

Elaborate on the Rp173 billion one-off impairment loss on assets and goodwill, and catch-up of depreciation relating to a sugar asset previously classified as held for sale. Provide further details of and quantify these items.

Company's Response

This non-recurring loss was relating to FP Natural Resources Limited ("**FPNRL**"), a 30%:70% joint venture between the Company and its ultimate holding company, First Pacific Company Limited. FPNRL in turn owns 62.9% in Roxas Holdings Inc ("**Roxas**"). Roxas is an integrated sugar and ethanol business in the Philippines and is listed on Philippine Stock Exchange.

The details of this non-recurring loss are as follows:

	Description	**Rp' billion**
1)	Roxas' catch-up of depreciation for a sugar plant (Central Azucarera Don Pedro, Inc.) previously classified as held for sale assets, this was required following the abortion of the sale process of this asset.	36
2)	Provision for impairment relating to Roxas' sugar mill and an ethanol plant in La Carlota city, Negros Occidental to reflect its fair value less cost to sell	77
3)	Provision for impairment of goodwill at FPNRL level due to continuous losses incurred by Roxas	58
	Total	**173**

SGX RegCo's Query (2)

Page 3: Current assets: Inventories: (Rp2,671,909,000,000)

Explain and provide a breakdown of the approximately 18% increase in inventories, when revenue increased by only approximately 6%.

Company's Response

In FY2020, the Group's consolidated revenue increased 6% mainly attributable to higher sales growth of 11.5% recorded by the Edible Oils & Fats (EOF) Division, this was partly offset by lower plantation sales.

The 18% or Rp418 billion increase was mainly due to the higher stock in the EOF Division, whereby CPO stock and palm stearin increased by Rp265 billion and Rp161 billion, respectively.

- Increase in CPO stock was mainly due to the timing in purchases of CPO, as well as arising from higher weighted average CPO purchase price; and

- Increase in palm stearin was mainly due to higher volume arising from timing in shipment, as well as higher weighted average cost.

By Order of the Board

Mark Julian Wakeford
CEO and Executive Director

10 March 2021