IndoAgri

ANNUAL REPORT 2024

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AT A GLANCE

Indofood Agri Resources Ltd. (IndoAgri) is a vertically integrated agribusiness group with activities spanning the entire supply chain from research and development (R&D), seed breeding, oil palm cultivation and milling, as well as the production and marketing of cooking oil, shortening and margarine. Headquartered in Singapore, we are among the largest palm oil producers in Indonesia. Our branded cooking oil, shortening and margarine products together garner a leading share in the domestic market. As a diversified agribusiness group, IndoAgri also engages in the cultivation of sugar cane, rubber and other crops.

Our Vision

To become a leading integrated agribusiness, and one of the world-class agricultural research and seed breeding companies.

Our Values

With discipline as the basis of our way of life; we conduct our business with **integrity**; we treat our stakeholders with **respect**; and together we **unite** to strive for **excellence** and continuous **innovation**.

Our Mission

To be a low-cost producer, through high yields and cost-effective and efficient operations.

To continuously improve our people, processes and technology.

To exceed our customers' expectations, whilst ensuring the highest standards of quality.

To recognise our role as responsible and engaged corporate citizens in all our business operations, including sustainable environmental and social practices.

To continuously increase stakeholders' value.

OUR MILESTONES

07

- Reverse takeover and listing on SGX
- Acquisition of plantation land in South Sumatra and Kalimantan
- Acquisition of 58.8% stake in PT PP London Sumatra Indonesia Tbk (Lonsum)

08

- Diversification into sugar business with 60% stake in PT Laju Perdana Indah
- Acquisition of plantation land in South Sumatra and Central Kalimantan

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- Acquisition of plantation land in South Sumatra

10

- Divestment of 8% stake in Lonsum, of which 3.1% was sold to PT Salim Ivomas Pratama Tbk (PT SIMP)

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- Listing of PT SIMP on IDX

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- Acquisition of 26.4% stake in Heliae, a development-stage algae technology solutions company

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- Acquisition of 79.7% interest in PT Mentari Pertiwi Makmur, an industrial timber plantation company
- Acquisition of 50.0% stake in Companhia Mineira de Açúcar e Álcool Participações (CMAA), a sugar and ethanol company in Brazil
- Formation of FP Natural Resources Limited, a 30:70 JV to invest 34% in Roxas Holdings Inc. (Roxas), an integrated sugar business in the Philippines
- 7% of nucleus Crude Palm Oil (CPO) production was Indonesian Sustainable Palm Oil (ISPO)-certified

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- Formation of PT Prima Sarana Mustika, a 40:60 JV for road construction and leasing of heavy equipment
- Expansion of sugar business via the acquisition of PT Madusari Lampung Indah

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- 24% of nucleus CPO production was ISPO-certified

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- Acquisition of PT Pasir Luhur, a tea plantation company
- 39% of nucleus CPO production was ISPO-certified

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- Formation of PT Indoagri Daitocacao, a 49:51 JV to manufacture and market chocolate products
- 57% of nucleus CPO production was ISPO-certified

18

- Formation of Canápolis Holding S.A. (Canápolis), a 50:50 JV to acquire a second sugar and ethanol mill in Brazil
- Acquisition of Vale do Pontal Açucar e Alcool Ltda (UVP), a sugar and ethanol mill operator in Brazil, turning CMAA into a 35:35:30 JV
- 62% of nucleus CPO production was ISPO-certified

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- Commencement of operations at the newly completed chocolate factory
- 71% of nucleus CPO production was ISPO-certified

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- Restructuring of sugar operations in Brazil, with IndoAgri owning 36.21% of CMAA and Bússola
- 78% of nucleus CPO production was ISPO-certified

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- 86% of nucleus CPO production was ISPO-certified

GEOGRAPHICAL PRESENCE

INDONESIA

Palm Oil Mills		CPO Refineries		Sugar Mills & Refineries	
	Capacity		Capacity		Capacity
27 Mills	7.2m Tonnes of FFB Per Year	5 Refineries	1.7m Tonnes of CPO Per Year	2 Mills & Refineries	2.2m Tonnes of Cane Crushing Per Year

IndoAgri owns strategically located estates and production facilities across Indonesia. The Group's planted area occupies 288,649 hectares. Oil palm is the dominant crop, followed by sugar cane, rubber and other crops. Our plantations are largely located in Sumatra and Kalimantan, while our refineries are mainly sited at major cities including Jakarta, Medan, Surabaya and Bitung.

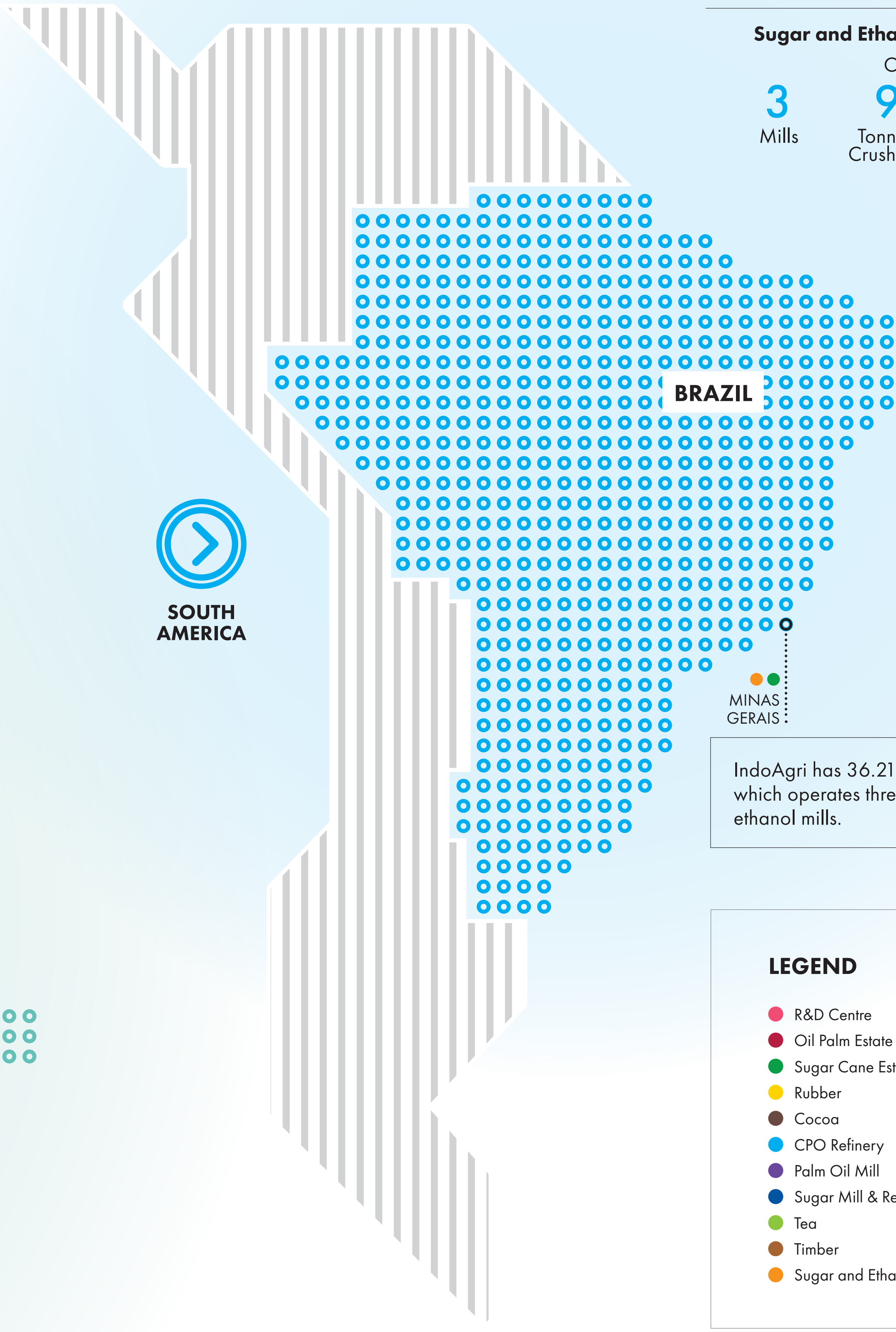
Planted Area (Ha)

Oil Palm	Sugar Cane	Rubber	Other crops
241,208	13,583	16,231	17,627

BRAZIL

Sugar and Ethanol Mills

	Capacity
3 Mills	**9.7m** Tonnes of Cane Crushing Per Year



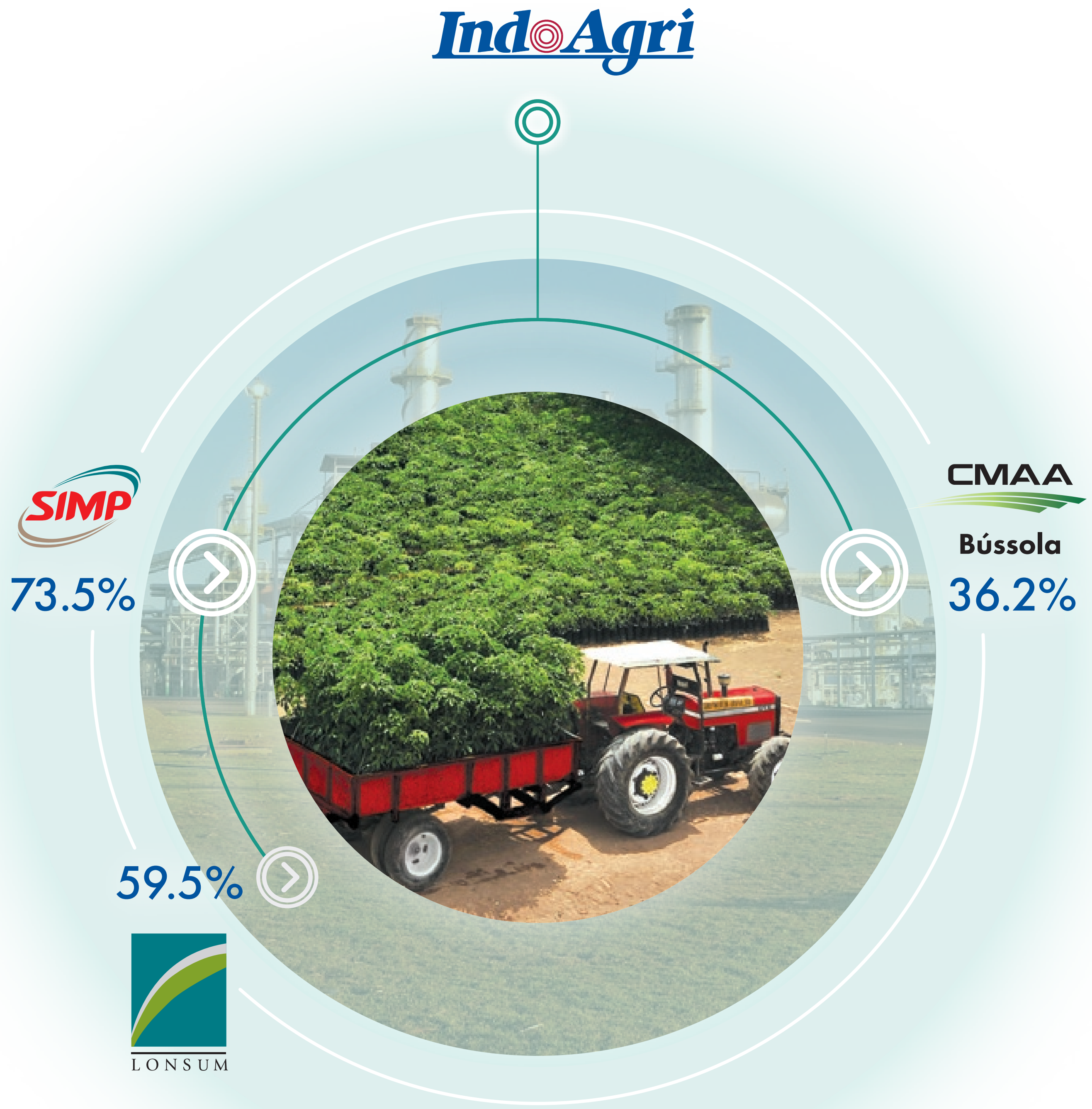
IndoAgri has 36.21% in CMAA, which operates three sugar and ethanol mills.

LEGEND

- R&D Centre
- Oil Palm Estate
- Sugar Cane Estate
- Rubber
- Cocoa
- CPO Refinery
- Palm Oil Mill
- Sugar Mill & Refinery
- Tea
- Timber
- Sugar and Ethanol Mill

CORPORATE STRUCTURE

(As at 31 December 2024)



NOTES:

- *IndoAgri is 73.7% effectively owned by PT Indofood Sukses Makmur Tbk (PT ISM)*
- *Shareholding percentage is calculated based on total number of issued shares (excluding treasury shares of the Company)*

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

It is a privilege to address you for the first time as Chairman of IndoAgri. I am honoured to lead an organisation with a strong legacy of resilience and commitment to sustainability. I look forward to building on this foundation and advancing the company's achievements.

Indonesia maintained steady economic growth in 2024, expanding by 5.03% despite global uncertainties. Household consumption, investment and government spending remained the key drivers, supported by stable macroeconomic fundamentals. Inflation eased to 1.57% by year-end, but rising costs continued to impact purchasing power, particularly for lower-income groups. The Rupiah averaged Rp15,900 against the US Dollar, a 4% depreciation from 2023.

For IndoAgri, 2024 was a good year. With palm oil prices rebounding, we focused on cost optimisation and operational efficiencies, leveraging our vertically integrated business model to maximise value across the supply chain. I am pleased to report the company's strong performance, with the year-on-year net profit after tax rising by 125% to Rp2,110 billion (approximately S$178 million) in 2024.

Sustainability remains at the core of our strategy. We continued to advance our climate resilience efforts by further aligning with the Task Force for Climate-related Financial Disclosures (TCFD) framework, enhancing our ability to manage both physical and transitional risks. The continued redirection of Indonesia's palm oil into domestic biodiesel production further reinforced the industry's role in supporting national energy security. As environmental regulations evolve, IndoAgri remains committed to best practices in plantation management, supply chain traceability and community engagement.

The incoming government's renewed focus on education and nutrition, particularly through initiatives like the Free Lunch Programme for schoolchildren, resonates deeply with our values. We believe that empowering communities through education and improving access to nutritious food are essential to uplifting Indonesia's socio-economic status. As a company, we are proud to play a role in supporting these efforts, whether through our contributions to food security or our community development programmes.

Looking ahead, 2025 presents both opportunities and challenges. Domestically, Indonesia's economy remains resilient, supported by strong fundamentals and government programmes. Nonetheless, geopolitical tensions, the tightening of monetary policy, trade protectionism and tariffs may impact market conditions.

IndoAgri is well-positioned to navigate these dynamics. With a disciplined approach to growth, unwavering commitment to sustainability and continued focus on innovation and operational efficiency, we remain confident in our ability to deliver long-term value to all stakeholders.

I would like to take this opportunity to thank all shareholders, my fellow Board members, our dedicated employees and valued partners for the continued trust and support. I look forward to working with all of you as we embark on the next phase of IndoAgri's journey.

Philip Yeo Liat Kok
Chairman and Lead Independent Director

CEO'S MESSAGE

DEAR SHAREHOLDERS,

2024 was a strong year for IndoAgri. Palm oil prices rebounded significantly after a stable 2023, trading at their largest premium over soybean oil in 40 years. Traditionally the most affordable vegetable oil due to high yields per hectare and low production costs, palm oil defied expectations by sustaining its price advantage over soybean oil throughout the year.

This development reflects a structural change in the edible oils market, driven primarily by the progressive redirection of Indonesia's palm oil exports into domestic biodiesel production. In 2024, approximately 11.7 million tonnes of palm oil were channelled into the country's B35 biodiesel mandate, with plans to increase this to 13.6 million tonnes under B40 by 2025 and B50 by 2026. This shift, coupled with lower yields from adverse weather and tightened supply, pushed domestic CPO prices (KPB) upwards by 17% to an average of Rp13,190 per kg, with international CPO prices (CIF Rotterdam) increasing 15% to an average of USD1,113 per tonne in 2024.

Meanwhile, global sugar prices fluctuated between 18 and 25 US cents per pound, influenced by Brazil's unpredictable crop performance due to severe drought and fires in key sugarcane regions. Such weather extremes have become increasingly common, underscoring the importance of sustainable farming and climate-resilient strategies to safeguard global food supplies.

As a vertically integrated agribusiness group, IndoAgri capitalised on its competitive strengths during the year. Full year net profit after tax came in significantly higher at Rp2,110 billion in 2024 compared to Rp936 billion in 2023. The improved profitability was mainly due to higher profit from the Plantation Division.

The **Plantation Division** faced heavy rainfall in Indonesia, which impacted harvests and operations across estates, as well as challenges from aging trees. Our FFB nucleus production declined by 1% year-on-year, while CPO production remained flat. Despite these hurdles, the Division recorded higher profit mainly due to higher selling prices of palm products and lower nucleus palm production costs, tighter cost controls and higher net gains arising from changes in fair value of biological assets. This was partly offset by an increase in other operating expenses. Over in Brazil, CMAA crushed 9.3 million tonnes of sugar cane. Our share of the joint ventures' profit was lower at Rp44 billion, mainly due to higher financial expenses and a one-off lease write-off.

To ensure business continuity in our palm plantations during rainy seasons, we continue to invest in improved infrastructure. Critical areas have now been reinforced with concrete to prevent waterlogging and improve accessibility during adverse weather. In flood-prone areas, we have started testing innovative materials such as artificial rubber. These measures, along with improved drainage systems to manage water flow in floodplains, are crucial for long-term resilience.

Downstream, the **EOF Division** also demonstrated resilience, maintaining profitability by increasing the sales volumes of cooking oils and margarines to meet domestic demand. To support future growth, we are expanding the Tanjung Priok refinery to accommodate a third production line, capable of processing up to 450,000 tonnes of CPO per year. Upon completion of the expansion, scheduled for the second half of 2025, our total CPO refining capacity will increase from 1.7 million tonnes to 2.2 million tonnes annually.

EMBEDDING CLIMATE RESILIENCE

Bolstered by our adoption of the TCFD framework, we have deepened our understanding of climate-related risks as part of ongoing enterprise risk management (ERM). While challenges such as shifting rainfall patterns, road deterioration and field access during floods are not new, continuously refining our ERM approaches remains essential in addressing escalating physical and transitional risks. Key initiatives have included enhancements to our risk assessment matrix and targeted investments in road infrastructure.

In addition to mitigating climate risks, we have advanced our energy conservation efforts by installing more meters to track power utilisation in the factories. These enhancements provide actionable data to address energy inefficiencies at the machine level. For water management, milling operations rely on a mix of rivers, groundwater and rain-harvesting systems, while our plantation offices and on-site accommodations draw from groundwater and rain-harvesting. These initiatives underscore our commitment to sustainable resource management.

Our original target to achieve ISPO certification across our operations by 2024 was postponed due to new government regulations. We remain committed to maintaining and renewing our current ISPO certificates while ensuring alignment with the new government regulations. Our renewed goal is to achieve 100% ISPO certification across our operations by the end of 2026.

Despite this setback, transparency and traceability remain priorities. Today, all FFB and palm kernels processed in our mills are traceable to their source estate, and all processed CPO can be traced to the respective mills. As of end 2024, the Group's ISPO-certified production stood at 481,000 tonnes, representing 84% of our total nucleus CPO production. In Brazil, CMAA's Bonsucro-certified production was 2.3 million tonnes of sugar cane, accounting for 46% of total cane production in 2024.

Sungai Dua Estate, Riau

CEO'S MESSAGE

Unloading CPO from a tugboat at Tanjung Perak Refinery, Surabaya

FFB sorting process in Kencana Sari POM, Lahat, South Sumatra

OUTLOOK 2025

Commodity prices are expected to remain highly volatile, driven by uncertainties surrounding weather conditions and geopolitical conflicts. Global demand growth is likely to remain subdued due to weaker economic performance and challenging macroeconomic factors.

Despite the outlook, the Plantation Division will continue to focus on targeted action plans, including improving operational results, strengthening cost controls, driving innovations that elevate plantation productivity, and prioritising capital investments in critical areas.

With higher refining capacity, the EOF Division will focus on expanding sales volumes through competitive pricing strategies and enhanced distribution, ensuring ample availability to meet Indonesia's population and per capita income growth.

We remain confident that Indonesia's resilient economic prospects, slower palm production growth and higher biodiesel mandates may provide some support for palm prices.

ACKNOWLEDGEMENTS

2024 also marked a period of transition for our Board, following the retirement of our Chairman, Mr Edward Lee Kwong Foo, and our Vice Chairman, Mr Lim Hock San, on 30 April 2024. On behalf of the Company, I would like to express our deepest gratitude for their valuable contributions to the Board and our management team.

In addition, I am pleased to welcome the three distinguished individuals who have joined our Board on 1 May 2024:

- Mr Philip Yeo Liat Kok, appointed as Lead Independent Director, Chairman of the Board, and Chairman of both the Nominating Committee (NC) and Remuneration Committee (RC);
- Mr David Sungkoro, appointed as an Independent Director, Chairman of the Audit and Risk Management Committee (AC & RMC), and Member of the NC; and
- Mr Andreas Tan, appointed as an Independent Director, and Member of the AC & RMC, NC and RC.

Their extensive expertise and diverse perspectives will undoubtedly strengthen the Board, while ensuring that IndoAgri's strategies remain aligned with our long-term goals.

I also take this opportunity to thank my Board colleagues for their guidance; all management and staff members of IndoAgri for their unwavering dedication; as well as all smallholders and business partners for their vital contributions. To our valued customers and shareholders, I sincerely appreciate your continued trust and support.

Mark Julian Wakeford
Chief Executive Officer and
Executive Director

GROUP PERFORMANCE REVIEW

IndoAgri is a vertically integrated agribusiness group and a palm oil producer in Indonesia, with operations spanning from R&D, seed breeding, oil palm cultivation and milling, to the manufacturing and marketing of cooking oils, margarine and shortening. The Group also cultivates sugar cane, rubber and other crops as part of its diversified portfolio.

The Plantation Division is IndoAgri's principal business. In Indonesia, the Division owns 288,649 hectares of planted crops and operates 27 palm oil mills, three crumb rubber processing facilities, two sheet rubber processing facilities, two sugar mills and refineries, and one factory each for the production of tea and cocoa. It also has an investment in three sugar and ethanol mills in Brazil through CMAA.

The Group's EOF Division owns and operates five CPO refineries across Indonesia to produce a wide range of branded cooking oils, margarine, shortening and specialty fats.

FINANCIAL HIGHLIGHTS

Palm oil prices rebounded significantly after a stable 2023, trading at their largest premium over soybean oil in 40 years. Higher CPO consumption in the domestic biodiesel sector, coupled with lower yields from adverse weather and tightened supply, pushed domestic CPO prices (KPB) upwards by 17% to an average of Rp13,190 per kg, with international CPO prices (CIF Rotterdam) increasing 15% to an average of USD1,113 per tonne in 2024.

In line with higher commodity prices, the Group reported a strong set of results in FY2024. Full year net profit after tax rose significantly to Rp2,110 billion, compared to Rp936 billion in 2023. The improved profitability was mainly due to significantly higher gross profit from the Plantation Division and higher gain arising from changes in fair value of biological assets. This was partly offset by an increase in other operating expenses arising from impairment loss and write-off of property, plant and equipment and higher income tax expenses.

FINANCIAL POSITION

As at 31 December 2024, the Group reported total non-current assets of Rp25.7 trillion, compared to Rp27.2 trillion as at 31 December 2023. The decrease was mainly due to depreciation, impairment loss and write-off of property, plant and equipment, lower plasma receivables, and a reduced carrying value of investments in joint ventures. This was partly offset by higher advances for fixed asset purchases.

The Group's total current assets stood at Rp13.4 trillion as at 31 December 2024, up from Rp9.9 trillion as at 31 December 2023. The increase was driven by higher CPO inventories in the Plantation and EOF Divisions, along with increases in trade and other receivables, advances for raw material purchases, prepaid taxes, biological assets and cash levels.

Revenue
(Rp trillion)

Net Profit to Owners of the Company
((Rp trillion)

Profit from Operations
(Rp trillion)

NAV per share
(Rp)

FFB from the oil palm plantation

As at 31 December 2024, the Group's total liabilities remained similar to last year's Rp13.3 trillion. During the year, certain interest-bearing loans and borrowings were reclassified from current liabilities to non-current liabilities following the rollover of these facilities from short-term to long-term borrowings.

The Group recorded net current assets of Rp4.5 trillion as at 31 December 2024, compared to Rp0.4 trillion in the previous year-end. The improved financial position was due to higher cash levels and the rollover of certain matured bank facilities to long-term borrowings. Consequently, the Group's net debt-to-equity ratio decreased from 0.11 times in the prior year to 0.07 times as at 31 December 2024.

CASH FLOWS

Despite improved operating results, the Group reported lower net operating cash flows of Rp2.2 trillion in 2024, compared to Rp3.8 trillion in 2023. This was because of higher working capital arising from increased inventories, trade and other receivables, and advances to suppliers.

The Group recorded Rp1.4 trillion of investing activities in 2024, a 15% increase over the previous year, mainly due to higher advances for projects and fixed assets. This was partly offset by lower plasma receivables.

In terms of financing activities, the Group recorded net cash usage of Rp0.1 trillion in 2024, compared to Rp1.7 trillion in 2023. This was mainly due to additional capital contributions from a non-controlling shareholder and lower net repayment of loans during the year.

As of 31 December 2024, the Group's cash levels increased to Rp5.9 trillion from Rp5.2 trillion a year ago, driven by positive operating free cash flows.

GROUP PERFORMANCE REVIEW

FINANCIAL HIGHLIGHTS

	In Rp billion			In SGD million*		
	2022 Actual	2023 Actual	2024 Actual	2022 Actual	2023 Actual	2024 Actual
Revenue	17,797	16,003	**15,968**	1,500	1,349	**1,346**
Gross profit	4,559	3,282	**4,765**	384	277	**402**
(Loss)/gain arising from changes in fair value of biological assets	(136)	13	**318**	(11)	1	**27**
Profit from operations	2,702	1,948	**3,239**	228	164	**273**
Net profit after tax	1,318	936	**2,110**	111	79	**178**
Profit attributable to owners of the Company	770	614	**1,119**	65	52	**94**
EPS (in Rp)/(in SGD'cents)	552	440	**801**	4.7	3.7	**6.7**
Current assets	10,552	9,944	**13,410**	888	837	**1,129**
Fixed assets	18,136	17,582	**16,404**	1,527	1,480	**1,381**
Other non-current assets	9,578	9,592	**9,316**	806	808	**784**
Total assets	38,266	37,118	**39,130**	3,222	3,125	**3,294**
Current liabilities	9,883	9,582	**8,933**	832	807	**752**
Non-current liabilities	5,231	3,620	**4,334**	440	305	**365**
Total liabilities	15,114	13,202	**13,267**	1,272	1,111	**1,117**
Shareholders' equity	12,900	13,545	**14,298**	1,086	1,140	**1,204**
Total equity	23,152	23,916	**25,863**	1,949	2,013	**2,177**
Total debt	9,144	7,796	**7,771**	770	656	**654**
Cash	4,422	5,226	**5,946**	372	440	**501**

	2022 Actual	2023 Actual	2024 Actual
Sales decline	(9.5%)	(10.1%)	**(0.2%)**
Gross profit margin	25.6%	20.5%	**29.8%**
Profit from operations margin	15.2%	12.2%	**20.3%**
Net profit after tax margin	7.4%	5.8%	**13.2%**
Profit attributable to owners of the Company margin	4.3%	3.8%	**7.0%**
Return on assets[1]	7.1%	5.2%	**8.3%**
Return on equity[2]	6.0%	4.5%	**7.8%**
Current ratio (times)	1.1	1.0	**1.5**
Net debt to equity ratio (times)[3]	0.20	0.11	**0.07**
Total debt to total assets ratio (times)	0.24	0.21	**0.20**

1 *Profit from operations divided by total assets*
2 *Profit attributable to owners of the Company divided by shareholders' equity*
3 *Net debt divided by total equity*

* *For ease of reference, 2022 to 2024 Income Statement and Balance Sheet items are converted at exchange rates of Rp11,867/SGD1 and Rp11,878/SGD1, respectively.*

OPERATIONAL HIGHLIGHTS

The table below relates to business operations in Indonesia. For the operation in Brazil, please refer to page 18 of this annual report.

In Hectares (unless otherwise stated)	2022	2023	2024
Planted Area – Nucleus			
Oil Palm	**244,768**	**244,337**	**241,208**
Mature	218,064	220,531	220,318
Immature	26,704	23,806	20,890
Rubber	**16,074**	**16,238**	**16,231**
Mature	14,033	14,195	14,544
Immature	2,041	2,043	1,687
Sugar Cane	**14,056**	**13,384**	**13,583**
Others	**19,590**	**19,470**	**17,627**
Mature	16,441	16,252	14,782
Immature	3,149	3,218	2,845
Total	**294,488**	**293,429**	**288,649**
Planted Area – Plasma			
Oil Palm and Rubber	90,551	90,867	91,523
Distribution of Planted Areas – Nucleus			
Riau	56,145	56,175	56,172
North Sumatra	36,473	36,903	37,228
South Sumatra	95,919	94,532	95,014
West Kalimantan	24,742	24,675	21,722
East Kalimantan	61,651	61,640	58,851
Central Kalimantan	10,842	10,841	10,965
Java	3,249	3,177	3,217
Sulawesi	5,467	5,486	5,480
Total	**294,488**	**293,429**	**288,649**
Production Volume ('000 tonnes)			
Total FFB	3,741	3,632	3,645
FFB – Nucleus	2,812	2,784	2,758
CPO	736	708	706
Palm Kernel (PK)	180	175	167
Rubber	5.2	4.7	4.8
Sugar[1]	57	58	54
Sales Volume ('000 tonnes)			
CPO[2]	701	743	690
PK and PK Related Products[3]	166	184	159
Rubber	5.8	5.1	4.6
Sugar	59	55	53
Oil Palm Seeds (million units)	9.3	9.7	10.4

1 *Comprised of sugar production in South Sumatra, share of sugar produced in Central Java*
2 *Sales to external and internal parties*
3 *Comprised of PK, Palm Kernel Oil (PKO) and Palm Kernel Expeller (PKE)*

PLANTATION REVIEW

Operation in Indonesia

FFB Production (Nucleus)

('000 tonnes)

CPO Production

('000 tonnes)

The Plantation Division manages the cultivation, production and sale of CPO, PK and related products, crumb and sheet rubber, sugar, tea, cocoa and other products, mainly for domestic consumption.

The nucleus oil palm estates span 241,208 hectares across Indonesia, of which 9% are immature. FFBs are harvested and processed by 27 mills across our estates, with a total annual capacity of 7.2 million tonnes.

The nucleus rubber estates occupy 16,231 hectares in North and South Sumatra and Sulawesi, of which 10% are immature. Rubber is processed at three crumb rubber and two sheet rubber facilities. The oil palm and rubber plasma partnerships account for 91,523 hectares.

The sugar estates in Indonesia span 13,583 hectares. Harvested cane is processed at a 8,000 tonnes of cane per day (TCD) sugar mill and refinery in South Sumatra, and a 4,000 TCD sugar mill and refinery in Central Java.

The Division also operates 17,627 hectares of other crops, with one factory each for the production of tea and cocoa.

2024 REVIEW

The Plantation Division recorded a 1% decline in FFB nucleus production to 2,758,000 tonnes, while CPO production remained flat at 706,000 tonnes. Our FFB nucleus production was impacted by wet weather and lower yields from aging trees. Despite these challenges, the Division's revenue rose by 10%, mainly due to higher selling prices of palm products (CPO up 16% and PK up 50%), partly offset by lower CPO sales volume due to timing in the realisation of year-end stocks.

The Division reported significantly higher operating profit of Rp2,772 billion in 2024, compared to Rp1,372 billion in 2023. The increase was mainly attributable to strong palm product prices and lower nucleus palm production costs, arising from lower fertiliser expenses, tighter cost controls and gains from changes in the fair value of biological assets. This was partly offset by higher other operating expenses arising from impairment loss and write-off of property, plant and equipment.

Productivity and cost efficiency initiatives remained a key priority, with efforts focused on critical infrastructure, enhanced fertiliser application through nutrient analysis, preventive maintenance strategies, mechanisation programmes and usage of renewable energy sources.

Following the adoption of the TCFD framework, we continued refining our ERM approaches and risk assessment matrix, with targeted investments in critical areas like road infrastructure and water drainage to address flooding. In addition to mitigating climate risks, we are enhancing energy conservation by installing more meters to track and manage power usage in the factories. For water management, milling operations rely on a mix of rivers, groundwater and rain-harvesting systems, while plantation offices and accommodations draw from groundwater and rain-harvesting. These efforts underscore our commitment to sustainable resource management.

We remain fully committed to our sustainability and ESG goals, diligently tracking the material issues and ensuring the proper execution of sustainability programmes. During the year, the Group's ISPO-certified production stood at 481,000 tonnes, or 84% of total nucleus CPO production.

In 2024, our rubber production was relatively flat compared to the previous year, at around 4,800 tonnes.

Our sugar cane plantation in South Sumatra produced 47,000 tonnes of sugar in 2024, a year-on-year decrease of 7%. In Central Java, our factory produced 22,900 tonnes of sugar, with 7,100 tonnes belonging to the Division and the balance belonging to the farmers who supplied the cane.

2025 OUTLOOK

Commodity prices are expected to remain highly volatile, driven by uncertainties surrounding weather conditions and geopolitical conflicts. Global demand growth is likely to remain subdued due to weaker economic performance and challenging macroeconomic factors.

Despite the outlook, the Plantation Division will continue to focus on targeted action plans, including improving operational results, strengthening cost controls, driving innovations that elevate plantation productivity, and prioritising capital investments in critical areas.

Fire monitoring in Cipta Graha Estate, Kutai Timur, East Kalimantan

PLANTATION REVIEW
Operation in Brazil

The Plantation Division's sugar and ethanol operations in Brazil are held and managed through IndoAgri's 36.21% stake in CMAA and Bússola. CMAA operates three sugar and ethanol mills in Brazil with a combined annual sugar cane crushing capacity of 9.7 million tonnes, whereas Bússola owns agricultural land.

2024 REVIEW

Global sugar prices fluctuated between 18 and 25 US cents per pound, influenced by Brazil's unpredictable crop performance due to severe drought and fires in key sugar cane regions, along with typical variations in global crop forecasts.

CMAA crushed 9.3 million tonnes of sugar cane, compared to 9.45 million tonnes in the previous season, producing 700,000 tonnes of raw sugar, 368,000 m^3 of ethanol and 400,000 MWh of electricity. Our share of the joint ventures' profit was lower at Rp44 billion despite higher gross profit from raw sugar sales. This was mainly due to higher financial expenses and a one-off lease write-off.

CMAA's Bonsucro-certified production was 2.3 million tonnes of sugar cane, accounting for 46% of total cane production in 2024. This was a reduction from 73% in 2023 due to changes in Bonsucro standards, as sugar cane planted on pasturelands prior to January 2008 is no longer eligible for inclusion.

2025 OUTLOOK

Global sugar prices are expected to be influenced by crop prospects and sugar production in Brazil, which will depend on ethanol parity, crude oil prices, Brazil's biofuel policy (RenovaBio) and fluctuations of the Brazilian Real. Prices will also be impacted by developments in other key growing regions, in particular, India's potential sugar subsidies, export volumes and biofuel policy.

Amid a challenging economic landscape and high interest rates in Brazil, CMAA's priority will be to optimise the sugar-ethanol production mix to maximise profitability. Additionally, it plans to expand its crushing capacity by one million tonnes to reach a total of 10.7 million tonnes in the 2025/26 crop year. This expanded capacity will allow us to optimise profitability at one of the mills and lower costs.

CMAA's UVT sugar and ethanol mill in Brazil

PLANTATION REVIEW

R&D in Indonesia

The Plantation Division operates two oil palm R&D centres – SumBio in Bah Lias, North Sumatra, and PT SAIN in Pekanbaru, Riau. Both centres are certified palm seed producers, renowned for superior seeds, which are prized for their high-yielding qualities, drought tolerance and disease resistance. Staffed by experienced agronomists and researchers, the centres conduct extensive field work on crop yields, crop resilience, pest and disease control and estate management practices. Additionally, the Division operates a R&D facility for sugar cane in South Sumatra.

Beyond these activities, the R&D centres are responsible for establishing guidelines and practices for the productive and sustainable use of limited land resources. These innovations contribute to sustainable oil palm farming in Indonesia, strengthening IndoAgri's long-term competitiveness. The key practices include block-based farming, soil conservation using Vetiver systems, recycling by-products like EFB and POME into soil mulch and nutrient substitutes, and integrating natural pest management strategies.

2024 REVIEW

In 2024, SumBio and PT SAIN's crossbreeding programmes focused on developing new and high-yielding seed varieties with unique traits. Key achievements included identifying a potential Ganoderma marker and gene associated with Ganoderma resistance — a project conducted jointly with other companies. Additionally, the centres developed a molecular marker to differentiate virescens and nigrescens fruit types. They also continued to observe and introduce tenera clones of palm seeds, which combine virescens traits with long stalks to enable more efficient manual and mechanised harvesting.

Aside from supplying seeds for internal planting and replanting programmes, the Division sold 10.4 million oil palm seeds to plantation companies and farmers in 2024. This represented an 7% increase in sales volume compared to the previous year. To maintain high seed quality and prevent dura contamination, Sumbio performed random seed checks using DNA analysis.

To safeguard against counterfeits, we continued using UV markers for palm seed authentication. Other achievements included refining the fertiliser mix by incorporating compost to supplement organic fertilisers, and applying controlled-release fertilisers on immature oil palms.

To further enhance our cultivation methods, we introduced drone sprayers for controlling leaf-eating caterpillars, improving the efficiency and safety of our workers and environmental sustainability. We also continued to reduce chemical pesticide use across our plantations by establishing ecosystems of natural predators and parasitoids to combat pests such as bagworms, hairy worms and nettle caterpillars. Additionally, we intensified crop protection by using entomo-pathogenic agents (fungi, bacteria and viruses)

High-yielding oil palm seeds produced by SumBio

as biopesticides, along with pest predators (e.g. Eocanthecona sp. and Sycanus sp.) and UV light traps, to manage leaf-eating caterpillars.

Drone images, integrated with the GIS and ground GPS data, have enabled real-time monitoring of field conditions, providing precise assessments of the health of our oil palms. Additionally, regular spatiotemporal analyses have improved pest control and risk management outcomes. By correlating agronomic parameters with aerial data, we swiftly remedied field situations, achieving higher productivity and cost savings.

For our Indonesian sugar operations, we continued to cultivate high-yield cane varieties, which have demonstrated commercial viability. The successful integration of drones for sugar cane ripening has also enhanced productivity and cost efficiency.

2025 OUTLOOK

We will continue refining our seed-cultivation techniques and proven agronomic practices to enhance crop management and optimise planting densities. At the same time, we will develop in-house capabilities to analyse various markers associated with the Ganoderma project. To accelerate the key R&D programmes, we will actively pursue collaborations with universities and research institutions.

Data from our soil hydrology studies, satellite sources and 3D topographic maps will be integrated with WebGIS to support remote decision-making. By computing precise fertiliser requirements and adjusting yield predictions on a block-by-block basis, WebGIS will significantly lower our ground-sampling costs.

We will continue incorporating WebGIS into our SAP system to enhance oversight of our plantation operations and crop conditions. We will also leverage data analytics and machine learning to improve precision agriculture, optimise yields, reduce production costs and promote sustainable land use.

EDIBLE OILS & FATS REVIEW

Operation in Indonesia

Cooking with Bimoli cooking oil


Bimoli
Bimoli
STABIL PANASNYA*
MATANG LUAR DALAM*

EDIBLE OILS & FATS REVIEW
Operation in Indonesia

Our certified refineries at Tanjung Priok

The Edible Oils & Fats (EOF) Division produces palm oil products, margarine and palm-based derivatives (RBD palm stearin and palm fatty acid distillate) for consumer and industrial markets. The Division operates five refineries with a total annual processing capacity of 1.7 million tonnes of CPO.

The consumer cooking oils are retailed under *Bimoli*, *Bimoli Spesial* and *Happy*, while the margarines are sold under *Amanda*, *Palmia* and *Royal Palmia*. The industrial cooking oils are supplied directly to Indofood and other food manufacturers, while the margarine and shortening products are marketed to confectioneries, bakeries and food manufacturers under *Amanda*, *Delima*, *Malinda*, *Palmia* and *Simas*.

Sales and distribution of EOF products are supported by Indofood's Distribution Group, which has an extensive network across Indonesia. More than 80% of EOF products are sold domestically, with the rest exported to countries across Asia, Africa, America and the Middle East.

2024 REVIEW

The EOF Division remained resilient, maintaining profitability by boosting sales volumes of cooking oils and margarines to meet domestic demand. Furthermore, it implemented competitive pricing strategies that facilitated regular price adjustments, ensuring continued profitability while ramping up advertising and promotions.

As a result, the Division saw a 9% increase in revenue to Rp12.3 trillion, driven mainly by higher sales volumes and selling prices. Operating profit rose to Rp817 billion from Rp647 billion in the previous year.

IndoAgri's vertically integrated business model, which ensured a stable supply of raw materials to the Division, was integral to the solid performance. In 2024, 78% of the CPO used in the production of cooking oils, margarine and shortening came from our own plantations.

During the year, the market position of *Bimoli* cooking oils was successfully reinforced through competitive pricing. Digital marketing campaigns helped to enhance brand awareness and consumer engagement, keeping Bimoli top-of-mind. Additionally, the comprehensive trade campaign "*Semua Jual Bimoli*", alongside consumer promotions, improved *Bimoli*'s visibility and availability across both general and modern trade channels.

Likewise, *Palmia* consumer margarines saw significant sales growth, particularly in the modern trade wholesale segment. Brand-building efforts were bolstered by new TV commercials for *Palmia Serbaguna* and *Royal Palmia*, aired on major television stations. Consumer engagement was further strengthened through digital marketing and collaborations with key modern trade wholesalers. These efforts were complemented by retail promotions across the general and modern trades to drive market penetration and expand *Palmia*'s consumer base.

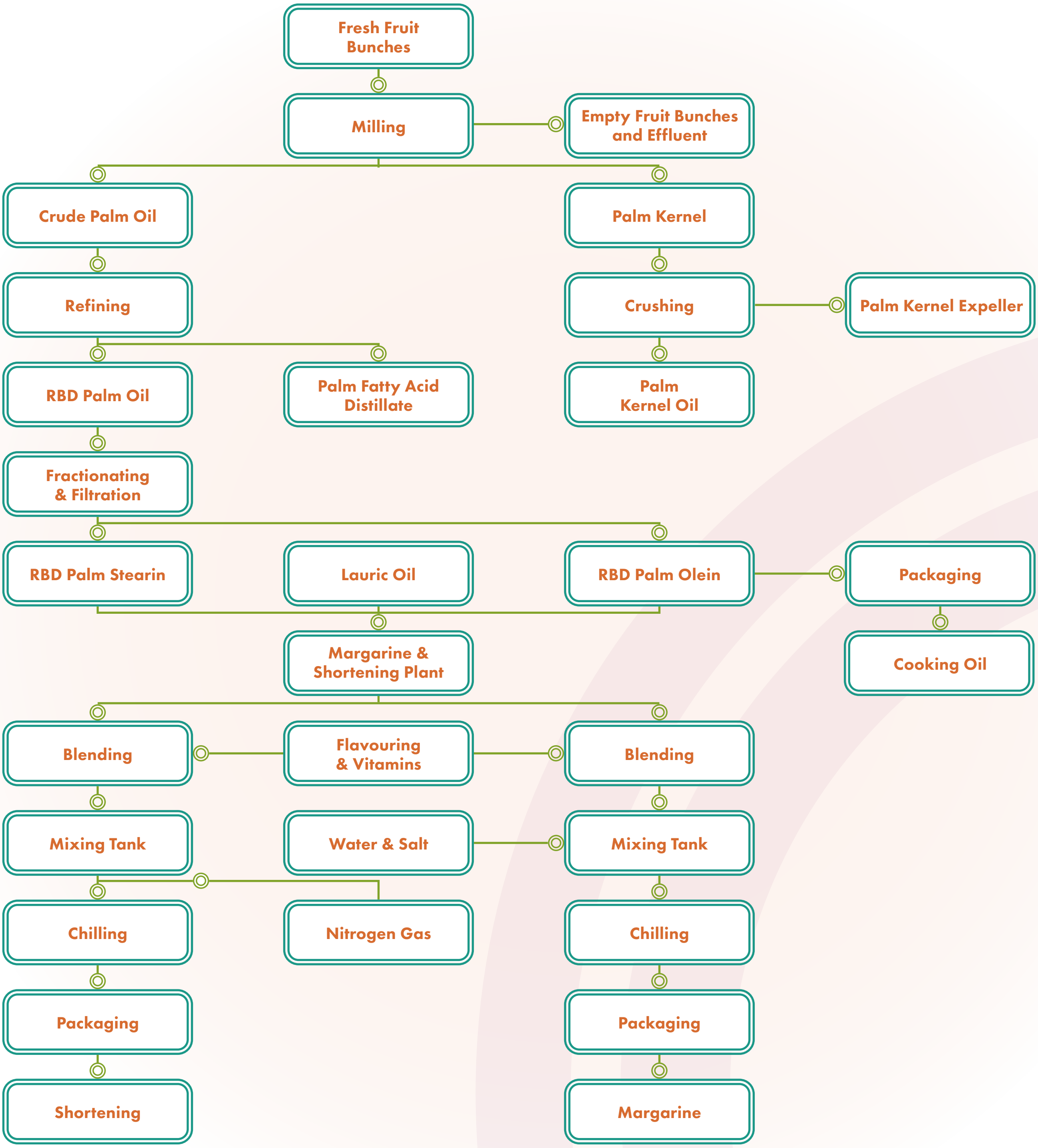
The R&D team supported the EOF Division by enhancing the nutritional content of cooking oils and margarines to better meet the dietary needs of Indonesian consumers. Notable achievements included tailored cooking oil formulations for industrial users, multivitamin-enriched margarines for households, and the innovation of smarter packaging designs using more environmentally friendly materials.

2025 OUTLOOK

Approaching 2025, we will continue to focus on driving the growth of EOF sales volumes by maintaining competitive pricing against key competitors and improving distribution to enhance product availability. We will also prioritise the refreshment of packaging designs and the promotion of flavoured consumer margarines, increase in-store visibility and strengthen brand leadership.

To meet rising demands driven by Indonesia's population and per capita income growth, we are expanding our Tanjung Priok refinery by adding a third production line, capable of processing up to 450,000 tonnes of CPO per year. Upon completion in the second half of 2025, the expansion will increase the total CPO refining capacity from 1.7 million tonnes to 2.2 million tonnes annually.

MANUFACTURING OF EOF PRODUCTS



SUSTAINABILITY AT INDOAGRI

IndoAgri remains committed to enhancing the maturity of our sustainable business practices. As a plantation operator, we recognise the responsibility to actively address our ESG risk factors while meeting the global demand for sustainable palm oil production.

Our focus on sustainable operations is driven by R&D, continuous innovation and productivity enhancements. We also prioritise employee safety and well-being, and provide meaningful livelihoods for local communities through employment, responsible land management and economic contributions.

Guided by our Sustainable Agriculture Policy, we ensure responsible operations and traceable produce. The key Policy commitments are as follows:

- No Deforestation;
- No Planting on Peat, Regardless of Depth;
- No Burning;
- Preservation of High Conservation Value and High Carbon Stock Areas;
- Respect for Labour and Human Rights, including Freedom of Association and Non-Discrimination; and
- Free, Prior and Informed Consent (FPIC).

Acknowledging the agribusiness sector's vulnerability to climate change, we have steadily aligned our activities with the TCFD recommendations since 2022. Our enhanced enterprise risk management (ERM) framework now includes additional climate-related physical and transition risks. Through close collaboration between our ERM, research, sustainability and operational teams, we have developed a comprehensive risk assessment matrix covering both financial and operational impacts. This has improved our ability to effectively identify, assess, manage and monitor challenges, particularly physical risks like flooding, water shortages and fires.

SUSTAINABILITY HIGHLIGHTS IN 2024

- **Certified CPO in Indonesia**
  - 481,000 tonnes of ISPO-certified CPO, representing 84% of total nucleus CPO production.
- **Certified Sugar Cane in Brazil**
  - 2.3 million tonnes of Bonsucro-certified production, representing 46% of CMAA's own sugarcane production.
- **Occupational Health and Safety**
  - Zero paraquat use since 2018;
  - 100% of sites certified to SMK3 occupational health and safety (OHS) management system, with 60 sites achieving the SMK3 Gold award;
  - 11 sites with zero accident awards from the Ministry of Labour;
  - 17% decrease in rate of recordable work-related injuries; and
  - Two work-related fatalities (one at an oil palm estate and one at a palm oil mill).
- **Worker Welfare**
  - Compliance with minimum wage and employment contract regulations for full-time and seasonal workers; and
  - No registered worker below 18 years of age.
- **Energy and Water Consumption (2020 baseline)**
  - 4% reduction in energy intensity in mills;
  - 26% increase in energy intensity in refineries;*
  - 2% reduction in water intensity in mills;
  - 33% increase in water intensity in refineries;*
  - 99% of fuel used in mills from renewable sources; and
  - 100% of milling waste reused by estates and mills.
- **Smallholders**
  - Four KUDs have obtained ISPO certification, with six currently undergoing the audit process.

KEY SUSTAINABILITY TARGETS

- Palm oil production (estates and mills): Achieve ISPO certification by end of 2026.
- Palm oil refineries: Source all CPO supplies in accordance with our Sustainable Agriculture Policy and achieve ISPO-certification by end of 2026.
- Zero fatality.

SUSTAINABILITY MANAGEMENT

The Sustainable Agriculture Policy applies to all operational units, including plasma smallholders and third-party CPO suppliers. It outlines the strategies for accountable and traceable supply chains, human rights, prevention of deforestation, ESG risk assessment and management, and stakeholder engagement.

Our Labour Policy further protects the rights of those working in and living around our estates. This Policy is applicable to all employees, including plasma smallholders and third parties who supply to our factories and refineries. All suppliers are encouraged to make similar commitments in their own operations to align with our Policy.

The Group's commitments and procedures around deforestation, land rights, peatland, burning, smallholders and human rights are benchmarked against the ISPO certification standards and international best practices, and covered in our Sustainable Agriculture and Labour

* *2024 energy and water intensity per tonne of material produced at our refineries increased against the 2020 baseline due to fluctuations in the quality of raw materials and additional processing performed at one refinery.*

Policies. The ISPO certification is a mandatory and legally binding certification system for all oil palm growers in Indonesia.

A SYSTEMATIC APPROACH

We manage our ESG risks and opportunities through staff training, robust business processes, a culture of accountability, and community partnerships.

Commitment

Our sustainability team comprises well-trained professionals who manage our material sustainability topics and impacts in accordance with the Group's mission and values.

Planning

The Group's ERM framework, rigorous approaches to corporate governance, and established internal controls provide additional lines of defence against broader risks and uncertainties. We apply R&D to innovate and achieve sustainable growth in our domestic and international markets.

Action

Our local teams implement and enforce the Group's sustainability policies, commitments and programmes. We use management systems and standard operating procedures to maintain quality and drive improvements in areas such as R&D, workplace health and safety, food safety, environmental management and information control. Our six Sustainability Programmes direct the Group's efforts across a range of material sustainability topics. In addition, the sustainability team coordinates the initiatives underlying the achievement of certifications such as ISPO and PROPER.

Assessment and reporting

Our SAP system and the sustainability information system are used to collate data and monitor progress against the Group's key sustainability targets. Evaluation is carried out via regular audits, performance trend analysis and stakeholder feedback.

SUSTAINABILITY GOVERNANCE

IndoAgri's Board of Directors actively reviews the Group's sustainability risks and opportunities, material ESG topics, and management and reporting processes. The Board receives quarterly updates on relevant sustainability risks and concerns from the Audit & Risk Management Committee.

The CEO steers the Group's sustainability performance, and is personally involved in all discussions and correspondences relating to sustainability. The CEO is supported by the management team, ERM unit, R&D team, as well as sustainability representatives from all business units.

SUSTAINABILITY AT INDOAGRI

MATERIAL SUSTAINABILITY TOPICS

In 2024, we identified and validated 15 material topics through a comprehensive three-stage review process. This included benchmarking our initial list of material topics against peers and industry standards using desktop research to identify emerging topics relevant to our sustainability context. Interviews with key internal stakeholders provided valuable insights, leading us to reclassify "Energy Management" as a distinct material topic due to its growing importance in our transition to renewable energy and clean technologies.

The 15 material topics, validated by our Sustainability Think Tank and approved by the Board, are:

- protection of forests, peatlands and biodiversity;
- fire control and haze prevention;
- climate change and GHG emissions;
- energy management;
- water, waste and effluents;
- use of fertilisers, pesticides and chemicals;
- responsible business conduct;
- community rights and relations;
- occupational health and safety;
- smallholder engagement and livelihoods;
- supply chain traceability and transparency;
- sustainability certification;
- product quality and safety;
- yield resilience and innovation; and
- human, child and labour rights.

Silver leaf monkey (Trachypithecus cristatus), a protected animal in our plantation in Sei Rumbiya, North Sumatra

Forest monitoring in Treblasala Estate, Banyuwangi, East Java

STAKEHOLDER ENGAGEMENT

Regular stakeholder dialogues are crucial to our Sustainable Agriculture Policy, sustainable palm oil production and commitment delivery. Our key stakeholders are: employees, customers, investors, government and civil organisations, and local communities. We connect, engage and collaborate with these stakeholders through various platforms to strengthen mutual interests and establish common goals.

For product safety, we conduct the customer engagement initiatives including production audits, public seminars and customer satisfaction surveys. To achieve ISPO-certified production, we maintain regular contact with suppliers, customers, grower cooperatives and government ministries.

As our agribusiness operations are vital to the livelihoods of many who live in communities near our plantations, we aim to advance their socio-economic development. To uphold FPIC, particularly with respect to land acquisition involving local villages, we conduct Social Impact Assessments to understand community needs before initiating new projects. We also promote open negotiation and inclusive decision-making with local communities. These efforts come under our Solidarity Programme, which encompasses initiatives such as fire-control awareness, education, health, infrastructure development, micro-enterprise support, farmer training, culture preservation and humanitarian efforts.

For full details of our management approach, materiality assessment, stakeholder engagement, sustainability programmes and performance, please download our latest Sustainability Report at:

http://www.indofoodagri.com/sustainability-home.html

BOARD OF DIRECTORS

Mr Philip Yeo Liat Kok
Chairman and
Lead Independent Director

Mr Mark Julian Wakeford
Chief Executive Officer and
Executive Director

Mr Moleonoto Tjang
Executive Director and Head of
Finance & Corporate Services

Mr Suaimi Suriady
Executive Director and Head of
Edible Oils & Fats Division

Mr Tjhie Tje Fie
Non-Executive Director

Mr Axton Salim
Non-Executive Director

Mr Goh Kian Chee
Non-Executive Director

David Sungkoro
Independent Director

Mr Andreas Tan
Independent Director

Mr Philip Yeo Liat Kok
Chairman and Lead Independent Director

Mr Yeo was appointed as the Lead independent Director and Chairman of the Board of the Company on 1 May 2024.

Mr Yeo has more than 40 years of public sector experience, having held various leadership and senior roles that included Executive Chairman of the Economic Development Board; Executive Chairman of A*Star (Agency for Science, Technology and Research); Special Advisor for Economic Development (Prime Minister's Office); and Chairman of SPRING (Standards, Productivity and Innovation for Growth) Singapore. He was awarded the Public Administration Medal (Silver) in 1974; the Public Administration Medal (Gold) in 1982; the Meritorious Service Medal in 1991; and the Order of Nila Utama (First Class), Singapore's most prestigious National Day award, in 2006. He was also the recipient of the Indonesian Government's highest civilian honour, the Bintang Jana Tama (the First Class Order of Service Award) in 1994 in recognition of his role in fostering good bilateral ties between Indonesia and Singapore; the Government of Japan's Order of the Rising Sun, Gold and Silver Star in 2007; and the Distinguished Service (Star) award from the Singapore Labour Movement, National Trades Union Congress, in 2008.

Mr Yeo is currently Chairman of Economic Development Innovations Singapore Pte. Ltd., a company which provides strategic advice and undertakes the development of integrated industrial and urban solutions; Accuron Technologies Limited, a Singapore-based precision engineering and technology company; and Advanced MedTech Holdings, a global medical technology leader in urology devices and services. Mr Yeo is also an Independent Director of Sunway Berhad, City Developments Limited and QAF Limited, which are listed on Bursa Malaysia and Singapore Exchange Securities Trading Limited ("SGX-ST") respectively.

Mr Yeo holds a Bachelor of Applied Science (Industrial Engineering) and an Honorary Doctorate in Engineering from the University of Toronto, Canada; an Honorary Doctorate in Medicine from the Karolinska Institutet, Sweden; a Master of Science (Systems Engineering) from the University of Singapore; a Master of Business Administration from Harvard University, USA; an Honorary Doctorate of Science from Imperial College, London; an Honorary Doctorate of Letters from National University of Singapore; an Honorary Doctorate of Law from Monash University of Australia; and an Honorary Doctorate of Letters from Nanyang Technological University. He is also an Honorary Fellow of King's College, London.

Mr Mark Julian Wakeford
Chief Executive Officer and Executive Director

Mr Wakeford is a Director of PT Indofood CBP Sukses Makmur Tbk and the Head of Indofood Group's Investor Relations Division. He is concurrently the President Director of PT SIMP, PT Lajuperdana Indah and CMAA. He started his career with Kingston Smith & Co, a Chartered Accounting firm in London, England.

Mr Wakeford has been in the plantation industry since 1993, working with plantation companies in Indonesia, Papua New Guinea, Soloman Islands and Thailand. He started his plantation career in Indonesia as the Finance Director of Lonsum in 1993, before moving to Papua New Guinea as the CFO of Pacific Rim Plantations Limited (PRPOL) from 1995 to 1999. In 1999, Mr Wakeford became CEO and Executive Director of PRPOL. PRPOL was sold to Cargill in 2005, Mr Wakeford spent one year with Cargill, before joining the Company in January 2007. He became CEO of the Company in August 2007.

Mr Wakeford was trained and qualified as a Chartered Accountant in London, England. He also attended the Senior Executive Programme at the London Business School.

BOARD OF DIRECTORS

Mr Moleonoto Tjang
Executive Director and Head of Finance and Corporate Services

Mr Tjang is a Director of PT Indofood Sukses Makmur Tbk, where he heads the Plantation Division. He is concurrently a Commissioner of PT Indofood CBP Sukses Makmur Tbk, Vice President Director of PT SIMP and President Commissioner of Lonsum. He started his career in 1984 with Drs. Hans Kartikahadi & Co., a public accounting firm in Jakarta. Before assuming the role of CFO in the Plantations Division of the Indofood Group, he has held various management positions in the Plantations Division of the Indofood Group and Salim Plantations Group.

Mr Tjang has a Bachelor of Accountancy degree from the University of Tarumanagara, Jakarta, a Bachelor's degree in Management and a Master of Science degree in Administration & Business Policy from the University of Indonesia. He is a registered accountant in Indonesia.

Mr Suaimi Suriady
Executive Director and Head Of EOF Division

Mr Suriady is a Director of PT Indofood CBP Sukses Makmur Tbk, where he heads the Snack Foods Division. He concurrently serves as a Director of PT SIMP. He began his career with an automotive battery distributor, PT Menara Alam Teknik of Astra Group and moved on to join consumer goods manufacturer, Konica Film and Paper.

Mr Suriady has a Master of Business Administration from De Montfort University in the United Kingdom.

Mr Tjhie Tje Fie
Non-Executive Director

Mr Tjhie is a Director of PT Indofood Sukses Makmur Tbk, where he supervises all financial operations and heads the Corporate Secretary Division. He is concurrently a Director of PT Indofood CBP Sukses Makmur Tbk and the President Commissioner of PT SIMP. He was previously a Director of Lonsum, Commissioner of PT SIMP and PT Indomiwon Citra Inti, as well as Senior Executive of PT Kitadin Coal Mining.

Mr Tjhie has a Bachelor's degree in Accounting from the Perbanas Banking Institute in Jakarta.

Mr Axton Salim
Non-Executive Director

Mr Axton Salim is a Director of PT Indofood Sukses Makmur Tbk. He is also a Director of PT Indofood CBP Sukses Makmur Tbk, where he heads the Dairy Division. He is concurrently a Commissioner of PT SIMP and Lonsum, and Non-Executive Director of Gallant Venture Ltd and First Pacific Company Limited. He started his career in the Indofood Group as a Brand Manager for Snack Foods Division before being appointed Assistant CEO of Indofood.

He co-chairs of the United Nations Scaling Up Nutrition (SUN) Movement Business Network Advisory Group and is a Coordinator of the SUN Business Network Indonesia. He is also an Advisory Board Member of the Nanyang Business School and Chairman of Sustainable Development of the Employer's Association of Indonesia.

Mr Salim has a Bachelor of Science in Business Administration from the University of Colorado, USA.

Mr Goh Kian Chee
Non-Executive Director

Mr Goh is the Lead Independent Director of HL Global Enterprises Limited.

He started his career as an audit trainee with Goldblatt & Co (UK). He joined American International Assurance Pte Ltd in 1981 as an Accounting Supervisor. In 1982, he became a Regional Internal Auditor with Mobil Oil Singapore Pte Ltd and rose to the position of Regional Credit and Insurance Manager in 1987. In 1990, he was seconded to Mobil Petrochemicals International Ltd where he served as Regional Accounting Manager and later, as the Controller of the Asia Pacific region till 2000. Mr Goh was the Regional Vice President & Controller as well as an Executive Director of John Hancock International Pte Ltd from 2000 to 2004. He was a Consultant at the National University of Singapore's Centre For The Arts from 2005 to 2018. He was also an Independent Director of China Minzhong Food Corporation Limited from 2013 to 2017 and AsiaMedic Limited from 2006 to 2021.

Mr Goh has a Bachelor of Arts (Hons) degree in Accounting and Economics from Middlesex University, United Kingdom.

David Sungkoro
Independent Director

Mr Sungkoro was appointed as an Independent Director of the Company on 1 May 2024.

As a former Assurance Partner with both Arthur Andersen and Purwantono, Sungkoro & Surja, Mr Sungkoro brings over 35 years of experience in assurance and accounting services. His expertise includes the conduct of due diligence and provision of capital market services to major multinational corporations, state-owned enterprises, and private and listed companies in various industries.

Mr Sungkoro is a Certified Public Accountant (CPA) of the Indonesian Institute of Public Accountants; a Chartered Accountant of the Indonesian Institute of Accountants and ASEAN Chartered Professional Accountants; and a Certified Management Accountant (CMA) of the Institute of Certified Management Accountants, Australia & New Zealand. He served on several committees within the Indonesian Institute of Certified Public Accountants, and was also a member of the Capital Market Accountants Forum. He lectures in a private university in Jakarta, and speaks in accounting and auditing seminars.

Mr Sungkoro holds a Doctorandus in Accountancy degree from the University of Trisakti, Jakarta, and a Master of Accounting degree from the University of Indonesia, Jakarta.

Andreas Tan
Independent Director

Mr Tan was appointed as an Independent Director of the Company on 1 May 2024.

Mr Tan is currently the Director of Digital Solutions at the Prysmian Group in Asia. He has over 25 years of senior managerial, sales and business development experience in the Asia Pacific region from his previous roles at CommScope Solutions, Hewlett Packard in Singapore; PCCW Global in Hong Kong; AT&T Inc. and Alcatel-Lucent, Inc.

Mr Tan holds a Master of Business Administration from the University of South Australia and a Bachelor of Commerce from Flinders University, Australia.

CORPORATE INFORMATION

Directors

Chairman and
Lead Independent Director
Philip Yeo Liat Kok

Chief Executive Officer
and Executive Director
Mark Julian Wakeford

Executive Director
and Head of Finance
and Corporate Services
Moleonoto Tjang

Executive Director and
Head of EOF Division
Suaimi Suriady

Non-Executive Director
Tjhie Tje Fie

Non-Executive Director
Axton Salim

Non-Executive Director
Goh Kian Chee

Independent Director
David Sungkoro

Independent Director
Andreas Tan

Executive Committee

Mark Julian Wakeford
(Chairman)

Tjhie Tje Fie

Moleonoto Tjang

Suaimi Suriady

Audit and Risk Management Committee

David Sungkoro
(Chairman)

Goh Kian Chee

Andreas Tan

Remuneration Committee

Philip Yeo Liat Kok
(Chairman)

Axton Salim

Andreas Tan

Nominating Committee

Philip Yeo Liat Kok
(Chairman)

David Sungkoro

Andreas Tan

Registrar

Boardroom Corporate & Advisory
Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

Registered Office

8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818

Company Secretaries

Mak Mei Yook
Lee Siew Jee, Jennifer

Auditors

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Audit Partner

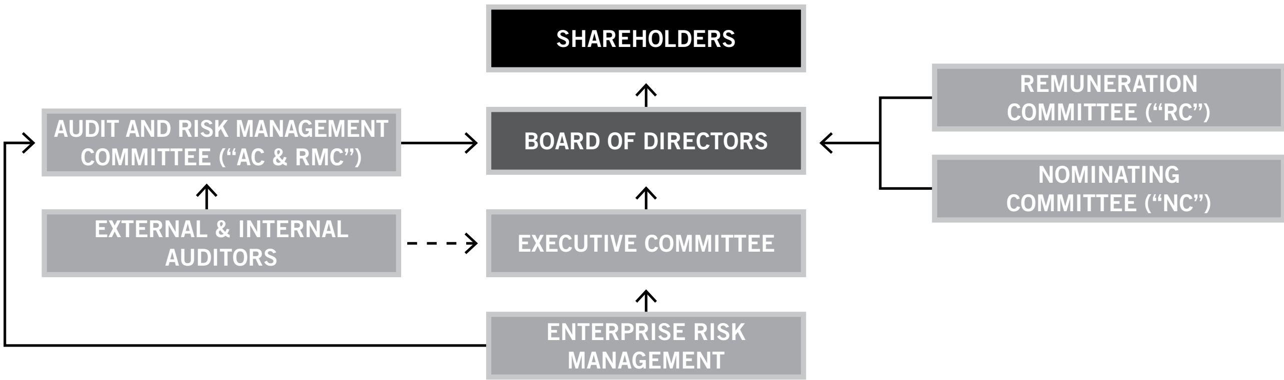
Lim Tze Yuen
(Appointed since
financial year ended
31 December 2021)

CORPORATE GOVERNANCE

The Board of Directors ("**Board**") and Management of Indofood Agri Resources Ltd. (the "**Company**") and together with its subsidiaries (collectively, the "**Group**") firmly believe that good corporate governance is a reflection of the Group's commitment towards long-term sustainable business performance.

This report sets out the key aspects of the Group's corporate governance framework and practices, with reference to the principles and provisions of the Code of Corporate Governance 2018 ("**2018 Code**"). The Company has complied with the principles of all material aspects of the 2018 Code, and where there are deviations to the 2018 Code, the explanations are provided in the respective sections of this report.

CORPORATE GOVERNANCE FRAMEWORK



BOARD MATTERS

PRINCIPLE 1: The Board's Conduct of Affairs
The Company is headed by a Board of Directors that oversees the conduct of the Group's business affairs and performance by working closely with the Management to achieve strategic goals and enhance shareholder value.

Roles and Responsibilities: The primary function of the Board is to provide entrepreneurial leadership so as to protect and enhance long-term value and returns for its shareholders. During 2024, besides carrying out its statutory responsibilities, the Board's roles and responsibilities were as follows:

- Guide the formulation of the Group's long-term strategic plans, performance objectives and operational initiatives;
- Establish and oversee the processes for evaluating the adequacy and effectiveness of the Group's risk management and internal controls framework, financial reporting and compliance with legislative and regulatory requirements;
- Review and approve the Group's business plans, including annual budgets, and major funding, investment and divestment proposals;
- Manage and monitor the Group's sustainability initiatives, and consider the material environmental, social and governance ("**ESG**") factors as part of its strategic formulation;
- Oversee the Group's business affairs, including its financial performance and condition, and monitor the performance of the Management;
- Approve matters as specified under the Singapore Exchange Securities Trading Limited ("**SGX-ST**") interested person transaction policy and assume responsibility for good corporate governance, including the establishment of an enabling culture, exemplary values and ethical standards of conduct across the Group;
- Ensure that the Group's obligations to shareholders and other stakeholders are understood and duly met; and
- Ensure that the Group's communication with its stakeholder groups is transparent and accountable.

CORPORATE GOVERNANCE

Directors' Duties and Obligations: The Board of Directors shall exercise due care and independent judgement, and objectively discharge their duties and responsibilities in the best interest of the Company. This is one of the performance criteria for self and peer assessments in the NC annual evaluation of the effectiveness of the Directors.

The Board comprises Executive, Non-Executive and Independent Directors, whose duties and obligations are as follows:

- **Executive Directors** ("**EDs**") are members of the Management who are involved in the day-to-day running of the business. They work closely with the NEDs on the long-term sustainability and success of the businesses. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- **Non-Executive Directors** ("**NEDs**") do not participate in the business operations. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic objectives as well as the appointment, assessment and remuneration of the EDs and key personnel.
- **Independent Directors** ("**IDs**") are NEDs who are unrelated to any of the EDs and deemed to be impartial by the Board. IDs have similar duties as the NEDs, with the additional responsibility of providing independent and objective advice and insights to the Board and Management.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. The Company has in place appropriate procedures where, on an annual basis, each Director will also submit details of his associates for the purpose of monitoring interested person transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he will immediately declare his interest either at the meeting of the Directors or by written notification to the Company. Unless the Board is of the opinion that his presence and participation are necessary to enhance the efficacy of such discussion when the conflict-related matter is discussed, the Director will refrain from participating in the discussion and abstain from voting in relation to the conflict-related matters.

Director Orientation and Training: The Board recognises the importance of professional development for the Directors for them to contribute effectively during the Board and Board Committee meetings. All newly appointed Directors are briefed by the Chairman of the Board and any Board Committees they are appointed to regarding their roles, duties and responsibilities. They also attend an orientation programme conducted by the Management to familiarise themselves with the Group's organisation structure, business operations, strategic directions, industry trends, corporate developments and corporate governance practices, as well as their statutory duties and other responsibilities as Directors.

Succession planning and board renewal are critical to the business continuity, development and growth momentum of the Company. Messrs Lee Kwong Foo Edward and Lim Hock San retired from the Board at the AGM held on 30 April 2024, while Mr Goh Kian Chee was reappointed as a non-independent and NED to ensure continuity. In addition, the following new Directors were appointed on 1 May 2024:

- Mr Philip Yeo Liat Kok as the Lead ID and Chairman of the Board, NC and RC;
- Mr David Sungkoro as an ID, Chairman of the AC & RMC and member of the NC; and
- Mr Andreas Tan as an ID and member of the AC & RMC, NC and RC.

The changes in the Board Committees on 1 May 2024 were:

- Mr Goh Kian Chee, a non-independent and NED of the Company, stepped down as the AC & RMC Chairman and member of the RC. He was reconstituted as a member of the AC & RMC;
- Mr Tjhie Tje Fie stepped down as a member of the AC & RMC, NC and RC; and
- Mr Axton Salim was appointed as a member of the RC.

CORPORATE GOVERNANCE

As Messrs David Sungkoro and Andreas Tan were first-time Directors of a listed company on the SGX, they completed the ISCA-SAC Board of Directors Masterclass Programme on the roles and responsibilities of a director of a listed company, as required under Rule 210(5)(a) of the SGX-ST Listing Manual. The new IDs also received orientation conducted by Management to familiarise themselves with the Group's operations. In addition, Messrs David Sungkoro and Andreas Tan participated in site visits to a refinery and oil palm plantation.

The Directors receive continuing education and training in areas pertaining to their duties and responsibilities. This includes seminars and workshops on corporate governance, financial reporting standards, and relevant laws and regulations, such as the SGX-ST Listing Manual, the Code of Corporate Governance and the Companies Act. The Directors also attend seminars and training organised by the Singapore Institute of Directors ("**SID**") and other professional organisations to stay abreast of recent developments and approaches in financial, legal, corporate governance and regulatory practices.

Seminars and training programmes attended by the Board in 2024
Investment Forum 2024 –Indonesia outlook by Mandiri
Accounting, Financial & Tax Aspects of Investing, Divesting and Merger by Indonesia Institute of Public Accountants
ISCA-SAC Board Of Directors Masterclass Programme by ISCA
SID Directors Conference 2024 – Directorship in Transition: Redefining Roles, Risks and Results by SID
SID Listed Entity Director (LED) 5 – Audit Committee Essentials
SID LED 6 – Board Risk Committee Essentials
Mandatory Accreditation Programme Part II – Leading for Impact by Institute of Corporate Directors Malaysia
Asia Forum 2024 by Barclays
11th Annual Hong Leong-CDL Group Sustainability Forum – Forward Faster towards Business Sustainability by CDL
ASPAC Board Leadership Centre Webinar 2024 – Geopolitical Risks and the Strategic Imperatives for Board and C-Suite by KPMG
Global Economic Outlook 2025 by Dr Muhammad Chatib Basri
Between Ease of Service & Supervising of Tax Compliance by the Indonesia Institute of Public Accountants
Sustainability Reporting Standards & Implementation by the Indonesia Institute of Public Accountants
Deep Dive into the Climate Change & Carbon Market: Regulations, Incentives & Carbon Tax Strategies in Indonesia by the Indonesia Institute of Public Accountants

Board Delegation and Support: To discharge its fiduciary duties and responsibilities more effectively, the Board is supported by the Executive Committee ("**Exco**"), the AC & RMC, the NC and the RC. These Board Committees play a key role in enhancing corporate governance, improving internal controls and driving the Group's performance. Each Board Committee has clearly defined terms of reference that set out its compositions, duties, authority and accountability to the Board. The terms of reference are reviewed annually.

The Exco is chaired by Mr Mark Julian Wakeford, with Messrs Tjhie Tje Fie, Moleonoto Tjang and Suaimi Suriady as members. The Board delegates the Exco certain discretionary limits and authority for business development, investment, divestment, capital expenditure, finance, treasury, budgeting, human resource ("**HR**") and business planning. The Exco is entrusted to execute the business strategies approved in the annual budget and business plan, implement the appropriate accounting systems and other financial controls, put in place a robust risk management framework, monitor compliance to laws and regulations, adopt competitive HR practices and compensation policies, and ensure that the Group operates within the approved budget.

The Board and Board Committees are supported by the Company Secretaries who are competent in company laws and company secretariat practices, including taking minutes of meetings, ensuring compliance with Board procedures and regulatory requirements, and assisting the Board to implement and strengthen corporate governance policies and processes.

CORPORATE GOVERNANCE

The Company Secretaries attend all the Board meetings and are directly accountable to the Chairman on all matters relating to the proper functioning of the Board. The Company Secretaries act as the primary point of contact between the Company and the SGX. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

Board Processes: All Board and Board Committee meetings, as well as the Annual General Meeting ("**AGM**"), are scheduled at the start of the year in consultation with the Directors. The Board and Board Committees meet regularly to discuss the Group's business results and performance, strategic decisions and policies, operational matters and governance issues. The Board meets three to four times a year, the AC & RMC at least six times a year, and both the RC and the NC at least once a year.

The Company Secretaries circulate the schedules of the meetings to the Directors at the beginning of the calendar year. Board papers, financial results, project updates, budgets and forecasts are circulated to the Directors with sufficient time for them to consider the issues before engaging in productive discussions during the meetings.

The Board is regularly updated on significant developments and events regarding the Group. All the Directors have direct and independent access to the Company Secretaries as well as the Management for additional information. They may seek professional advice, either individually or as a group, in executing their duties, and invite external consultants to present or advise on specific matters at Board or Board Committee meetings. The cost of engaging external advice shall be borne by the Company.

The Company's Constitution allows for the Board and Board Committee meetings to be conducted remotely via telephone or any other available communication channels, and for decisions to be made by way of written resolutions. Directors who are unable to attend the Board or Board Committee meetings are provided with the meeting minutes and materials to facilitate subsequent discussions or follow-up actions after the meetings. The Board and Board Committees can also make decisions by way of circulating the resolutions.

The attendance at the Board and Board Committee meetings and AGM in 2024 was as follows:

Description	Board	AC & RMC	NC	RC	AGM
Number of meetings held in 2024	**4**	**6**	**2**	**1**	**1**
Name of Directors	Number of meetings attended				
Philip Yeo Liat Kok (2)	2	–	–	–	–
Mark Julian Wakeford	4	–	–	–	1
Moleonoto Tjang	4	–	–	–	1
Suaimi Suriady	4	–	–	–	1
Tjhie Tje Fie (2)	4	2	2	1	1
Axton Salim (2)	3	–	–	–	–
Goh Kian Chee (1) (2)	4	6	–	1	1
David Sungkoro (2)	2	4	–	–	–
Andreas Tan (2)	2	4	–	–	–
Lee Kwong Foo Edward (1)	2	–	2	–	1
Lim Hock San (1)	2	2	2	1	1

Chairman (shaded)

"–" Not Applicable

(1) Messrs Lee Kwong Foo Edward and Lim Hock San retired at the AGM held on 30 April 2024, while Mr Goh Kian Chee was reappointed as a non-independent and NED.

(2) Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan were appointed to the Board on 1 May 2024. At the same time, Mr Tjhie Tje Fie stepped down as a member of AC & RMC, RC and NC, Mr Axton Salim was appointed as a member of RC, while Mr Goh Kian Chee stepped down as the AC & RMC Chairman and member of the RC, and was re-constituted as a member of the AC & RMC.

CORPORATE GOVERNANCE

Board Approval: The Company has internal guidelines governing the key matters requiring the Board's approval as specified by the SGX-ST Listing Manual. Some of the issues requiring the Board's approval include the Company's strategic and operating plans, half-year and full-year financial results, dividend matters, issuance of shares, succession plan for the Board and Management namely the Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and Chief Operating Officer ("**COO**"), acquisition and divestment of businesses exceeding certain material limits, and all material commitments to term loans, lines of credit and credit support from banks and financial institutions.

PRINCIPLE 2: Board Composition and Guidance
Board Composition and Size: The Company recognises and values the diversity of backgrounds and perspectives of the Board as a critical asset in making objective and comprehensive decisions that are in the best interest of the Company. The NC ensures a balanced representation at the Board by considering factors such as the diversity of skills, knowledge, experience, gender, background and age of the Directors. The NC is also responsible for examining the composition and size of the Board and Board Committees.

As at 20 March 2025, the Board was made up of nine Directors, comprising three EDs, three NEDs and three IDs. All the Directors are male. They age between 46 and 78 years old, and have each served on the Board between 1 and 18 years. Four of the Directors are Singaporeans and the other five Directors are either Singapore permanent resident or foreigners.

Name	Board of Directors		Exco	AC & RMC	NC	RC
	Status	Position				
Philip Yeo Liat Kok	Lead Independent	Chairman			Chairman	Chairman
Mark Julian Wakeford	Executive	Member	Chairman			
Moleonoto Tjang	Executive	Member	Member			
Suaimi Suriady	Executive	Member	Member			
Tjhie Tje Fie	Non-Executive	Member	Member			
Axton Salim	Non-Executive	Member				Member
Goh Kian Chee	Non-Executive	Member		Member		
David Sungkoro	Independent	Member		Chairman	Member	
Andreas Tan	Independent	Member		Member	Member	Member

The current Board composition reflects the Company's commitment to Board diversity, with members representing different geographical backgrounds (Singapore and Indonesia), experiences, professions and age groups. The Directors possess a wide range of skills, qualifications and competencies in operations management, banking, finance, accounting, risk management, technology and industry knowledge that meets the requirements of the Group. Three of the Directors, namely the CEO, Mr Mark Julian Wakeford, and the EDs, Messrs Moleonoto Tjang and Suaimi Suriady, have extensive experience in plantation management and downstream refinery operations in Indonesia. The biographies and key information of the Directors are provided on pages 28 to 31 of this Annual Report.

Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that the Board size of nine is appropriate. The Board also believes that the current composition of the Board and Board Committees effectively serves the Group. The current Directors bring a variety of professional experiences and backgrounds, and allow for informed and constructive discussion and effective decision-making at the Board meetings. The Board will, however, continue to review opportunities to expand the skills, experience and diversity of the Board as a whole.

CORPORATE GOVERNANCE

The Company endorses the principle that its Board should have a balance of skills, knowledge and experience appropriate to its business so as to mitigate against groupthink and to ensure that the Group can benefit from all available talents. In reviewing the Board's composition and succession planning, the NC considers the benefits of all aspects of diversity.

The NC reviews the composition and size of the Board every year to ensure that the size of the Board is conducive for effective discussions and there is sufficient diversity without interfering with efficient decision-making. It is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each Director has been appointed on the strength of his calibre, experience, stature and ability to contribute to the development of the Group strategy and business performance.

Board Independence: The NC conducts an annual review to determine the independence of the Directors according to the guidelines of the 2018 Code and the SGX-ST Listing Manual. The NC also considers the nature of relationships and circumstances that could influence the judgement and decisions of the Directors and deliberates the independence of the Directors based on their conduct and judgement before tabling its findings and recommendations to the Board for approval.

Annual Review of Directors' Independence
In February 2025, the NC conducted an annual review of the independence of the Directors based on the definitions set out in the SGX-ST Listing Manual and the guidelines of independence in the 2018 Code and its accompanying Practice Guidance. All the IDs have served on the Board for less than nine years. They also completed an independence declaration form, declaring their independence from any affiliations with the Company, its related corporations, substantial shareholders or officers that could interfere or be reasonably perceived to interfere with the exercise of their independent judgement.

The NC provides its views to the Board for the Board's consideration. The Board (excluding the incumbents who recused themselves from their respective Directors' Independence Checklist) unanimously agreed that Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan have at all times exercised independent judgment on the corporate affairs of the Group, independently of the Management, objectively deliberated any decisions on the Board or in their respective Board Committees, and discharged their Directors' duties in the best interests of the Company. Furthermore, the process of decision making by the Board is based on collective decisions without any individual or small group of individuals dominating the Board's decision-making. As at 31 December 2024, the Board meets the independence composition requirements of at least one-third of the issuer's board.

Proportion of NEDs: To ensure proper check and balance between the Board and the Management, six out of the nine Directors are NEDs. The NEDs shall attend the Board meetings, participate actively in discussions on the Company's strategic plan and issues, monitor the Company's performance and review the Management's performance against the agreed targets. The NEDs may convene meetings in the absence of the Management to deliberate on Company matters, such as Board processes and practices, corporate governance initiatives, succession planning, leadership development and remuneration.

Role of the Lead ID: The Board has appointed Mr Philip Yeo Liat Kok, who is the Chairman of the Board, as the Lead ID. Pursuant to Rule 1207(10A) of the SGX-ST Listing Manual, Mr Philip Yeo Liat Kok is not related to the CEO or members of the Management. He coordinates and leads the IDs to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He facilitates and chairs the meetings with the NEDs as and when such meetings are deemed necessary.

The Lead ID is also available to shareholders should they have concerns that cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels. There was no shareholder query or request on any matter requiring the Lead ID's attention in 2024.

Board Guidance: The Directors, especially the NEDs, are kept informed of the Company's business and affairs and the industry in which the Company operates. This knowledge is essential for the Directors to engage in informed and constructive discussions.

CORPORATE GOVERNANCE

All Directors have unrestricted access to the Company's records and information. The Company has put in place processes to ensure that the Directors are furnished with complete, accurate and adequate information in a timely manner to enable them to be fully cognisant of the decisions and actions of the Management and to perform their duties effectively. Besides receiving regular Board briefings on key business initiatives, information papers, and industry and market reports, the Directors are also informed by the Management as and when there are any significant developments, major decisions, business deals or events relating to the Group's business operations. A tentative schedule of meetings for the year is given to the Board a year in advance.

The Board papers prepared for each meeting are normally circulated prior to the meeting. This is to give the Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. The Board papers provide sufficient background and explanatory information from the Management on financial impact, mitigation strategies, risk analysis, expected outcome, regulatory implications and corporate issues to enable the Directors to be properly briefed on the issues to be considered at Board and Board Committees meetings. Such explanatory information may also be in the form of briefings or formal presentations made by the Management in attendance at the meetings, or by external consultants engaged on specific projects, to provide additional insights to the Directors.

Where required or requested by Board members, site visits to plantations, mills and factories, and meetings with personnel from the Group's business divisions are also arranged to provide Directors with a better understanding of the business operations in each division. The NEDs have free access to the Management to consult on any matters regarding the Company and its operations. They can also engage external professional advice, either individually or as a group, to support their roles and duties.

In 2024, the Directors were briefed by Management on the requirements for implementing the Task Force on Climate-related Financial Disclosures ("**TCFD**") framework. The Directors were also updated on the steps taken to align the Group's business activities with the TCFD recommendations. The discussions covered detailed briefings on the climate scenario analysis exercise, adjustments to the ERM framework for identifying the physical and transitional risks associated with climate change, as well as the key mitigative and adaptive actions.

Board Diversity Policy

The Company recognises and advocates Board diversity to draw on the diversity of skills, experiences, backgrounds, gender and age among its members, as stated under the 2018 Code and SGX-ST Listing Manual. The Board formally adopted a Board Diversity Policy in 2023 that takes into account a spectrum of attributes, including skills, experiences, backgrounds, nationalities, age and other relevant factors. The Board recognises the significance of these factors in determining the optimal composition of the Board, as limiting the diversity focus to gender alone would be too narrow in scope.

In reviewing the Board's composition and succession planning, the NC will consider the benefits of Board diversity, including knowledge of the Company and the industry. The NC will also consider the suitability of Board candidates based on individual merit, and whether their skills, experience, independence and knowledge would contribute to an effective Board.

Aside from gender, the Board noted that its current composition aligns with its Board Diversity Policy, reflecting a diversity of age, demographics, backgrounds and experiences, with an appropriate balance of skillsets and knowledge suited to the nature and scope of the Group's operations. The current Directors bring with them a wide range of core competencies, from accounting and finance to business and management, industry knowledge, strategic planning and deep customer knowledge. The diversity of their backgrounds and perspectives has allowed for richer discussions and useful exchange of ideas and views. In considering new candidate(s) for Board appointments, the NC will look for suitable individuals with skills and experiences that can complement the Board's current profile.

CORPORATE GOVERNANCE

The Company will endeavour to improve gender diversity within the next three years by appointing one female director to the Board. The NC believes that achieving a mix of gender representation on the Board would provide different approaches and perspectives. The NC typically identifies and searches for candidates through various contacts and recommendations, such as external search consultants, proposals and recommendations from substantial shareholders and Board members. The NC will review the Board Diversity Policy annually to ensure its appropriateness.

In 2024, other than gender diversity, the NC and the Board were of the view that the Directors met the criteria outlined in the Company's Board Diversity Policy in terms of age, skills, expertise, experience, nationality and background.

PRINCIPLE 3: The Chairman and The Chief Executive Officer
Separation of Roles: The roles of the Chairman and the CEO must be held by different persons, each with a clear set of roles and responsibilities, to ensure the proper balance of power and independence.

Mr Philip Yeo Liat Kok is the Chairman of the Board as well as the Lead ID. Pursuant to Rule 1207(10A) of the SGX-ST Listing Manual, he is not related to the CEO or members of the Management. As the Chairman, he bears the responsibility for the proper functioning of the Board and the effectiveness of its governance processes. The Chairman works closely with the CEO to develop the agenda for the Board meetings and to ensure that the Company Secretaries disseminate the Board papers and materials to the Directors on time to prepare them for the Board meetings. During the Board meetings, the Chairman shall facilitate open and objective discussions among the Directors to encourage active participation, and to ensure that all issues on the agenda are carefully deliberated before arriving at a decision. The Chairman also plays an important role to facilitate smooth and constructive communications among shareholders, Directors and the Management at the AGM and shareholder meetings.

Mr Mark Julian Wakeford is the CEO, whose responsibilities include charting the corporate directions and business strategies, ensuring smooth day-to-day operations and management, establishing marketing and strategic alliances, and providing strong leadership and clear vision for the Company. He is supported by the Exco and is accountable to the Board for all decisions, actions and performance of the Company.

PRINCIPLE 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of Directors.

Nominating Committee: The NC is chaired by Mr Philip Yeo Liat Kok (Lead ID), with Messrs David Sungkoro (ID) and Andreas Tan (ID) as members. The NC meets at least once a year to carry out the following duties and functions:

- Review the succession plans for the Board and the Management;
- Nominate new Directors to the Board;
- Recommend the re-appointment of Directors to the Board with consideration of their respective contributions, conduct and performance;
- Ensure the Directors submit themselves for re-appointment at least once every three years;
- Conduct an annual review of the independence of the Directors according to the 2018 Code;
- Assess the attitude and abilities of the Directors to adequately carry out their respective duties and responsibilities, especially for those with other board commitments;
- Establish the evaluation criteria for the Directors' performance; and
- Review the professional training and development programmes for the Directors.

Nomination of New Directors and Re-appointment of Incumbent Directors: The NC adopts the following process to select and nominate new Directors as well as re-appoint incumbent Directors for another term on the Board:

- Conduct an annual review on the size and composition of the Board to ensure there are sufficient IDs represented;
- Leverage external resources, such as recruitment firms, to search and shortlist potential candidates;
- Review the suitability of each candidate, including factors like experience, competencies, drive and commitment, in consultation with the Board and the Management, to ensure diversity and effectiveness of the Board; and
- Recommend the best candidates to the Board for approval.

CORPORATE GOVERNANCE

In recommending the Directors for re-appointment, the NC considers factors such as the needs of the Group, the requirements of the Group's business, the need to avoid undue disruptions from changes to the Board and Board Committees, the Board members' attendance record and level of participation and contribution at the Board and Board Committee meetings. Pursuant to the Company's Constitution, at least one-third of the Board shall retire from office by rotation at each AGM. Unless they are disqualified from holding office, all the incumbent Directors shall submit themselves for re-appointment at least once every three years.

Retirement by Rotation and Re-appointment at the 2025 AGM: Messrs Moleonoto Tjang, Axton Salim and Suaimi Suriady will retire by rotation at the 2025 AGM pursuant to Regulation 111 of the Company's Constitution. For new Directors appointed to fill casual vacancies last year, Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan will be due for retirement at the 2025 AGM pursuant to Regulation 115 of the Company's Constitution. Each member of the NC shall abstain from voting, approving or making a recommendation on any NC resolution in which he has a conflict of interest in the subject matter under consideration.

Details on Messrs Moleonoto Tjang, Axton Salim, Suaimi Suriady, Philip Yeo Liat Kok, David Sungkoro and Andreas Tan (including information set out in Appendix 7.4.1 of the SGX-ST Listing Manual) can be found under "Board of Directors" and "Supplemental Information on Directors Seeking Re-election at the 2025 AGM" of this Annual Report.

Directors' Commitment: For Directors serving on the board of other public-listed companies, the NC adopts a holistic assessment instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have.

All Directors are required to declare their board representations. To ensure that the Directors with multiple board representations can devote sufficient time and attention to the Company's affairs, all Directors submit an annual affirmation to allocate sufficient time and effort to carry out their Board duties and responsibilities.

The NC will review the nature and complexity of their other commitments, including the number of board representations, against their attendance, participation and contributions at the Company's Board and Board Committee meetings, in assessing whether they have effectively carried out their fiduciary duties as Directors of the Company.

The NC was satisfied that all the Directors were able to participate in a substantial number of the Board and Board Committee meetings and had devoted sufficient time and attention to the affairs of the Company in 2024, taking into account, inter alia, the attendance records of the Directors at the respective Board and Board Committee meetings and their contributions towards the decision making of the Board and Board Committees. They had adequately discharged their duties as Directors and provided objective views to the Board and the Management. The Board does not see a need at present to limit the number of board representations for the Directors.

Alternate Directors: The Company has no Alternate Directors on the Board.

Nominee Directors: The NC does not see a need at present for Nominee Directors and has not formulated a policy for such appointments.

PRINCIPLE 5: Board Performance

Evaluation of the Board, Board Committees and Directors: The NC has established a formal process to review the performance and effectiveness of the Board and Board Committees, as well as the contributions by the Chairman of the Board and each individual Director to the effectiveness of the Board, using key criteria set out in the "Nominating Committee Guide" issued by the SID. Where appropriate, the Board will recommend changes to the evaluation forms to align with prevailing regulations.

The NC assesses the performance of the Board and its Board Committees, using objective and appropriate criteria recommended by the NC and approved by the Board. The following forms will be used to assess the performance:

- Board Performance Evaluation Form
- Board Committees Performance Evaluation Form for the AC & RMC, the NC and the RC
- Chairman Performance Evaluation Form
- Director Peer Performance Evaluation Form

CORPORATE GOVERNANCE

The evaluation forms are designed to seek the Directors' views on various aspects of the Board and Board Committees' performance and competencies to assess their overall effectiveness. The Chairman is assessed by his fellow Board members on his ability to lead the Board, establish proper procedures to ensure the effective functioning of the Board, and facilitate meaningful participation and open communication during Board meetings.

The NC evaluates the contributions and performance of the Directors and recommends key areas for improvement in its report to the Board. The Board, through the NC, will use its best effort to ensure that all the Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, business knowledge, competencies in finance and management skills critical to the Group's operations. The Board will also ensure that each Director is able to offer an independent and objective perspective to enable sound, balanced and well-considered Board decisions to be made.

To ensure confidentiality, the completed evaluation forms will be submitted to the Company Secretary for collation. The consolidated responses will be presented to the NC for review and discussion, before the findings and suggestions for improving the effectiveness of the Board and Board Committees are presented to the Board.

No external facilitator was used during the performance evaluation of the Board for the financial year ended 31 December 2024. Considering the Board transition with three new IDs in May 2024, the Board will be conducting its annual review using the evaluation forms in 2025.

REMUNERATION MATTERS

PRINCIPLE 6: Procedures in Developing Remuneration Policies
Remuneration Committee: The RC is chaired by Mr Philip Yeo Liat Kok (ID), with Messrs Axton Salim (NED) and Andreas Tan (ID) as members. The RC meets at least once a year to review and approve the remuneration package and terms of employment for the Directors and key management personnel ("**KMP**").

The RC shall review and recommend to the Board on all aspects of remuneration for the Directors and KMP, including the Directors' fees, as well as salaries, allowances, bonuses and benefits-in-kind for the KMP. The RC will ensure that the termination pay-out, retirement payment, gratuity, ex-gratia payment, severance payment and other such compensations in the employment contracts of the KMP are reasonable and not overly generous.

The RC shall submit its recommendations on the remuneration package for the KMP as well as present the Directors' fees as a total sum to the Board for endorsement before tabling its proposal at the AGM for the shareholders' approval.

The RC is empowered to review the HR management policies of the Group and may seek external professional advice on remuneration and HR matters.

PRINCIPLE 7: Level and Mix of Remuneration
The Company's remuneration policy aims to reward the EDs and the Management based on their performance and contributions to the Group and to ensure the remuneration is commercially competitive to attract and retain the right talent. The remuneration package is carefully structured to deliver sustained performance and value for the Group and to strengthen the accountability and commitment of the Management in today's highly globalised and competitive environment.

Remuneration for the IDs and NEDs: The RC adopts a Base Fee Remuneration model for the IDs. The Director's fee is benchmarked against various factors, including prevailing market practices and industry norms as well as the roles and responsibilities of the IDs and NEDs in the Board and Board Committees. IDs who chair the Board or Board Committees are paid higher fees given their greater responsibilities. Those who join the Board Committees are paid additional fees for their services.

CORPORATE GOVERNANCE

Non-independent NEDs, other than Mr Goh Kian Chee, do not receive any Director's fees or any other forms of remuneration. When a NED is required to travel for Company business, the Company will reimburse all the travel-related expenses and provide a prescribed daily allowance.

Remuneration for the EDs and KMP: The RC establishes the remuneration framework for EDs and KMP in consultation with the controlling shareholders, taking into account the performance of the Group, the business unit and the individual along with the relevant benchmarks in the respective markets and industries. The RC shall exercise full discretion and independent judgment to determine the right level and mix of compensations for the long-term success of the Group while upholding shareholders' interest.

The remuneration of the EDs and KMP comprises both fixed and variable components.

Fixed component:
The fixed components comprise mainly the annual base salary, fixed benefits and other defined contributions. In determining the fixed components, the RC will consider the individual responsibilities, performances, qualification and experience, as well as regulatory guidelines on wages, economic inflation and market surveys on executive compensations.

The base salary is recommended by the RC and approved by the Board. The base salary is reviewed annually in accordance with the performance of the Group and the business unit, as well as the individual contributions of the Directors.

The Group also provides benefits and contributions in line with local market practices and legislative requirements. The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. The Singapore companies in the Group make contributions to the Central Provident Fund, a defined pension scheme in Singapore. In Indonesia, the Group makes contributions to defined retirement plans covering all of its qualified permanent employees. The Group also provides for employee service entitlements in line with the minimum benefits payable to qualified employees, as required under the Indonesian labour law.

Variable component:
The variable components, including bonuses and incentives, are designed to support the Group's business strategy and to drive shareholder value through annual financial, strategic and operational objectives. They are linked to the Group's financial and non-financial performance as well as the individual performance through a Balanced Scorecard that covers the six key areas of crop, cost, condition, people, processes and products underlying the Group's strategic objectives. Weightings are assigned to the targets to encourage a balanced performance and to avoid over-emphasis on any one measure. To encourage sustainable practices, the EDs' compensation is also linked to the achievement of specific sustainability targets and performance indicators that are relevant to their areas of responsibility.

The Company does not offer a share option scheme. The RC may consider other forms of long-term incentive schemes for the KMP when necessary. The RC is empowered to withhold or reclaim the variable incentives from the EDs and KMP in exceptional circumstances involving material misstatement of financial results or misconduct resulting in financial losses to the Company.

The RC was satisfied that the remuneration awarded to the EDs and KMP in 2024 was aligned with their respective performances.

PRINCIPLE 8: Disclosure on Remuneration
The 2018 Code requires the disclosure of the policy and criteria for setting remuneration, as well as the names, amounts and breakdown of remuneration of (a) each Director and the CEO; and (b) at least the top five KMP (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these KMP.

CORPORATE GOVERNANCE

Remuneration for the Directors and the CEO: The remuneration for the Directors and the CEO together with a breakdown in percentage terms, that were paid by the Company and its subsidiaries for the financial year ended 31 December 2024 were as follows:

Name of Directors	Fixed Salary (%)	Variable Bonus (%) *	Directors' Fees (%)	Total remuneration (S$)
Philip Yeo Liat Kok (1)/(3)	–	–	100%	73,333
Mark Julian Wakeford (1)	84%	16%	–	1,437,985
Moleonoto Tjang (2)	–	–	–	–
Suaimi Suriady (2)	–	–	–	–
Tjhie Tje Fie (2)	–	–	–	–
Axton Salim (2)	–	–	–	–
Goh Kian Chee (1)/(3)	–	–	100%	81,667
David Sungkoro (1)/(3)	–	–	100%	63,333
Andreas Tan (1)/(3)	–	–	100%	63,333
Lee Kwong Foo Edward (1)/(3)	–	–	100%	31,667
Lim Hock San (1)/(3)	–	–	100%	33,333

(1) Remuneration paid by the Company.

(2) Remuneration paid by the parent company, PT ISM, or by other companies in the PT ISM Group.

(3) Messrs Lee Kwong Foo Edward and Lim Hock San retired at the AGM held on 30 April 2024, and Mr Goh Kian Chee was reappointed as a non-independent and NED. Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan were appointed as new IDs on 1 May 2024. Directors' fees will be pro-rated according to their tenure of service and paid after shareholders' approval at the upcoming AGM to be held in end April 2025.

* None of the EDs received any other benefits besides the variable bonus

Remuneration for the IDs: The fees structure for IDs and a NED in 2024 were as follows. Please refer to the "Remuneration for the Directors and the CEO" section for the amount of Directors' fees to be paid to each Director.

Role	Fees Framework (S$)			
	Board	AC & RMC	NC	RC
Chairman	80,000	30,000	15,000	15,000
Member	55,000	20,000	10,000	10,000

CORPORATE GOVERNANCE

Remuneration of the KMP: The remuneration of the top five KMP, who were not Directors or the CEO of the Company, in percentage terms, were as follows:

Name	Job Position	Fixed Salary	Variable Bonus
S$250,000 – S$500,000			
Mak Mei Yook [1]	CFO	81%	19%
Johnny Ponto [2]	Director of PT SIMP	38%	62%
Tan Agustinus Dermawan [2]	Director of PT SIMP	36%	64%
Rogers H. Wirawan [2]	Head of Internal Audit	51%	49%
S$1,000,000 – S$1,250,000			
Benny Tjoeng [3]	President Director of Lonsum	37%	63%

(1) Remuneration paid by the Company.
(2) Remuneration paid by the subsidiary, PT SIMP.
(3) Remuneration paid by the subsidiary, Lonsum.

The total aggregate remuneration paid to the KMP for the financial year ended 31 December 2024 was S$2,831,797.

There was no pay-out for termination, retirement or post-employment benefit granted to any of the Directors or KMP in 2024.

Remuneration for employees who are immediate family members of a Director, the CEO or a substantial shareholder: There was no employee of the Company or its subsidiaries who was an immediate family member of a Director, the CEO or a substantial shareholder and whose remuneration exceeded S$100,000 for the financial year ended 31 December 2024.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: Risk Management and Internal Controls

The Board is solely accountable to the shareholders. It is required to furnish timely information and ensure the appropriate disclosure of material information to the shareholders in compliance with the SGX-ST Listing Manual and other regulatory requirements.

The Board has overall responsibility for the governance and oversight of material risks for the Group. It is supported by the AC & RMC which maintains oversight of the Group's risk in financial reporting and reviews the adequacy and effectiveness of the Group's internal controls and risk management system.

Following the amendments to Rule 705 of the SGX-ST Listing Manual effective 7 February 2020, the Company will not be required to announce its financial statements on a quarterly basis. The Board has, after due deliberation, decided that the financial statements will be announced on a half-yearly basis. In line with this, the AC & RMC will meet with the external auditor at least two times a year with effect from 2020, and at least one of these meetings is conducted without the Management present. The external auditor was present at these meetings to discuss the feedback on the competency and adequacy of the finance function, assess the assistance given by the Company's Management, and ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

CORPORATE GOVERNANCE

The AC & RMC also meets with the Internal Audit Department ("**IAD**") and the Enterprise Risk Management ("**ERM**") team four times a year and reports to the Board every quarter on its findings on the material impacts and recommendations on risk mitigation measures. At one of these meetings, the AC & RMC met the Head of IA and ERM separately without the Management present.

For the financial year ended 31 December 2024, the AC & RMC reviewed the Group's half-year and full-year financial statements together with the external auditor before these reports were tabled to the Board for approval. It also conducted quarterly reviews of key findings by the IAD and the ERM team, as well as actions recommended by the Management to rectify the discrepancies. The AC & RMC was kept abreast of changes to accounting standards and the impacts on financial reporting by the external auditor.

Both the IAD and the ERM team work closely to manage high-risk areas, ensure the accuracy of the risk assessment reports, and enforce risk mitigation controls and strategies. The IAD also performs independent reviews of the risks and controls identified by the ERM team to ensure adequate monitoring and resolution. In 2024, the AC & RMC was satisfied that effective internal controls were put in place and supported by a sound internal audit process and a comprehensive ERM framework to identify, monitor, manage and report material risks in key areas, including strategy, operations, governance and finance.

The Board made its assessments based on quarterly updates and discussions with the AC & RMC on the adequacy and effectiveness of the Group's internal controls and risk management systems. The Board was assured by the CEO and CFO of the proper keeping of financial records and financial statements to give a true and fair view of the Group's operations and finances. The Board was also assured by the CEO and KMP that adequate and effective risk management and internal control systems were implemented to safeguard the stakeholders' interests.

Noting that no internal control system or ERM framework could completely guarantee against material judgements or human errors, frauds and other irregularities, the Board was of the view that the Group's internal control system, including financial, operational, compliance and information technology controls, and ERM framework were adequate and effective in addressing the identified risks. The AC & RMC concurred with the Board's assessment.

In compliance with Rule 720(1) of the SGX-ST Listing Manual, the Company and all its Directors and executive officers have committed to comply with the relevant provisions of the SGX-ST Listing Manual.

In 2024, the key audit matters listed below were discussed between the Management and the external auditor, and subsequently reviewed by the AC & RMC. The AC & RMC was satisfied that the key audit matters were appropriately addressed and disclosed in the financial statements.

CORPORATE GOVERNANCE

Key Audit Matters	Key Considerations and Decisions made by the AC & RMC
Impairment assessment of goodwill	The AC & RMC considered the methodology applied by (i) the independent valuer engaged by the Management to determine the recoverable amount of the goodwill from the acquisition of Lonsum and the underlying assets associated with it using the income approach, and (ii) the management's internal assessment of the recoverable amount of the other goodwill from other acquisitions. They also reviewed the appropriateness and reasonableness of the underlying assumptions applied in determining the recoverable amount of the goodwill, as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management's assessment of goodwill impairment for the financial year ended 31 December 2024.
Impairment assessment of property, plant and equipment	The AC & RMC reviewed the methodology and key assumptions used by the Management in determining the recoverable amount of rubber bearer plants, and the underlying fixed assets associated with these rubber plantations with impairment indicators using the income approach. They also considered the appropriateness and reasonableness of the underlying assumptions in determining the recoverable amount of the rubber bearer plants and its related assets, as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management's impairment assessment of the rubber bearer plants and its related assets for the financial year ended 31 December 2024.
Recoverability of plasma receivables	The AC & RMC reviewed the methodology and key assumptions used by the Management in determining the recoverability of plasma receivables by estimating the allowance for expected credit loss ("**ECL**") using the general approach as these receivables contain a significant financing component. They also considered the appropriateness and reasonableness of the underlying assumptions in determining the allowance for ECL, as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management's assessment of the recoverability of plasma receivables for the financial year ended 31 December 2024.

The key audit matters listed in the external auditor's report for the financial year ended 31 December 2024, together with a detailed description of the audit procedures adopted, can be found on pages 58 to 61 of this Annual Report.

PRINCIPLE 10: Audit Committee
Composition of the AC & RMC: The AC & RMC is chaired by Mr David Sungkoro (ID), with Messrs Goh Kian Chee (NED) and Andreas Tan (ID) as members. The AC & RMC possesses sound expertise in financial management and is fully qualified to discharge its powers and duties. None of the AC & RMC members were previous partners, employees or Directors of the Company's external auditor, Messrs Ernst & Young LLP, within the last 24 months or hold any financial interest in Messrs Ernst & Young LLP. The Board considers Mr David Sungkoro, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC & RMC.

Powers and Duties of the AC & RMC: The key responsibility of the AC & RMC is to support the Board in risk management, internal controls and governance processes as well as to conduct an independent review of the effectiveness of the ERM framework and the adequacy of internal control measures in addressing the financial, operational, compliance and information technology risks. The AC & RMC is empowered to review and investigate any matters under its terms of reference listed below, with full access to the Directors, the Management, employees, internal auditors and the external auditor.

The members of the AC & RMC collectively have strong accounting and related financial management expertise and experience. They keep abreast of relevant changes to accounting standards and issues which have a direct impact on the financial statements.

CORPORATE GOVERNANCE

The terms of reference for the AC & RMC are as follows:

- Review the audit plan, internal accounting controls, audit report, management letter and the Management's response to the external auditor;
- Review the half-year and annual financial statements, paying special attention to changes in accounting policies and practices, major risk areas, and rectifications arising from the audit, before submitting the financial reports to the Board for approval;
- Review the going concern statement, compliance with applicable accounting standards, and requirements by the SGX, statutes and laws;
- Review the effectiveness and adequacy of the Group's internal controls, including financial, operational, compliance and information technology, and the ERM framework;
- Review the assurance from the CEO and the CFO on the financial records and financial statements;
- Review, together with the external auditor, any suspected frauds, irregularities and infringements of Singapore laws, regulations and the SGX-ST Listing Manual that would likely have a material impact on the Group's operating results or financial position, and the mitigating measures recommended by the Management;
- Review, without the presence of the Management, on the level of assistance the Management has provided to the external auditor, and the adequacy of the resolutions to issues arising from the audits;
- Review Interested Person Transactions ("**IPT**");
- Review the effectiveness of the whistle-blowing system as a confidential channel for employees to report potential improprieties in financial management and other areas;
- Review the ERM reports;
- Review the adequacy, effectiveness, independence, scope and results of the external and internal audits;
- Undertake additional reviews and projects as required by the Board, and to report the findings and recommendations to the Board in a timely manner; and
- Undertake additional functions and duties as required by the Singapore laws and the SGX-ST Listing Manual.

Audit Activities Performed in 2024
The AC & RMC met six times during the year and carried out its duties according to the terms of reference. It also met with the internal auditors and the external auditor separately, without the Management present.

The AC & RMC reviewed the financial statements before they were submitted to the Board for approval. It also monitored and reviewed the Company's financial status, internal and external audit findings, effectiveness of the accounting and internal control systems, and findings of all the whistle-blowing cases investigated and followed-up by the IAD.

The Company obtained the shareholders' approval in the Addendum dated 8 April 2024 to enter into IPTs with individuals within the approved categories of Interested Persons, according to the review procedures set out in the Addendum. The IPT Mandate was last approved by the shareholders at the 2024 AGM. The list of IPTs is disclosed on page 167 of this Annual Report.

Except for the disclosure of the IPT on page 167 and in the financial statements for 2024, the Company and its subsidiaries did not enter into any material contracts involving the interests of any Director, the CEO, or controlling shareholder during or at the end of 2024.

The AC & RMC did not engage an independent financial adviser for the renewal of the IPT Mandate as the guidelines, methods and review procedures to determine the transaction prices of IPTs had remained unchanged since the last shareholders' approval of the IPT Mandate at the 2024 AGM, and the review procedures were deemed sufficient to ensure the IPTs were carried out on fair commercial terms and without prejudice to the interest of the Company or minority shareholders. The AC & RMC also reviewed the list of IPTs based on the works performed by the IAD and was satisfied the IPTs were carried out on fair commercial terms. Additionally, the AC & RMC members visited the oil palm plantations and mills, and refinery plants in East Kalimantan and North Sumatra during the year.

External Audit
The Board will recommend the appointment of a new external auditor or the re-appointment of the incumbent external auditor to the shareholders for approval at the AGM. In the case of the re-appointment of the incumbent external auditor, the AC & RMC will assess the performance of the external auditor based on a combination of inputs, including ACRA's Audit Quality Indicators Disclosure Framework, feedback from the Management, and the objectivity and conduct of the external auditor during the audit process. If the performance of the external auditor is found to be satisfactory, the AC & RMC will recommend to the Board for the external auditor to be reappointed.

CORPORATE GOVERNANCE

Messrs Ernst & Young LLP was the external auditor appointed by the Company in 2024. In accordance with Rule 1207(6)(a) of the SGX-ST Listing Manual, the audit and non-audit fees paid to the external auditor for the financial year ended 31 December 2024 are disclosed on page 103 of this Annual Report.

The AC & RMC evaluated the independence and objectivity of the external auditor through a review of the audit and non-audit fees awarded to the auditors during the financial year. The AC & RMC was satisfied that the independence and objectivity of the external auditor were not impaired by their provision of non-audit services. The external auditor has also declared its independence to the AC & RMC.

The AC & RMC has also reviewed and approved the external auditor's audit plan for the year. The Committee was satisfied with the quality of the work carried out by the external auditor, which was in accordance with the Audit Quality Indicators Disclosure Framework issued by the ACRA. In view of the consistent performance by the external auditor, the AC & RMC recommended for Messrs Ernst & Young LLP to be reappointed for another term, subject to the shareholders' approval at the next AGM.

The Company complied with Rule 712 and Rule 715 (read along with Rule 716) of the SGX-ST Listing Manual in relation to its external auditors. These external auditors are disclosed on pages 125, 129 and 131 of this Annual Report.

Internal Audit
The IAD is an independent unit that operates separately from the business and corporate activities and its primary reporting line is to the AC & RMC. With unfettered access to all the Company's documents, records, properties and personnel, the IAD possesses the appropriate standing within the Company to perform its functions effectively. Its operations are governed by the framework set out in the Internal Audit Charter and Code of Ethics approved by the AC & RMC and the Management. The IAD is adequately resourced, with 92 staff as at 31 December 2024.

The Head of IAD reports directly to the AC & RMC Chairman on all internal audit matters. Mr Rogers H. Wirawan has served as the Group's Head of IAD since 1 February 2011. Mr Wirawan started his career in 1993 with the public accounting firm, KAP Hans Tuanakotta & Mustofa, a member of Deloitte Touche Tohmatsu. He was an auditor with the public accounting firm, KAP Prasetio Utomo & Co., a member of Arthur Andersen & Co., from 1994 to 2002. Subsequently, he joined the public accounting firm, KAP Purwantono, Sarwoko & Sandjaja, a member of Ernst & Young's global organisation, from 2002 to 2009. He graduated from Trisakti University, Jakarta, with a major in Accounting. Over the course of his career, Mr Wirawan has acquired sound expertise and experience in financial and operational audits, as well as extensive knowledge in plantation and refinery operations in Indonesia.

The IAD is responsible for the internal audits of the Company's operations in accordance with the guidelines and standards set out in the Professional Practice of Internal Auditing by the Institute of Internal Auditors. It prepares the internal audit schedules in consultation with the Management before submitting the audit plan to the AC & RMC for approval. As part of the audit plan, the IAD also performs independent reviews of the risk control measures identified by the ERM team to provide added assurance on the robustness of the ERM framework. The duties and responsibilities of the IAD in the area of risk management and internal controls are as follows:

- Review the risk profile of the Group;
- Identify new risks and exposures in the Group's operations;
- Evaluate the effectiveness and cost of the risk control measures in eliminating or mitigating risks and exposures to the Company; and
- Establish and maintain the risk reporting and monitoring framework.

In 2024, the IAD adopted a risk-based auditing approach that focused on material internal controls to identify and audit the high-risk areas of the strategic business units. The mitigation measures were subsequently proposed by the Management in consultation with the IAD. The findings and recommendations of the IAD, as well as the quarterly updates on the progress of the rectification measures, were presented to the AC & RMC. The AC & RMC was satisfied that the IAD had adequately monitored and managed the key risks and internal controls for the Company.

In 2024, the AC & RMC also reviewed the adequacy of the internal audit function, including the IAD's organisational structure, work scope and audit plans, and was satisfied that Mr Wirawan and the IAD have discharged their respective duties effectively.

CORPORATE GOVERNANCE

Additionally, the AC & RMC conducted an annual self-assessment to reflect its adequacy in fulfilling its duties as set out in the terms of reference. The Board conducted a separate review of the performance of the AC & RMC and was satisfied that the AC & RMC was well-qualified to discharge its duties and responsibilities in managing the risks and internal controls of the Company.

Whistle-Blowing Policy

The Company has established a whistle-blowing policy and system that provides clearly defined channels and procedures for employees, or other interested parties in the Company, to report any misconduct, including suspected frauds, corruption and unethical practices relating to the Company or its officers.

The reports will be reviewed and acted upon by either the AC & RMC or the Exco and kept strictly confidential to protect the identities of the whistle-blowers. Complaints and feedback can be sent via a dedicated email at info.wb@simp.co.id. All correspondences are documented, followed up and treated with strict confidentiality by the IAD.

All whistle-blowing complaints are independently investigated by the IAD and the result of each investigation is reported to the AC & RMC quarterly. In 2024, the Company received 11 whistleblowing reports. Six of these reports were fully investigated, with four cases related to misconduct while the other two reports were closed as unproven cases. The remaining five reports are still under investigation. The AC & RMC is responsible for the oversight and monitoring of the whistle-blowing channels and processes and ensuring that appropriate follow-up actions are carried out.

Enterprise Risk Management

As an agribusiness, the Company operates in a VUCA (volatile, uncertain, complex and ambiguous) environment. Its performance is constantly influenced by external variables, such as unpredictable weather conditions, volatile commodity prices, fluctuating exchange rates, shifting consumer needs, economic uncertainties, security threats, international competition, disruptive technologies, geopolitical conflicts and market dynamics.

To mitigate the uncertainties of the external environment, the Company has established an integrated ERM framework to proactively manage risks and uncertainties across its operations through a system of "three lines of defence". The ERM framework enables the Company to stay vigilant and actively monitor its operations for the timely and accurate identification, assessment, mitigation, and reporting of risks and exposures that could have adverse impacts on business operations and results. In so doing, the ERM framework enhances the competitiveness and sustainability of the Company's operations.

At the start of each financial year, the Board and Management set out both the long-term and annual business strategies to address industry issues and market cycles. The corresponding risks and exposures are identified, along with mitigation measures across the value chain. These are documented in the ERM Report that is managed at different levels by the Board, the Management, the AC and various ERM Steering Committees. The process is also audited to ensure compliance and transparency.

The Company has put in place a Business Continuity Management ("**BCM**") framework to assure all stakeholders of the availability of products and services during periods of emergency. The BCM focuses on minimising the impacts of emergencies on the operations and establishing a high level of resilience within the organisation to carry on its business as usual during times of distress.

Under the BCM, several potential emergency scenarios have been identified, with the appropriate control measures put in place to mitigate and minimise foreseeable operational impacts. Besides the routine control and monitoring of floods, daily tracking of hotspots using satellite data and observations of fire incidents by fire patrol teams, the Company conducts regular fire prevention training and fire drills in high-risk estates. This is in addition to the proper upkeep of fire-fighting equipment, construction of fire-monitoring towers, mapping of water sources, and regular communication with key stakeholders on the Company's Zero Burn and Fire Safety policies. To further improve fire control and monitoring, a new hotspot mobile application for our estates was implemented. This application promptly alerts field workers whenever a hotspot is detected, thereby expediting the response time for ground checking and appropriate action.

CORPORATE GOVERNANCE

A risk governance structure outlines the roles and responsibilities of the Directors, Management, Heads of Department and Operating Units in supporting the ERM policy and programmes and mitigating risks in business strategies and operations. Regular communications and close collaboration with employees on the ERM framework have also helped to heighten awareness of risks and exposures and foster a resilient corporate culture.

The ERM framework and system are maintained by the ERM team, who works closely with the risk owners and the managers to conduct quarterly risk assessments on the overall effectiveness of risk control measures. The ERM team monitors the progress of the ERM Action Plan, which contains the risk mitigation measures, and reports significant risks and exposures to the AC & RMC and the Board for action.

In 2024, the following risks were identified, managed and monitored:

- Strategic Risks – Strategic Planning, Communication and Investor Relations
- Operational Risks – Productivity and Product Quality, Pests and Plant Diseases, Occupational Health and Safety, Resource Availability, Social Conflicts, Natural Disasters, Information Technology
- Compliance Risks – Land Ownership, Tax Compliance and Environmental Compliance
- Financial Risks – Credit Defaults, Liquidity and Capital Adequacy, Economic Uncertainty

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: Shareholder Rights and Conduct of General Meetings
PRINCIPLE 12: Engagement with Shareholders
The Company is fully committed to treat all shareholders fairly and equitably. All shareholders enjoy specific rights under the Company's Constitution, relevant laws and regulations. Additionally, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, through mainstream news media via press releases. Such information is also posted on the Company's Investor Relations ("**IR**") website at https://investor.indofoodagri.com/ and disseminated by email to subscribers who sign up on the website for news alerts. The IR website is a key source of investor related information, including presentation slides of financial results, annual and sustainability reports, shares and dividend information and factsheets. The Company recognises that the release of timely, regular and relevant information regarding the Group's performance, progress and prospects aids shareholders in their investment decisions.

The Company regularly communicates important corporate developments and announcements, such as mergers and acquisitions, to analysts and shareholders through meetings and conference calls. The Management also engages the investing community either individually or as a group in dialogues, roadshows and investment forums to facilitate their understanding of the Company's business model and strategies.

The Company is committed to communicating regularly with its shareholders. It also conducts meetings and conference calls to engage with analysts and shareholders, and to share its business strategies, operational and financial results and business outlook with them. These engagements were attended by Board and Management representatives.

The Group publishes an annual Sustainability Report, which describes in detail its engagement and relationship with material stakeholders. The Company also communicates regularly with stakeholders through its corporate website.

Dividend Policy
The Company is committed to rewarding shareholders fairly and sustainably. The Board aims to maintain a balance between meeting the shareholders' expectation for dividend returns and capital management. While it does not have a formal dividend policy, the frequency and amount of dividends, if any, will depend on the Group's financial performance, liquidity and cash flow generation, projected capital requirements for business growth, business prospects, economic outlook and other factors deemed appropriate by the Board, in ensuring that the Company's best interests are served. The Board endeavors to maintain a balance between meeting shareholders' expectations and prudent capital management.

For the financial year ended 31 December 2024, the Board has proposed a first and final dividend of S$0.01 per ordinary share, subject to shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE

Conduct of the AGMs

The shareholders are encouraged to actively participate at the AGM. Notice of the AGM and related information are provided to the shareholders within the prescribed timeline under the SGX-ST Listing Manual. The Company provides separate resolutions for every item in the AGM agenda, and where necessary, additional explanatory notes for each agenda item.

The Company's forthcoming AGM will be held in person in April 2025. During the AGM, the CEO will present the Company's performance and strategies, and the Board members and Management will be present to address queries from the shareholders. The external auditor will also attend the AGM to take questions on the audit report.

All shareholders are entitled to attend and vote at the AGM either in person or through a proxy. Each shareholder may appoint up to two proxies by submitting the proxy forms to the Company in advance. Intermediaries, such as banks and capital markets services licence holders providing custodial services, may appoint more than two proxies. This allows indirect investors, such as CPF investors, to attend the AGM as proxies. While Provision 11.4 of the 2018 Code enables a company's constitution to allow for absentia voting at general meetings of shareholders, the Company's constitution currently does not include provisions for voting in absentia (such as voting via mail, email or fax). This is due to concerns related to the authentication of shareholder identity and other security and integrity issues. As such, the Company has decided not to implement voting in absentia for the time being.

All resolutions at the AGM will be passed by poll voting in support of greater transparency and to allow for a more efficient voting process. An electronic poll voting system will be used to register the number of votes by the shareholders present at the AGM. An external party will be engaged as scrutineer to ensure the integrity of the poll voting process. The result of each poll, including the number and percentage of votes cast in favour or against the resolution, will be immediately computed and presented to the shareholders. The poll voting and proxy voting results will be announced on SGXNet on the same day as the AGM.

The Company provides for separate resolutions at AGMs on each distinct issue. In the event that resolutions are to be bundled, the Company will explain the reasons and material complications in the notice of general meeting. Detailed information on each resolution in the AGM agenda is in the explanatory notes to the AGM Notice in the Annual Report.

The Company Secretary prepares the minutes of the AGM, which capture the substantial and relevant comments or queries (if any) from the meeting attendees relating to the agendas of the AGM and responses from the Board and Management. These minutes will be made available on the Company's IR website and SGXNet, within one month from the date of the AGM.

Dealings in The Company's Securities

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Group has adopted an Internal Code with regards to dealings in the securities of the Company by its officers. Among other restrictions, the Company's officers are prohibited from dealing in the Company's securities on short-term considerations when they have possession of any unpublished, price-sensitive information about the Company's securities and during the period commencing one month before the announcement of the Group's half-year and full-year financial results. The Group issues reminders to its Directors, officers and relevant employees on the restrictions in dealing in the listed securities of the Group during the period commencing one month before the announcement of the Group's half-year and full-year financial results. Apart from foregoing, the Directors and employees are reminded and expected to observe the insider trading laws at all times, even when dealing in securities outside the prohibited trading periods, and to refrain from short-term dealings in the Company's securities.

CORPORATE GOVERNANCE

MANAGING STAKEHOLDER RELATIONSHIP

PRINCIPLE 13: Engagement with Stakeholders

The Company's agribusiness operations are constantly exposed to rapidly changing opportunities and risks related to the environment, communities and stakeholders. These opportunities and risks are addressed through formal management processes, an open and responsible work culture, and partnerships with key stakeholders, which includes local communities, customers, suppliers and civil society organisations. Steps are taken to improve operational efficiencies and innovations as part of the Company's pledge towards sustainable agriculture, community development and workplace safety.

In line with the Board's commitment to maintaining high ethical standards, the Company has established the following corporate policies:

(1) **Code of Conduct and Company Culture**

The Company adopts Indofood's Code of Conduct and core values. The Code of Conduct includes two policies on Company Business Ethics and Work Ethics of Employees. The core values of Indofood are Discipline, Integrity, Respect, Unity, Excellence and Innovation. Sharing the same company culture as PT ISM allows the Company to engage with stakeholders and conduct its businesses in a manner that is consistent with its parent company.

The Code of Conduct and core values are regularly communicated and reinforced at staff engagement platforms. They are also easily accessible by all employees on the Company's website. Any violations of the Code of Conduct are deemed to be a breach of the employment contract and could lead to disciplinary actions or dismissal.

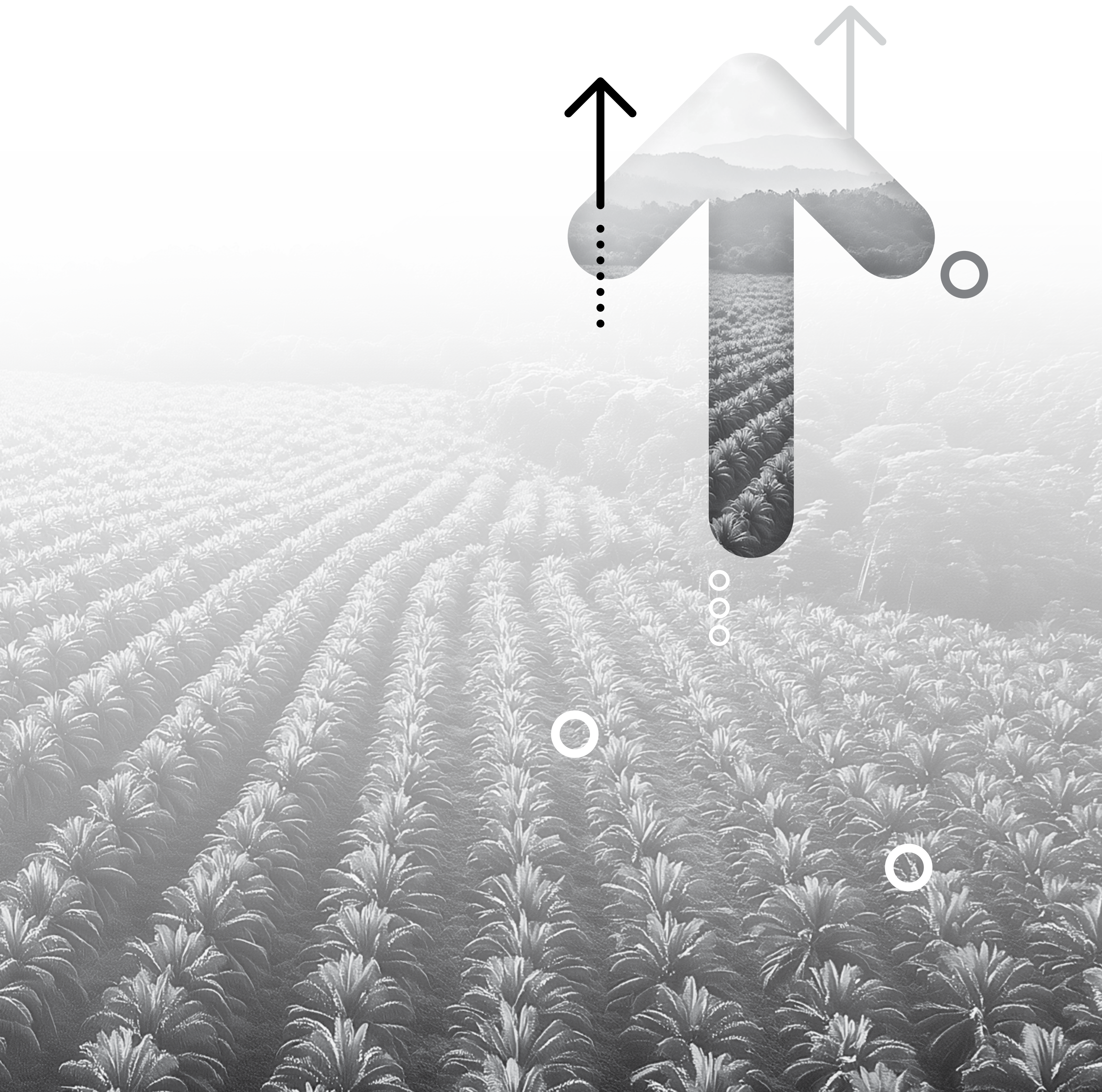
(2) **Sustainable Agriculture Policy**

The Sustainable Agriculture Policy applies to all the Company's operating units, plasma smallholders and third-party CPO suppliers. It sets out how the Company achieves responsible and traceable supplies, taking into consideration the risks and opportunities arising from the ESG factors, as well as interactions with different stakeholder groups.

The key commitments under this policy are as follows:

- No Deforestation;
- No Planting on Peat, Regardless of Depth;
- No Burning;
- Preservation of High Conservation Value and High Carbon Stock Areas;
- Respect for Labour and Human Rights, including Freedom of Association and Non-Discrimination; and
- Free, Prior and Informed Consent (FPIC).

FINANCIAL STATEMENTS



DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Indofood Agri Resources Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2024.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance of the business, changes in equity and cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Philip Yeo Liat Kok	Chairman
Mark Julian Wakeford	Chief Executive Officer
Moleonoto Tjang	
Suaimi Suriady	
Tjhie Tje Fie	
Axton Salim	
Goh Kian Chee	
David Sungkoro	
Andreas Tan	

In accordance with Regulation 111 of the Company's Constitution, Moleonoto Tjang, Axton Salim and Suaimi Suriady retire and, being eligible, offer themselves for re-election.

Philip Yeo Liat Kok, David Sungkoro and Andreas Tan will be due for retirement pursuant to Regulation 115 of the Company's Constitution and, being eligible, offer themselves for appointment to fill casual vacancies.

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
Ordinary shares of the Company				
Mark Julian Wakeford	300,000	300,000	200,000	200,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2025.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

No option to take up unissued shares of the Company or its subsidiaries were granted during the year.

There were no shares issued during the year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries whether granted before or during the year.

There were no unissued shares of the Company or its subsidiaries under option as at the end of the year.

Audit Committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, SGX-ST Listing Manual and the code of corporate governance. The functions performed by the Audit Committee are described in the Report on Corporate Governance.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Mark Julian Wakeford
Director

Moleonoto Tjang
Director

Singapore
24 March 2025

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024
To the Members of Indofood Agri Resources Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Indofood Agri Resources Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the consolidated statement of changes in equity, the consolidated statement of comprehensive income, and the consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024
To the Members of Indofood Agri Resources Ltd.

Key audit matters (cont'd)

We have identified the following matters as key audit matters:

(i) Impairment assessment of goodwill

SFRS(I) 1-36 Impairment of Assets requires goodwill to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. As at 31 December 2024, the carrying amount of the Group's goodwill amounted to Rp3,078.5 billion.

The goodwill impairment assessment is significant to our audit because the goodwill balance of Rp3,078.5 billion, which arose largely from the acquisition of PT Perusahaan Perkebunan London Sumatra Indonesia ("Lonsum"), is material to the consolidated financial statements and the recoverable amount of the goodwill and the underlying assets associated with the acquired entities is determined by a value-in-use calculation using income approach which is complex, highly judgemental and subjective. Management engaged an independent valuer to determine the recoverable amount of the goodwill, only for Lonsum's integrated plantation estates. The plantation estates under Lonsum are identified as a single cash-generating unit ("CGU") for impairment testing. The recoverable amount of other goodwill from other acquisitions were determined internally by management.

Under the income approach, the expected future cash flows are discounted to the present value by using a discount rate. The estimation of future cash flows requires management to make various key operational assumptions, such as fresh fruit bunch ("FFB") yield rate, extraction rate, and predictive assumptions such as projected selling price, inflation rate, exchange rate and terminal growth rate.

We reviewed the independent valuation report and assessed the expertise, objectivity and competence of the independent valuer. We reviewed the discounted cash flow model to assess the appropriateness of the methodology employed by the valuer and management and the reasonableness of the key assumptions made. We assessed the arithmetical accuracy of the value-in-use calculations. We reviewed the valuer's and the management's budgeting process by comparing the actual financial performance against previous forecast and projections. We compared the operational assumptions against historical data and trend to assess their reasonableness. We engaged the assistance of our internal valuation specialist to assess the reasonableness of the key predictive assumptions (among others, discount rate, inflation rate, exchange rate, projected crude palm oil selling price, and terminal growth rate) used. We also performed sensitivity analysis on the value-in-use amount based on reasonably possible changes in key assumptions.

We also reviewed the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The Group's disclosures about goodwill are in Note 16 to the consolidated financial statements, which explain that changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024
To the Members of Indofood Agri Resources Ltd.

Key audit matters (cont'd)

(ii) Impairment assessment of property, plant and equipment

SFRS(I) 1-36 Impairment of Assets requires the Group to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. During the year, the Group identified the existence of impairment indicators on all the rubber plantations under Lonsum, upon consideration of the market environment, production yield and the outlook of these plantation estates. The recoverable amount was determined internally by management based on fair value less costs of disposal ("FVLCD"), using discounted cash flow method.

During the financial year ended 31 December 2024, the Group recorded an impairment loss of Rp296.2 billion to reduce the carrying amount of the rubber bearer plants, and the underlying fixed assets associated with these rubber plantations to their estimated recoverable amounts. As at 31 December 2024, the carrying amount of the Group's property, plant and equipment amounted to Rp16,404.1 billion, net of impairment loss recognised during the financial year.

The impairment loss recorded is material to the financial statements and the recoverable amount of the rubber plantations is determined using discounted cash flow method, which is complex, highly judgemental and subjective. Accordingly, we identified this as a key audit matter.

Under the income approach, the expected future cash flows are discounted to the present value by using a discount rate. The estimation of future cash flows requires management to make various key operational assumptions, such as projected production yield, and predictive assumptions such as projected rubber selling price, inflation rate, exchange rate and terminal growth rate.

We reviewed the discounted cash flow model to assess the appropriateness of the methodology adopted by management, the arithmetical accuracy of the FVLCD calculations and the reasonableness of the key assumptions made. We reviewed the valuer's and the management's budgeting process by comparing the actual financial performance against previous forecast and projections. We compared the operational assumptions against historical data and trend to assess their reasonableness. We engaged the assistance of our internal valuation specialist to assess the reasonableness of the key predictive assumptions (among others, discount rate, inflation rate, exchange rate, projected rubber selling price and terminal growth rate) used and determined the recoverable amount of the rubber bearer plants and the underlying fixed assets associated with these rubber plantations with impairment indicators.

We also reviewed the adequacy of the Group's disclosures in Note 14 to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024
To the Members of Indofood Agri Resources Ltd.

Key audit matters (cont'd)

(iii) Recoverability of plasma receivables

Certain subsidiaries within the Group have commitments with several rural cooperatives representing plasma farmers, to develop plasma plantations as required by the Indonesian Government. As at 31 December 2024, the carrying amount of the Group's plasma receivables amounted to Rp663.8 billion, net of allowance for expected credit loss ("ECL") and original effective interest ("EIR") amortisation recognised during the financial year.

Plasma receivables are classified as financial assets at amortised cost under SFRS(I) 9. The Group estimates allowance for ECL using general approach as these receivables contain significant financing component based on the expected cash flows discounted at an approximation of the original EIR. The estimation of ECL is significant to our audit because of the complexity of the estimation process which depends on management's forecast of the future cash flows from the plasma plantations and discounted at an approximation of original EIR. The estimation of future cash flows requires the use of a number of significant operational assumptions such as fresh fruit bunch ("FFB") yield rate, extraction rate, production costs, and predictive assumptions such as projected selling price of FFB and inflation rate.

We reviewed the discounted cash flow model to assess the appropriateness of the methodology employed by management and the reasonableness of the key assumptions made. We compared the operational assumptions against historical data and trend to assess their reasonableness. For the predictive assumptions, we checked and benchmarked against the assumptions that have been reviewed by our internal valuation specialist in the other key audit matters in (i) Impairment assessment of goodwill and (ii) Impairment assessment of property, plant and equipment above.

We also reviewed the adequacy of the note disclosures on plasma receivables. The Group's disclosures on plasma receivables are in Note 32(a) to the consolidated financial statements.

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 financial statements and our auditor's report thereon.

Our opinion on the 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 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024
To the Members of Indofood Agri Resources Ltd.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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' responsibilities include overseeing the Group's financial reporting process.

Auditor's 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 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 SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 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 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 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024
To the Members of Indofood Agri Resources Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors 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 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Tze Yuen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
24 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 Rp million	2023 Rp million
Revenue	4	15,967,804	16,002,817
Cost of sales	5	(11,202,970)	(12,721,023)
Gross profit		4,764,834	3,281,794
Selling and distribution expenses		(456,795)	(488,231)
General and administrative expenses		(746,387)	(754,443)
Foreign exchange gain/(loss)		73,008	(1,663)
Other operating income	6	250,544	278,692
Other operating expenses	7	(1,016,837)	(399,070)
Share of results of associate companies		8,057	(114,924)
Share of results of joint ventures		44,357	132,816
Gain arising from changes in fair value of biological assets	13	317,747	12,873
Profit from operations	8	3,238,528	1,947,844
Finance income	9	241,386	178,358
Finance expenses	10	(541,690)	(599,325)
Profit before tax		2,938,224	1,526,877
Income tax expenses	11	(828,207)	(590,657)
Net profit for the year		2,110,017	936,220
Profit for the year attributable to:			
Owners of the Company		1,118,685	614,244
Non-controlling interests		991,332	321,976
		2,110,017	936,220
Other comprehensive income ("OCI"):			
Items that may be reclassified to profit or loss in subsequent periods			
Foreign currency translation		(190,454)	46,514
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement (loss)/gain of employee benefits liabilities	29	(9,333)	7,118
Income tax effect related to re-measurement (loss)/gain of employee benefits liabilities	11	2,053	(1,566)
Share of OCI of an associate company and joint ventures		(37,300)	107,350
Other comprehensive income for the year, net of tax		(235,034)	159,416
Total comprehensive income for the year		1,874,983	1,095,636
Total comprehensive income attributable to:			
Owners of the Company		885,716	768,368
Non-controlling interests		989,267	327,268
Total comprehensive income for the year		1,874,983	1,095,636
Earnings per share (in Rupiah)	12		
basic		801	440
diluted		801	440

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2024

		Group		Company	
	Note	**2024**	**2023**	**2024**	**2023**
		Rp million	**Rp million**	**Rp million**	**Rp million**
Non-current assets					
Biological assets	13	315,766	322,454	–	–
Property, plant and equipment	14	16,404,130	17,582,357	14,655	18,385
Right-of-use assets	15	1,991,748	1,994,475	–	–
Goodwill	16	3,078,520	3,078,520	–	–
Claims for tax refund	17	73,633	66,291	–	–
Deferred tax assets	18	294,717	278,904	–	–
Investment in subsidiary companies	19	–	–	10,707,410	10,707,410
Investment in associate companies	20	1,377,723	1,369,856	–	–
Investment in joint ventures	21	897,329	1,172,547	–	–
Amount due from a subsidiary	22	–	–	195,000	316,000
Advances and prepayments	22	594,772	366,960	–	–
Other non-current receivables	22	692,280	941,461	16	15
Total non-current assets		25,720,618	27,173,825	10,917,081	11,041,810
Current assets					
Inventories	23	3,992,795	2,471,178	–	–
Trade and other receivables	24	1,222,534	858,365	5,300	9,553
Advances and prepayments	24	728,876	383,636	882	696
Prepaid taxes		349,966	202,960	–	–
Biological assets	13	1,132,115	764,416	–	–
Asset held for sale	14	37,805	37,805	–	–
Cash and cash equivalents	25	5,945,500	5,225,530	90,013	55,800
Total current assets		13,409,591	9,943,890	96,195	66,049
Total assets		39,130,209	37,117,715	11,013,276	11,107,859
Current liabilities					
Trade and other payables and accruals	26	2,069,889	2,037,933	15,105	15,122
Advances, other payables and provision	26	392,237	368,879	–	–
Lease liabilities	15	39,583	41,055	–	–
Interest-bearing loans and borrowings	27	6,081,348	6,943,245	–	–
Income tax payable		349,792	190,680	10,289	39,780
Total current liabilities		8,932,849	9,581,792	25,394	54,902
Net current assets		4,476,742	362,098	70,801	11,147

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2024

	Note	Group 2024 Rp million	Group 2023 Rp million	Company 2024 Rp million	Company 2023 Rp million
Non-current liabilities					
Interest-bearing loans and borrowings	27	1,689,898	852,807	–	–
Other payables and provisions	28	476,695	669,040	–	–
Lease liabilities	15	63,605	89,480	–	–
Employee benefits liabilities	29	1,330,629	1,254,740	–	–
Deferred tax liabilities	18	773,785	753,753	18,651	27,641
Total non-current liabilities		4,334,612	3,619,820	18,651	27,641
Total liabilities		13,267,461	13,201,612	44,045	82,543
Net assets		25,862,748	23,916,103	10,969,231	11,025,316
Equity attributable to owners of the Company					
Share capital	30	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	30	(390,166)	(390,166)	(390,166)	(390,166)
Revenue reserves	31	10,696,760	9,710,913	302,834	358,919
Other reserves	31	406,663	639,632	144,152	144,152
		14,297,536	13,544,658	10,969,231	11,025,316
Non-controlling interests		11,565,212	10,371,445	–	–
Total equity		25,862,748	23,916,103	10,969,231	11,025,316

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Attributable to owners of the Company						
	Share capital Rp million	Treasury shares Rp million	Revenue reserves Rp million	Other reserves Rp million	Total Rp million	Non-controlling interests Rp million	Total equity Rp million
At 1 January 2024	3,584,279	(390,166)	9,710,913	639,632	13,544,658	10,371,445	23,916,103
Net profit for the year	–	–	1,118,685	–	1,118,685	991,332	2,110,017
Other comprehensive income	–	–	–	(232,969)	(232,969)	(2,065)	(235,034)
Total comprehensive income for the year	–		1,118,685	(232,969)	885,716	989,267	1,874,983
<u>Contributions by and distribution to owners:</u>							
Dividend payments by subsidiaries	–	–	–	–	–	(148,540)	(148,540)
Dividend payment to Company's shareholders	–	–	(132,838)	–	(132,838)	–	(132,838)
Additional capital contribution in subsidiaries by a non-controlling shareholder	–	–	–	–	–	353,040	353,040
Total transactions with owners in their capacity as owners	–	–	(132,838)	–	(132,838)	204,500	71,662
Balance at 31 December 2024	3,584,279	(390,166)	10,696,760	406,663	14,297,536	11,565,212	25,862,748

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Attributable to owners of the Company						
	Share capital Rp million	Treasury shares Rp million	Revenue reserves Rp million	Other reserves Rp million	Total Rp million	Non-controlling interests Rp million	Total equity Rp million
At 1 January 2023	3,584,279	(390,166)	9,220,230	485,508	12,899,851	10,251,841	23,151,692
Net profit for the year	–	–	614,244	–	614,244	321,976	936,220
Other comprehensive income	–	–	–	154,124	154,124	5,292	159,416
Total comprehensive income for the year	–	–	614,244	154,124	768,368	327,268	1,095,636
Contributions by and distribution to owners:							
Dividend payments by subsidiaries	–	–	–	–	–	(207,664)	(207,664)
Dividend payment to Company's shareholders	–	–	(123,561)	–	(123,561)	–	(123,561)
Total transactions with owners in their capacity as owners	–	–	(123,561)	–	(123,561)	(207,664)	(331,225)
Balance at 31 December 2023	3,584,279	(390,166)	9,710,913	639,632	13,544,658	10,371,445	23,916,103

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2024

	Note	2024 Rp million	2023 Rp million
Cash flows from operating activities			
Profit before taxation		2,938,224	1,526,877
Adjustments for:			
Depreciation and amortisation	8	1,518,851	1,517,873
Realisation of deferred costs		220,418	241,145
Unrealised foreign exchange (gain)/loss		(79,753)	550
Allowance/(write-back) for doubtful debt	6,7	391	(122)
Gain arising from changes in fair value of biological assets	13	(317,747)	(12,873)
Net loss/(gain) arising from write-off of right-of-use assets and lease liabilities	6	3,737	(153)
Gain on disposal of property, plant and equipment	6,14	(4,592)	(25,042)
Write-off of property, plant and equipment	7,14	401,384	3,171
Changes in allowance for decline in market value and obsolescence of inventories	5,23	(9,689)	(73,072)
Provision for penalty	7,26	–	40,887
Changes in provision for asset dismantling costs	7	4,225	1,269
Changes in estimated liability for employee benefits	29	180,577	(169,741)
Allowance for uncollectible and loss arising from changes in amortised cost of plasma receivables	7,32(a)	265,130	116,256
Loss arising from changes in amortised cost of long-term receivables		37	205
Share of results of associate companies		(8,057)	114,924
Share of results of joint ventures		(44,357)	(132,816)
Impairment loss of property, plant and equipment	7,14	296,164	183,387
Impairment loss of goodwill	7,16	–	6,104
Finance income	9	(241,386)	(178,358)
Finance expenses	10	541,690	599,325
Operating cash flows before changes in working Capital		**5,665,247**	**3,759,796**
Changes in working capital:			
(Increase)/decrease in other non-current receivables		(12,258)	4,823
(Increase)/decrease in inventories		(1,511,928)	869,930
(Increase)/decrease in trade and other receivables		(362,035)	467,334
(Increase)/decrease in advances to suppliers		(345,240)	106,684
(Increase)/decrease in prepaid taxes, advances and prepayments		(138,504)	49,311
Decrease in trade and other payables and accruals		(102,100)	(465,335)
Cash flows from operations		**3,193,182**	**4,792,543**
Interest received		238,711	176,292
Interest paid		(550,287)	(578,786)
Income tax paid		(656,288)	(587,725)
Net cash flows from operating activities		**2,225,318**	**3,802,324**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2024

	Note	2024 Rp million	2023 Rp million
Cash flows from investing activities			
Additions to property, plant and equipment		(987,221)	(977,888)
Additions to right-of-use assets	15	(37,574)	–
Additions to biological assets		(272,326)	(280,062)
Decrease/(increase) in plasma receivables	32(a)	15,762	(84,129)
Proceeds from disposal of property, plant and equipment	14	12,973	34,598
Advances for projects and purchases of fixed assets		(261,068)	(8,576)
Dividend received from a joint venture		92,234	63,712
Net cash flows used in investing activities		**(1,437,220)**	**(1,252,345)**
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings		3,693,955	5,819,000
Repayment of interest-bearing loans and borrowings		(3,719,140)	(7,146,863)
Dividend payments by subsidiaries to non-controlling interests		(148,540)	(207,664)
Dividend payment to Company's shareholders		(132,838)	(123,561)
Payment of lease liabilities	15	(47,667)	(57,258)
Payment of loan to related parties		(146,470)	–
Additional capital contribution in subsidiaries by a non-controlling shareholder		353,040	–
Net cash flows used in financing activities		**(147,660)**	**(1,716,346)**
Net increase in cash and cash equivalents		**640,438**	**833,633**
Effect of changes in exchange rates on cash and cash equivalents		79,532	(30,474)
Cash and cash equivalents at the beginning of the financial year		5,225,530	4,422,371
Cash and cash equivalents at the end of the financial year	25	**5,945,500**	**5,225,530**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

1. Corporate information

Indofood Agri Resources Ltd. (the "Company") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office and principal place of business of the Company is located at 8 Eu Tong Sen Street, #16-96/97 The Central, Singapore 059818.

The Group is a vertically-integrated agribusiness group, with its principal activities comprising research and development, oil palm seed breeding, cultivation of oil palm plantations, production and refining of crude palm oil ("CPO"), cultivation of rubber, sugar cane, cocoa, coconut, tea, and industrial timber plantations, and marketing and selling these end products.

These activities are carried out through the Company's subsidiaries, associates and joint ventures. The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 19 to 21 of the financial statements.

PT Indofood Sukses Makmur Tbk ("PT ISM"), incorporated in Indonesia, and First Pacific Company Limited ("First Pacific"), incorporated in Hong Kong, are the penultimate and ultimate parent companies of the Company, respectively. The immediate holding company is Indofood Singapore Holdings Pte Ltd, incorporated in Singapore.

2. Summary of material accounting policies information

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Indonesian Rupiah ("Rp") and all values are rounded to the nearest million ("Rp million") except when otherwise indicated.

The financial statements of the Group have been prepared on the basis that it will continue to operate as a going concern.

2.2 *Changes in accounting policies and disclosures*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and are effective for annual financial years beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance of the Group, or the financial position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for the financial year beginning on or after**
Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9 Financial Instruments and SFRS(I) 7 Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to SFRS(I) 9 Financial Instruments and SFRS(I) 7 Financial Instruments: Contracts referencing Nature-dependent electricity	1 January 2026
Annual Improvements to SFRS(I)s - Volume 11	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Based on the information available to date, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
ii. Exposure, or rights, to variable returns from its involvement with the investee; and
iii. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement(s) with the other vote holders of the investee;
ii. Rights arising from other contractual arrangements; and
iii. The Group's voting rights and potential voting rights.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations (cont'd)*

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss on the acquisition date. The accounting policy for goodwill is set out in Note 2.10(a).

Business Combination of Entities Under Common Control

As the transaction of business combination involving entities under common control does not result in a change of the economic substance of the ownership of businesses which are exchanged, the said transaction is recognised at its carrying amount using the pooling-of-interest method.

In applying the pooling-of-interest method, the components of the financial statements of the combining entity, for the year during which the business combination of entities under common control occurred and for the comparative year, are presented in such a manner as if the combination has occurred since the beginning of the year of the combining entity are under common control. Difference in value of considerations transferred in a business combination of entities under common control or considerations received when disposal of business of entities under common control, if any, with its carrying amount is recognised as part of equity in the consolidated balance sheet.

2.5 *Climate-related matters*

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements that has estimates and assumptions involved. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in Rp, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Rp at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 *Property, plant and equipment*

(a) *Bearer plants*

Bearer plants are living plants used in the production or supply of agricultural produce; they are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The Group's bearer plants comprise mainly oil palm, rubber and sugar cane plantations. The Group elected to account for its bearer plants using the cost model under SFRS(I) 1-16. Immature bearer plants are accounted for at accumulated cost, which consist mainly the cost of land clearing, planting, fertilizing, up-keeping and maintaining the plantations, and allocations of indirect overhead costs up to the time the trees become commercially productive and available for harvest. Costs also include capitalised borrowing costs and other charges incurred in connection with the financing of the development of immature plantations. The capitalisation of borrowing costs ceases when the trees become commercially productive and available for harvest. Immature plantations are not amortised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.7 *Property, plant and equipment (cont'd)*

(a) *Bearer plants (cont'd)*

Immature plantations are reclassified to mature plantations when they are commercially productive and available for harvest. In general, an oil palm plantation takes about 3 to 4 years to reach maturity from the time of planting the seedlings, while a rubber plantation takes about 5 to 6 years to reach maturity. A sugar cane plantation takes about a year to reach maturity, and can be harvested for an average of 3 more times after the initial harvest.

Mature plantations are stated at cost, and are amortised using the straight-line method over their estimated useful lives of the primary bearer plants as follows:

• Oil palm	25 years
• Rubber	25 years
• Sugar cane	4 years

The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of bearer plants is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is directly included in the profit or loss when the item is derecognised.

The assets useful lives and depreciation method are reviewed at each year end and adjusted prospectively if necessary.

Upkeep and maintenance costs are recognised in profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the related asset.

(b) *Other property, plant and equipment*

All other property, plant and equipment are initially recognised at cost, which comprises its purchase price and any costs directly attributable in bringing the asset to its working condition and to the location where it is intended to be used. Such cost also includes initial estimation at present value of the costs of dismantling and removing items of property, plant and equipment in certain CPO refinery and fractionation plants and margarine plants of the Group located in rented sites, costs of restoring the said rented sites, as well as costs of replacing part of such property, plant and equipment when that cost is incurred, if the recognition criteria are met.

Subsequent to initial recognition, property, plant and equipment are carried at cost less any subsequent accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.7 *Property, plant and equipment (cont'd)*

(b) *Other property, plant and equipment (cont'd)*

Depreciation of an asset commences when the asset is available for use in the manner intended by the Group and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings and improvements	10 to 25 years
• Plant and machinery	4 to 20 years
• Heavy equipment, transportation equipment and vessel	5 to 30 years
• Furniture, fixtures and office equipment	4 to 10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. Assets under constructions are stated at cost, including capitalised borrowing costs and other charges directly incurred in connection with the financing of the assets under construction. Assets under construction will be reclassified to the appropriate property, plant and equipment category once the construction is completed.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Repairs and maintenance costs are taken to the profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the related asset.

2.8 *Biological assets*

The Group's biological assets comprise timber plantations and agricultural produce of the bearer plants, which primarily comprise of fresh fruit bunches, oil palm seeds, latex and sugar cane. The Group recognised the fair value of biological assets in accordance with SFRS(I) 1-41. Biological assets are stated at fair value less costs to sell. Gains or losses arising on initial recognition of biological assets and from the change in fair value of biological assets at each reporting date are recognised in the profit or loss for the period in which they arise.

Agricultural produce

The Group adopted the income approach to measure the fair value of the biological assets. For the valuation of unharvested produce of oil palm and rubber trees, the Group has applied the estimated harvest data subsequent to year end to derive the fair value of unharvested produce of oil palm and rubber trees at year end. For the valuation of unharvested produce of mother palm trees and sugar cane, the Group has applied discounted cash flow models to derive its fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.8 *Biological assets (cont'd)*

Timber plantations

The Group appoints an independent valuer to determine the fair value of timber at year end and any resultant gains or losses arising from the changes in fair value is recognised in the profit or loss. The independent valuer adopts the income approach for the fair valuation of timber using a discounted cash flow model. The cash flow models estimate the relevant future cash flows which are expected to be generated in the future, and are discounted to the present value by using a discount rate. Please refer to Note 13 for more information.

2.9 *Plasma receivables*

Certain subsidiaries within the Group (collectively referred to as the "Nucleus Companies"), have commitments with several rural cooperatives ("KUD" or Koperasi Unit Desa) representing plasma farmers to develop plantations as required by the Indonesian government. The Nucleus Companies are to provide guidance and sharing of knowledge in developing the oil palm plasma plantations up to the productive stage.

The financing of these plasma plantations are mainly provided by the banks. In the situation where the plasma farmers' plantations have yet to generate positive cashflows to meet its repayment obligations to the banks, the Nucleus Companies provide temporary loans to help the plasma farmers to develop the plantation and to repay the principal and interest. Several Nucleus Companies provide corporate guarantees to the related credit facilities provided by the banks.

The plasma receivables presented in the consolidated balance sheet consist of accumulated development costs incurred and the funding provided by the Nucleus Companies to the KUD or plasma farmers less the funds received from banks on behalf of the KUD or plasma farmers and accumulated impairment loss. Plasma receivables also include advances to plasma farmers for topping up the loan interest and instalment payments to banks, and advances for fertilisers and other agriculture supplies. These advances shall be reimbursed by the plasma farmers.

Plasma receivables are classified as financial assets held at amortised cost under SFRS(I) 9. The accounting policy for financial instruments is set out in Note 2.15.

2.10 *Intangible assets*

(a) *Goodwill*

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGUs to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.10 *Intangible assets (cont'd)*

(a) *Goodwill (cont'd)*

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) *Other intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the CGU level. Such intangible assets are not amortised.

The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.11 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining FVLCD, a recent market transaction or an appropriate valuation model is used such as discounted cash flow method.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five or ten years. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the fifth or tenth year. The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash flow forecasts in assessing value-in-use amounts.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each annual reporting period as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase and to be depreciated on a systematic basis over its remaining useful life. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.13 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

(a) *Joint operations*

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation;
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(b) *Joint ventures*

The Group recognises its interest in joint ventures as investments and account for the investments using the equity method. The accounting policy for investment in joint ventures is set out in Note 2.14.

2.14 *Joint ventures and associates*

An associate is an entity over which the Group has significant influence. The Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.14 *Joint ventures and associates (cont'd)*

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

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

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.15 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs, with the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note 2.25.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes mainly trade and other receivables, plasma receivables and due from related parties.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.15 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement (cont'd)

Investments in debt instruments (cont'd)

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income ("OCI"), except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Group elected to measure its available-for-sale unquoted equity at fair value in OCI. Any subsequent changes in fair value of the available-for-sale will be recognised to other comprehensive income without recycling to profit or loss. Equity instruments measured at FVOCI are not subject to impairment assessment.

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.15 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the contractual right to receive cash flows from the asset has expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

Disclosures relating to impairment of financial assets are provided in Note 2.16.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

The Group designates its financial liabilities as loans and borrowings, such as trade and other payables, accrued expense, short-term employee benefits liability, bank loans, lease liabilities and due to related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.15 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of balance sheets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at FVPL and financial guarantee contracts. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale or collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade and other receivables which do not contain significant financing component, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.16 *Impairment of financial assets (cont'd)*

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset is doubtful when contractual payments are 90 days past due, but exception shall apply to financial assets that relate to entities under common controls or covered by letter of credit or credit insurance. However, in certain cases, the Group may also consider a financial asset to be doubtful when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and in banks, and short-term deposits with an original maturity of 3 months or less at the time of placements and are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

Cash and cash equivalents carried in the consolidated balance sheet are classified and accounted for as financial assets held at amortised cost under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.15.

2.18 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using weighted-average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials, spare parts and factory supplies	–	purchase cost; and
Finished goods and work in progress	–	cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.19 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of ECL determined in accordance with the policy set out in Note 2.16 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.21 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.22 *Employee benefits (cont'd)*

(a) *Defined contribution plans (cont'd)*

Certain subsidiaries in the Group have defined contribution retirement plans covering all of its qualified permanent employees. The pension plans' assets are managed by Dana Pensiun Lembaga Keuangan ("DPLK") Manulife Indonesia. The Group's contributions to the funds are computed at 10.0% and 7.0% of the basic pensionable income for staff and non-staff employees, respectively. The related liability arising from the difference between the cumulative funding since the establishment of the program and the cumulative pension costs charged to the profit or loss during the same period is recognised as employee benefits liabilities in the consolidated balance sheet.

(b) *Defined benefit plans*

The Group also provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the applicable Indonesian Labour Law. The said additional provisions, which are unfunded, are estimated by actuarial calculations using the projected unit credit method.

The estimated liability for employee benefits is the aggregate of the present value of the defined benefit obligations at the end of the reporting period.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability; and
- Re-measurements of the net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when the plan amendment or curtailment occurs, or when the Group recognises the related restructuring costs, whichever is the earlier.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time, which is determined by applying the discount rate to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.23 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Following initial recognition, right-of-use assets are subsequently measured at amortised cost and depreciated over the term of the lease using the straight-line method.

Land use rights

The Group's titles of ownership on its land rights, including the plantation land, are in the form of:

	Lease term (years)
• Right to Build ("Hak Guna Bangunan" or "HGB")	19 to 40
• Right to Cultivate ("Hak Guna Usaha" or "HGU")	19 to 39
• Right to Use ("Hak Pakai" or "HP")	20 to 25
• Right to Manage ("Hak Pengelolaan Lahan" or "HPL")	5 to 20

Included as part of the land use rights are the costs associated with the legal transfer or renewal of land right title, such as legal fees, land survey and re-measurement fees, taxes and other related expenses.

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as disclosed in Note 2.11.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.23 *Leases (cont'd)*

(b) ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) ***Short-term leases and leases of low-value assets***

The Group also has certain leases of office equipment with lease terms of less than 12 months (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) or with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases and recognise lease expenses on a straight-line basis. These expenses are presented within general and administrative expenses in the profit or loss.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental or lease income arising is accounted for on a straight-line basis over the lease terms and is included in other operating income in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental or lease income.

2.24 *Assets held for sale*

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised, and measured at the lower of their carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.25 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) ***Sale of goods***

Revenue from sales arising from physical delivery of CPO, palm kernel ("PK"), palm-based products, edible oils and other agricultural products is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

Certain contracts with customers within the respective business segments give rise to variable considerations.

The Group estimates the variable considerations such as right of return and price adjustments arising from product quality and changes in selling price based on sales volume, using expected value developed based on historical experience or using most likely amount developed based on historical experience taking into account also current purchasing patterns.

The management established estimation method that ensure inclusion of these variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Meanwhile, the recognition is made when supporting documents have been received from customers or when it is probable price adjustments will be given.

Trade receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group transfers goods under the contract.

(b) ***Interest income***

Interest income is recognised using the effective interest method.

(c) ***Rental and storage income***

Rental and storage income is recognised on a straight-line basis over the lease terms on an ongoing basis. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) ***Dividend income***

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.26 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.26 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) *Value-added tax ("VAT")*

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

(d) *Pillar Two tax rules*

The Group is in scope of the Organisation for Economic Co-operation and Development's ("OECD") Pillar Two model rules as its consolidated annual revenue is more than EUR750 million (approximately Rp12.7 trillion). Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Rules ("GloBE") effective tax rate for each jurisdiction and the 15% minimum rate.

Pillar Two legislation was enacted in Singapore and Indonesia, the jurisdictions the Group operates in, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is in the process of assessing its exposure to the Pillar Two legislation as at 31 December 2024. The Pillar Two model rules are complex, and management is evaluating its potential impact on the Group, if any. Based on the information available to date, management does not expect any material impacts as the tax rates in the countries where the Group operates exceeded the minimum tax rate of 15%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of material accounting policies information (cont'd)

2.27 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights relating to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.30 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the consolidated balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgement which have the most significant effect on the amounts recognised in the consolidated financial statements:

Income tax

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining provision for income taxes. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income which requires future adjustments to tax income and expense already recorded. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected income tax issues based on estimates of whether additional income taxes will be due. Where the final income tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax in the year in which such decision is made by the taxation authority.

The carrying amount of the Group's provision for taxation as at 31 December 2024 is Rp349.8 billion (2023: Rp190.7 billion). The carrying amount of the Group's deferred tax assets and deferred tax liabilities as at 31 December 2024 is Rp294.7 billion (2023: Rp278.9 billion) and Rp773.8 billion (2023: Rp753.8 billion) respectively. Further details are disclosed in Note 18.

<u>Claims for tax refund</u>

The management exercises judgement to record the amount of recoverable and refundable tax claims by the Tax Office based on the interpretations of current tax regulations. Further details are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Allowance for ECL of plasma receivables*

The ECL allowance is based on the credit losses expected to arise over the life of the asset (lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' ECL. The Group primarily determined a receivable from individual plasma project has significant increase in credit risk when the actual development cost per hectare is exceeding the agreed development cost per hectare as stated in the credit agreement between the cooperatives and the creditor. At this point, the Group estimates the impairment loss using lifetime ECLs.

The Group calculates lifetime ECL based on the expected cash shortfalls, discounted at an approximation of the original effective interest rate ("EIR"). A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The Group measures the cash flows expected to receive from each plasma project based on the estimated revenues from the plasma plantations deducted with the costs of sales, principal and interest payments to the bank. The key inputs applied for this estimation are the selling price of FFB, production costs, production yield for each planting year of the plasma plantations and inflation rate.

These provisions are re-evaluated and adjusted as additional information is received at each reporting date.

The gross carrying amount of the Group's plasma receivables before the allowance for ECL and the adjustments of EIR amortisation as at 31 December 2024 is Rp1,318.9 billion (2023: Rp2,388.5 billion). Further details are disclosed in Notes 32(a) and 35(d).

(b) *Goodwill impairment*

Application of acquisition method requires extensive use of accounting estimates to allocate the purchase price to the fair market values of the assets and liabilities acquired, including intangible assets. Certain business acquisitions of the Group have resulted in goodwill, which is not amortised but subject to impairment testing, and whenever circumstances indicate that the carrying amount of the CGU where the goodwill was allocated into may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

(b) *Goodwill impairment (cont'd)*

Determining the fair values of biological assets, property, plant and equipment, and other non-current assets of the acquirees at the date of business combination, requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect its consolidated financial information. Future events could cause the Group to conclude that the assets are impaired. The preparation of estimated future cash flows involves significant estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in its assumptions may materially affect its assessment of recoverable amounts and may lead to impairment charge in the future.

Impairment review is performed when certain impairment indication is present. In the case of goodwill, such assets are subject to annual impairment test and whenever there is an indication that such asset may be impaired. Management has to use its judgement in estimating the recoverable amount.

The carrying amount of the Group's goodwill as at 31 December 2024 is Rp3,078.5 billion (2023: Rp 3,078.5 billion). Further details are disclosed in Note 16.

(c) *Impairment of property, plant and equipment*

The Group identified the existence of impairment indicators on the rubber bearer plants and the underlying fixed assets associated with these rubber plantations, upon consideration of the market environment, conditions of the rubber plantations, production yield and the outlook of these plantation estates and determined the recoverable amount based on fair value less cost to sell, using discounted cash flow method.

During the financial year ended 31 December 2024, the Group recorded an impairment loss of Rp296.2 billion (2023: Rp183.4 billion) to reduce the carrying amount of the rubber bearer plants, and the underlying fixed assets associated with these rubber plantations to their estimated recoverable amounts. This was recognised in the statement of comprehensive income under other operating expenses.

The carrying amount of the Group's property, plant and equipment and their related impairment as at 31 December 2024 are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

4. Revenue

Revenue represents the value arising from the sales of palm oil, rubber, sugar, edible oils, and other agricultural products. Revenue is recognised in accordance with the accounting policy disclosed in Note 2.25.

Revenue is disaggregated to Plantations and Edible Oils and Fats segment. The timing of transfer of goods is determined at a point in time. The Group does not have revenue that is recognised over time.

(a) *Disaggregation of revenue*

	Plantations		Edible Oils and Fats		Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Sales channel								
Third party	3,628,415	4,701,701	12,339,389	11,301,116	–	–	15,967,804	16,002,817
Inter-segment	8,328,707	6,147,134	–	13,381	(8,328,707)	(6,160,515)	–	–
	11,957,122	10,848,835	12,339,389	11,314,497	(8,328,707)	(6,160,515)	15,967,804	16,002,817
Primary geographical markets								
Indonesia	11,887,341	10,462,508	10,189,340	9,458,487	(8,328,707)	(6,160,515)	13,747,974	13,760,480
Outside Indonesia	69,781	386,327	2,150,049	1,856,010	–	–	2,219,830	2,242,337
	11,957,122	10,848,835	12,339,389	11,314,497	(8,328,707)	(6,160,515)	15,967,804	16,002,817
Major product lines								
CPO	8,835,478	8,227,764	–	–	(8,328,698)	(6,147,120)	506,780	2,080,644
Palm kernel & related products	1,235,791	998,710	–	–	–	–	1,235,791	998,710
Edible Oils and Fats	–	–	12,339,389	11,298,178	–	–	12,339,389	11,298,178
Others	1,885,853	1,622,361	–	16,319	(9)	(13,395)	1,885,844	1,625,285
	11,957,122	10,848,835	12,339,389	11,314,497	(8,328,707)	(6,160,515)	15,967,804	16,002,817

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

4. Revenue (cont'd)

(a) *Disaggregation of revenue (cont'd)*

During the financial years ended 31 December 2024 and 2023, the sales from customers with individual cumulative amount each exceeded 10% of the total consolidated revenue is as follows:

	2024		2023	
	Rp million	% of Total Revenue	Rp million	% of Total Revenue
PT Indofood CBP Sukses Makmur Tbk ("PT ICBP")	3,504,728	21.9%	3,103,485	19.4%

Performance Obligations

The performance obligations of the Group, which cover the products mentioned above, are satisfied upon shipment from the Group's location or upon delivery of the goods at the customer's location, as agreed in the contracts. The term of payment is generally due within 1 to 35 days upon fulfilment of the performance obligation. For export sales, the Group requires cash against the presentation of documents of title.

Contract Balances

Information about trade receivables and contract liabilities from contracts with customers are disclosed as follows:

	2024	2023
	Rp million	Rp million
Trade receivables (Note 24)	1,141,657	750,139
Contract liabilities (Note 26)	218,395	209,892

Contract liabilities are the Group's obligations to transfer goods to customers for which the Group have received advances from customers prior to the transfer of control of the goods to the customers. Contract liabilities are recognised as revenue when the Group satisfied the performance obligation under the contract.

Set out below is the amount of revenue recognised from amounts included in contract liabilities at the beginning of each of the reporting period:

	2024	2023
	Rp million	Rp million
Amounts included in contract liabilities at the beginning of the year	196,105	168,304

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Revenue (cont'd)

(b) ***Estimating variable consideration for sale of products***

The amount of revenue recognised is based on the consideration that the Group received in exchange for transferring promised goods to the customers, and adjusted for expected returns and price adjustments arising from product quality.

The Group estimates the variable considerations such as right of return and price adjustments arising from product quality and changes in selling price based on sales volume, using expected value developed based on historical experience or using most likely amount developed based on historical experience taking into account also current purchasing patterns.

The management established estimation method that ensure inclusion of these variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Meanwhile, the recognition is made when supporting documents have been received from customers or when it is probable price adjustments will be given.

5. Cost of sales

	Note	Group 2024 Rp million	Group 2023 Rp million
Raw materials used		4,203,904	4,467,285
Harvesting, upkeep and cultivation costs		2,721,531	3,105,489
Manufacturing and other overhead expenses		4,936,585	4,591,682
Net changes in inventories		(649,361)	629,639
		11,212,659	12,794,095
Changes in allowance for decline in market value and obsolescence of inventories	23	(9,689)	(73,072)
Total	23	11,202,970	12,721,023

During the financial years ended 31 December 2024 and 2023, there were no purchases from any individual supplier with cumulative amount exceeded 10% of the total cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6. Other operating income

		Group	
		2024	2023
	Note	Rp million	Rp million
Sale of export allocation rights		117,256	60
Compensation income		58,729	70,488
Sale of palm kernel shells		9,132	15,928
Sale of red sugar		7,372	5,858
Rental income	15	5,475	8,052
Gain on disposal of property, plant and equipment		4,592	25,042
Sale of scraps		2,806	3,260
Gain on disposal of obsolete goods		2,790	2,104
Freight income		2,313	8,843
Management fee income		1,502	1,260
Write-back of allowance for doubtful debt	24	–	122
Net gain arising from write-off of right-of-use assets and lease liabilities		–	153
Gain arising from waiver of amount due to an associate company*		–	99,256
Others		38,577	38,266
Total		250,544	278,692

* In the prior year ended 31 December 2023, the board of directors of FP Natural Resources Limited ("FPNRL"), an associate of the Company, agreed to waive the amount due to FPNRL of USD 6.4 million (equivalent to Rp 99.3 billion), and discharge the Company from all obligations of repayments.

7. Other operating expenses

		Group	
	Note	2024	2023
		Rp million	Rp million
Write-off of property, plant and equipment		401,384	3,171
Impairment loss of property, plant and equipment	14	296,164	183,387
Allowance for uncollectible and loss arising from changes in amortised cost of plasma receivables	32(a)	265,130	116,256
Levies and other taxes		9,750	6,624
Changes in provision for assets dismantling costs	28	4,225	1,269
Net loss arising from write-off of right-of-use assets and lease liabilities		3,737	–
Allowance for doubtful debt	24	391	–
Amortisation of deferred charges		244	897
Provision for penalty	26	–	40,887
Impairment loss of goodwill	16	–	6,104
Others		35,812	40,475
Total		1,016,837	399,070

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. Profit from operations

The following items have been included in arriving at profit from operations:

	Note	Group 2024 Rp million	Group 2023 Rp million
Depreciation of property, plant and equipment	14	1,433,254	1,437,994
Depreciation of right-of-use assets	15	75,538	70,356
Amortisation of other non-current assets		10,059	9,523
Employee salaries and benefits	29	3,426,259	3,140,841
Freight, taxes and other sales administration expenses		304,900	339,263
Advertising, promotions and distribution expenses		81,359	75,111
Lease expenses	15	11,367	9,166
Audit fees:			
Auditors of the Company		2,637	2,427
Other auditors – network firms		13,069	14,640
Other auditors – non-network firms		1,705	1,786
Non-audit fees:			
Audit-related services (ARS)			
Other auditors – network firms		892	835
Non-ARS			
Auditors of the Company		285	272
Other auditors – network firms		106	99
Other auditors – non-network firms		24	23

9. Finance income

	Group 2024 Rp million	Group 2023 Rp million
Interest on current accounts and short-term deposits	241,300	178,351
Others	86	7
Total	241,386	178,358

10. Finance expenses

	Note	Group 2024 Rp million	Group 2023 Rp million
Interest expense on:			
- Bank loans		496,814	547,030
- Lease liabilities	15	6,612	9,081
- Other loans		34,411	35,155
Bank charges		3,853	8,059
Total		541,690	599,325

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Income tax expenses

Major components of income tax expense

The major components of income tax expense for the years ended 31 December are as follows:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Consolidated statement of comprehensive income:		
Current income tax:		
- Current year income tax	805,616	505,084
- Adjustments in respect of previous years	5,899	2,222
	811,515	507,306
Deferred income tax (Note 18):		
- Current year deferred income tax	(90,480)	(89,588)
- Adjustments in respect of previous years	107,172	172,939
	16,692	83,351
Total	828,207	590,657

	Group	
	2024	**2023**
	Rp million	**Rp million**
Charged to other comprehensive income		
Deferred tax related to items recognised in other comprehensive income:		
Re-measurement (loss)/gain of employee benefits liabilities	2,053	(1,566)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Income tax expenses (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

	Group	
	2024	2023
	Rp million	Rp million
Profit before tax as per consolidated statement of comprehensive income	2,938,224	1,526,877
Tax at the Singapore tax rate of 17% (2023: 17%)	499,498	259,569
Effect of tax rates in foreign jurisdictions	117,068	80,593
Income already subjected to final tax	(59,648)	(48,517)
Non-deductible expenses	158,218	123,851
Adjustments in respect of previous years	113,071	175,161
Income tax expense recognised in the consolidated statement of comprehensive income	828,207	590,657

The corporate income tax rates in Indonesia are as follows:

(a) 22% effective starting Fiscal Year 2022; and

(b) Resident publicly listed companies in Indonesia whose at least 40% or more of the total paid-up shares or other equity instruments are listed for trading in the Indonesia stock exchange and meet certain requirements in accordance with the government regulations, are entitled for 3% reduction of the rate stated in point (a) above.

For the financial years ended 31 December 2024 and 2023, the corporate tax rates for companies in Singapore and Indonesia were 17% and 22% (2023: 17% and 22%) respectively.

A subsidiary in Indonesia applies 19% (2023: 19%) tax rate instead of the normal tax rate of 22% (2023: 22%) in computing its income tax expense for the reporting period due to its fulfilment to qualify for a reduced corporate income tax rate.

Adjustments in respect of previous years largely related to unrecoverable tax losses as a result of expired tax losses for which deferred tax assets have been recognised and changes in assumptions used in the estimation of future taxable profits.

The Group is in scope of the Pillar Two model as regulated in SFRS(I) 1-12 because the Group is a multinational enterprise and the annual revenue of the Group exceeded EUR750 million (approximately Rp12.7 trillion) per consolidated financial statements. Pillar Two legislation was enacted in Singapore, the jurisdiction in which Indofood Agri Resources Ltd is incorporated, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is in the process of assessing its exposure to the Pillar Two legislation as at 31 December 2024. The Pillar Two model rules are complex, and management is evaluating its potential impact on the Group, if any. Based on the information available to date, management does not expect any material impacts as the tax rates in the countries where the Group operates exceeded the minimum tax rate of 15%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. Earnings per share

Basic earnings per share are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Profit attributable to owners of the Company	1,118,685	614,244
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic earnings per share computation	1,395,904,530	1,395,904,530
Basic earnings per share (in Rupiah)	801	440

There were no dilutive potential ordinary shares as at 31 December 2024 and 2023.

13. Biological assets

Biological assets primarily comprise of timber plantations (which are presented as part of non-current assets), and the unharvested agricultural produce of bearer plants (which are presented as part of current assets). The carrying amount of the Group's biological assets as at 31 December 2024 is Rp1,447.9 billion (2023: Rp1,086.9 billion).

Fair values of biological assets

Biological assets under non-current assets - timber plantations

For timber plantations, the Group appointed an independent valuer to determine the fair value of timber annually and any resultant gain or loss arising from the changes in fair values is recognised in profit or loss. The independent valuer adopted the income approach for the fair valuation of timber using a discounted cash flow model. The cash flow models estimate the relevant future cash flows which are expected to be generated in the future and discounted to the present value by using a discount rate.

The key assumptions applied are as follows:

(i) Timber tree is available for harvest only once approximately 8 years after initial planting;
(ii) Discount rate used represents the asset specific rate for the Group's timber plantations operations which are applied in the discounted future cash flows calculation;
(iii) The projected selling price of logs over the projection period are based on average selling price of the agricultural produce which is extrapolated based on changes of plywood log market price.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. Biological assets (cont'd)

Fair values of biological assets (cont'd)

Biological assets under non-current assets - timber plantations (cont'd)

The movements for timber plantations are as follows:

	Note	Group 2024 Rp million	Group 2023 Rp million
At fair value			
At 1 January		322,454	322,743
Additions		3,704	6,633
Decreases due to harvest		(3,238)	(25)
Loss arising from changes in fair value of biological assets		(7,154)	(6,897)
At 31 December	34(a)	315,766	322,454

Biological assets under current assets - agricultural produce of bearer plants

The Group adopted the income approach to measure the fair value of the unharvested agricultural produce of bearer plants which mainly comprise of FFB, oil palm seeds, latex and sugar cane.

The key assumptions applied on the fair value of FFB and latex are as follows:

(i) Estimated volume of subsequent harvest as of reporting date;
(ii) Selling prices of FFB and latex are based on the market prices at year end.

The key assumptions applied on the fair value of sugar cane are as follows:

(i) Cane tree is available for annual harvest for 12 months after initial planting, and subsequently up to 3 more annual harvests;
(ii) Discount rate used represents the asset specific rate for the cane produce which is applied in the discounted future cash flows calculation;
(iii) The projected selling price of sugar over the projection period is based on the average actual selling price during the year, but not exceeding the highest retail price imposed by the Ministry of Trade of Indonesia.

The key assumptions applied on the fair value of oil palm seeds are as follows:

(i) Estimated volume of 6 months subsequent harvest as at reporting date;
(ii) Discount rate used represents the asset specific rate for the seed produce which is applied in the discounted future cash flows calculation;
(iii) Selling price of palm seeds is based on average actual selling price during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. Biological assets (cont'd)

Fair values of biological assets (cont'd)

Biological assets under current assets - agricultural produce of bearer plants (cont'd)

The movements for agricultural produce of bearer plants, which comprise FFB, oil palm seeds, latex and sugar cane are as follows:

	Note	Group 2024 Rp million	Group 2023 Rp million
At fair value			
At 1 January		764,416	769,634
Additions		268,622	273,429
Decreases due to harvest		(225,824)	(298,417)
Gain arising from changes in fair value of biological assets		324,901	19,770
At 31 December	34(a)	1,132,115	764,416

Key inputs to valuation on biological assets

The fair values of the oil palm and rubber agricultural produce are determined at Level 2 based on the applicable market prices applied to the estimated volume of the produce.

Range of quantitative unobservable inputs (Level 3) used in determining the fair values of the sugar cane, oil palm seeds and timber are as follows:

Inputs	Sugar cane	Oil palm seeds	Timber
Discount rate	10.76% (2023: 10.46%)	12.50% (2023: 13.27%)	11.10% (2023: 11.59%)
Selling price of processed agriculture produce	Rp813,673/tonne (2023: Rp705,776/tonne)	Rp8,800 – Rp9,000/piece (2023: Rp 8,800 – Rp9,000/piece)	Rp540,682 – Rp2,527,037/m^3 (2023: Rp556,537 – Rp2,973,410/m^3)
Average production yield of agriculture produce	64 tonnes/hectare (2023: 65 tonnes/hectare)	967 pieces/bunch (2023: 942 pieces/bunch)	119 m^3/hectare (2023: 87 m^3/hectare)
Inflation rate	2.50% (2023: 3.00%)	–	2.50% – 3.00% (2023: 2.80% – 3.00%)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. Biological assets (cont'd)

Key inputs to valuation on biological assets (cont'd)

The narrative sensitivity analysis of unobservable inputs (Level 3) used in determining the fair values of the biological assets are as follows:

Inputs (Hierarchy)	**Sensitivity of the inputs to the fair value of biological assets**
Discount rate	An increase/(decrease) in the discount rate will cause a (decrease)/ increase in the fair value
Selling price of processed agriculture produce	An increase/(decrease) in the commodity prices would result in an increase/(decrease) in the fair value
Average production yield	An increase/(decrease) in production yields would result in an increase/(decrease) in the fair value
Inflation rate	An increase/(decrease) in the inflation rate would result in a (decrease)/increase in the fair value.

Areas of the Group's biological assets:

The Group has timber plantation concession rights which are valid until 2035 and 2049. The total area of planted timber plantations as at 31 December 2024 is 13,643 hectares (2023: 15,527 hectares).

Physical quantities of agricultural produce:

Agricultural produce harvested during the financial year	**Bearer plants from which produce harvested**	**Unit of measurement**	**2024**	**2023**
FFB	Oil palm	'000 tonnes	2,758	2,784
Oil palm seeds	Mother palm	in million	11.0	10.2
Sugar cane	Cane	'000 tonnes	721	745

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

14. Property, plant and equipment

	Bearer plants	Buildings and improvements	Plant and machinery	Heavy equipment, transportation equipment and vessels	Furniture, fixtures and office equipment	Total
	Rp million	Rp million	Rp million	Rp Rp million	Rp million	Rp million
Group						
Cost						
At 1 January 2023	18,092,468	8,427,493	6,633,395	2,228,026	455,221	35,836,603
Additions	608,063	118,319	213,681	100,256	8,040	1,048,359
Reclassification	1,314	(64,860)	65,599	(419)	(1,589)	45
Disposals and write-off	(9,385)	(9,714)	(6,703)	(11,574)	(4,078)	(41,454)
At 31 December 2023 and 1 January 2024	18,692,460	8,471,238	6,905,972	2,316,289	457,594	36,843,553
Additions	421,883	114,056	136,798	241,655	13,896	928,288
Reclassification	(11,393)	2,336	(3,225)	661	206	(11,415)
Disposals and write-off	(477,178)	(56,486)	(6,533)	(13,746)	(6,165)	(560,108)
At 31 December 2024	18,625,772	8,531,144	7,033,012	2,544,859	465,531	37,200,318
Accumulated depreciation and impairment						
At 1 January 2023	7,157,365	3,921,263	4,380,906	1,816,153	425,218	17,700,905
Depreciation charge for the year	564,621	423,470	348,968	88,145	12,790	1,437,994
Reclassification	–	(9,044)	(18,198)	(5,040)	(82)	(32,364)
Disposals and write-off	(507)	(6,259)	(6,446)	(11,459)	(4,055)	(28,726)
Impairment	183,387	–	–	–	–	183,387
At 31 December 2023 and 1 January 2024	7,904,866	4,329,430	4,705,230	1,887,799	433,871	19,261,196
Depreciation charge for the year	565,466	420,286	337,984	98,769	10,749	1,433,254
Reclassification	(1,739)	(14,756)	(23,410)	(4,091)	(87)	(44,083)
Disposals and write-off	(97,297)	(28,418)	(6,165)	(12,335)	(6,128)	(150,343)
Impairment	191,502	91,382	12,789	–	491	296,164
At 31 December 2024	8,562,798	4,797,924	5,026,428	1,970,142	438,896	20,796,188
Net carrying amount						
At 31 December 2023	10,787,594	4,141,808	2,200,742	428,490	23,723	17,582,357
At 31 December 2024	10,062,974	3,733,220	2,006,584	574,717	26,635	16,404,130

Vessels are presented within the class of Heavy equipment and transportation equipment due to its similar nature of use, which is for the transportation of the Group's commodities.

During the year, the Group identified the existence of impairment indicators on all the rubber plantations under Lonsum, upon consideration of the market environment, production yield and the outlook of these plantation estates and determined the recoverable amount based on fair value less costs of disposal ("FVLCD"), using discounted cash flow method. The Group recorded an impairment loss of Rp296.2 billion (2023: Rp183.4 billion) to fully reduce the carrying amount of rubber bearer plants and its' related fixed assets to their estimated recoverable amounts.

During the year, the Group recognised a write-off of oil palm bearer plants and its' related fixed assets amounting to Rp401.4 billion (2023: Rp3.2 billion), upon consideration of the conditions of the oil palm plantations, production yield, and the outlook for these plantation estates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Property, plant and equipment (cont'd)

	Buildings and improvements Rp million	Furniture, fixtures and office equipment Rp million	Total Rp million
Company			
Cost			
At 1 January 2023, 31 December 2023 and 1 January 2024	74,110	629	74,739
Additions	–	25	25
At 31 December 2024	74,110	654	74,764
Accumulated depreciation			
At 1 January 2023	52,339	297	52,636
Depreciation charge for the year	3,629	89	3,718
At 31 December 2023 and 1 January 2024	55,968	386	56,354
Depreciation charge for the year	3,628	127	3,755
At 31 December 2024	59,596	513	60,109
Net carrying amount			
At 31 December 2023	18,142	243	18,385
At 31 December 2024	14,514	141	14,655

Assets under construction

Property, plant and equipment of the Group as at 31 December 2024 included immature bearer plants in the course of cultivation, and building and machinery in the course of construction amounting to Rp3,542.6 billion (2023: Rp3,798.7 billion).

Bearer plants

The Group's bearer plants comprise mainly of oil palm, rubber and sugar cane plantations.

Asset held for sale

On 21 December 2017, a subsidiary, Lonsum entered into a Sale and Purchase Agreement ("SPA") with an entity under common control, PT ICBP for the sale of a parcel of its land with an area approximately 125 hectares in the Province of Banten, Sumatra, Indonesia.

In December 2022, Lonsum executed part of the SPA with total transaction value of Rp35.8 billion for 8 parcels of land, covering 12 hectares by realising part of an advance paid by PT ICBP in 2018.

As of February 2025, the disposal of such parcel of land is still being processed by both parties, and therefore classified as "Asset held for sale".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Property, plant and equipment (cont'd)

Assets fully depreciated but still in use

As at 31 December 2024, the costs of the Group's property, plant and equipment that have been fully depreciated but still being in utilized amounted to Rp4,854.4 billion (2023: Rp4,302.8 billion), which mainly consist of buildings and improvements, plant and machinery, and heavy equipment, transportation equipment and vessels.

Disposals of property, plant and equipment

During the years ended 31 December 2024 and 2023, the Group sold heavy equipment, transportation equipment and office equipment as follows:

	2024 Rp million	2023 Rp million
Proceeds from disposal	12,973	34,598
Net carrying value	(8,381)	(9,556)
Gain on disposal of property, plant and equipment	4,592	25,042

The net gains on these disposals were recognised as part of other operating income in the consolidated statement of comprehensive income.

Capitalisation of borrowing costs

During the year ended 31 December 2024, the borrowing costs capitalised by certain subsidiaries to their immature bearer plants under cultivation, and building and machineries under constructions amounted to Rp13.6 billion (2023: Rp42.6 billion) based on capitalisation rates ranging from 4.28% to 9.37% (2023: 5.44% to 8.69%).

Assets under insurance coverage

As at 31 December 2024, the fixed assets are covered by insurance against losses from fire and other risks under a policy package with total coverage of Rp16,611.9 billion (2023: Rp16,106.5 billion).

15. Leases

Group as a lessee

The Group has lease contracts for various assets, including land, buildings and office equipment used in its operations. The Group is restricted from assigning and subleasing the leased assets.

- Lease of buildings generally have lease terms of 2 years.
- Office equipment generally have lease terms of 3 years.
- Land use rights are in the form of HGB, HGU, HP, HPL and generally have lease terms from 5 to 40 years, and can be renewed and/or extended upon their expiration. The Group's bearer plants are planted and managed on the area which have obtained Rights to Cultivate ("Hak Guna Usaha" or "HGU"), or have obtained location permits and in the process of obtaining HGU.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

15. Leases (cont'd)

Group as a lessee (cont'd)

Extension and termination options

The Group has several lease contracts that contain extension and termination options exercisable by the Group. Where practicable, the Group seeks to include extension and termination options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group before the end of the non-cancellable contract period and not by the lessors. The termination options can be exercised by serving the required notice periods in the lease contract.

Short-term leases and leases of low-value assets

The Group also has certain leases of office equipment with lease terms of less than 12 months or with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases and recognise lease expenses on a straight-line basis in the profit or loss.

Set out below are the carrying amounts of right-of-use assets recognised on the Group's consolidated balance sheet and the movements during the period:

Right-of-use assets	**Land use rights Rp million**	**Buildings Rp million**	**Office equipment Rp million**	**Group Total Rp million**
At 1 January 2023	2,040,870	4,373	13,390	2,058,633
Additions	1,704	9,936	1,025	12,665
Write-off	–	–	(1,908)	(1,908)
Depreciation expense	(58,496)	(5,249)	(6,611)	(70,356)
Reclassification [1]	(4,559)	–	–	(4,559)
At 31 December 2023 and 1 January 2024	1,979,519	9,060	5,896	1,994,475
Additions	66,455	–	13,708	80,163
Write-off	(3,737)	–	–	(3,737)
Depreciation expense	(64,284)	(5,358)	(5,896)	(75,538)
Reclassification [1]	(3,615)	–	–	(3,615)
As at 31 December 2024	1,974,338	3,702	13,708	1,991,748

[1] Reclassified to other non-current receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

15. Leases (cont'd)

Group as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease Liabilities	**Note**	**2024** **Rp million**	**2023** **Rp million**
As at 1 January		130,535	169,811
Addition		13,708	10,961
Accretion of interest	10	6,612	9,081
Payments		(47,667)	(57,258)
Write-off		–	(2,060)
As at 31 December		103,188	130,535
Current		39,583	41,055
Non-current		63,605	89,480

The following are the amounts recognised in the consolidated statement of comprehensive income:

	Note	**2024** **Rp million**	**2023** **Rp million**
Depreciation of right-of-use assets	8	75,538	70,356
Interest expense on lease liabilities	10	6,612	9,081
Lease expense relating to low-value assets and short-term leases	8	11,367	9,166
Total amount recognised in consolidated statement of comprehensive income		93,517	88,603

Amounts recognised in the consolidated cash flow statement:

	2024 **Rp million**	**2023** **Rp million**
Addition to right-of-use assets	37,574	–
Payment of principal portion of lease liabilities	47,667	57,258
Total cash outflow for leases	85,241	57,258

Group as a lessor

The Group has entered into operating leases on its CPO tanks and warehouse buildings. These leases have lease terms of 2 to 3 years and include a clause for rental revision subject to prevailing market conditions. The Group recognised rental income of Rp5.5 billion (2023: Rp8.1 billion) during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Goodwill

	Group 2024 Rp million	Group 2023 Rp million
At 1 January	3,078,520	3,084,624
Impairment loss	–	(6,104)
Balance at 31 December	3,078,520	3,078,520

Goodwill arising from business combination was allocated to the following cash-generating units ("CGU") for impairment testing:

Integrated plantation estates of Lonsum	2,909,757	2,909,757
Plantation estates of PT GS	8,055	8,055
Plantation estates of PT MPI	2,395	2,395
Integrated plantation estates of PT MISP	34,087	34,087
Plantation estates of PT LPI	37,230	37,230
Plantation estates of PT SAL	86,996	86,996
Total	3,078,520	3,078,520

Goodwill was tested for impairment as at 31 October 2024. As at 31 December 2024, there was no significant change in the assumptions used by management that could have significant impact in determining the recoverable value of the goodwill.

Management engaged an independent valuer to determine the recoverable amount of the goodwill for Lonsum's integrated plantation estates. The plantation estates under Lonsum are identified as a single cash-generating unit ("CGU") for impairment testing. The recoverable amount of the goodwill allocated to the Lonsum CGU have been determined based on value-in-use calculations.

The recoverable amount of other goodwill from other acquisitions were determined internally by management based on FVLCD or value-in-use calculations, using discounted cash flow method. The FVLCD derived is categorised under Level 3 of the fair value hierarchy.

Based on the impairment assessment, no impairment loss was recognised as at 31 December 2024. In the prior year ended 31 December 2023, an impairment loss of Rp 6.1 billion was recognised to fully write-down the carrying amount of goodwill allocated to a CGU, PT MLI, as the carrying value of the goodwill and net assets for the CGU was in excess of its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Goodwill (cont'd)

The following assumptions were used to estimate the recoverable amounts:

Cash generating units	Carrying amount of goodwill	Pre-tax discount rate 31 October 2024	Pre-tax discount rate 31 October 2023	Growth rate after forecast year 31 October 2024	Growth rate after forecast year 31 October 2023
Recoverable amount assessment based on value-in-use					
Integrated plantation estates of Lonsum	2,909,757	12.46%	12.90%	4.95%	5.15%
Plantation estates of PT GS	8,055	12.36%	12.60%	4.95%	5.15%
Plantation estates of PT MPI	2,395	12.30%	12.59%	4.95%	5.15%
Integrated plantation estates of PT MISP	34,087	12.11%	12.24%	4.95%	5.15%
Sub-total	2,954,294				
Recoverable amount assessment based on FVLCD					
Plantation estates of PT LPI	37,230	9.49%	10.56%	4.95%	5.15%
Plantation estates of PT SAL	86,996	10.36%	12.38%	4.95%	5.15%
Sub-total	124,226				
Grand total	3,078,520				

The primary selling prices used in the discounted cash flow model are projected prices of CPO, rubber, sugar and logs.

- CPO — The projected prices are based on the extrapolation of average market price from reputable independent forecasting service firm for the projection period.
- Rubber — The projected prices (RSS1 and other rubber products of the Group) over the projection period are based on the extrapolation of actual selling prices and the forecasted price trend from the World Bank.
- Sugar — The sugar prices used in the projection are based on the extrapolation of actual selling prices during the year, but not exceeding the highest retail price imposed by the Ministry of Trade of Indonesia.
- Logs — The projected prices of logs are based on the average selling prices of the produce which are extrapolated based on changes of market prices of plywood log.

The cash flows beyond the projected periods are extrapolated using the estimated terminal growth rate indicated above. The terminal growth rate used does not exceed the long-term average growth rate in Indonesia. The discount rate applied to the cash flow projections is derived from the weighted average cost of capital of the respective CGUs.

Changes to the assumptions used by the management to determine the recoverable amounts, in particular the discount rate, prices, and terminal growth rates, can have significant impact on the results of the assessment. Management is of the opinion that no reasonably possible change in any of the key assumptions stated above would cause the carrying amount of the goodwill for each of the CGU to materially exceed their respective recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Claims for tax refund

Claims for tax refund represent (a) advance tax payment made by each entity within the Group which is creditable against their respective corporate income tax payable; and (b) tax assessments being appealed to the taxation authorities.

18. Deferred tax

Deferred tax as at 31 December relates to the following:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Temporary tax differences:		
Property, plant and equipment	(852,988)	(913,174)
Biological assets	(277,122)	(140,431)
Withholding tax on unremitted foreign interest income	(18,651)	(27,641)
Adjustments for uncollectible and loss arising from changes in amortised cost of plasma receivables	92,354	90,214
Allowance for employees benefit expenses	14,911	22,418
Allowance for decline in market value and obsolescence of inventories	24,575	28,654
Allowance for impairment of advances	12,915	12,915
Employee benefits liabilities	292,831	273,792
Deferred inter-company profits	52,122	21,457
Tax losses carry forward	29,679	47,902
Impairment loss of property, plant and equipment	190,805	125,649
Others	(40,499)	(16,604)
Total	(479,068)	(474,849)
Classified as:		
Deferred tax assets	294,717	278,904
Deferred tax liabilities	(773,785)	(753,753)

The deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets are included under advances and property, plant and equipment respectively.

For purposes of presentation in the consolidated balance sheet, the asset or liability classification of the deferred tax effect of each of the above temporary differences is determined based on the net deferred tax position (net assets or net liabilities) on a per entity basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. Deferred tax (cont'd)

Deferred tax assets and liabilities cover the future tax consequences attributable to differences between the financial and tax reporting bases of assets and liabilities and the benefits of tax losses carry forward.

As at 31 December 2024, the Company recognised deferred tax liabilities of Rp18.7 billion (2023: Rp27.6 billion) in respect of unremitted foreign interest income arising from cash at banks, short-term deposits and shareholder loan to a subsidiary.

Pillar Two Income Taxes

As disclosed in Note 2.26, the Group has applied the exception to the recognition and disclosure of deferred taxes related to the Pillar Two income taxes. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred tax income or expense recognised in consolidated statement of comprehensive income:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Deferred income tax movements:		
Property, plant and equipment and biological assets	76,634	(30,032)
Adjustments of EIR amortisation of plasma receivables	(2,140)	(14,578)
Changes in allowance of decline in market value and obsolescence of inventories	4,079	16,110
Employee benefits liabilities	(16,986)	58,614
Deferred inter-company losses	(30,665)	9,474
Changes in provision for employee benefits expense	7,507	(1,999)
Tax losses carry forward	18,223	55,482
Impairment loss of property, plant and equipment	(65,156)	(33,507)
Others	25,196	23,787
Net deferred tax expense reported in the consolidated statement of comprehensive income (Note 11)	16,692	83,351

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. Deferred tax (cont'd)

Unrecognised tax losses

At the end of the reporting period, the Group has total tax losses amounting to Rp2,422.2 billion (2023: Rp3,111.3 billion) that are available for offset against future taxable profits for up to five years from the date the losses were incurred as tax losses in Indonesia generally expire after 5 years. Deferred tax benefits of Rp503.2 billion (2023: Rp636.6 billion) attributable to Rp2,287.3 billion (2023: Rp2,893.6 billion) of these tax losses were not recognised as the recoverability was considered not probable.

Unrecognised temporary differences relating to investments in subsidiaries

The Group has not recognised a deferred tax liability of Rp908.7 billion (2023: Rp836.1 billion) as at 31 December 2024 in respect of undistributed profits of subsidiaries as the distribution is controlled and there is currently no intention for the profits to be remitted to Singapore.

19. Investment in subsidiary companies

	Company	
	2024	**2023**
	Rp million	**Rp million**
Shares, at cost	10,707,410	10,707,410

The Group held less than 50% effective shareholdings in certain subsidiaries but owned, directly and indirectly, more than half of the voting power in these subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(a) *Composition of the Group*

The Group has the following investment in subsidiaries:

Name of subsidiaries	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Name (Abbreviated name)				
Held by the Company				
PT Salim Ivomas Pratama Tbk (PT SIMP) [2]	Indonesia	73.46	73.46	Ownership of oil palm plantations, mills and production of cooking oil, margarine, shortening, and other related products
IFAR Brazil Pte. Ltd. (IFAR Brazil) [1]	Singapore	100.00	100.00	Investment holding
IFAR Trading Pte. Ltd. (IFAR Trading) [1]	Singapore	100.00	100.00	Trading of CPO and derivative products
Held by PT Salim Ivomas Pratama Tbk				
IndoInternational Green Energy Resources Pte. Ltd. (IGER) [1]	Singapore	44.08	44.08	Investment holding
PT Indoagri Inti Plantation (PT IIP) [2]	Indonesia	72.73	72.73	Investment holding, management services and transportation
Silveron Investments Limited (SIL) *	Mauritius	73.46	73.46	Investment holding
PT Kebun Mandiri Sejahtera (PT KMS) [3]	Indonesia	71.89	71.89	Ownership of rubber and oil palm plantations
PT Manggala Batama Perdana (PT MBP) *	Indonesia	73.46	73.46	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(a) *Composition of the Group (cont'd)*

Name of subsidiaries	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Held by PT Salim Ivomas Pratama Tbk (cont'd)				
PT Sarana Inti Pratama (PT SAIN) [3]	Indonesia	73.46	73.46	Investment, research, management and technical services, and oil palm seed breeding
PT Mentari Subur Abadi (PT MSA) [3, **]	Indonesia	57.36	57.23	Investment and ownership of oil palm plantations and mill
PT Mega Citra Perdana (PT MCP) [4]	Indonesia	21.83	21.83	Investment holding
PT Swadaya Bhakti Negaramas (PT SBN) [3, **]	Indonesia	43.82	43.20	Ownership of oil palm plantations
PT Lajuperdana Indah (PT LPI) [2]	Indonesia	22.44	22.44	Ownership of sugar cane plantations and sugar mills/refineries
PT Mitra Intisejati Plantation (PT MISP) [3]	Indonesia	73.46	73.46	Ownership of oil palm plantations and mill
PT PP London Sumatra Indonesia Tbk (Lonsum) [2]	Indonesia	43.72	43.72	Business of breeding, planting, milling and selling of oil palm products, rubber and other crops
PT Cakra Alam Makmur (PT CAM) [3]	Indonesia	73.46	73.46	Ownership of bulking facilities
PT Hijaupertiwi Indah Plantations (PT HPIP) [3]	Indonesia	73.46	73.46	Ownership of oil palm plantations and mill
PT Cangkul Bumisubur (PT CBS) [3]	Indonesia	73.31	73.31	Ownership of oil palm plantations

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(a) *Composition of the Group (cont'd)*

Name of subsidiaries	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Held by PT Salim Ivomas Pratama Tbk (cont'd)				
PT Samudera Sejahtera Pratama (PT SSP) 3	Indonesia	73.46	73.46	Transportation service
PT Kebun Ganda Prima (PT KGP) 3	Indonesia	73.46	73.46	Ownership of oil palm plantations and mill
PT Riau Agrotama Plantation (PT RAP) 3	Indonesia	73.46	73.46	Ownership of oil palm plantations and mill
PT Citra Kalbar Sarana (PT CKS) 3	Indonesia	73.46	73.46	Ownership of oil palm plantations
PT Jake Sarana (PT JS) 3	Indonesia	73.46	73.46	Ownership of oil palm plantations
PT Pelangi Inti Pertiwi (PT PIP) 3	Indonesia	73.31	73.31	Ownership of oil palm plantations
PT Mentari Pertiwi Makmur (PT MPM) 7	Indonesia	58.53	58.53	Investment holding
PT Citranusa Intisawit (PT CNIS) 3	Indonesia	73.46	73.46	Ownership of oil palm plantations and mill
Held by IndoInternational Green Energy Resources Pte. Ltd.				
PT Mentari Subur Abadi (PT MSA) 3, **	Indonesia	1.41	1.54	Investment and ownership of oil palm plantations and mill
PT Mega Citra Perdana (PT MCP) 4	Indonesia	22.25	22.25	Investment holding
PT Swadaya Bhakti Negaramas (PT SBN) 3, **	Indonesia	0.26	0.88	Ownership of oil palm plantations
PT Lajuperdana Indah (PT LPI) 2	Indonesia	22.72	22.72	Ownership of sugar cane plantations and sugar mills/refineries

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(a) *Composition of the Group (cont'd)*

Name of subsidiaries	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Held by PT Indoagri Inti Plantation				
PT Gunung Mas Raya (PT GMR) [2]	Indonesia	72.00	72.00	Ownership of oil palm plantations and mill
PT Indriplant (PT IP) [2]	Indonesia	72.00	72.00	Ownership of oil palm plantations and mill
PT Serikat Putra (PT SP) [2]	Indonesia	72.00	72.00	Ownership of oil palm plantations and mill
PT Cibaliung Tunggal Plantations (PT CTP) [2]	Indonesia	72.00	72.00	Ownership of oil palm plantations
Held by PT Serikat Putra				
PT Intimegah Bestari Pertiwi (PT IBP) [2]	Indonesia	72.00	72.00	Ownership of oil palm plantations
PT Kencana Subur Sejahtera (PT KSS) [8]	Indonesia	72.01	72.01	Macronutrients mix fertilizer industry
PT Pratama Citra Gemilang (PT PCG) [8]	Indonesia	72.01	72.01	Prefabrication industry
Held by Silveron Investments Limited				
Asian Synergies Limited (ASL) [3]	British Virgin Islands	73.46	73.46	Investment holding
Held by PT Mentari Subur Abadi				
PT Agro Subur Permai (PT ASP) [3]	Indonesia	58.77	58.77	Ownership of oil palm plantations

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(a) *Composition of the Group (cont'd)*

Name of subsidiaries	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Held by PT Mega Citra Perdana				
PT Gunta Samba (PT GS) [4]	Indonesia	44.07	44.07	Ownership of oil palm plantations and mill
PT Multi Pacific International (PT MPI) [4]	Indonesia	44.08	44.08	Ownership of oil palm plantations and mill
Held by PT PP London Sumatra Indonesia Tbk				
PT Multi Agro Kencana Prima (PT MAKP) [5]	Indonesia	43.71	43.71	Plantation, processing and trading
Lonsum Singapore Pte. Ltd. (LSP) [6]	Singapore	43.72	43.72	Trading and marketing
PT Tani Musi Persada (PT TMP) [5]	Indonesia	43.68	43.68	Ownership of oil palm plantations
PT Sumatra Agri Sejahtera (PT SAS) [5]	Indonesia	43.71	43.71	Ownership of oil palm plantations
PT Tani Andalas Sejahtera (PT TAS) [5]	Indonesia	43.71	43.71	Ownership of oil palm plantations
Agri Investment Pte. Ltd. (AIPL) [6]	Singapore	43.72	43.72	Investment holding
PT Wushan Hijau Lestari (PT WHL) [3]	Indonesia	28.41	28.41	Agriculture, forestry, fishing and trading
Held by PT Mentari Pertiwi Makmur				
PT Sumalindo Alam Lestari (PT SAL) [7]	Indonesia	58.64	58.64	Development of industrial timber plantations

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(a) *Composition of the Group (cont'd)*

Name of subsidiaries	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Held by PT Sumalindo Alam Lestari and PT Mentari Pertiwi Makmur				
PT Wana Kaltim Lestari (PT WKL) [7]	Indonesia	58.64	58.64	Development of industrial timber plantations
Held by Lonsum Singapore Pte. Ltd.				
Sumatra Bioscience Pte. Ltd. (SBPL) *	Singapore	43.72	43.72	Trading, marketing and research
Held by PT Lajuperdana Indah				
PT Madusari Lampung Indah (PT MLI) [8]	Indonesia	45.16	45.16	Ownership of sugar cane plantations
Held by PT Wushan Hijau Lestari				
PT Perusahaan Perkebunan, Perindustrian dan Perdagangan Umum Pasir Luhur (PT PL) [3]	Indonesia	28.41	28.41	Trading, agricultural, industrial and agency/ representative

* Not required to be audited in the country of incorporation.

Audited by:
1 Ernst & Young LLP, Singapore
2 Purwantono, Sungkoro & Surja, Indonesia (member firm of Ernst & Young Global)
3 Kanaka Puradiredja, Suhartono, Indonesia
4 Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan, Indonesia (member firm of Grant Thornton International)
5 Aria Kanaka, Indonesia (member firm of Parker Randall)
6 Eisner Amper PAC, Singapore
7 Anwar, Sugiharto & Rekan, Indonesia
8 Jimmy Budhi & Rekan, Indonesia
** During the year ended 31 December 2024, MSA and SBN issued total new shares of 165,200 shares and 800,000 shares to the existing shareholders respectively. The Group's total effective ownership of MSA and SBN remained unchanged post the share issuance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(b) *Interest in a subsidiary with material non-controlling interest ("NCI")*

The Group has the following subsidiary that has NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest %	Profit allocated to NCI during the year Rp million	Accumulated NCI at the end of the year Rp million	Dividends paid to NCI Rp million
31 December 2024:					
PT SIMP	Indonesia	26.54	584,421	5,318,754	107,700
31 December 2023:					
PT SIMP	Indonesia	26.54	130,786	4,489,109	146,362

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

19. Investment in subsidiary companies (cont'd)

(c) *Summarised financial information [1] about a subsidiary with material NCI*

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

	2024 Rp million	2023 Rp million
Summarised balance sheet		
Current		
Assets	13,215,424	9,878,693
Liabilities	(8,912,164)	(9,535,397)
Net current assets	4,303,260	343,296
Non-current		
Assets	24,378,636	25,552,882
Liabilities	(4,465,418)	(3,886,538)
Net non-current assets	19,913,218	21,666,344
Net assets	24,216,478	22,009,640

Summarised statement of comprehensive income

	2024 Rp million	2023 Rp million
Revenue	15,967,804	16,002,643
Profit before income tax	2,912,110	1,398,573
Income tax expense	(788,132)	(544,129)
Profit after tax	2,123,978	854,444
Other comprehensive income	(7,467)	5,747
Total comprehensive income	2,116,511	860,191

Other summarised information

Net cash flows from operations	2,031,093	3,556,327

[1] The financial information is based on consolidated financial statements of PT SIMP and its subsidiaries prepared in accordance with International Financial Reporting Standards ("IFRS"). The list of subsidiaries held under PT SIMP is disclosed in Note 19(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Investment in associate companies

The Group's investments in associate companies are summarised below:

	Group 2024 Rp million	Group 2023 Rp million
Associate companies which are strategic to the Group activities		
FP Natural Resources Limited ("FPNRL")	–	–
Asian Assets Management Pte Ltd ("AAM")	752,266	748,290
PT Aston Inti Makmur ("AIM")	359,613	355,608
PT Prima Sarana Mustika ("PT PSM")	45,926	40,640
PT Indoagri Daitocacao ("Daitocacao")	219,918	225,318
	1,377,723	1,369,856

	Group 2024 Rp million	Group 2023 Rp million
Cost of investment, at cost	1,940,736	1,940,736
Cumulative share of results and other comprehensive income	(672,630)	(680,497)
Foreign currency translation	96,696	96,696
Gain from deemed disposal	12,921	12,921
Carrying value of investment	1,377,723	1,369,856

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Investment in associate companies (cont'd)

Name of associates	Country of incorporation	Effective percentage of equity held % 2024	2023	Principal activities
Held by the Company				
FPNRL [(i)]	British Virgin Islands	30.00	30.00	Investment holdings
Held by Lonsum				
AAM [(ii)]	Singapore	10.92*	10.92*	Investment holdings
AIM [(iii)]	Indonesia	10.92*	10.92*	Ownership and building management
Held by PT SIMP				
PT PSM [(iv)]	Indonesia	29.38	29.38	Construction services, rental of heavy equipment and trading of agriculture equipment
Daitocacao [(v)]	Indonesia	36.00	36.00	Manufacture and marketing of chocolate for commercial distribution or wholesale to manufacturing companies

* The Group held less than 20% effective shareholdings in certain associates but owned, directly and indirectly, more than 20% shareholdings in these associates.

(i) Audited by Ernst & Young (HK) (member firm of Ernst & Young Global)
(ii) Audited by Pinebridge LLP, Singapore
(iii) Audited by Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan, Indonesia (member firm of Crowe Global)
(iv) Audited by Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan, Indonesia (member firm of Grant Thornton International)
(v) Audited by Purwantono, Sungkoro & Surja, Indonesia (member firm of Ernst & Young Global)

The Group has not recognised its' share of losses in FPNRL amounting to Rp42.0 billion (2023: Rp100.9 billion) for the year ended 31 December 2024 as the Group's cumulative share of losses in FPNRL exceeds the Group's interest in its associate, resulting in the investment being carried at zero value in the consolidated financial statements. The Group's cumulative share of unrecognised losses as at the end of the reporting period was Rp142.9 billion (2023: Rp100.9 billion). The Group has not incurred obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Investment in associate companies (cont'd)

The summarised financial information in respect of AAM, AIM and Daitocacao, based on its respective local financial reporting standards which closely aligned with SFRS(I) and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	AAM		AIM		Daitocacao	
	2024	2023	2024	2023	2024	2023
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Current assets	607,816	116,480	589,397	98,431	150,109	196,256
Non-current assets	4,507,901	4,520,059	3,783,976	3,782,368	340,214	345,697
Total assets	5,115,717	4,636,539	4,373,373	3,880,799	490,323	541,953
Current liabilities	7,563	10,465	7,390	10,229	34,415	54,108
Non-current liabilities	659,360	208,748	641,807	188,166	7,181	27,977
Total liabilities	666,923	219,213	649,197	198,395	41,596	82,085
Net assets	4,448,794	4,417,326	3,724,176	3,682,404	448,727	459,868
Proportion of the Group's ownership	24.98%	24.98%	24.99%	24.99%	49.00%	49.00%
Group's share of net assets	739,345	735,369	359,613	355,608	219,918	225,318
Deemed disposal gain	12,921	12,921	–	–	–	–
Carrying amount of investment	752,266	748,290	359,613	355,608	219,918	225,318

Summarised statement of comprehensive income

	AAM		AIM		Daitocacao	
	2024	2023	2024	2023	2024	2023
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Revenue	–	–	–	–	191,275	186,338
Profit/(loss) after tax	15,924	9,635	41,773	31,984	(10,694)	(17,057)
Other comprehensive income for the year	–	–	–	–	(161)	100

The aggregate information of the Group's investment in associate companies, FPNRL and PT PSM, that are not individually material are as follows:

	Group	
	2024	2023
	Rp million	Rp million
Share of profit/(loss) after tax and other comprehensive income for the year	5,315	(112,039)

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For the financial year ended 31 December 2024

21. Investment in joint ventures

The Group's investment in joint ventures are summarised below:

	Group 2024 Rp million	Group 2023 Rp million
Joint ventures which are strategic to the Group activities		
Companhia Mineira de Açúcar e Álcool Participações ("CMAA")	886,916	1,068,960
Bússola Empreendimentos e Participações S.A ("Bússola")	10,413	103,587
	897,329	1,172,547

	Group 2024 Rp million	Group 2023 Rp million
Cost of investment (including acquisition related costs)	1,102,748	1,102,748
Cumulative share of results and other comprehensive income	611,617	604,370
Loss on deemed disposal	(87,049)	(87,049)
Foreign currency translation	(387,560)	(197,329)
Dividend payment	(342,427)	(250,193)
Carrying value of investment	897,329	1,172,547

Name of joint ventures	Country of incorporation	Effective percentage of equity held % 2024	Effective percentage of equity held % 2023	Principal activities
Held by IFAR Brazil Pte Ltd				
CMAA	Brazil	36.21	36.21	Ownership of sugar cane plantations and sugar and ethanol factories
Bússola	Brazil	36.21	36.21	Real estate

Both CMAA and Bússola are audited by Ernst & Young Brazil (Goiânia Office) (member firm of Ernst & Young Global).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. Investment in joint ventures (cont'd)

Summarised financial information in respect of CMAA and Bússola based on its respective local financial reporting standards which are closely aligned with SFRS(I), and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Group			
	2024		2023	
	CMAA Rp million	Bússola Rp million	CMAA Rp million	Bússola Rp million
Cash and cash equivalents	2,506,316	110,638	1,781,758	3,300
Other current assets	3,151,277	5,975	4,113,868	1,768
Current assets	5,657,593	116,613	5,895,626	5,068
Non-current assets	9,860,648	974,975	10,074,716	1,080,480
Total assets	15,518,241	1,091,588	15,970,342	1,085,548
Current liabilities	(3,683,156)	(72,591)	(3,812,772)	(80,131)
Non-current liabilities	(9,823,577)	(994,776)	(9,722,543)	(724,880)
Total liabilities	(13,506,733)	(1,067,367)	(13,535,315)	(805,011)
Net assets	2,011,508	24,221	2,435,027	280,537
Proportion of the Group's ownership	36.21%	36.21%	36.21%	36.21%
Group's share of net assets	728,367	8,770	881,723	101,582
Acquisition costs capitalised	52,405	–	52,405	–
Goodwill on acquisition	298,336	–	298,336	–
Loss on deemed disposal	(87,049)	–	(87,049)	–
Dividend payment	(342,427)	–	(250,193)	–
Foreign currency translation	237,284	1,643	173,738	2,005
Carrying value of investment	886,916	10,413	1,068,960	103,587

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. Investment in joint ventures (cont'd)

Summarised statement of comprehensive income

	Group			
	2024		2023	
	CMAA	Bússola	CMAA	Bússola
	Rp million	Rp million	Rp million	Rp million
Revenue	8,618,136	105,337	7,456,627	114,156
Depreciation and amortisation	(2,344,866)	(250)	(2,211,941)	(15)
Interest income	370,704	13,503	461,901	318
Interest expense	(1,595,617)	(149,202)	(1,369,456)	(118,953)
Other operating expenses	(4,420,748)	(212,702)	(3,903,337)	13,578
Profit/(loss) before tax	627,609	(243,314)	433,794	9,084
Income tax (expense)/benefit	(273,907)	10,082	(49,649)	–
Profit/(loss) after tax	353,702	(233,232)	384,145	9,084
Other comprehensive income	(99,455)	–	280,172	–
Total comprehensive income	254,247	(233,232)	664,317	9,084

22. Other non-current assets

	Group		Company	
	2024	2023	2024	2023
	Rp million	Rp million	Rp million	Rp million
Non-current:				
Non-financial assets				
Advances	552,972	320,591	–	–
Prepayments	2,742	3,152	–	–
Others	39,058	43,217	–	–
Total advances and prepayments	594,772	366,960	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. Other non-current assets (cont'd)

		Group		Company	
	Note	2024 Rp million	2023 Rp million	2024 Rp million	2023 Rp million
Financial assets					
Amount due from a subsidiary		–	–	195,000	316,000
Loans to employees		3,375	3,476	–	–
Plasma receivables	32(a)	660,908	911,270	–	–
Deposits		27,997	26,715	16	15
Total other non-current receivables		692,280	941,461	195,016	316,015
Total other non-current assets		1,287,052	1,308,421	195,016	316,015

Amount due from a subsidiary

The Company has extended a credit facility of Rp195 billion to a subsidiary. The amount of Rp134 billion is repayable in November 2026, while the remaining balance of Rp61 billion is repayable in July 2028. These facilities are non-trade related, unsecured and bears interest at long-term commercial lending rates. The amounts due from this subsidiary is to be settled in cash on the respective due dates.

Loans to employees

The Group provides non-interest bearing loans to officers and employees subject to certain terms and criteria. Such loans, which are being collected through monthly salary deductions over five years from the date of the loan, are carried at amortised cost using effective interest method, with discount rate of 7.00% to 8.24% (2023: 6.40% to 8.34%) per annum.

Advances and deposits

Advances and deposits mainly relate to utility and rental deposits, advance payments for land and payments made to suppliers and contractors in relation to the purchases of capital equipment and services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. Inventories

	Group 2024 Rp million	Group 2023 Rp million
Balance sheet:		
Raw materials	1,964,823	1,049,297
Finished goods	1,575,610	871,293
Spare parts and factory supplies	452,362	550,588
Total inventories at the lower of cost and net realisable value	3,992,795	2,471,178

Included in the above inventories balance is the allowance for decline in market value and obsolescence of inventories with the following movement:

	Group 2024 Rp million	Group 2023 Rp million
Balance at 1 January	105,865	178,937
Allowance charge for the year	51,907	60,117
Reversal of allowance	(61,596)	(133,189)
Write-off	(8,820)	–
At 31 December	87,356	105,865

Allowance for decline in market value of inventories and obsolescence of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted as additional information are received at the reporting date.

	Note	Group 2024 Rp million	Group 2023 Rp million
Consolidated statement of comprehensive income:			
Inventories recognised as an expense in cost of sales, net	5	11,202,970	12,721,023
Inclusive of the following charges:			
- Allowance for decline in market value and obsolescence of inventories		51,907	60,117
- Reversal of decline in market value and obsolescence of inventories		(61,596)	(133,189)
	5	(9,689)	(73,072)

As at 31 December 2024, inventories are covered by insurance against losses from fire and other risks under a certain policy package with total coverage of Rp1,990.6 billion (2023: Rp1,927.1 billion), which in management's opinion, is adequate to cover possible losses that may arise from such risks.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

24. Receivables

		Group		Company	
	Note	2024 Rp million	2023 Rp million	2024 Rp million	2023 Rp million
Current:					
Financial assets					
Trade receivables					
Third parties		642,559	404,152	–	–
Related parties		499,098	345,987	–	–
Other receivables					
Plasma receivables	32(a)	2,869	3,025	–	–
Loans to employees		4,447	3,771	–	–
Subsidiary companies		–	–	4,967	9,235
Related parties		1,297	368	–	–
Third parties		5,760	28,617	–	–
Others		66,504	72,445	333	318
Total trade and other receivables		1,222,534	858,365	5,300	9,553
Non-financial assets					
Advances and prepayments					
Advances to suppliers		707,201	363,292	–	–
Prepayments		21,675	20,344	882	696
Total advances and prepayments		728,876	383,636	882	696
Total receivables		1,951,410	1,242,001	6,182	10,249

Trade receivables are unsecured, non-interest bearing and are generally on 1 to 35 days' terms. All trade receivables will be settled in cash. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group's trade receivables relate to a large number of diversified customers, and there is no concentration of credit risk.

Other receivables from third parties mainly consist of interest receivables from time deposits and current portion of loans to employees, plasma receivables and royalty receivables from land usage. They are non-interest bearing and unsecured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. Receivables (cont'd)

Other receivables from related parties and receivables from subsidiary companies are unsecured, interest-free and are generally settled within the next 12 months in cash.

The Group and Company's receivables denominated in foreign currencies are as follows:

	Group		Company	
	2024	2023	2024	2023
	Rp million	Rp million	Rp million	Rp million
US Dollars	150,186	22,470	–	–
Singapore Dollars	1,067	808	1,067	808

Receivables that are past due but not impaired

The Group has the following trade receivables that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period are as follows:

	Group	
	2024	2023
	Rp million	Rp million
Past due but not impaired:		
1 - 30 days	128,529	168,914
31 - 60 days	20,793	8,917
61 - 90 days	3,330	6,018
More than 90 days	18,187	39,168
	170,839	223,017

Receivables that are impaired

The Group's trade receivables that are collectively impaired at the balance sheet date and the movement of the allowance account used to record the impairment are as follows:

	Group	
	2024	2023
	Rp million	Rp million
As at 1 January	53	175
Allowance/(write-back) for the year	391	(122)
As at 31 December	444	53

Expected Credit Loss

The Group had assessed that the expected credit loss allowance for trade and other receivables (except plasma receivables) is not significant and accordingly no allowance was made. Information regarding the allowance for the plasma receivables is disclosed in Note 32(a).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

24. Receivables (cont'd)

Advances to suppliers

Advances to suppliers represent advance payments made to suppliers and contractors in relation to the following purchases:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Raw materials	480,266	303,291
Factory supplies, spare parts and others	226,935	60,001
	707,201	363,292

Advances to suppliers are unsecured, interest-free and obligations of the suppliers are expected to be fulfilled within the next 12 months.

25. Cash and cash equivalents

	Group		Company	
	2024	**2023**	**2024**	**2023**
	Rp million	**Rp million**	**Rp million**	**Rp million**
Cash at bank and in hand	697,402	1,446,916	14,895	7,562
Short term deposits	5,248,098	3,778,614	75,118	48,238
Cash and cash equivalents	5,945,500	5,225,530	90,013	55,800

Cash and cash equivalents denominated in foreign currencies are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	Rp million	**Rp million**	**Rp million**	**Rp million**
US Dollars	1,697,414	1,359,798	81,759	40,313
Singapore Dollars	7,973	4,431	6,688	3,238

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods ranging from one day to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short-term deposits denominated in US dollars and Rupiah earned interest at annual rates between 4.15% to 5.75% (2023: 1.75% to 5.75%) and 3.50% to 6.50% (2023: 3.75% to 6.00%), respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. Payables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	Rp million	**Rp million**	**Rp million**	**Rp million**
Current:				
Financial liabilities				
Trade payables				
Third parties	816,101	760,242	–	–
Related parties	61,198	69,553	–	–
Other payables and accruals				
Third parties	335,710	319,972	507	419
Due to penultimate holding company	107,478	102,136	–	–
Related parties	34,729	21,841	–	–
Accrued expenses	714,673	764,189	14,598	14,703
Total trade and other payables and accruals	2,069,889	2,037,933	15,105	15,122
Non-financial liabilities				
Contract liabilities				
Third parties	214,161	205,658	–	–
Related parties	4,234	4,234	–	–
Other payables and provision				
Taxes payable	132,955	118,100	–	–
Provision for penalty	40,887	40,887	–	–
Total advances, other payables and provision	392,237	368,879	–	–
Total payables, accruals and provision	2,462,126	2,406,812	15,105	15,122

Trade payables are normally settled on 1 to 60 days credit payment terms. These amounts are unsecured and will be settled in cash. The carrying amounts of the Group's trade payables, other payables and accruals approximate their fair values.

Other payables to penultimate holding company and other payables to related parties are unsecured, repayable on demand and non-interest bearing. These amounts will be settled in cash.

Accrued expenses are mainly for employees' salaries and benefits, interest charges, purchases of FFB and transportation fees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. Payables (cont'd)

Provision for penalty represents estimated settlement to be made to the Commission for the Supervision of Business Competition ("KPPU") in Indonesia, for the violation of prohibition of monopoly of practices and unfair business competition practises in Indonesia. The necessary objection papers have been filed in the Central Jakarta District Court, Indonesia and the Group is pending the Court's decision as of the date of this report.

The provision for penalty is presented as part of "Other Operating Expenses" accounts in the consolidated statement of comprehensive income as disclosed in Note 7.

The movement in provision for penalty is as follows:

		Group	
	Note	**2024**	**2023**
		Rp million	**Rp million**
Balance at 1 January		40,887	–
Charge during the year	7	–	40,887
Balance at 31 December		40,887	40,887

The Group and Company's payables denominated in foreign currencies are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	Rp million	**Rp million**	**Rp million**	**Rp million**
US Dollars	10,023	7,054	–	–
Euro	6,297	6,251	–	–
Singapore Dollars	16,003	15,391	14,682	14,251
Others	4	1,598	–	–

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

27. Interest-bearing loans and borrowings

Current loans and borrowings

Description of credit facilities	End of availability period	Amount 2024 Rp million	2023 Rp million
Rupiah			
Subsidiaries			
Unsecured facility from PT Bank Mandiri (Persero) Tbk	June 2025	2,250,000	1,748,000
Unsecured facility from PT Bank Central Asia Tbk	June 2025	220,000	–
Unsecured facility from PT Bank DBS Indonesia	September 2025	300,000	600,000
Unsecured facility from PT Bank SMBC Indonesia Tbk	November 2025	1,153,000	1,435,000
Secured facilities from PT Bank Central Asia Tbk[1]	June 2025	551,000	466,000
Secured facility from PT Bank DBS Indonesia[1]	September 2025	689,942	700,000
Secured facility from PT Bank SMBC Indonesia Tbk[1]	November 2025	680,000	700,000
Sub-total		5,843,942	5,649,000
Add: current portion of long-term loans		237,406	1,294,245
Total		6,081,348	6,943,245

(1) Secured by corporate guarantee from PT SIMP in proportion to its equity ownerships in the subsidiaries.

The Group has unconditional rights to rollover and/or refinance the short-term loans as and when they fall due. The purpose of the short-term loans and borrowings are for working capital requirements.

Effective interest rates

The short-term loans denominated in Rupiah bear yearly interest rates ranging from 5.65% to 8.00% (2023: 5.45% to 8.00%) for the year ended 31 December 2024.

Covenants

The above-mentioned credit agreements obtained by the subsidiaries are subject to several negative covenants, which include among others, grant or obtain new loans without prior consent except to subsidiary companies; limit the ability as guarantor or pledge their assets to other parties except to subsidiary companies; merge or consolidate with other entity; sell or dispose-off assets and make new investments in excess of certain thresholds.

Certain subsidiaries are also required to maintain certain financial ratios.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

27. Interest-bearing loans and borrowings (cont'd)

Current loans and borrowings (cont'd)

<u>*Compliance with loan covenants*</u>

As at 31 December 2024 and 2023, the Group has complied with all of the covenants of the above-mentioned short-term loans as stipulated in the respective loan agreements.

Non-current loans and borrowings

Description of credit facilities	Schedule of instalment and maturities	Amount 2024 Rp million	Amount 2023 Rp million
Rupiah			
Subsidiaries			
Unsecured facility from PT CIMB Niaga Tbk	March 2026	250,000	–
Unsecured facility from PT Bank Maybank Indonesia Tbk	March 2026	–	450,000
Unsecured facility from PT Bank Permata Tbk	September 2026	–	280,000
Unsecured facility from PT Bank Negara Indonesia (Persero) Tbk	December 2026	1,000,000	500,000
Secured facilities from PT Bank Permata Tbk[1]	September 2026	150,000	–
Secured facilities from PT Bank Central Asia Tbk[1]	Quarterly until August 2028	530,722	920,849
Sub-total		1,930,722	2,150,849
Less: deferred charges on bank loan		(3,418)	(3,797)
Less: current portion		(237,406)	(1,294,245)
Net total		1,689,898	852,807

[1] Secured by corporate guarantee from PT SIMP in proportion to its equity ownerships in the subsidiaries.

The purpose of long-term loans and borrowings are for investments and working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

27. Interest-bearing loans and borrowings (cont'd)

Non-current loans and borrowings (cont'd)

Effective interest rates

The long-term loans denominated in Rupiah bear yearly interest rates ranging from 5.85% to 8.00% (2023: 5.60% to 8.00%) for the year ended 31 December 2024.

Covenants

The above-mentioned credit agreements obtained by the Group are subject to several negative covenants, which include among others, limit the ability as a guarantor or pledge their assets to other parties except to subsidiary companies; change the current course of their businesses and shareholders except public shareholders; reduce their share capital; grant or obtain new loans which would affect their ability to perform their obligations under the related credit agreements; merge or consolidate with other entity; make new investments and capital expenditures in excess of certain threshold; sell or dispose-off significant portion of their assets used in the operations in excess of certain thresholds.

Certain subsidiaries are also required to maintain certain financial ratios.

Compliance with loan covenants

As at 31 December 2024 and 2023, the Group has complied with all of the covenants of the above-mentioned long-term loans as stipulated in the respective loan agreements.

A reconciliation of liabilities arising from financing activities are as follows:

			Non-cash changes		
	31 December 2023 Rp million	**Cash flows Rp million**	**Amortisation of deferred charges Rp million**	**Other Rp million**	**31 December 2024 Rp million**
Current:					
Interest-bearing loans and borrowings	6,943,245	194,942	–	(1,056,839)	6,081,348
Non-current:					
Interest-bearing loans and borrowings	852,807	(220,127)	379	1,056,839	1,689,898
Total	7,796,052	(25,185)	379	–	7,771,246

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For the financial year ended 31 December 2024

27. Interest-bearing loans and borrowings (cont'd)

	31 December 2022 Rp million	Cash flows Rp million	Non-cash changes Foreign exchange movement Rp million	Non-cash changes Amortisation of deferred charges Rp million	Non-cash changes Other Rp million	31 December 2023 Rp million
Current:						
Interest-bearing loans and borrowings	6,912,271	(221,000)	–	–	251,974	6,943,245
Non-current:						
Interest-bearing loans and borrowings	2,232,058	(1,106,863)	(28,805)	8,391	(251,974)	852,807
Total	9,144,329	(1,327,863)	(28,805)	8,391	–	7,796,052

The "Other" column relates to reclassification of non-current portion to current.

28. Other non-current payables

	Group 2024 Rp million	Group 2023 Rp million
Non-current:		
Financial liabilities		
Due to related parties	434,143	630,713
Non-financial liabilities		
Provision for assets dismantling costs	42,552	38,327
Total other non-current payables	476,695	669,040

The amounts due to related parties represents loans provided to the subsidiaries by their non-controlling shareholders, which are interest bearing, unsecured and not expected to be repaid within 3 years.

Provision for assets dismantling costs represents estimated liabilities for the costs to dismantle, remove and restore the sites of refinery, fractionation and margarine plants located in Jakarta and Surabaya, Indonesia. Loss arising from changes in estimates of provision for asset dismantling costs are presented as part of "Other Operating Expenses" accounts in the consolidated statement of comprehensive income as disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. Other non-current payables (cont'd)

The movement in provision for assets dismantling costs are:

	Note	Group 2024 Rp million	Group 2023 Rp million
Balance at 1 January		38,327	37,058
Changes in present value due to the passage of time and discount rates	7	4,225	1,269
Balance at 31 December		42,552	38,327

29. Employee benefits

Certain subsidiaries of the Group have defined benefit retirement plans covering substantially all of their qualified permanent employees.

The Group's contributions to the funds are computed at 10.0% and 7.0% of the basic pensionable income for staff and non-staff employees, respectively.

On top of the benefits provided under the above-mentioned defined benefit retirement plans, the Group has 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 in Indonesia. The amounts of such additional provisions were determined based on actuarial computations prepared by an independent actuary firm using the "Projected Unit Credit" method.

	Note	Group 2024 Rp million	Group 2023 Rp million
Employee salaries and benefits (including directors):			
Wages and salaries		3,155,721	3,226,713
Provision for employee benefits		180,577	(169,741)
Contribution to defined contribution pension plan		15,506	15,590
Training and education		74,455	68,279
	8	3,426,259	3,140,841

As at 31 December 2024, the balance of the related actuarial liability for employee benefits is presented as "Employee benefits liabilities" in the consolidated balance sheet.

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For the financial year ended 31 December 2024

29. Employee benefits (cont'd)

Changes in the employee benefit obligations are as follows:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Benefit obligation at 1 January	1,254,740	1,529,961
Benefits paid	(114,021)	(98,362)
Changes charged to profit or loss		
Current service cost	100,567	104,050
Past service cost	–	(380,423)
Interest cost on benefit obligations	80,095	105,417
Net actuarial (gain)/loss recognised during the year	(85)	1,215
Sub-total	180,577	(169,741)
Re-measurement loss/(gain) in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	2,196	22,444
Experience adjustments	7,137	(29,562)
Sub-total	9,333	(7,118)
Benefit obligation at 31 December	1,330,629	1,254,740

The principal assumptions used in determining post-employment obligations for the Group's plan are as follows:

Annual discount rate	:	6.7% - 7.1% (2023: 6.2% - 7.1%)
Future annual salary increase	:	4.5% (2023: 4.0%)
Annual employee turnover rate	:	6.0% (2023: 6.0%) for employees under the age of 30 years and linearly decrease until 0% at the age of 53 years and 55 years
Annual disability rate	:	10% from mortality rate
Retirement age	:	55 and 57 years old
Mortality rate reference	:	Indonesian Mortality Table ("IMT") IV

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For the financial year ended 31 December 2024

29. Employee benefits (cont'd)

Sensitivity analysis to the principal assumptions used in determining employee benefits obligations are as follows:

	Quantitative sensitivity analysis	
Assumptions	**Increase/(decrease)**	**(Decrease)/increase in the net employee benefits liabilities Rp million**
31 December 2024		
Annual discount rate	100/(100) basis points	(Rp78,388)/Rp89,104
Annual salary increase	100/(100) basis points	Rp94,599/(Rp84,187)
31 December 2023		
Annual discount rate	100/(100) basis points	(Rp72,522)/Rp88,331
Annual salary increase	100/(100) basis points	Rp93,786/(Rp78,266)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on employee benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, with all the other assumptions kept constant.

The following payments are expected contributions to the employee benefit plan obligation in future years:

	Group	
	2024 Rp million	**2023 Rp million**
Within the next 12 months	146,693	120,535
Between 1 and 2 years	133,408	125,304
Between 2 and 5 years	434,858	420,087
Beyond 5 years	6,427,906	5,642,816
Total expected payments	7,142,865	6,308,742

The average duration of the employee benefit plan obligation at the end of the reporting period is 10.8 years (2023: 10.9 years).

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For the financial year ended 31 December 2024

30. Share capital and treasury shares

(a) *Share capital*

	Group			
	2024		2023	
	No. of shares	Rp million	No. of shares	Rp million
Balance as at 1 January/ 31 December	1,447,782,830	3,584,279	1,447,782,830	3,584,279

	Company			
	2024		2023	
	No. of shares	Rp million	No. of shares	Rp million
Balance as at 1 January/ 31 December	1,447,782,830	10,912,411	1,447,782,830	10,912,411

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction. The ordinary share has no par value.

(b) *Treasury shares*

	Group and Company			
	2024		2023	
	No. of shares	Rp million	No. of shares	Rp million
Balance as at 1 January/ 31 December	51,878,300	390,166	51,878,300	390,166

Treasury shares relate to ordinary shares of the Company that is held by the Company.

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For the financial year ended 31 December 2024

31. Reserves

(a) *Revenue reserves*

	Company 2024 Rp million	Company 2023 Rp million
Retained earnings:		
Balance at 1 January	358,919	611,310
Profit/(loss) for the year	76,753	(128,830)
Dividends	(132,838)	(123,561)
Balance at 31 December	302,834	358,919

(b) *Other reserves*

	Company 2024 Rp million	Company 2023 Rp million
Balance at 1 January and 31 December	144,152	144,152

Other reserves of the Company pertain to the gain on sale of treasury shares in the previous financial year.

Other reserves of the Group comprise capital reserves of subsidiary companies, gain on sale of treasury shares, re-measurement of employee benefits liabilities and foreign currency translation differences. Movement in the reserves of the Group are shown in the consolidated statement of changes in equity.

(c) *Dividends*

	Company 2024 Rp million	Company 2023 Rp million
Declared and paid during year:		
Dividends on ordinary shares:		
- Final tax exempt (one-tier) dividend: S$0.008 (2023: S$0.008) per share	132,838	123,561
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the forthcoming AGM:		
- Final tax exempt (one-tier) dividend for 2024: S$0.010 (2023: S$0.008) per share	166,383	130,787

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For the financial year ended 31 December 2024

32. Commitments and contingencies

(a) *Plasma receivables*

The Indonesian government requires oil palm plantation companies to develop new plantations together with the local small landholders. This form of assistance to local small landholders is generally known as the "Plasma Scheme". Once developed, the plasma plantations are transferred to the small landholders who then operate the plasma plantations under the supervision of the developer. In line with this requirement, certain subsidiary companies of the Group have commitments to develop plantations under the Plasma Scheme. The funding for the development of the plantations under the Plasma Scheme is provided by the designated banks and/or by the subsidiary companies. This includes the subsidiary companies providing corporate guarantees for the loans advanced by the banks.

When the plasma plantations start to mature, the plasma farmers are obliged to sell all their harvests to the subsidiary companies and a portion of the resulting proceeds will be used to repay the loans from the banks or the subsidiary companies. In situations where the sales proceeds are insufficient to meet the repayment obligations to the banks, the subsidiary companies also provide temporary funding to the plasma farmers to develop the plasma plantations and to repay the instalment and interest payments to the banks. The plasma farmers will repay the temporary funding to the subsidiary companies once the plantations have positive cash flows.

The loans advanced by the banks under the Plasma Scheme are secured by the sales proceeds of FFB of the respective plasma plantations and corporate guarantees from certain subsidiary companies for a maximum amount of Rp430.7 billion (2023: Rp375.6 billion) as at 31 December 2024.

The Group recorded an allowance for uncollectible and adjustments of EIR amortisation of plasma receivables in its consolidated balance sheet amounting to Rp655.2 billion (2023: Rp1,474.2 billion). Plasma receivables allowance of Rp1,084.1 billion (2023: Rp0.07 billion) were written off during the financial year as management assessed that there is no reasonable expectation of recovering the cash flows based on the best available facts and circumstances as at the reporting date. Based on a review of the plasma receivables of each project as at 31 December 2024, management believes that the above-mentioned allowance for uncollectible plasma receivables is sufficient to cover possible losses arising from the uncollectible plasma receivables.

An analysis of the movement in allowance for uncollectible and adjustments of EIR amortisation of plasma receivables are as follows:

	Group	
	2024	**2023**
	Rp million	**Rp million**
At 1 January	1,474,190	1,358,003
Allowance charge for the year	264,453	52,757
Adjustments of EIR amortisation	677	63,499
Write-off	(1,084,149)	(69)
At 31 December	655,171	1,474,190

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Commitments and contingencies (cont'd)

(a) *Plasma receivables (cont'd)*

The accumulated development costs net of funds received are presented as Plasma receivables in the consolidated balance sheet and in the Plantations segment. An analysis of the movement in the plasma receivables are as follows:

		Group	
	Note	**2024** **Rp million**	**2023** **Rp million**
Balance at 1 January		914,295	946,392
Allowance and adjustments of EIR amortisation	7	(265,130)	(116,256)
(Decrease)/increase in net investment		(15,762)	84,129
Reclassification		30,374	30
Balance at 31 December	22,24	663,777	914,295

(b) *Sales commitments*

As at 31 December 2024, the Group has sales commitments to deliver the following products to local and overseas customers within one month after the reporting date:

	Unit of measurement	**2024**	**2023**
Palm products, rubber, tea, cocoa	Tonnes	12,871	9,846
Oil palm seeds	Unit	65,860	197,108
Seedlings	Unit	–	3,330

(c) *Commitments for capital expenditures*

As at 31 December 2024, capital expenditure contracted for but not recognised in the financial statements relating to the purchase of property, plant and equipment as well as development of plantations amounted to Rp555.8 billion (2023: Rp350.0 billion).

(d) *Contingent liabilities*

As at 31 December 2024, there are no probable claims against the Group that may cause material impact to the Group.

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For the financial year ended 31 December 2024

33. Related party transactions

In addition to those related party information disclosed elsewhere in the relevant notes to the consolidated financial information, the following transactions between the Group and the related parties took place at terms agreed between the parties during the financial year:

Nature of transactions	Year	A shareholder of the Group Rp million	Related companies [1] Rp million	Other related parties [2] Rp million
Sales of goods	2024	128	5,172,086	2,702,728
	2023	5	4,677,458	1,832,090
Purchases of packaging materials	2024	–	143,584	–
	2023	–	129,982	–
Purchases of services, transportation equipment and spare parts	2024	–	3,381	162,770
	2023	–	3,210	105,147
Royalty fee expenses	2024	7,896	–	–
	2023	7,086	–	–
Pump services expenses	2024	–	–	8,606
	2023	–	–	9,782
Rental expenses	2024	–	41,317	6,740
	2023	–	41,655	7,566
Insurance expenses	2024	–	–	22,440
	2023	–	–	19,371
Other operating income	2024	–	7,368	–
	2023	–	5,833	–
Financial income	2024	–	–	55,804
	2023	–	–	50,968
Financial expenses	2024	–	–	34,412
	2023	–	–	35,155

(1) Transactions with entities under common control.
(2) Transactions with members of Salim Group and its associates.

Compensation of key management personnel of the Group

	2024 Rp million	2023 Rp million
Salaries and short-term employee benefits	176,203	205,014
Post-employment and termination benefits	14,882	24,157
Total compensation paid to the key management personnel	191,085	229,171

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group measures non-financial assets, such as biological assets, at fair value at each reporting date.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table provides the fair value hierarchy of the Group's assets and liabilities in accordance with the level of inputs to valuation techniques used to measure fair value:

	Quoted prices in active markets for identical assets (Level 1) Rp million	Significant other observable inputs (Level 2) Rp million	Significant unobservable inputs (Level 3) Rp million
Recurring fair value measurements			
As at 31 December 2024			
Biological assets-timber plantations (Note 13)	–	–	315,766
Biological assets-agricultural produce (Note 13)	–	598,720	533,395
As at 31 December 2023			
Biological assets-timber plantations (Note 13)	–	–	322,454
Biological assets-agricultural produce (Note 13)	–	268,554	495,862

There were no transfers between Level 1 and Level 2, and into or out from Level 3 during the year.

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For the financial year ended 31 December 2024

34. Fair value of assets and liabilities (cont'd)

(a) *Fair value hierarchy (cont'd)*

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) *Valuation policy*

The Group's financial reporting team in charge of valuation ("Valuation Team") determines the policies and procedures for recurring fair value measurement, such as biological assets and recoverable amounts of CGUs (for goodwill impairment test purpose).

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided annually by the Valuation Team after discussion with and approval by the Group's executive directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Valuation Team decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(c) *Financial instruments carried at fair value or amortised cost*

Plasma receivables and long-term loans to employees are carried at amortised cost using the effective interest method and the discount rates used are the current market incremental lending rate for similar types of lending. The effective yearly interest rates were ranging from 7.00% to 8.24% (2023: 6.40% to 8.34%) for the year ended 31 December 2024.

The carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables and accruals, short-term bank loans and borrowings, and lease liabilities are the approximations of their fair values because they are mostly short-term in nature.

The carrying amounts of long-term loans and borrowings and due to related parties with floating interest rates are the approximations of their fair values as they are re-priced frequently.

NOTES TO THE FINANCIAL STATEMENTS

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35. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, market risk (including foreign currency risk and commodity price risk), credit risk and liquidity risk. The Audit & Risk Management Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in financial instruments shall be undertaken.

The following sections provide details regarding the Group and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk mainly arises from loans and borrowings for working capital and investment purposes. There are no loans and borrowings of the Group at fixed interest rates.

Currently, the Group does not have a formal hedging policy for interest rate exposures.

Sensitivity analysis for interest rate risk

Based on a sensible simulation, with all other variables held constant, sensitivity analysis on the floating interest rate of borrowings are as follows:

Variable	Increase/ (decrease)	2024 (Decrease)/increase in profit before tax Rp million	2023 (Decrease)/increase in profit before tax Rp million
Floating interest rate	50/(50) basis points	(Rp17,624)/Rp17,624	(Rp19,050)/Rp19,050

(b) *Foreign currency risk*

The Group's reporting currency is Indonesian Rupiah. The Group faces foreign exchange risk as its export sales and the costs of certain key purchases which are either denominated in the United States Dollars ("USD") or whose price is significantly influenced by their benchmark price movements in foreign currencies (mainly USD) as quoted on international markets. To the extent that the revenue and purchases of the Group are denominated in currencies other than Indonesian Rupiah, and are not evenly matched in terms of quantum and/or timing, the Group has exposure to foreign currency risk.

The Group does not have any formal hedging policy for foreign exchange exposure. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities against assets in the same currency to minimise foreign exchange exposure.

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For the financial year ended 31 December 2024

35. Financial risk management objectives and policies (cont'd)

(b) *Foreign currency risk (cont'd)*

Based on a sensible simulation, with all other variables held constant, sensitivity analysis on the change of exchange rate of Rupiah against USD are as follows:

Variable	Increase/ (decrease)	2024 Increase/(decrease) in profit before tax Rp million	2023 Increase/(decrease) in profit before tax Rp million
Exchange rate of Rupiah against US Dollar	10%/(10%)	Rp186,019/(Rp186,019)	Rp150,768/(Rp150,768)

(c) *Commodity price risk*

Commodity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to commodity price risk due to certain factors, such as weather, government policy, level of demand and supply in the market and the global economic environment. Such exposure mainly arises from its purchase of CPO where the profit margin on sale of its finished products may be affected if the cost of CPO (which is the main raw material used in the refinery plants to manufacture cooking oils and fats products) increases and the Group is unable to pass such cost increases to its customers.

During 2024 and 2023, it has been the Group's policy that no hedging in financial instruments shall be undertaken.

The Group's policy is to minimise the risks of its raw material costs arising from the fluctuations in the commodity prices by increasing self-sufficiency in CPO for the refinery operations.

(d) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group has credit risk arising from the credit granted to its customers and plasma farmers and placement of current accounts and deposits in the banks. At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated balance sheet.

Other than as disclosed below, the Group has no concentration of credit risk.

Cash and cash equivalents

Credit risk arising from placements of current accounts and deposits is managed in accordance with the Group's policy. Such limits are set to minimise the concentration of credit risk and therefore mitigate financial loss through potential failure of the banks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35. Financial risk management objectives and policies (cont'd)

(d) *Credit risk (cont'd)*

Trade receivables

The Group has policies in place to ensure that sales of products are made only to creditworthy customers with proven track record or good credit history. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. For export sales, the Group requires cash against the presentation of documents of title. For domestic sales, the Group may grant its customers credit terms from 1 to 35 days from the issuance of invoice. The Group has policies that the limit amount of credit exposure to any particular customer, such as, requiring sub-distributors to provide bank guarantees. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts.

When a customer fails to make payment within the credit terms granted, the Group will contact the customer to act on the overdue receivables. If the customer does not settle the overdue receivable within a reasonable time, the Group will proceed to commence legal proceedings. Depending on the Group's assessment, specific allowances may be made if the debt is deemed uncollectible. To mitigate credit risk, the Group will cease the supply of all products to customers in the event of late payment and/or default.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., customer type, payment terms and due date).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 22 and 24. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in dispersed locations and industries.

Plasma Receivables

As disclosed in Notes 2.9 and 32(a), plasma receivables represent costs incurred for plasma plantation development which include costs for plasma plantations funded by the banks and temporarily self-funded by the subsidiaries awaiting banks' funding.

Plasma receivables also include advances to plasma farmers for loan instalments to the banks, advances for fertilisers and other agriculture supplies. These advances shall be reimbursed by the plasma farmers and the collateral in form of titles of ownership of the plasma plantations will be handed over to the plasma farmers once the plasma receivables have been fully repaid.

The Group through partnership scheme also provides technical assistance to the plasma farmers to maintain the productivity of plasma plantations as part of the Group's strategy to strengthen relationship with plasma farmers, which is expected to improve the repayments of plasma receivables.

An impairment analysis is performed at each reporting date as disclosed in Note 3.2 to measure ECL. The Group evaluates the concentration of risk with respect to plasma receivables as low, as the cooperatives are dispersed in accordance with the locations of the subsidiaries.

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For the financial year ended 31 December 2024

35. Financial risk management objectives and policies (cont'd)

(d) *Credit risk (cont'd)*

Plasma Receivables (cont'd)

The Group's maximum credit risk exposure to plasma receivables at the reporting date are as follows:

– The carrying amount of each class of financial assets disclosed in Note 22 and 24 in the balance sheets; and
– An amount of Rp430.7 billion (2023: Rp375.6 billion) relating to financial guarantees provided by Nucleus Companies for repayment of plasma farmers' loans to banks (Note 32(a)).

(e) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities in its financial assets and liabilities. The Group manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The Group regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans and borrowings and equity market issues.

The table below summarises the maturity profile of the Group's financial liabilities which included the related interest charges at the end of reporting period based on contractual undiscounted repayment obligations:

	One year or less Rp million	One to five years Rp million	More than 5 years Rp million	Total Rp million
Group				
As at 31 December 2024				
Financial liabilities:				
Non-current interest-bearing loans and borrowings	87,993	1,788,316	–	1,876,309
Other non-current payables	26,703	514,327	–	541,030
Trade and other payables and accruals	2,069,889	–	–	2,069,889
Current interest-bearing loans and borrowings	6,370,321	–	–	6,370,321
Lease liabilities	39,583	63,605	–	103,188
Total undiscounted financial liabilities	8,594,489	2,366,248	–	10,960,737

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35. Financial risk management objectives and policies (cont'd)

(e) *Liquidity risk (cont'd)*

	One year or less Rp million	One to five years Rp million	More than 5 years Rp million	Total Rp million
Group				
As at 31 December 2023				
Financial liabilities:				
Non-current interest-bearing loans and borrowings	16,984	952,028	–	969,012
Other non-current payables	85,022	615,440	–	700,462
Trade and other payables and accruals	2,037,933	–	–	2,037,933
Current interest-bearing loans and borrowings	7,288,602	–	–	7,288,602
Lease liabilities	41,055	89,480	–	130,535
Total undiscounted financial liabilities	9,469,596	1,656,948	–	11,126,544

Undiscounted loans and borrowings with floating rates had been determined with reference to the applicable rates as at balance sheet dates.

	One year or less Rp million	One to five years Rp million	More than 5 years Rp million	Total Rp million
Company				
As at 31 December 2024				
Financial liabilities:				
Trade and other payables and accruals	15,105	–	–	15,105
Total undiscounted financial liabilities	15,105	–	–	15,105
As at 31 December 2023				
Financial liabilities:				
Trade and other payables and accruals	15,122	–	–	15,122
Total undiscounted financial liabilities	15,122	–	–	15,122

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36. Classification of financial instruments

	Financial assets at amortised cost Rp million	Financial liabilities at amortised cost Rp million	Total Rp million
Group			
As at 31 December 2024			
Financial assets:			
Trade and other receivables	1,222,534	–	1,222,534
Other non-current receivables	692,280	–	692,280
Cash and cash equivalents	5,945,500	–	5,945,500
	7,860,314	–	7,860,314
Financial liabilities:			
Trade and other payables	–	2,069,889	2,069,889
Amount due to related parties	–	434,143	434,143
Lease liabilities	–	103,188	103,188
Loans and borrowings	–	7,771,246	7,771,246
	–	10,378,466	10,378,466
As at 31 December 2023			
Financial assets:			
Trade and other receivables	858,365	–	858,365
Other non-current receivables	941,461	–	941,461
Cash and cash equivalents	5,225,530	–	5,225,530
	7,025,356	–	7,025,356
Financial liabilities:			
Trade and other payables	–	2,037,933	2,037,933
Amount due to related parties	–	630,713	630,713
Lease liabilities	–	130,535	130,535
Loans and borrowings	–	7,796,052	7,796,052
	–	10,595,233	10,595,233

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For the financial year ended 31 December 2024

36. Classification of financial instruments (cont'd)

	Financial assets at amortised cost Rp million	Financial liabilities at amortised cost Rp million	Total Rp million
Company			
As at 31 December 2024			
Financial assets:			
Trade and other receivables	5,300	–	5,300
Amount due from a subsidiary	195,000	–	195,000
Other non-current receivables	16	–	16
Cash and cash equivalents	90,013	–	90,013
	290,329	–	290,329
Financial liabilities:			
Trade and other payables	–	15,105	15,105
	–	15,105	15,105
As at 31 December 2023			
Financial assets:			
Trade and other receivables	9,553	–	9,553
Amount due from a subsidiary	316,000	–	316,000
Other non-current receivables	15	–	15
Cash and cash equivalents	55,800	–	55,800
	381,368	–	381,368
Financial liabilities:			
Trade and other payables	–	15,122	15,122
	–	15,122	15,122

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37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

Certain subsidiary companies are required to comply with loan covenants imposed by their lenders, such as maintaining the level of existing share capital. This externally imposed requirement has been complied with by the relevant subsidiary companies for the financial years ended 31 December 2024 and 2023. Additionally, certain subsidiary companies in Indonesia are required by the Corporate Law to maintain a non-distributable reserve until it reaches 20% of the issued and paid share capital. This externally imposed capital requirements are subject to shareholders' consideration at the annual general meeting of these subsidiary companies.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

The Group monitors capital using gearing ratios, by dividing net loans and borrowings with total equity. The Group's policy is to keep the gearing ratio within the range of gearing ratios of leading companies in similar industry in Indonesia in order to secure access to finance at a reasonable cost.

Capital managed by the management includes equity attributable to the majority shareholders of the Company and non-controlling interests.

	Group	
	2024	**2023**
	Rp million	**Rp million**
Non-current interest-bearing loans and borrowings	1,689,898	852,807
Current interest-bearing loans and borrowings	6,081,348	6,943,245
	7,771,246	7,796,052
Less: Cash and cash equivalents	(5,945,500)	(5,225,530)
Net debts	1,825,746	2,570,522
Total equity	25,862,748	23,916,103
Gearing ratio	7%	11%

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

38. Segment information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Plantations segment

Plantations segment is mainly involved in the development and maintenance of oil palm, rubber and sugar cane plantations and other business activities relating to palm oil, rubber and sugar cane processing, marketing and selling. This segment is also involved in the cultivation of cocoa, tea and industrial timber plantations.

Edible oils and fats segment

Edible oils and fats segment produces, markets and sells edible oil, margarine, shortening and other related products and its derivative products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance expenses and finance income), foreign exchange gain/loss and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between business segments are based on terms agreed between the parties. Segment revenues, segment expenses and segment results include transfers between business segments. Those transfers are eliminated for purposes of consolidation.

Others/eliminations for segment assets and liabilities relates primarily to eliminations between inter-segment receivables and payables, and the Company's assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

38. Segment information (cont'd)

The following table presents revenue and profit and certain asset and liability information regarding the Group's business segments:

Business segments

	Plantations Rp million	Edible Oils and Fats Rp million	Others/ eliminations Rp million	Total Rp million
2024				
Revenue				
Sales to external customers	3,628,415	12,339,389	–	15,967,804
Inter-segment sales	8,328,707	–	(8,328,707)	–
Total sales	11,957,122	12,339,389	(8,328,707)	15,967,804
Share of results of associate companies	8,057	–	–	8,057
Share of results of joint ventures	–	–	44,357	44,357
Segment results	2,772,010	817,002	(179,742)	3,409,270
Net finance expense				(300,304)
Foreign exchange gain				73,008
Impairment loss of property, plant and equipment				(296,164)
Profit before tax				2,938,224
Income tax expense				(828,207)
Net profit for the year				2,110,017
Assets and liabilities				
Segment assets	29,750,345	7,601,232	(2,018,204)	35,333,373
Goodwill	3,078,520	–	–	3,078,520
Prepaid taxes				349,966
Deferred tax assets				294,717
Claims for tax refund				73,633
Total assets				39,130,209
Segment liabilities	4,842,047	2,066,458	(3,165,010)	3,743,495
Unallocated liabilities				8,400,389
Deferred tax liabilities				773,785
Income tax payable				349,792
Total liabilities				13,267,461
Other segment information:				
Capital expenditure	1,247,586	16,770	–	1,264,356
Depreciation and amortisation	1,417,383	97,713	3,755	1,518,851
Gain from changes in fair value of biological assets	(317,747)	–	–	(317,747)
Changes in employee benefits	139,302	41,275	–	180,577
Impairment loss of property, plant and equipment	296,164	–	–	296,164

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

38. Segment information (cont'd)

Business segments (cont'd)

	Plantations Rp million	Edible Oils and Fats Rp million	Others/ eliminations Rp million	Total Rp million
2023				
Revenue				
Sales to external customers	4,701,701	11,301,116	–	16,002,817
Inter-segment sales	6,147,134	13,381	(6,160,515)	–
Total sales	10,848,835	11,314,497	(6,160,515)	16,002,817
Share of results of associate companies	2,843	–	(117,767)	(114,924)
Share of results of joint ventures	–	–	132,816	132,816
Segment results	1,372,295	647,295	101,516	2,121,106
Net finance expense				(420,967)
Foreign exchange loss				(1,663)
Impairment loss of property, plant and equipment				(183,387)
Impairment loss of goodwill				(6,104)
Profit before tax				1,526,877
Income tax expense				(590,657)
Net profit for the year				936,220
Assets and liabilities				
Segment assets	28,616,381	6,406,700	(1,532,041)	33,491,040
Goodwill	3,078,520	–	–	3,078,520
Prepaid taxes				202,960
Deferred tax assets				278,904
Claims for tax refund				66,291
Total assets				37,117,715
Segment liabilities	5,209,164	1,445,622	(3,090,272)	3,564,514
Unallocated liabilities				8,692,665
Deferred tax liabilities				753,753
Income tax payable				190,680
Total liabilities				13,201,612
Other segment information:				
Capital expenditure	1,238,268	86,005	–	1,324,273
Depreciation and amortisation	1,406,829	107,325	3,719	1,517,873
Gain from changes in fair value of biological assets	(12,873)	–	–	(12,873)
Changes in employee benefits	(210,679)	40,938	–	(169,741)
Impairment loss of property, plant and equipment	183,387	–	–	183,387
Impairment loss of goodwill	6,104	–	–	6,104

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

38. Segment information (cont'd)

Geographical segments

The following table presents sales to customers based on the geographical location of the customers:

	Group	
	2024	**2023**
	Rp million	**Rp million**
Region		
Indonesia	13,747,974	13,760,480
China	1,567,164	1,251,815
Singapore	285,410	608,493
Timor Leste	98,962	88,500
Nigeria	98,753	93,282
Others	169,541	200,247
Segment revenue	15,967,804	16,002,817

The Group's capital expenditure and segment assets are primarily incurred and located in Indonesia.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 24 March 2025.

INTERESTED PERSON TRANSACTIONS

Interested person transactions ("IPT') carried out during the financial year ended 31 December 2024 pursuant to the Shareholders' Mandate obtained under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") by the Group are as follows:

Name of Interested Person	Aggregate value of all IPT during the financial period under review (excluding transactions less than $100,000 and IPT conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	Rp ' billion	**Rp ' billion**
PT ISM Group		
• Sales of cooking oil and others	–	5,180
• Purchase of goods and services	–	196
Salim Group		
• Sales of cooking oil and others	–	2,702
• Purchases of goods and services	–	667
• Shareholder loans *	–	1,803
• Corporate guarantees	–	1,481
• Subscription of new shares in PT SBN	480	–

* This referred to the largest amount outstanding during the year. The principal amount outstanding at the end of the year was Rp980 billion.

ESTATE LOCATIONS

No	Company	Estate Name	District	Province	Description
1	Salim Ivomas Pratama Tbk	Kayangan	Rokan Hilir	Riau	Oil Palm Estate
		Kencana	Rokan Hilir	Riau	Oil Palm Estate
		Sungai Dua	Rokan Hilir	Riau	Oil Palm Estate
		Balam	Rokan Hilir	Riau	Oil Palm Estate
2	Cibaliung Tunggal Plantations	Cibaliung	Rokan Hilir	Riau	Oil Palm Estate
3	Gunung Mas Raya	Sungai Rumbia 1	Rokan Hilir	Riau	Oil Palm Estate
		Sungai Rumbia 2	Rokan Hilir	Riau	Oil Palm Estate
		Sungai Bangko	Rokan Hilir	Riau	Oil Palm Estate
4	Indriplant	Napal	Indragiri Hulu	Riau	Oil Palm Estate
5	Serikat Putra	Lubuk Raja	Pelalawan	Riau	Oil Palm Estate
		Bukit Raja	Pelalawan	Riau	Oil Palm Estate
6	Mentari Subur Abadi	Muara Merang	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Mangsang	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Karang Agung	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Hulu Merang	Musi Banyuasin	South Sumatra	Oil Palm Estate
7	Swadaya Bhakti Negaramas	Pulai Gading	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Muara Medak	Musi Banyuasin	South Sumatra	Oil Palm Estate
8	Sarana Inti Pratama	Lindai	Kampar	Riau	Oil Palm Estate & Seed Breeding
9	Citranusa Intisawit	Kedukul	Sanggau	West Kalimantan	Oil Palm Estate
10	Kebun Ganda Prima	Kembayan	Sanggau	West Kalimantan	Oil Palm Estate
		Tayan Hulu	Sanggau	West Kalimantan	Oil Palm Estate
11	Riau Agrotama Plantation	Nanga Silat	Kapuas Hulu	West Kalimantan	Oil Palm Estate
		Kapuas	Kapuas Hulu	West Kalimantan	Oil Palm Estate
12	Citra Kalbar Sarana	Sepauk	Sintang	West Kalimantan	Oil Palm Estate
13	Jake Sarana	Sekubang	Sintang	West Kalimantan	Oil Palm Estate
14	Agrosubur Permai	Manis	Kapuas	Central Kalimantan	Oil Palm Estate
15	Kebun Mandiri Sejahtera	Mariango	Pasir Utara	East Kalimantan	Oil Palm Estate
		Penajam	Pasir Utara	East Kalimantan	Oil Palm Estate
16	Hijaupertiwi Indah Plantations	Lupak Dalam	Kapuas	Central Kalimantan	Oil Palm Estate
		Bunga Tanjung	Kapuas	Central Kalimantan	Oil Palm Estate
		Kuala Kapuas	Kapuas	Central Kalimantan	Oil Palm Estate
17	Cangkul Bumisubur	Bumi Subur	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Bukit Indah	Musi Banyuasin	South Sumatra	Oil Palm Estate
18	Pelangi Intipertiwi	Mancang	Musi Banyuasin	South Sumatra	Oil Palm Estate
19	Intimegah Bestari Pertiwi	Sungai Ampalau	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Megah Abadi	Musi Banyuasin	South Sumatra	Oil Palm Estate
20	Gunta Samba	Ampanas 1	Kutai Timur	East Kalimantan	Oil Palm Estate
		Ampanas 2	Kutai Timur	East Kalimantan	Oil Palm Estate
		Pengadan	Kutai Timur	East Kalimantan	Oil Palm Estate
		Elang	Kutai Timur	East Kalimantan	Oil Palm Estate
21	Multi Pacific International	Peridan	Kutai Timur	East Kalimantan	Oil Palm Estate
		Kerayaan	Kutai Timur	East Kalimantan	Oil Palm Estate
		Cipta Graha	Kutai Timur	East Kalimantan	Oil Palm Estate
		Muara Bulan	Kutai Timur	East Kalimantan	Oil Palm Estate
		Baay	Kutai Timur	East Kalimantan	Oil Palm Estate
22	Mitra Intisejati Plantation	Bengkayang	Sambas	West Kalimantan	Oil Palm Estate
23	PP London Sumatra Indonesia Tbk	Begerpang	Deli Serdang	North Sumatra	Oil Palm Estate
		Sei Merah	Deli Serdang	North Sumatra	Oil Palm Estate
		Rambong Sialang	Serdang Bedagai	North Sumatra	Oil Palm Estate
		Bungara	Langkat	North Sumatra	Oil Palm Estate
		Turangie	Langkat	North Sumatra	Oil Palm Estate
		Pulo Rambong	Langkat	North Sumatra	Oil Palm Estate

ESTATE LOCATIONS

No	Company	Estate Name	District	Province	Description
23	PP London Sumatra Indonesia Tbk	Bah Lias	Simalungun	North Sumatra	Oil Palm Estate & Seed Breeding
		Bah Bulian	Simalungun	North Sumatra	Oil Palm Estate
		Dolok	Batubara	North Sumatra	Oil Palm Estate
		Gunung Malayu	Asahan	North Sumatra	Oil Palm Estate
		Sibulan	Serdang Bedagai	North Sumatra	Oil Palm Estate
		Sei Rumbiya	Labuhan Batu Selatan	North Sumatra	Oil Palm & Rubber Estate
		Tirta Agung	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Budi Tirta	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Suka Damai	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Sei Punjung	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Suka Bangun	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Bangun Harjo	Musi Banyuasin	South Sumatra	Oil Palm Estate
		Riam Indah	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Sei Lakitan	Musi Rawas & Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Sei Gemang	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Gunung Bais	Musi Rawas	South Sumatra	Oil Palm Estate
		Pering Permai	Musi Rawas	South Sumatra	Oil Palm Estate
		Mentari Kulim	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Kelingi Lestari	Musi Rawas	South Sumatra	Oil Palm Estate
		Sei Kepayang	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Ketapat Bening	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Belani Elok	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Batu Cemerlang	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Bukit Hijau	Musi Rawas Utara	South Sumatra	Oil Palm Estate
		Terawas Indah	Musi Rawas	South Sumatra	Oil Palm Estate
		Arta Kencana	Lahat	South Sumatra	Oil Palm Estate
		Kencana Sari	Lahat	South Sumatra	Oil Palm Estate
		Tulung Gelam	Ogan Komering Ilir	South Sumatra	Rubber Estate
		Kubu Pakaran	Ogan Komering Ilir	South Sumatra	Rubber Estate
		Bebah Permata	Ogan Komering Ilir	South Sumatra	Rubber Estate
		Isuy Makmur	Kutai Barat	East Kalimantan	Oil Palm Estate
		Pahu Makmur	Kutai Barat	East Kalimantan	Oil Palm Estate
		Kedang Makmur	Kutai Barat	East Kalimantan	Oil Palm Estate
		Jelau Makmur	Kutai Barat	East Kalimantan	Oil Palm Estate
		Tanjung Makmur	Kutai Barat	East Kalimantan	Oil Palm Estate
		Balombissie	Bulukumba	South Sulawesi	Rubber Estate
		Palang Isang	Bulukumba	South Sulawesi	Rubber Estate
		Pungkol	Minahasa	North Sulawesi	Cocoa Estate
		Alas Sukses	Banyuwangi	East Java	Cocoa Estate
		Kertasarie	Bandung	West Java	Tea Estate
		Pasir Luhur	Cianjur	West Java	Tea Estate
24	Lajuperdana Indah	Komering Sugar	Ogan Komering Ulu Timur	South Sumatra	Sugar Cane Estate
25	Madusari Lampung Indah	Madusari	Ogan Komering Ulu Timur	South Sumatra	Sugar Cane Estate
26	Sumalindo Alam Lestari	–	Berau	East Kalimantan	Industrial Timber Plantation
		–	Kutai Timur	East Kalimantan	Industrial Timber Plantation
27	Wana Kaltim Lestari	–	Berau	East Kalimantan	Industrial Timber Plantation

STATISTICS OF SHAREHOLDINGS

As at 14 March 2025

Number of Issued Shares	:	1,447,782,830
Number of Issued Shares (excluding Treasury Shares)	:	1,395,904,530 ordinary shares
Number/Percentage of Treasury Shares	:	51,878,300 (3.58%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares)	:	1 vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	19	0.41	530	0.00
100 - 1,000	573	12.19	350,669	0.03
1,001 - 10,000	2,615	55.65	15,200,081	1.09
10,001 - 1,000,000	1,474	31.37	75,138,224	5.38
1,000,001 and above	18	0.38	1,305,215,026	93.50
TOTAL	4,699	100.00	1,395,904,530	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of Shares	% **
1	Indofood Singapore Holdings Pte Ltd	998,200,000	71.51
2	CGS International Securities Singapore Pte. Ltd.	160,583,700	11.50
3	Citibank Nominees Singapore Pte Ltd	33,960,176	2.43
4	HSBC (Singapore) Nominees Pte Ltd	21,137,380	1.51
5	OCBC Securities Private Limited	20,337,445	1.46
6	PT Indofood Sukses Makmur Tbk	19,560,830	1.40
7	DBS Nominees (Private) Limited	8,787,908	0.63
8	United Overseas Bank Nominees (Private) Limited	8,599,600	0.62
9	Raffles Nominees (Pte.) Limited	6,395,875	0.46
10	Phillip Securities Pte Ltd	6,270,371	0.45
11	SCS Trust Pte Ltd	6,000,000	0.43
12	Morph Investments Ltd	4,723,100	0.34
13	Maybank Securities Pte. Ltd.	3,656,728	0.26
14	OCBC Nominees Singapore Private Limited	1,727,000	0.12
15	BNP Paribas Nominees Singapore Pte. Ltd.	1,631,307	0.12
16	UOB Kay Hian Private Limited	1,432,000	0.10
17	Tay Boon Huat	1,117,600	0.08
18	ABN AMRO Clearing Bank N.V.	1,094,006	0.08
19	Kim Toon Private Limited	980,000	0.07
20	Wing On Corporate Management (Singapore) Pte Ltd	893,500	0.06
	TOTAL	**1,307,088,526**	**93.63**

** Percentage is calculated based on 1,395,904,530 shares (excluding treasury shares of the Company).

STATISTICS OF SHAREHOLDINGS
As at 14 March 2025

LIST OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

	Number of shares held			
Name of Substantial Shareholder	**Direct Interest**	**Deemed Interest**	**Total Interest**	**Shareholding % ****
Indofood Singapore Holdings Pte. Ltd. ("**ISHPL**")	998,200,000	–	998,200,000	71.51%
PT Indofood Sukses Makmur Tbk ("**PT ISM**") (1)	191,383,430	998,200,000	1,189,583,430	85.22%
First Pacific Investment Management Limited ("**FPIML**") (2)	–	1,189,583,430	1,189,583,430	85.22%
First Pacific Company Limited ("**First Pacific**") (2)	–	1,189,583,430	1,189,583,430	85.22%
First Pacific Consumer Products Investments Limited ("**FPCPIL**") (3)	–	1,189,583,430	1,189,583,430	85.22%
First Pacific Consumer Products Limited ("**FPCP**") (4)	–	1,189,583,430	1,189,583,430	85.22%
First Pacific Investments Limited ("**FPIL**") (5)	1,125,344	1,189,583,430	1,190,708,774	85.30%
First Pacific Investments (B.V.I.) Limited ("**FPIL BVI**") (5)	882,444	1,189,583,430	1,190,465,874	85.28%
Salerni International Limited ("**Salern**I") (5) (6)	–	1,190,465,874	1,190,465,874	85.28%
Asian Capital Finance Limited ("**ACFL**") (7)	–	1,190,708,774	1,190,708,774	85.30%
Anthoni Salim (8)	–	1,191,591,218	1,191,591,218	85.36%

Notes:

** Percentage is calculated based on 1,395,904,530 shares (excluding treasury shares of the Company).

(1) PT ISM is a holding company of ISHPL with an interest of approximately 83.84% of the total number of issued shares in ISHPL. Accordingly, PT ISM is deemed to be interested in the Shares held by ISHPL.

(2) FPIML, a sister subsidiary indirectly wholly owned by First Pacific, had acquired an approximate 50.1% interest in PT ISM from CAB Holdings Limited on 29 March 2018. Accordingly, both FPIML and First Pacific are deemed to be interested in the Shares held by ISHPL and PT ISM.

(3) FPCPIL owns 100% of the issued share capital of FPIML. Accordingly, FPCPIL is deemed to be interested in the Shares held by ISHPL and PT ISM.

(4) FPCP owns 100% of the issued share capital of FPCPIL. Accordingly, FPCP is deemed to be interested in the Shares held by ISHPL and PT ISM.

(5) FPIL, together with FPIL BVI and Salerni, collectively own not less than 20% of the issued share capital of First Pacific. Accordingly, FPIL, FPIL BVI and Salerni are deemed to be interested in the Shares held by ISHPL and PT ISM.

(6) Salerni owns 100% of the issued share capital of FPIL BVI. Accordingly, Salerni is deemed to be interested in the Shares held by ISHPL, PT ISM and FPIL BVI.

(7) ACFL owns more than 50% of the issued share capital of FPIL. Accordingly, ACFL is deemed to be interested in the Shares held by ISHPL, PT ISM and FPIL.

(8) Mr Anthoni Salim owns 100% of the issued share capital of Salerni and ACFL. Accordingly, Mr Anthoni Salim is deemed interested in the Shares held by ISHPL, PT ISM, FPIL and FPIL BVI.

PUBLIC FLOAT

Based on the information available to the Company as at 14 March 2025, approximately 14.60% of the issued ordinary shares of the Company is held by the public. Therefore, the public float requirement under Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Company will be held at Room 300-302, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Wednesday, 30 April 2025 at 3.00 p.m. (Singapore time), to transact the following business.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the financial year ended 31 December 2024 and the Auditor's Report thereon. [Resolution 1]

2. To declare a final tax-exempt (one-tier) dividend of S$0.010 per ordinary share for the financial year ended 31 December 2024 (2023: S$0.008). [Resolution 2]

3. To approve the Directors' Fees of S$346,666 for the financial year ended 31 December 2024 (2023: S$285,000). [Resolution 3]

4(i) To re-elect the following Directors who will be retiring by rotation under Regulation 111 of the Company's Constitution and who, being eligible, offered themselves for re-election:

(a) Mr Moleonoto Tjang [Resolution 4a]
(b) Mr Suaimi Suriady [Resolution 4b]
(c) Mr Axton Salim [Resolution 4c]

4(ii) To re-elect the following Directors appointed during the year and will retire in accordance with Regulation 115 of the Company's Constitution and who, being eligible, offered themselves for re-election:

(d) Mr Philip Yeo Liat Kok [Resolution 4d]
(e) Mr David Sungkoro [Resolution 4e]
(f) Mr Andreas Tan [Resolution 4f]

5. To re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. [Resolution 5]

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Resolutions numbered 6 to 8 as Ordinary Resolutions:

6. The general mandate for issues of shares

That authority be and is hereby given to the directors of the Company to:

(i) (aa) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(bb) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may, in their absolute discretion, deem fit; and

(ii) issue Shares in pursuance of any Instrument made or granted by the directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution),

NOTICE OF ANNUAL GENERAL MEETING

Provided that:

(iii) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares, excluding treasury shares and subsidiary holdings in each class (as calculated in accordance with paragraph (iv) below), and provided further that where Shareholders are not given the opportunity to participate in the same on a pro-rata basis ("**non pro-rata basis**"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings in each class (as calculated in accordance with paragraph (iv) below);

(iv) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of the Shares and convertible securities that may be issued under paragraph (iii) above, the total number of issued Shares shall be based on the total number of issued Shares of the Company excluding treasury shares and subsidiary holdings at the time such authority was conferred, after adjusting for:

(aa) new Shares arising from the conversion or exercise of any convertible securities;

(bb) new Shares arising from exercising share options or the vesting of share awards; and

(cc) any subsequent bonus issue, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(v) in this Resolution, "**subsidiary holdings**" shall refer to Shares of the Company held by any subsidiary of the Company in accordance with the provisions of the Companies Act 1967 (the "**Companies Act**"); and

(vi) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. [Resolution 6]

7. The proposed renewal of the shareholders' mandate on Interested Person Transactions

That approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company and its subsidiaries and associated companies (if any) which are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Company's Addendum to Shareholders dated 8 April 2025 (being an addendum to the Annual Report of the Company for the financial year ended 31 December 2024) (the "**Addendum**"), with any party who is of the class of Interested Persons described in the Addendum, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such Interested Person Transactions as set out in the Addendum (the "**Proposed IPT Mandate**");

That the Proposed IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier;

That the Audit & Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

NOTICE OF ANNUAL GENERAL MEETING

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 in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the Proposed IPT Mandate and/or this Resolution. [Resolution 7]

8. The proposed renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, as may be amended or modified from time to time, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing 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) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held; or

(ii) the date by which the next annual general meeting of the Company is required by law to be held; or

(iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means 5% of the total number of issued Shares of the Company (excluding subsidiary holdings in each class and any Shares which are held as treasury shares) 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 (as defined hereinafter); and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price (as defined hereinafter),

NOTICE OF ANNUAL GENERAL MEETING

where:

"**Average Closing Price**" means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during such five-Market Day period and the day on which the purchases are made;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, 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;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

"**subsidiary holdings**" shall refer to Shares of the Company held by any subsidiary of the Company in accordance with the provisions of the Companies Act; and

(d) 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 in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the transactions contemplated by this Resolution. [Resolution 8]

9. To transact any other routine business.

By Order of the Board

MAK MEI YOOK
LEE SIEW JEE, JENNIFER
Company Secretaries

Singapore
Date: 8 April 2025

Notes:

The AGM will be held in a wholly physical format, at Room 300-302, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Wednesday, 30 April 2025 at 3.00 p.m. (Singapore time). **There will be no option for shareholders to participate virtually.**

Printed copies of this Notice of AGM, Proxy form and the annual report 2024 request form will be sent by post to members. These documents and annual report will also be published on the Company's website at https://investor.indofoodagri.com/agm.html and at https://www.sgx.com/securities/company-announcements on 8 April 2025.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

RESOLUTION 2:
Resolution 2 is to approve the final dividend. The Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 8 May 2025, for the purpose of determining shareholders' entitlements to the final dividend. Registrable transfers received up to 5.00 p.m. on 8 May 2025 will be entitled to the final dividend.

The final dividend, if approved by shareholders at the AGM, will be paid on 28 May 2025.

RESOLUTION 4a:
Upon re-election, Mr Moleonoto Tjang will continue as Executive Director and member of the Board. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

RESOLUTION 4b:
Upon re-election, Mr Suaimi Suriady will continue as Executive Director and member of the Board. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

RESOLUTION 4c:
Upon re-election, Mr Axton Salim will continue as members of the Board and Remuneration Committee. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

RESOLUTION 4d:
Upon re-election, Mr Philip Yeo Liat Kok will continue as Lead Independent Director, Chairmen of the Board, Nominating Committee and Remuneration Committee. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

RESOLUTION 4e:
Upon re-election, Mr David Sungkoro will continue as Independent Director of the Company, Chairman of the Audit & Risk Management Committee as well as a member of the Nominating Committee. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

RESOLUTION 4f:
Upon re-election, Mr Andreas Tan will continue as Independent Director of the Company, members of the Audit & Risk Management Committee, Remuneration and Nominating Committees. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

Detailed information on these six directors seeking re-election (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST) can be found under "Board of Directors" and "Supplemental Information on Director Seeking Re-election at the 2025 AGM" in the Company's Annual Report 2024.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

RESOLUTION 6:
The ordinary resolution proposed in Resolution 6 above, if passed, will empower the directors of the Company from the date of the above Meeting until the next AGM, to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50%, with a sub-limit ("**Sub-Limit**") of 20% for issues other than on a pro-rata basis to all Shareholders, provided that the aggregate number of Shares which may be issued pursuant to Resolution 6 above shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury Shares and subsidiary holdings in each class) at the time that the Resolution is passed. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time that the Resolution 6 above is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the Resolution 6 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

Shareholders should note that presently, the controlling shareholders of the Company include First Pacific Company Limited and PT Indofood Sukses Makmur Tbk, which are listed on the Hong Kong Stock Exchange Limited and the Indonesia Stock Exchange (Bursa Efek Indonesia), respectively. Prior to any exercise of the authority conferred upon them by the ordinary resolution in Resolution 6 above, the directors of the Company intend to take into account, inter alia, any approval that may be required from any such controlling shareholders and/or their respective shareholders and/or from such stock exchanges.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the offering documents for the issue of shares and Instruments pursuant to such authority may NOT be despatched to Shareholders with registered addresses outside Singapore as at the applicable books closure date and who have not, by the stipulated period prior to the books closure date, provided to The Central Depository (Pte) Limited or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents.

RESOLUTION 7:
The ordinary resolution proposed in Resolution 7 above, if passed, will empower the directors of the Company to enter into Interested Person Transactions, more information of which is set out in the Addendum. Such authority will, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company and Shareholders' approval will be sought for its renewal at every AGM of the Company.

RESOLUTION 8:
The ordinary resolution proposed in Resolution 8 above, if passed, will empower the directors of the Company to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to 5% of the total number of issued Shares as at the date of the above Meeting at the price up to but not exceeding the Maximum Price (as defined in the Resolution). The rationale for the Share Purchase Mandate, the source of funds to be used for the Share Purchase Mandate, the impact of the Share Purchase Mandate on the Company's financial position, the implications arising as a result of the Share Purchase Mandate under The Singapore Code on Take-overs and Mergers and on the listing of the Company's Shares on the SGX-ST, as well as the number of Shares purchased by the Company in the previous twelve months are set out in the Addendum.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy/proxies to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company 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 the appointment of proxy/proxies for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follow:

Name of Director	**Moleonoto Tjang ("MT")**
Date of appointment	8 December 2006
Date of last re-appointment (if applicable)	27 April 2022
Age	62
Country of principal residence	Indonesia
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The appointment was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his extensive experience in finance and plantation operation and his contribution to the Group, as well as attendance, participation and contribution at the Board.
Whether Board appointment is executive, and if so, the area of responsibility	Yes. He is involved in the day-to-day running of the business. As a member of the Executive Committee, he plays a key role in enhancing corporate governance, improving internal controls and driving the Group's performance. He also works closely with the non-executive directors on the long-term sustainability and success of the businesses and provides insights and recommendations on the Group's operations at the Board meeting.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Executive Director - Head of Finance and Corporate Services
Professional qualifications	- Bachelor of Accountancy degree from the University of Tarumanagara, Jakarta - Bachelor's degree in Management and a Master of Science degree in Administration & Business Policy from the University of Indonesia
Working experience and occupation(s) during the past 10 years	Year 2009 to present - PT Indofood Sukses Makmur Tbk (Director) Year 2009 to present - PT Indofood CBP Sukses Makmur Tbk (Commissioner) Year 2004 to present - PT Salim Ivomas Pratama Tbk (Vice President Director) Year 2015 to present - PT PP London Sumatra Indonesia Tbk (President Commissioner) Year 2013 to present - Companhia Mineira de Açúcar e Álcool Participaçõe (Director)
Shareholding interest in the listed issuer and its subsidiaries	No
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	No
Conflict of interest (including any competing business)	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Name of Director	**Moleonoto Tjang ("MT")**
Other Principal Commitments including Directorships	
Past 5 years	None
Present	Year 2009 to present - PT Indofood Sukses Makmur Tbk (Director) Year 2009 to present - PT Indofood CBP Sukses Makmur Tbk (Commissioner) Year 2004 to present - PT Salim Ivomas Pratama Tbk (Vice President Director) Year 2015 to present - PT PP London Sumatra Indonesia Tbk (President Commissioner) Year 2013 to present - Companhia Mineira de Açúcar e Álcool Participaçõe (Director)
The Retiring Director has provided an undertaking as set out in Appendix 7.7 under Rule 720(1) of SGX-ST. The Retiring Director has also confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a Director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new Director.	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follow:

Name of Director	**Suaimi Suriady ("SS")**
Date of appointment	8 October 2007
Date of last re-appointment (if applicable)	27 April 2022
Age	61
Country of principal residence	Indonesia
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The appointment was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his extensive experience in Edible Oils and Fats (EOF) Division and his contribution to the Group, as well as attendance, participation and contribution at the Board.
Whether Board appointment is executive, and if so, the area of responsibility	Yes. He is involved in the day-to-day running of the business. As a member of the Executive Committee, he plays a key role in enhancing corporate governance, improving internal controls and driving the Group's performance. He also works closely with the non-executive directors on the long-term sustainability and success of the businesses and provides insights and recommendations on the Group's operations at the Board meeting.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Executive Director - Head of EOF Division
Professional qualifications	Master of Business Administration from De Montfort University in the United Kingdom
Working experience and occupation(s) during the past 10 years	Year 2009 to present - PT Indofood CBP Sukses Makmur Tbk (Director) Year 2007 to present - PT Salim Ivomas Pratama Tbk (Director)
Shareholding interest in the listed issuer and its subsidiaries	No
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	No
Conflict of interest (including any competing business)	No
Other Principal Commitments including Directorships	
Past 5 years	None
Present	Year 2009 to present - PT Indofood CBP Sukses Makmur Tbk (Director) Year 2007 to present - PT Salim Ivomas Pratama Tbk (Director)

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Name of Director	**Suaimi Suriady ("SS")**
The Retiring Director has provided an undertaking as set out in Appendix 7.7 under Rule 720(1) of SGX-ST. The Retiring Director has also confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a Director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new Director.	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follow:

Name of Director	**Axton Salim ("AXS")**
Date of appointment	8 October 2007
Date of last re-appointment (if applicable)	27 April 2022
Age	46
Country of principal residence	Indonesia
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The appointment was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his experience and qualification, contribution to the Group, as well as attendance, participation and contribution at the Board.
Whether Board appointment is executive, and if so, the area of responsibility	Non-Independent and Non-Executive Director He is responsible to constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies, review of the Management's performance.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Director - Member of RC
Professional qualifications	Bachelor of Science in Business Administration from the University of Colorado, USA
Working experience and occupation(s) during the past 10 years	Year 2009 to present - PT Indofood Sukses Makmur Tbk (Director) Year 2009 to present - PT Indofood CBP Sukses Makmur Tbk (Director) Year 2007 to present - PT Salim Ivomas Pratama Tbk (Commissioner) Year 2009 to present - PT PP London Sumatra Indonesia Tbk (Commissioner) Year 2014 to present - Gallant Venture Ltd (Director) Year 2020 to present - First Pacific Company Limited (Director)
Shareholding interest in the listed issuer and its subsidiaries	No
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	He is related to Mr Anthoni Salim who is the Company's substantial shareholder.
Conflict of interest (including any competing business)	No
Other Principal Commitments including Directorships	
Past 5 years	None

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Name of Director	**Axton Salim ("AXS")**
Present	Year 2009 to present - PT Indofood Sukses Makmur Tbk (Director) Year 2009 to present - PT Indofood CBP Sukses Makmur Tbk (Director) Year 2007 to present - PT Salim Ivomas Pratama Tbk (Commissioner) Year 2009 to present - PT PP London Sumatra Indonesia Tbk (Commissioner) Year 2014 to present - Gallant Venture Ltd (Director) Year 2020 to present - First Pacific Company Limited (Director)
The Retiring Director has provided an undertaking as set out in Appendix 7.7 under Rule 720(1) of SGX-ST. The Retiring Director has also confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a Director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new Director.	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follow:

Name of Director	**Philip Yeo Liat Kok ("PY")**
Date of appointment	1 May 2024
Date of last re-appointment (if applicable)	–
Age	78
Country of principal residence	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The appointment was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.
Whether Board appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Non-Executive and Lead Independent Director - Chairmen of the Board, NC and RC
Professional qualifications	- Bachelor of Applied Science (Industrial Engineering) and Honorary Doctorate in Engineering from the University of Toronto, Canada - Master of Science (Systems Engineering) from the University of Singapore - Master of Business Administration from Harvard University, USA - Honorary Doctor in Medicine from the Karolinska Institutet, Sweden - Honorary Doctor of Science by Imperial College, London - Honorary Doctor of Letters from National University of Singapore - Honorary Doctor of Law from Monash University, Australia - Honorary Fellow of King's College, London - Honorary Doctor of Letters from Nanyang Technological University, Singapore
Working experience and occupation(s) during the past 10 years	Year 2013 to present – Chairman, Economic Development Innovations Singapore Pte Ltd Year 2007 to 2018 – Chairman, SPRING (Standards, Productivity and Innovation Board) Singapore Year 2007 to 2011 – Special Advisor for Economic Development, Prime Minister's Office
Shareholding interest in the listed issuer and its subsidiaries	No
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	No
Conflict of interest (including any competing business)	No
Other Principal Commitments including Directorships	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Name of Director	**Philip Yeo Liat Kok ("PY")**
Past 5 years	Independent Directors of: Year 2018 to 2021 - The Board of Saudi Arabian Military Industry (SAMI) Year 2013 to 2022 – Baiterek Holdings of Kazakhstan Year 2013 to 2021 – Kelly Logistics Network Limited
Present	Chairman of the Board of Directors of: Accuron Technologies Ltd Advanced MedTech Holdings Pte. Ltd. Economic Development Innovations Singapore Pte Ltd i-Globe Partners Member of the Board of Directors of: City Developments Limited QAF Limited Sunway Berhad
The Retiring Director has provided an undertaking as set out in Appendix 7.7 under Rule 720(1) of SGX-ST. The Retiring Director has also confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a Director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new Director.	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follow:

Name of Director	**David Sungkoro ("DS")**
Date of appointment	1 May 2024
Date of last re-appointment (if applicable)	–
Age	65
Country of principal residence	Indonesia
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The appointment was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.
Whether Board appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Non-Executive and Independent Director - Chairman of AC & RMC - Member of NC
Professional qualifications	- Doctorandus Degree in Accountancy from the University of Trisakti, Indonesia - Master of Accounting Degree from the University of Indonesia - Certified Public Accountant (CPA) of Indonesian Institute of Certified Public Accountants - Chartered Accountant of The Indonesian Institute of Accountants - ASEAN CPA of ASEAN Chartered Professional Accountants - Certified Management Accountant (CMA) of The Institute of Certified Management Accountants, Australia & New Zealand
Working experience and occupation(s) during the past 10 years	Mr Sungkoro started with Arthur Andersen in 1984 and subsequently he was promoted to become an Assurance Partner in 2000. He continued as an Assurance Partner of Purwantono, Sungkoro & Surja until March 2024.
Shareholding interest in the listed issuer and its subsidiaries	No
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	No
Conflict of interest (including any competing business)	No
Other Principal Commitments including Directorships	
Past 5 years	Assurance Partner of Purwantono, Sungkoro & Surja
Present	–

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Name of Director	**David Sungkoro ("DS")**
The Retiring Director has provided an undertaking as set out in Appendix 7.7 under Rule 720(1) of SGX-ST. The Retiring Director has also confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a Director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new Director.	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is as follow:

Name of Director	**Andreas Tan ("AT")**
Date of appointment	1 May 2024
Date of last re-appointment (if applicable)	–
Age	57
Country of principal residence	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The appointment was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.
Whether Board appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Non-Executive and Independent Director - Members of AC & RMC, NC and RC
Professional qualifications	- Master of Business Administration from the University of South Australia - Bachelor of Commerce from Flinders University, Australia
Working experience and occupation(s) during the past 10 years	Year 2018 to present - Commercial Director of Prysmian Group Year 2013 to 2018 - Sales Leader of TE Connectivity – CommScope Solutions Singapore Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	No
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	No
Conflict of interest (including any competing business)	No
Other Principal Commitments including Directorships	
Past 5 years	–
Present	Year 2018 to Present - Commercial Director of Psysmian Group
The Retiring Director has provided an undertaking as set out in Appendix 7.7 under Rule 720(1) of SGX-ST. The Retiring Director has also confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 to the Listing Manual of the SGX-ST, the answer is "No". The disclosure on prior experience as a Director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new Director.	

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

For the six directors, Messrs Moleonoto Tjang, Suaimi Suriady, Axton Salim, Philip Yeo Liat Kok, David Sungkoro and Andreas Tan, seeking re-election have individually given a negative confirmation on each of the items (a) to (k) set out in Appendix 7.4.1 under Rule 720(6) of the SGX-ST Listing Manual.

Rule 720(6) of the SGX-ST Listing Manual		**MT**	**SS**	**AXS**	**PY**	**DS**	**AT**
(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	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	No
(c)	Whether there is any unsatisfied judgment against him?	No	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	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	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	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	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 2025 AGM

Rule 720(6) of the SGX-ST Listing Manual		MT	SS	AXS	PY	DS	AT
(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	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	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	No	No	No	No
(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	No	No

PROXY FORM

INDOFOOD AGRI RESOURCES LTD.

(Company Registration No. 200106551G)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore, may appoint more than two (2) proxies to attend, speak and vote at the Meeting.
2. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) ("**Investor**") (including investors holding through Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**CPF and SRS investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF and SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 3.00 p.m. (Singapore time) on 21 April 2025, being 7 working days before the date of the Annual General Meeting ("**AGM**") to submit his/her voting instructions.
3. 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 AGM dated 8 April 2025.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the proxy(ies).

*I/We ______________________ (Name) ______________________ (NRIC/Passport/Co. Reg No.)

of ____ (Address)

being a *member/members of Indofood Agri Resources Ltd., hereby appoint:

Name	Address	Email Address	NRIC/Passport Number	Proportion of shareholdings	
				No. of Shares	%

and/or (delete as appropriate)

or failing him/her, the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the **AGM** of the Company to be held at Room 300-302, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 30 April 2025 at 3.00 p.m. (Singapore time), and at any adjournment thereof.

(Voting will be conducted by poll. If you wish for your proxy(ies) to cast all your votes for or against a resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish your proxy(ies) to abstain from voting on a resolution, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that your proxy(ies) is directed to vote "For" or "Against" or to abstain from voting.)

No.	Resolution	For	Against	Abstain
	ORDINARY BUSINESS			
1.	To receive and adopt the Directors' statement and audited financial statements for the financial year ended 31 December 2024 and the Auditor's Report thereon.			
2.	To declare a final tax-exempt (one-tier) dividend of S$0.010 per ordinary share for the financial year ended 31 December 2024 (2023: S$0.008).			
3.	To approve the Directors' Fees of S$346,666/- for the financial year ended 31 December 2024 (2023: S$285,000/-).			
4a.	To re-elect Mr Moleonoto Tjang, the Director who retires under Regulation 111 of the Company's Constitution.			
4b.	To re-elect Mr Suaimi Suriady, the Director who retires under Regulation 111 of the Company's Constitution.			
4c.	To re-elect Mr Axton Salim, the Director who retires under Regulation 111 of the Company's Constitution.			
4d.	To re-elect Mr Philip Yeo Liat Kok, the Director who retires under Regulation 115 of the Company's Constitution.			
4e.	To re-elect Mr David Sungkoro, the Director who retires under Regulation 115 of the Company's Constitution.			
4f.	To re-elect Mr Andreas Tan, the Director who retires under Regulation 115 of the Company's Constitution.			
5.	To re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS			
6.	To approve the general mandate for issues of shares.			
7.	To approve the proposed renewal of the Mandate for Interested Person Transactions.			
8.	To approve the proposed renewal of the Share Purchase Mandate.			

Signed this ________ day of ______________ 2025

Number of ordinary shares	

** Delete where appropriate*

____
Signature(s) of Member(s)/Common Seal

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 Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. 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 of Shares entered against your name in the depository register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

(2) The proxy(ies) need not be a member of the Company.

(3) The instrument appointing a proxy(ies) as proxy must be submitted to the Company by 3.00 p.m. (Singapore time) on 27 April 2025 (not less than 72 hours before the time appointed for holding the Meeting), in the following manner:

- if by electronically, via email to general@indofoodagri.com; or
- if by post, be lodged at the Company's registered address at 8 Eu Tong Sen Street, #16-96/97 The Central, Singapore 059818.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before scanning and sending it by email to the email address provided above, or before submitting it by post to the address provided above.

CPF or SRS Investors:

(a) may vote via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meeting as his/her/its proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 3.00 p.m. (Singapore time) on 21 April 2025.

(4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if such appointor is a corporation, under its common seal or under the hand of its attorney. A body corporate which is a member may also appoint an authorised representative or representatives in accordance with its Constitution and Section 179 of the Companies Act 1967, to attend and vote for and on behalf of such body corporate.

(5) The Company shall be entitled to reject a Proxy Form 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 Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form 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 appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

(6) Any reference to a time of day is made by reference to Singapore time.

Personal Data Privacy

By attending the AGM of the Company and/or any adjournment thereof or 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 AGM dated 8 April 2025.

INDOFOOD AGRI RESOURCES Ltd.
8 Eu Tong Sen Street,
#16-96/97 The Central, Singapore 059818
Tel: +65 6557 2389   Fax: +65 6557 2387
Company Reg. No. 200106551G

a subsidiary of:

Indofood
THE SYMBOL OF QUALITY FOODS