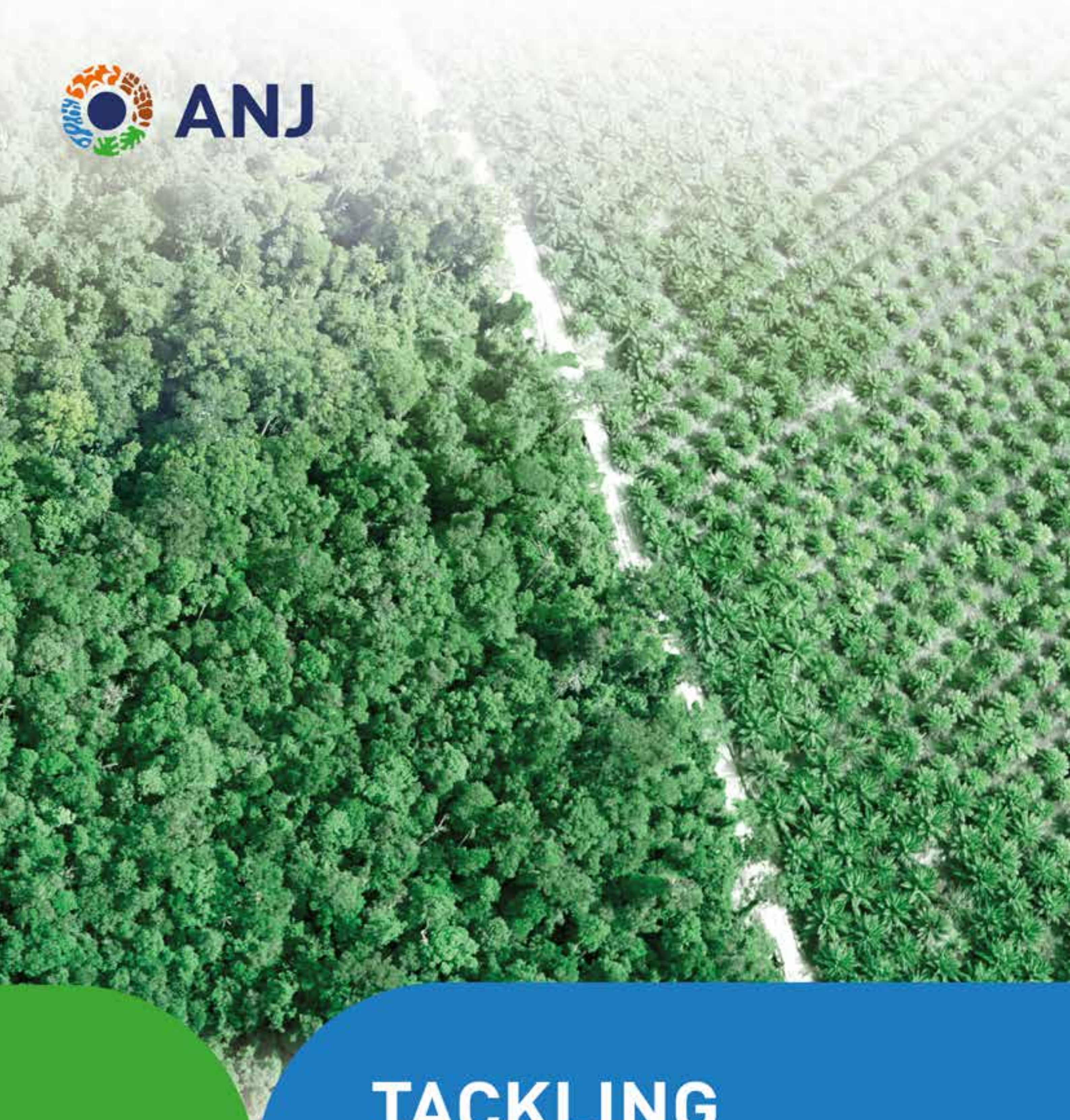
ANJ



TACKLING CLIMATE CHANGE

THROUGH RESPONSIBLE DEVELOPMENT

2021 ANNUAL REPORT

DISCLAIMER

This annual report has been prepared by PT Austindo Nusantara Jaya Tbk. (ANJ) for informational purposes only. Certain statements herein may constitute "forward-looking statements", including statements regarding ANJ's expectations and projections for future operating performance and business prospects. Such forward-looking statements are based on numerous assumptions regarding ANJ's present and future business strategies and the environment in which ANJ will operate in the future. Such forward-looking statements speak only as of the date on which they are made.

Accordingly, ANJ expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect any change in the Company's expectations with regard to new information, future events or other circumstances. ANJ does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

By reviewing this document, you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of ANJ.

ABOUT THIS REPORT

This report has been prepared as a detailed and accurate picture of ANJ, its subsidiaries and their activities in 2021. It has also been prepared according to the regulations of the Indonesian Financial Services Authority (OJK). We hope you find it useful and we welcome your feedback. Please e-mail comments to corsec@anj-group.com. To download a PDF of this or previous years' reports in English or Indonesian, please go to www.anj-group.com/en/annual-report/index.

COMMON TERMS USED IN THIS REPORT

ANJ
In this report PT Austindo Nusantara Jaya Tbk. is referred to as "ANJ" or " the Company."

ANJA
PT Austindo Nusantara Jaya Agri

ANJAS
PT Austindo Nusantara Jaya Agri Siais

SMM
PT Sahabat Mewah dan Makmur

KAL
PT Kayung Agro Lestari

GSB
PT Galempa Sejahtera Bersama

PPM
PT Permata Putera Mandiri

PMP
PT Putera Manunggal Perkasa

ANJAP
PT ANJ Agri Papua

LSP
PT Lestari Sagu Papua

AANE
PT Austindo Aufwind New Energy

GMIT
PT Gading Mas Indonesia Teguh

ANJB
PT Austindo Nusantara Jaya Boga

CPO
Crude Palm Oil: the oil extracted after crushing the fruit of the oil palm.

PK
Palm Kernel: a fibrous cake that results from crushing the seeds at the center of the oil palm fruit.

PKO
Palm Kernel Oil: the oil extracted after crushing the palm kernel.

FFB
Fresh Fruit Bunches: the oil palm fruit clusters cut and harvested from palms as the raw material for milling into CPO and PK.

Nucleus
The area of an oil palm plantation that forms our core business.

Plasma
The area of an oil palm plantation allotted to communities under the Indonesian Government's Plasma Program to benefit smallholders.

2021
ANNUAL REPORT

TACKLING CLIMATE CHANGE
THROUGH RESPONSIBLE DEVELOPMENT

Following the challenges of 2020, the success that we experienced in 2021 was a welcomed change. Strategic planning and good management decisions are paying off, as well as efforts to focus our operations and improve efficiency. Although trade is yet to reach pre-pandemic levels, the unique supply and demand conditions of 2021 favored our operations, allowing the Company to make record-breaking achievements.

Despite the achievements of the past year, we will not allow for the resumption of trade and the high CPO prices to increase ANJ's impact on our planet. We recognize that human-induced climate change is already being felt around the globe as extreme weather events, such as floods, droughts and high temperatures, impact people and their livelihoods. We recognize that agricultural expansion is part of the problem, but responsible companies, like ANJ, can also be a big part of the solution. This year we have intensified efforts to minimize our carbon footprint and be a driver of change in the palm oil industry, towards more sustainable and climate-neutral production. In 2021, we committed to integrating ESG more definitively into our existing business strategy. As a result, we have set ambitious sustainability targets, including achieving Net-Zero Emissions by 2030, which is 30 years ahead of the national target pledged by the government. This may seem ambitious for a palm oil company, but we believe that the benefits of our innovative emissions reduction initiatives are already showing great promise for a carbon-neutral future.

Our research and development team continues to work hard in improving efficiencies and developing new initiatives to mitigate climate change impacts and build the resilience of our operations. Our ongoing projects to reduce GHG emissions, such as more composting and less inorganic fertilizer, fertigation and the recycling of biomass feedstock, continue to yield positive results and lower costs. Our multi-faceted approach to net-zero includes maintaining healthy ecosystems such as waterways and peatlands, and our large areas of High Conservation Value Forest, which play a crucial role in carbon sequestration. We monitor the species in these ecosystems through our innovative citizen science led project called Pendaki, or 'Care for Nature'.

As an industry that produces an essential commodity such as palm oil, we all need to work together to ensure that we adopt new business models which do not transgress the safe operating limits of the earth system's planetary boundaries. ANJ welcomes this challenge, responsible development is at the core of our values, and our people continue to prove that they are committed to going beyond compliance to make our company one that not only mitigates our climate impact but actively tackles the current climate crisis.

KEY PERFORMANCE

FFB PRODUCTION

total FFB production grew

6.7%

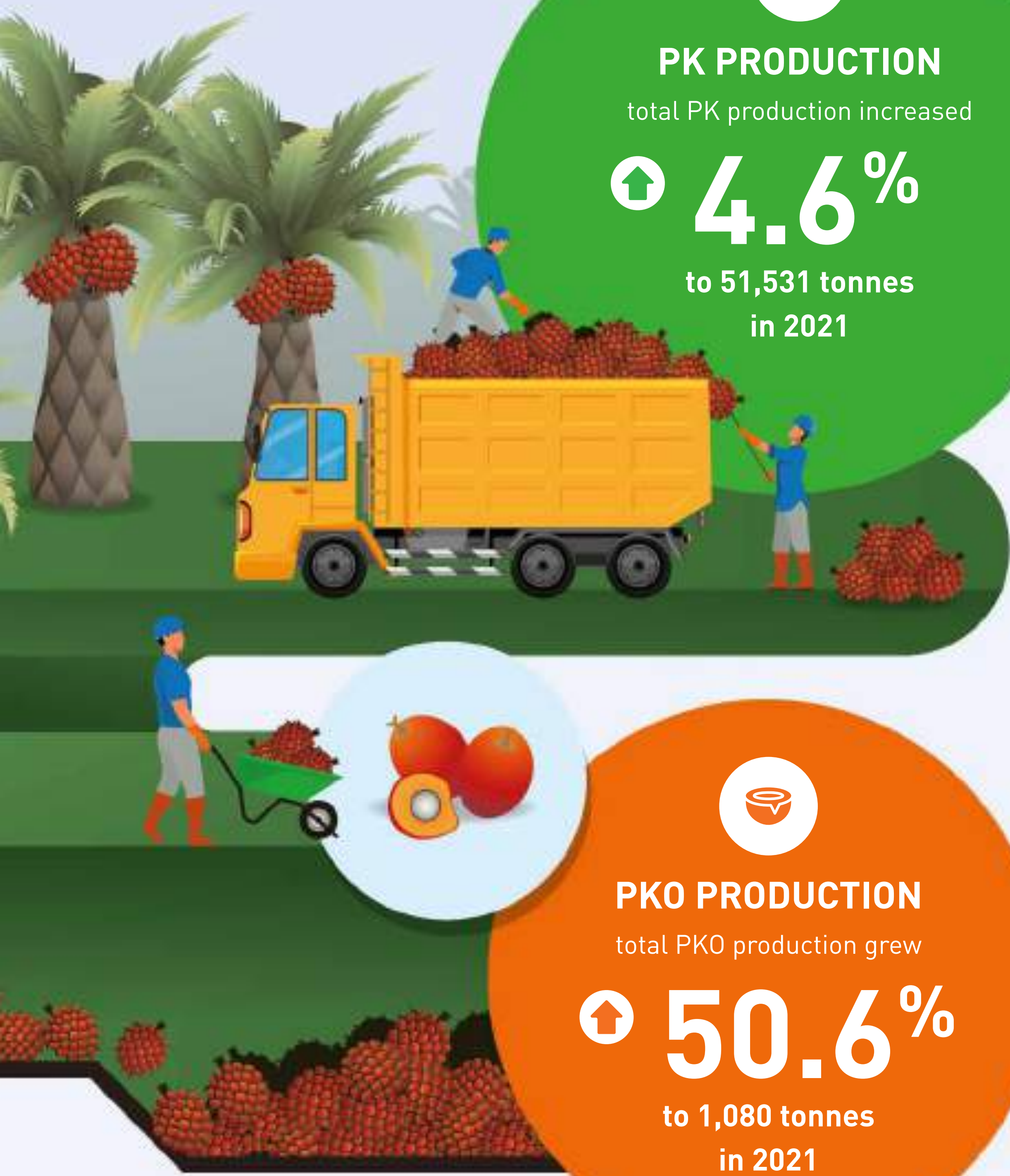
to 838,191 tonnes
in 2021

CPO PRODUCTION

total CPO production grew

7.4%

to 262,683 tonnes
in 2021



PK PRODUCTION

total PK production increased

4.6%

to 51,531 tonnes in 2021

PKO PRODUCTION

total PKO production grew

50.6%

to 1,080 tonnes in 2021

CONTENTS

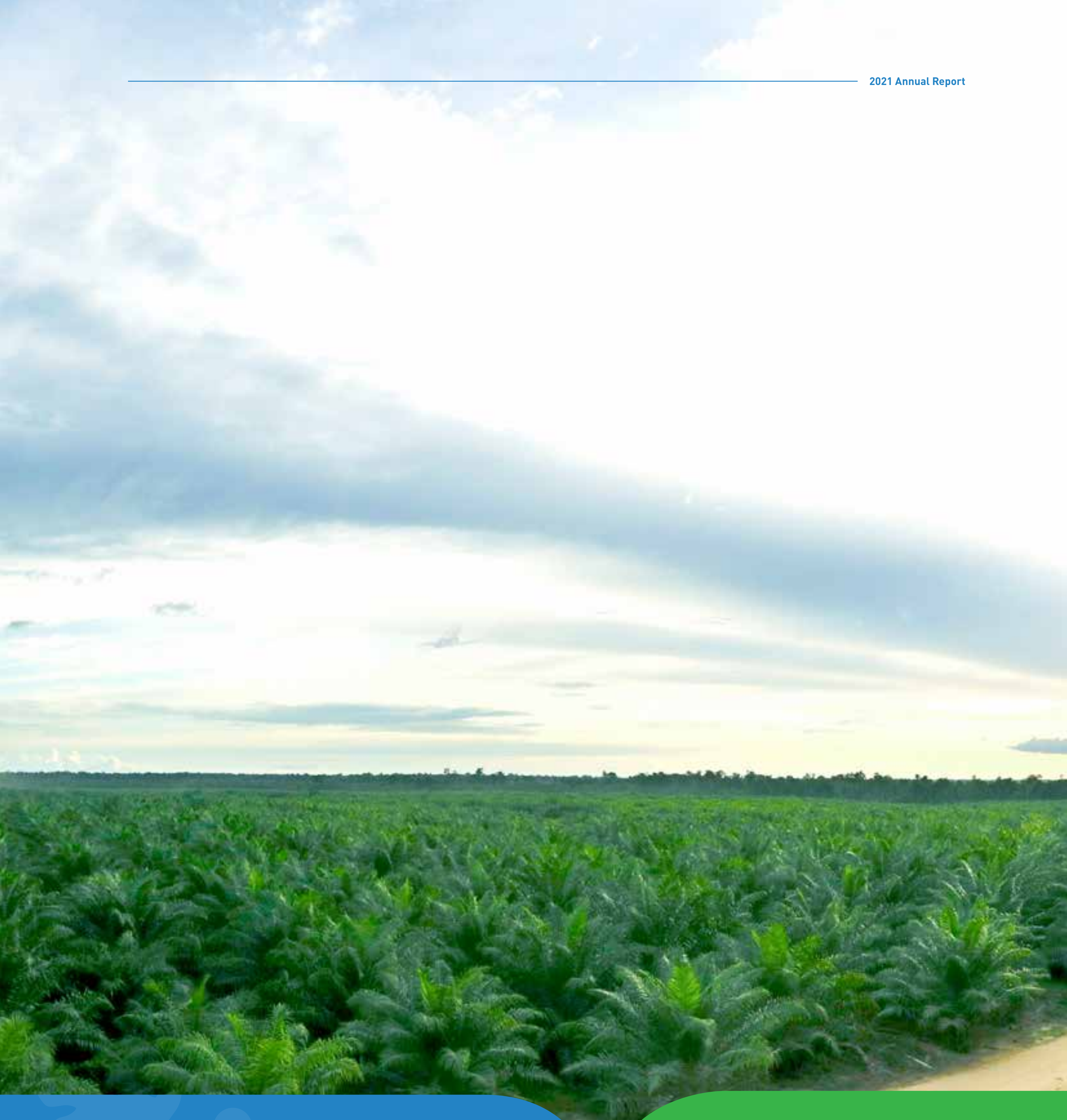
84

MANAGEMENT DISCUSSION AND ANALYSIS

104

CORPORATE GOVERNANCE

PERFORMANCE HIGHLIGHTS



The average age of our nucleus oil palms across all the Group's plantations, as of December 31, 2021, is 13 years.

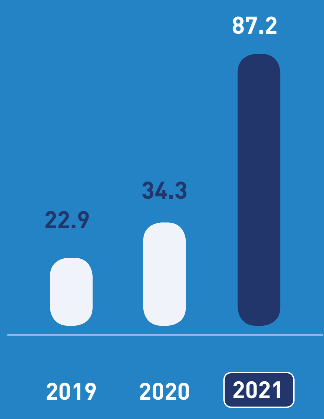
FINANCIAL AND OPERATIONAL HIGHLIGHTS

	2021	2020	2019	Variance 2021 vs 2020	
				Amount	%
Results from Operations (USD million)					
Total Revenue	**266.8**	164.1	130.4	102.7	62.6%
Palm Oil, Palm Kernel Oil and Palm Kernel	**264.0**	161.5	128.5	102.5	63.5%
Sago starch	**1.3**	1.2	1.0	0.1	7.4%
Service Concession Revenue	**0.6**	0.6	0.4	0.0	0.5%
Others	**0.9**	0.8	0.4	0.1	12.6%
Gross profit	**100.7**	40.1	23.8	60.7	151.3%
EBITDA	**87.2**	34.3	22.9	52.9	154.1%
Net income (loss) for the year	**39.7**	2.2	(4.6)	37.5	1,694.9%
attributable to the owners of the company	**40.0**	2.3	(4.2)	37.7	1,604.7%
attributable to non-controlling interests	**(0.3)**	(0.1)	(0.4)	(0.2)	151.2%
Total Comprehensive Income	**37.0**	5.8	2.2	31.1	532.7%
attributable to owners of the company	**37.6**	5.8	2.5	31.8	543.4%
attributable to non-controlling interests	**(0.6)**	0.0	(0.3)	(0.7)	13,975.4%
Basic earnings (loss) per share	**0.012084**	0.000709	(0.001267)	0.011375	1,604.3%
Financial Position (USD million)					
Cash and cash equivalents	**27.1**	15.9	18,5	11,3	70.8%
Investments in associates	**-**	-	-	-	-
Total current assets	**78.2**	66.5	66.8	11.7	17.6%
Total assets	**652.7**	636.1	625.7	16.5	2.6%
Bank loans	**169.2**	195.9	190.5	(26.7)	(13.6%)
Total current liabilities	**48.8**	28.4	31.4	20.4	71.7%
Total liabilities	**219.4**	240.4	237.0	(21.0)	(8.7%)
Total equity	**433.3**	395.8	388.7	37.5	9.5%
Financial Ratios					
Return on assets (%)	**6.1%**	0.3%	(0.7%)	5.7%	1,649.5%
Return on equity (%)	**9.2%**	0.6%	(1.2%)	8.6%	1,539.4%
Gross margin (%)	**37.8%**	24.4%	18.2%	13.3%	54.6%
EBITDA margin (%)	**32.7%**	20.9%	17.5%	11.8%	56.3%
Net profit margin (%)	**14.9%**	1.3%	(3.5%)	13.5%	1,004.0%
Current ratio	**1.6**	2.3	2.1	(0.7)	(31.5%)
Liabilities to equity ratio	**0.5**	0.6	0.6	(0.1)	(16.6%)
Liabilities to assets ratio	**0.3**	0.4	0.4	(0.0)	(11.0%)
Net debt to equity ratio	**0.3**	0.5	0.4	(0.1)	(27.9%)
Cash ratio	**0.6**	0.6	0.6	0.0	(0.5%)
Receivables Turnover	**2.9**	2.5	20.1	1.8	15.5%
Palm Oil Production (tonnes unless specified)					
Total FFB produced from our estates*	**838,191**	785,202	732,837	52,988	6.7%
Total FFB bought from third parties	**434,123**	408,554	405,754	25,569	6.3%
Total FFB processed*	**1,272,314**	1,193,756	1,138,591	78,558	6.6%
Average FFB yield (tonnes per hectare)	**20,4**	20,1	20,9	0,3	1.4%
Total CPO Production*	**262,683**	244,485	240,844	18,198	7.4%
Total CPO Sales*	**268,289**	240,315	239,800	27,974	11.6%
Total PK production	**51,531**	49,286	51,585	2,245	4.6%
Total PK sales	**51,991**	48,660	52,115	3,331	6.8%
Total PKO Production*	**1,080**	717	-	363	50.6%
Total PKO Sales*	**1,113**	700	-	413	59.0%
CPO extraction rate (%)	**20.6%**	20.5%	21.1%	0.2%	0.8%
PK extraction rate (%)	**4.4%**	4.2%	4.5%	0.2%	5.1%
PKO extraction rate (%)	**1.0%**	1.1%	-	(0.0)%	(4.5%)
CPO average selling price	**801**	581	479	221	38.0%
PK average selling price	**527**	315	261	212	67.2%
PKO average selling price	**1,308**	667	-	641	96.1%
Cash cost of production	**346**	289	293	57	19.6%

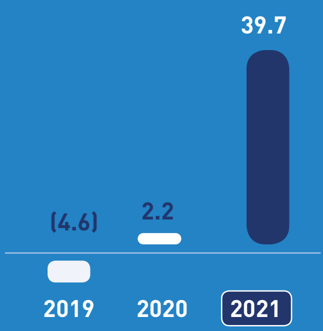
Notes: *Restated for the figure in 2020 to include scout harvesting production and sales from West Papua estate.

TOTAL REVENUE
(USD Million)

EBITDA
(USD Million)

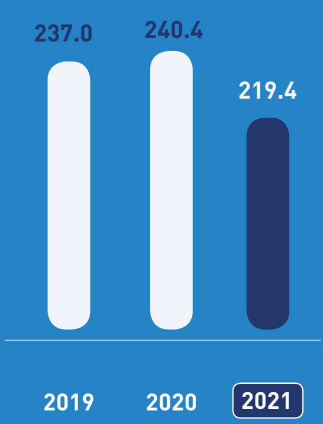


NET INCOME (LOSS) FOR THE YEAR
(USD Million)

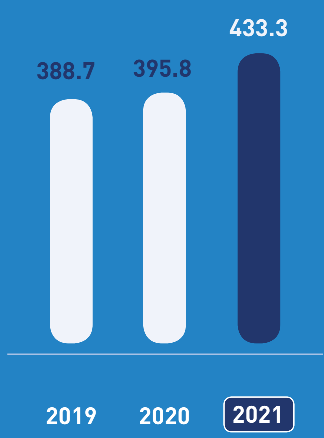


TOTAL ASSETS
(USD Million)

TOTAL LIABILITIES
(USD Million)

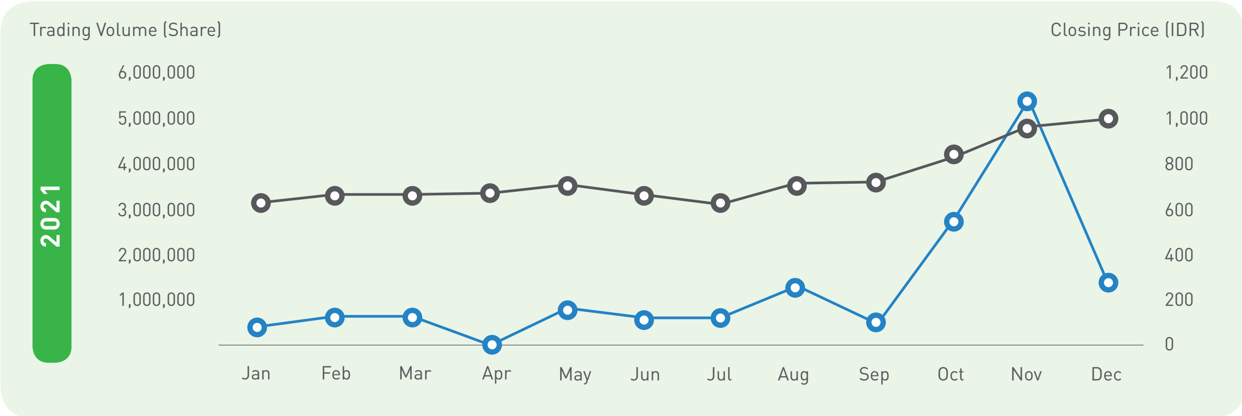


TOTAL EQUITY
(USD Million)



SHARE INFORMATION

ANJ Share Price Performance 2020 - 2021



ANJ Quarterly Share Price Data 2020 - 2021

Year	Quarter	Open (IDR)	High (IDR)	Low (IDR)	Close (IDR)	Volume (Shares)	Value of Transactions (IDR)	Outstanding (Shares)	Market Capitalization (IDR)
2021	Q1	725	760	610	655	1,741,400	1,189,118,000	3,354,175,000	2,196,984,625,000
	Q2	680	830	620	655	1,606,200	1,123,872,000	3,354,175,000	2,196,984,625,000
	Q3	660	800	585	735	2,460,700	1,662,664,000	3,354,175,000	2,465,318,625,000
	Q4	735	1,240	725	990	9,452,200	8,896,287,000	3,354,175,000	3,320,633,250,000
2020	Q1	965	1,000	610	610	789,400	664,442,000	3,354,175,000	2,046,046,750,000
	Q2	570	750	412	488	546,900	264,854,000	3,354,175,000	1,636,837,400,000
	Q3	540	650	460	492	493,000	288,238,000	3,354,175,000	1,650,254,100,000
	Q4	492	800	480	735	2,356,200	1,581,794,000	3,354,175,000	2,465,318,625,000

Information on Outstanding Bonds, Sukuk (Sharia Bond) or Convertible Bonds

In the last 2 (two) years, the Company has had no outstanding bonds, sukuk (sharia bond) or convertible bonds.

Suspension and/or Delisting

No suspension and/or delisting during financial year 2021.

SIGNIFICANT EVENTS 2021

10/11

FEBRUARY

Environmental Impact Analysis (ANDAL) Environmental Management Plan (RKL) Environmental Monitoring Plan (RPL) Commission Meeting regarding the PMP Support Facilities

The meeting was attended by the Department of Environment and Land of West Papua Province, together with a team of experts from Gajah Mada University and a technical team from the ANDAL Commission. The purpose was to discuss the ANDAL RKL-RPL for the development of the plantation facilities and palm oil processing mill of PT Putera Manunggal Perkasa (PMP).

The commission session and meeting included assessment of the documents presented for the development of PMP's plantation facilities and palm oil processing mills as well as listening to input and suggestions from the community.

11

FEBRUARY

PMP Health Clinic receives Permit to Operate

The Putera Manunggal Perkasa (PMP) Health Clinic received its operating permit from the Maybrat District Health Office.

The granting of this permit is in accordance with the Regulation of the Minister of Health of the Republic of Indonesia Number 9 of 2014 concerning clinic permits. With this operating license the PMP clinic can provide health services not only to employees but also to the general public living in the vicinity of PMP's operational area.

22

MARCH

KAL gives the Sustainable Palm Oil Premium to Partnership Smallholders

PT Kayung Agro Lestari (KAL) distributed the sustainable palm oil premium to partnership farmers.

KAL distributed a premium of IDR 480,336,648 to the Laman Mayang Sentosa Cooperative which comprises 624 farmers all of whom are partners of KAL and implement sustainable plantation practices.

24

MARCH

GMIT Exports Edamame to Japan

PT Gading Mas Indonesia Teguh (GMIT), in collaboration with Asia Foods Group, was successful in exporting frozen edamame to the Japanese market. Prior to entering the export market, GMIT had produced fresh edamame, which was only marketed domestically, such as in Bali, East Java, Jakarta and Central Java.

4

MAY

SMM submits the results of the watershed rehabilitation (DAS) to the Directorate General of Watershed Management and Forest Rehabilitation (PDASRH) and the Ministry of Environment and Forestry

PT Sahabat Mewah dan Makmur (SMM) submitted the results of the rehabilitation of the Watershed (DAS) to the Directorate General of Watershed Management and Forest Rehabilitation (PDASRH), Ministry of Environment and Forestry. The handover was held virtually on May 4, 2021, ANJ Group was represented by Nunik Maharani, Director of Sustainability and Corporate Communication.

9

JUNE

Annual General Meeting of Shareholders (AGMS) and Public Expose

On June 9, 2021, PT Austindo Nusantara Jaya Tbk. (ANJ) held the Annual General Meeting of Shareholders (AGMS) and an online Public Expose. One of the agenda items at the AGMS was to appoint Lucas Kurniawan as Vice President Director and to announce the distribution of cash dividends of IDR. 4 per share.

JUNE

The Regent of East Belitung, accompanied by members of the Regional Government of East Belitung Regency, pays a visit to the ANJ Head Office

PT Austindo Nusantara Jaya Tbk. (ANJ) received a visit from the Regent of East Belitung, Drs. Burhanuddin along with the ranks of the Regional Government of East Belitung Regency.

The meeting aimed to strengthen the relationship between the Government of East Belitung and the ANJ Group.

SEPTEMBER

PMP and Health Social Security Agency (BPJS) Healthcare sign MOU

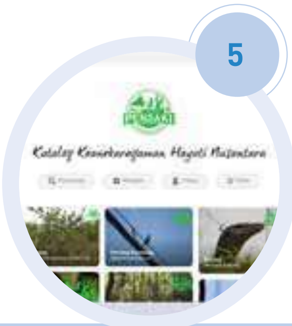
On September 1, 2021, a Memorandum of Understanding (MOU) was signed between BPJS Kesehatan Sorong Branch and PT Putera Manunggal Perkasa (PMP).

In accordance with the signing of the MOU, PMP's health clinic has increased its status to become a first-rate health facility providing health services for employees and communities living in the vicinity of PMP's operational area.

SEPTEMBER

The signing of an MOU for the implementation and development of vocational education programs equivalent to the Diploma-I

The Polytechnic of Industrial Chemical Technology (PTKI) in Medan and PT Sahabat Mewah dan Makmur (SMM) signed a Memorandum of Understanding (MOU) on Monday 6 September 2021 at the ANJ Learning Center in Belitung. The MOU establishes cooperation in the implementation and development of vocational education programs equivalent to Diploma-I.



OCTOBER

ANJ Receives ESG Rating from Sustainalitycs

To measure achievement in ESG implementation, ANJ received the results of the ESG Risk Rating assessment conducted by Sustainalytics. The resulting score was 26.1 (medium risk). This ESG Risk score ranks ANJ third out of 95 global agricultural companies and 78th out of 588 global food industry companies, as rated by Sustainalytics. Sustainalytics is the world's leading independent organization in the fields of rating, ESG research and corporate governance.

NOVEMBER

Extraordinary General Meeting of Shareholders (EGMS)

On November 2, 2021, PT Austindo Nusantara Jaya Tbk. held an Extraordinary General Meeting of Shareholders (EGMS). At the EGMS, the Company appointed Lucas Kurniawan to replace Istini T. Siddharta as President Director.

The EGMS also approved the appointment of Geetha Govindan as Vice President Director of ANJ, as well as the appointment of Aloysius D'Cruz and Nopri Pitoy as Directors of ANJ.

NOVEMBER

ANJ Launches PENDAKI Website

On November 5, ANJ launched the website PENDAKI or "Peduli Keanekaragaman Hayati" as testament to one of the company's core values "Respect for People and the Environment" and the spirit to implement Responsible Development.

Initiated in 2019, PENDAKI is a method of monitoring biodiversity with a "citizen science" approach. The results from PENDAKI are quite significant, since its inception, 778 citizen scientists from within ANJ have participated, more than 40,000 observations have been collected and around 400 species of plants and animals were identified in the ANJ concession areas.

The biodiversity data can be accessed through the website with the following link: https://pendaki.anj-group.co.id

13

18

NOVEMBER

Mr Bernard Sagrim, Regent of the Maybrat Regency, pays a visit to PMP

On November 13, 2021, Mr. Bernard Sagrim, the Regent of Maybrat Regency, made a one day visit to the PT Putera Manunggal Perkasa (PMP) Palm Oil Mill.

During his visit, Mr. Sagrim reiterated that ANJ's efforts to invest in oil palm plantations must still side with Papuans (OAP) in accordance with Law Number 2 of 2021 concerning Special Autonomy for Papua.

NOVEMBER

ANJ Receives Assessment from the Sustainability Policy Transparency Toolkit (SPOTT)

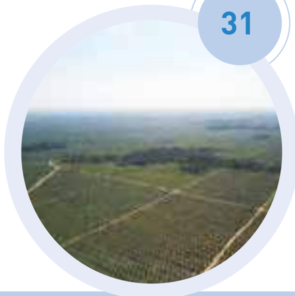
To measure sustainability transparency and ESG implementation, ANJ participated in the 2021 (SPOTT) assessment conducted by the Zoological Society of London (ZSL). In the latest SPOTT assessment released on November 18, 2021, ANJ scored 82.9% and was ranked 12th out of 100 palm oil producers, processors and traders assessed by SPOTT.

The rating this year was up 14.7 points compared to last year's score of 68.1%. SPOTT is designed to measure a company's transparency in public disclosure of best practices and corporate sustainability commitments.

7

28

31



DECEMBER

KAL delivers a symbolic IDR 580 million to support the prevention, suppression and recognition of forest, land and plantation fires (karhutlabun) to the Bina Satong Lestari Cooperative (BSL)

PT Kayung Agro Lestari (KAL) symbolically handed over an incentive or assistance, of IDR. 580 million for the prevention, suppression and recognition of forest, land and plantation fires (karhutlabun) to the Bina Satong Lestari Cooperative (BSL) located in Kuala Satong village, North Matan Hilir sub-district, Ketapang Regency.

DECEMBER

SMM and ANJA Received Gold PROPER 2021

PT Sahabat Mewah dan Makmur (SMM) and PT Austindo Nusantara Jaya Agri (ANJA) were awarded the Gold PROPER from the Ministry of Environment and Forestry (KLHK).

For SMM this is the second Gold PROPER that has been achieved in two consecutive years, while for ANJA this is the first Gold PROPER.

DECEMBER

PPM and PMP Obtained RSPO & ISPO Certification

PT Permata Putera Mandiri (PPM) and PT Putera Manunggal Perkasa (PMP) received certification from the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO) as a form of fulfilling the requirements for sustainable and responsible palm oil. This achievement means that all of ANJ's producing plantations are now RSPO and ISPO certified.

MANAGEMENT REPORT

Our renewable energy business, AANE, has recorded a net profit for a second consecutive year.

REPORT FROM THE BOARD OF COMMISSIONERS

Dear Shareholders,

Despite the obvious challenges of the ongoing pandemic, I am pleased to report that 2021 was a highly successful year for the Company. That is not to say that it was all plain sailing. Lingering global uncertainty and associated restrictions could have resulted in a bigger impact on our operations, but once again, the dedication and innovation of our people shone through and we were able to produce record-breaking results.

The past few years were very challenging; however, we have navigated through low prices, supply chain disruptions, unfavourable weather conditions and the COVID-19 pandemic. Thanks to the work ethic of our employees and the hands-on approach of our senior management team, ANJ used these challenging times as learning experiences and adapted accordingly. The ANJ management team focussed upon cost-efficiency and improving the vital elements of our operations such as infrastructure, research and development and climate change mitigation measures. This has put the Company in a position where, when the stars aligned, as they did in 2021, our outcomes were maximized.

CPO prices reached a record high this year due to an imbalance in supply and demand distribution. Indonesia's primary competitor in the palm oil industry, Malaysia, faced labour shortages, while other edible oil-producing countries, particularly in South America, experienced extreme weather conditions. Although we did not meet all the estate-specific CPO targets due to plantation status, ANJ's net income was USD 40 million for the year 2021, a first for the Company. Considering the global economic climate, in combination with the maturation of our young plantations in West Papua and the eventual lifting of movement restrictions due to the pandemic, we project a very promising future for our Company as an environmentally and socially sustainable producer of palm oil, sago, vegetables and renewable energy.

I would like to acknowledge the pride we all feel at the growing reputation of our Company globally. Our people have worked consistently to uphold our values of good governance, environmental protection, health and safety, community empowerment and sustainable practices. In 2021, our ESG ratings markedly increased, as

The work put in behind the scenes over the past few years has paid off. We hope to ride this high into the new year and refocus our attention on becoming a leader in sustainable production.

Adrianto Machribie
President Commissioner (Independent)

evidenced by our much-improved Sustainability Policy Transparency Toolkit (SPOTT) and CDP scores, as well as a very good result in our first Sustainalytics review. In December 2021, our two producing subsidiaries in West Papua, PPM and PMP, became RSPO and ISPO certified, thereby achieving universal RSPO and ISPO certifications of our producing estates. In addition, ANJA was awarded Gold rating in PROPER, the highest environmental and social award from the Government of Indonesia, following SMM which has achieved Gold rating status for two consecutive years. Scoring highly in global sustainability ratings demonstrates ANJ's commitment to adhering to international best practices. It also shows that our people are willing to go above and beyond to implement innovations that help to achieve sustainability targets and for this, I am very proud.

Our Assessment of the Board of Directors' Performance

ANJ's achievements this year would not have been possible without the meticulous planning and coordinated management by the Board of Directors. Through their relentless efforts, the Company has been successful in managing the risk of the pandemic and navigating the new normal in trade and export markets, all while upholding our sustainability policy commitments with the utmost regard.

In this second year of the pandemic, ANJ's management addressed the risk of infection and implemented rapid and strict health protocols to mitigate the impact of the COVID-19 pandemic on our operations and people. Early in the year, our management initiated a collaboration with the national and local governments to coordinate a vaccine program aimed to achieve universal vaccination among all ANJ employees, contractors and their families. By the end of 2021, the vaccination rate among employees was 93%. This is an exceptional achievement, particularly as many of ANJ's subsidiaries are in remote areas. Implementation of COVID-19 standard operating procedures remained as vigilant as in 2020, which meant that ANJ employees suffered a relatively low rate of infection and for the most part, we could continue business as usual.

While the impacts of the pandemic were not as heavily felt within our palm oil business, trade and international markets for some of our products, such as sago and vegetables, continue to present sub-optimal performance. Edamame was worst hit by low market performance. With the closure of cafes and restaurants, there has been a considerable decline in demand for edamame. ANJ is, however, continuing to pursue the export market and hopes to achieve better results with the frozen line, which is now up and running following initial problems with the timing and import of machinery in 2020.

Favourable conditions in the palm oil sector allowed management to redirect its focus towards new capital projects targeting improved efficiency in the long run. Among these projects is the continuation of land compensation at GSB in South Sumatra. This initiative aims to bridge land blocks for new planting and production. On a similar theme, ANJ has continued the replanting program in ANJA, which will likely reap great benefits in the next decade, demonstrated by the increase in production in 2021 from the replanting program in 2015. In West Papua and North Sumatra, the estate road and river embankment construction, respectively, was intensified to reach completion prior to the arrival of La Niña conditions. Finally, the research and development team has been hard at work to optimize composting, fertigation and the use of biomass feedstock, which will ultimately save the Company significant cost and time, whilst reducing our GHG emissions.

As is to be expected for a company with operations spanning a great archipelago like Indonesia, management has had to deal with several issues relating to local community concerns and the safety of our people. Following an unrelated politically motivated attack near one of our estates, ANJ ramped up security measures, receiving support from the surrounding communities. In 2021, there were no community incidents related to any of our operations and no significant land ownership issues. We value the opinions and concerns of local citizens and have made it a priority to adapt to local norms and build relationships with communities. A successful means of doing this is through cooperatives, which provide a mutual benefit to the Company and community.

This year saw the continued growth and maturity of our Responsible Development Programs. Of note are the savings and transportation cooperatives, Warung Mama at our subsidiaries in West Papua and the Citizen Scientist led Pendaki Project across the Group. Education and healthcare provision to communities, however, has proven difficult this year in our more remote areas, especially West Papua. Our management is currently in discussion with the government to address this issue as we recognize that ultimately, it must be resolved at a national level and cannot be the sole responsibility of a Company and its subsidiaries.

Advising the Board of Directors

Collaboration is essential to all that we do at ANJ, including the discussions and decisions made by the Board of Directors. Therefore, at each of the fortnightly meetings of the BOD, at least one, but typically three, members of the Board of Commissioners participate as observers and sometimes advisors. We believe that this establishes both a formal and informal relationship between the two boards, which acts as a very effective bridge. This way, decisions are inclusive and are approached from several, sometimes conflicting, viewpoints.

Corporate Governance

A strong corporate governance ethos is at the core of how we do business. We continue to receive recognition for our strong values from business circles, the government and the wider community. This year, our ASEAN Corporate Governance Scorecard (ACGS) assessment by the Indonesian Institute for Corporate Directorship (IICD), achieved 87.57. Our ESG performance was rewarded once again in 2021, with two of our subsidiaries, SMM and ANJA receiving the Gold PROPER award from the Ministry of Environment and Forestry. SMM has now received this award in two consecutive years. While our dedication to good corporate governance does not rest upon receiving awards, we view these achievements as a testament to our hard work and an indicator of where we came from and where we aim to go.

The pandemic presented us with the unique opportunity to reflect critically on our operating model and make changes for even greater efficiency. Among the improvements is our plan to restructure and decentralize our organization. As a company that spans the Indonesian archipelago, we believe that it is critical to establish several centres of command, each with its own resident director. With this new model, our operations can be tailored to the local environment and more heavily involve the communities that we support. These resident directors, of which there are currently two, will engage more intimately with the local government and communities, which allows for rapid, on-site decision making; ultimately reducing time lag.

As we plan to increase the number of resident directors and local management units, ANJ has intensified the Management Trainee program after a hiatus last year. Much of the program was successfully conducted online, due to the pandemic, with a limited number of sessions taking place in person.

The Board's Opinion of and Involvement in, the Whistleblowing System

In 2021, the whistleblowing system has seen far greater participation than in previous years as individuals feel more confident in sharing their concerns and complaints. As the system gains traction, not only are more people willing to use it, but we are also observing a boosted morale and a stronger sense of caring for the Company and its people.

We are happy to note that the whistleblowing system is being used respectfully, with all claims being valid, rather than individuals raising issues with an ulterior motive. Our people have also commented that when action needs to be taken, it is done promptly and appropriately, demonstrating careful consideration of the situation at hand. The primary complaints that were filed in 2021 were related to fraud, ethics and compliance and procedural. These complaints were addressed, giving confidence to the whistle-blower and appropriate consequences to the perpetrators.

Analysis of Prospects

In the second year of the pandemic, ANJ focussed its efforts on maintaining a successful and sustainable business amidst significant uncertainties in the condition of the global economy. Considering current trends in the market, we predict that there will always be a demand for palm oil. Unlike other vegetable oils, palm oil is extremely versatile, lending itself to high demand in an array of markets. Among these is the proliferation of biofuel mandates around the world, which offers a strong basis for the future of palm oil. This shift towards biofuels will likely be propelled by the agreements reached at the recent COP26 conference in Glasgow. This year we have refined our ESG strategy to meet our ESG ambition and targets, which includes strengthening our commitments to reduce GHG emissions and our carbon footprint, by announcing a target of net-zero carbon emissions by 2030. We believe that our hard work to reduce our GHG emissions in various ways, such as composting, fertigation and transforming palm oil mill effluent into feedstock for the biogas power plant will prove to be a smart investment in the years to come, as global industries shift towards a more climate-neutral approach.

As the market grows for palm oil, we believe that Indonesia will play an integral role in supplying the demand. Currently, there are only two major producing countries, Malaysia and Indonesia and the production conditions, including the cost of labour, are most favourable in Indonesia. ANJ is putting significant investment into research and development to improve productivity, efficiency and sustainability to boost our reputation as a climate-conscious palm oil company. Developing efficient and sustainable practices is critical as expansion into both brown and greenfield is increasingly limited, meaning that, to meet the heightened demand, our industry must learn to produce more with limited resources.

Our growth as a company will see increased penetration into the global market. For this reason, our management is acutely aware of the global economic status and current trends. Our analysis of the major developed countries such as United States of America and China, which have put in efforts to recover their economy and achieve a higher growth in 2022 bodes well for the Indonesian economy and the countries to which we hope to export our products.

The time presented to us in 2020 to rethink our goals and improve our operations has already paid off in 2021. We hope that these efforts continue to reap benefits in the new year and in years to come, allowing us to grow into an important palm oil company at a global level, whilst minimizing our impact by prioritizing a climate-neutral approach.

Changes in the Composition of the Board of Commissioners

In 2021, we warmly welcomed our own Istini Tatiek Siddharta to the Board of Commissioners, thus becoming our first female commissioner. After a successful run of nearly six years as the President Director, Istini decided to bring her expertise to the board, filling a seat that was empty for several years. During her tenure as the President Director, Istini was resolute in prioritizing the key values and missions of ANJ despite the unfavourable conditions she was faced with. Moving into this new position, she leaves her legacy in the form of a deeply instilled work ethic that is focussed, streamlined and efficient, that will transition well in years to come. We welcome Istini to the board and anticipate great input in the future.

Following the struggles faced in 2020, it would have been easy for ANJ and its people to enter 2021 somewhat despondent. Despite the ongoing pandemic, guided by our shared values, together we overcame adversity and made great headway in achieving our goals. The work put in behind the scenes over the past few years has paid off. We hope to ride this high into the new year and refocus our attention on becoming a leader in sustainable production. As always, such achievements are not made in isolation. Our Company is built by the people who call it theirs. The Group is nothing if not the sum of its parts. We would, therefore, like to thank everyone, from management to our employees and contractors, who have continued to work hard through difficult times, as well as our shareholders and stakeholders for their ongoing support.

On behalf of the Board of Commissioners,

ADRIANTO MACHRIBIE
President Commissioner (Independent)

THE BOARD OF COMMISSIONERS

FROM LEFT TO RIGHT:

SJAKON GEORGE TAHIJA
Commissioner

J. KRISTIADI
Independent Commissioner

ANASTASIUS WAHYUHADI
Commissioner

ADRIANTO MACHRIBIE
President Commissioner (Independent)

ISTAMA TATANG SIDDHARTA
Commissioner

GEORGE SANTOSA TAHIJA
Commissioner

ISTINI TATIEK SIDDHARTA
Commissioner

DARWIN CYRIL NOERHADI
Independent Commissioner

REPORT FROM THE BOARD OF DIRECTORS

Dear Shareholders,

Although deep in unprecedented times, 2021 has brought with it well-earned success for ANJ and its people. Despite continuing to grapple with the COVID-19 pandemic and associated limitations to our industry, our peoples' resilience has shone through. As we regain our footing in the global market, altered by the pandemic, we will prioritize sustainability and climate change resilience, which have both been clearly integrated into our business strategy.

The Palm Oil Industry in 2021

Throughout 2021, the palm oil industry has observed good operational performance with high CPO production and favourable price trends. The CPO price grew steadily over the course of the year, instilling a sense of security for future growth. By the second quarter, CPO marked its highest price in ten years. In the third quarter, this record was broken once again, allowing ANJ to conduct early repayment of long-term loans. These price surges were driven by several global factors, primarily the supply of edible oils and labour availability. As a result of the continued La Niña in South America, soybean oil production was heavily impacted by drought conditions. Rapeseed also sustained similar weather-related impacts. This imbalance in the supply of edible oils persisted throughout the year, ultimately supporting the upwards trend in CPO price. While favouring our industry, the dramatic effects of weather on crop production in other parts of the world this year further justified ANJ's approach to climate change mitigation, demonstrating that extreme weather poses a significant threat to oil production and proactive climate change risk management is critical to sustain production.

In addition to extreme weather, the continued outbreak of the novel Swine Flu in China and other regions in Southeast Asia, as well as the surge of the COVID-19 pandemic globally, we saw increased demand for palm oil. The favourable conditions with which Indonesia was presented, solidified the country's position as the primary global producer of palm oil, especially when labour shortages limited Malaysia's production. Among these favourable conditions was the reduction of the export levy by the Indonesian government in the second quarter and the continued implementation of the B-30 biofuel mandate during the economic recovery.

As trade resumes and countries begin to rebuild their economies, following the losses made at the beginning of the pandemic, the demand for palm oil is likely to increase, with the price of Brent crude oil reaching USD 79.20 per barrel by year end.

In 2021 we announced ambitious targets of Net-Zero Carbon by 2030 and a reduction in our GHG intensity by 30% from the baseline year of 2015 by 2030.

Lucas Kurniawan
President Director

We must, however, remain cautious when it comes to the potential price fluctuations caused by the pandemic, climate change and conflict and ensure that vigilance is taken in implementing cost control methods and managing our operations.

Strategies

To develop our strategies, the Board of Directors implements a stepwise procedure to ensure the successful integration of strategies into the Company's policy. This process starts with discussions among the directors to review the current strategy and determine whether it should be continued as is or refined. In these discussions, the risk of all factors which may influence the industry and the Company, together with the Company's competitive advantages and areas that we could do better, are reviewed. During the process, the Commissioners provide informal input wherein perspectives on industry risk and strategies which they wish to pursue are proposed. All directors have a specific set of roles and responsibilities concerning the strategy. Each year, one director leads strategy development. Typically, the director in charge is that whose expertise aligns with the strategic priorities of the upcoming year. Once decided upon, the strategy goes to the forum attended by general managers and heads of function. All members who attend the forum must prepare a proposal for their work plan, in advance.

Considering the promising outlook for the industry, our Company has completed the first phase of a strategic review by management consultants for 2022. In this, we have prioritized five main strategies that we believe can deliver ANJ's long term values and missions. The targets are as follows:

1. Expedite replanting in SMM and ANJA.
2. Expand composting to all estates.
3. Expedite infrastructure for plantations in West Papua estates.
4. Exploring carbon funded conservation.
5. Turnaround of the sago business.

In addition to these strategies, we also have agreed upon six ESG targets and ambitions, which are to be integrated into the ANJ strategic priorities.

Performance Versus Targets

In 2021, performance far exceeded both targets and the corresponding sales volume from 2020. ANJ booked a 62.6% increase in consolidated revenue to USD 266.8 million, compared to USD 164.1 million in 2020 and 56.1% higher than our target of USD 171.5 million. We owe this success to the revival of the palm oil industry following its relative collapse in 2020, as well as the projects we have invested in previous years, from which we are now reaping results. These factors saw average CPO selling prices increase to USD 801 per tonne for mature estates by year-end, in comparison to USD 581 per tonne in 2020. Finally, our newly mature estates and the product of our 2014 replanting scheme, significantly increased our sales volumes.

As the sales volumes increased throughout the year, we were able to maintain favourable cash costs per tonne. In West Papua, the cash costs per tonne were more variable due to the double handling cost of FFB due to damaged or incomplete roads combined with heavy rainfall in the region. By year-end, the Group booked a net profit of USD 39.7 million, compared to USD 2.2 million in 2020, mainly due to much higher both average CPO and PK selling price and sales volume in 2021. Our consolidated EBITDA increased from USD 34.3 million in 2020, to USD 87.2 million in 2021, above our target of USD 33.0 million.

With the Re-entry Protocol successfully completed in 2020, our trade in sustainable palm oil is functioning well with the addition of three major buyers in 2021. The RSPO and ISPO certifications of PPM and PMP in 2021 will increase our volume of certified palm oil in 2022 when we hope to start selling directly to buyers in North Sulawesi.

Challenges in 2021

- The pandemic continued to take a toll on our operations with several smaller operating sites, namely GMIT and ANJAP, experiencing closures due to outbreaks; and export markets, particularly those for commercial edamame and sago starch, were weakened due to restrictions in the hospitality industry.
- Following initial interest from the domestic market for sago, demand decreased in 2021, leading the Company to rethink the market strategy.
- In West Papua a protracted land access agreement process with local communities at ANJAP led to delays, whilst the ongoing laterization of roads at PMP and PPM continued to face challenges as heavy rainfall damaged roads and delayed progress.
- Heavy rainfall in December 2021 also caused flood in ANJAS which prevented the harvesting activities for a few days and damaged some infrastructure in ANJAS.

Segment Performance

Palm Oil

Our palm oil business showed significant growth in 2021, contributing 99% to ANJ's total revenue at year-end. Favourable CPO and PK price, the emergence of newly mature areas, the result of the replanting in SMM and new planting in the West Papua estates in 2015-2016, plus the benefits of the composting program supported the financial performance. The total CPO production at year-end was 262,683 tonnes: 7.4% higher than that of 2020, but approximately 3.9% lower than budget.

In 2021, the total FFB production reached 838,191 tonnes, up 6.7% from 2020. While the overall FFB production increased from previous years, ANJA experienced a decrease in FFB production of 15.1% due to the impact of the replanting program.

Plasma and smallholder cooperatives fared well this year, with one Plasma at KAL recording profit and two of the three in KAL receiving RSPO certification. At SMM, five out of eight smallholder cooperatives have received RSPO certification and we hope to see this continue with our cooperatives in North Sumatra. In December, our two producing subsidiaries in West Papua, PPM and PMP plus the Plasma, became RSPO and ISPO certified, thereby achieving universal RSPO and ISPO certifications of our producing estates.

Our forward-thinking replanting strategy has reaped benefits for production in 2021. Throughout the year, replanting efforts were focused on ANJA for 723 ha, whilst replanting was temporarily halted in SMM, although 94 ha of new planting was added to SMM. At GSB we are moving forward with land compensation with a plan to consolidate 3,000 ha for the HGU process. In 2021, the cumulative land compensation for GSB reached 3,969 ha. No new planting took place in West Papua, which currently has approximately 9,000 ha of planted area, including Plasma. Otherwise, no new land clearing is planned for 2021-2022 until the Company has obtained the NPP in ANJ.

The completion of the Tatakera bridge in December 2021 has facilitated the movement of the CPO shipment point to the Giamarema. The location of the new shipment point is highly strategic and enables the Company to ship larger volumes of product – up to 2,000 tonnes per barge. In 2022, the plan is to ship directly to Sulawesi, rather than Batam and sell to major buyers, which will reduce both lag time and shipment costs.

Sago

Our sago business, ANJAP, has proven to be less successful in 2021 than initially anticipated. This is due to both a decline in demand and a lengthy land access process with the traditional owners, as well as the delayed delivery of the sedimentation tanks due to a new COVID-19 wave in Indonesia in May 2021. Despite the recognition and promotion of sago as a sustainable food source by the Indonesian government in 2020, the domestic demand has significantly weakened over the past year, which has forced ANJ to reduce sales prices to compete with other products on the market. The Japanese market has also observed a decline in demand and stringent import specifications have made it exceedingly difficult to source our product. ANJ has, therefore, decided to attempt exporting to Singapore, Malaysia and China, where specifications are less stringent. To enter these markets, our product must be adjusted to satisfy the specific consumer needs of these countries, specifically the cohesiveness of the starch gel.

On a positive note, we have been able to maintain a consistent extraction rate of 13%. Nearly double than that of 2020, due to a breakthrough in our processing technology. Our new technology, including the installation of sedimentation tanks which eliminate the bottleneck at the front-end processing, have not only increased the volume of production but will also continue to reduce the cost of production per kilogram to break even. As our business expands, we have also begun separating our product into categories based on quality, which we hope will grant us wider market access.

Vegetables

2021 has seen a marked improvement in our vegetable operations, in comparison to 2020. Although exports are currently well below target, due to a pandemic-induced reduction in demand, most notably in Japan, our management has put measures in place which allow for rapid proliferation when markets reopen.

In August 2021, we completed the installation and commissioning of all machinery and declared the commercial operation for GMIT, thereby exponentially increasing the export potential. To address the challenges presented by low international demand for edamame, GMIT, in collaboration with Asia Foods, have shifted attention towards producing okra for export. The demand for okra is remarkably high in Japan, in comparison to edamame, as okra is commonly considered a household item and has therefore not been impacted by the restrictions to the hospitality industry. In shifting focus, ANJ decided to reduce the planting area of edamame and improve internal processes, which has improved the yield from 6.4 ton/ha to 7.7 ton/ha in a single year.

Considering our new Group-wide pledge to achieve net-zero carbon by 2030, GMIT is now prioritizing sustainable practices including the implementation of carbon footprint reduction measures such as utilizing solar energy, reducing energy consumption and composting. Acknowledging that the younger generation is at the forefront of promoting and maintaining sustainable practices, the Company is promoting the involvement of young farmers in sustainable farming. Not only does this provide opportunities and improve productivity, but it ensures that best practices are engrained in those who will be the future of farming, in the hope that they are upheld in the long run.

Renewable Energy

Our renewable energy business, AANE, has recorded a net profit for a second consecutive year, thanks to increased efficiency and a significant reduction in shutdowns. The current price agreement with PLN will be continued in 2022 with no changes. Increasing the tariff or selling to other external bodies is not currently feasible without marked difficulty which may risk the integrity of the project.

People

As was true in 2020, a key focus of 2021 was protecting our employees from COVID-19 infection. With concurrent waves and emerging variants, COVID-19 remained a significant threat to the health and safety of our people throughout the year. This year, in addition to maintaining existing health protocols, ANJ rolled out a highly successful vaccine program, in collaboration with the Indonesian government. The program prioritized employees, followed by contractors and eventually the families of both groups. By year-end, the double vaccination rates within the Company reached 93%. We hope to continue our vaccination program into the new year so that universal vaccination can be achieved.

Despite movement restrictions, we continued to adapt our systems and managed to conduct professional development for our employees through online training programs. 2021 saw a great increase in the number of participants taking part in online training, in comparison to 2020. By year-end, 5,396 individuals had completed training. We managed to restart the Management Trainee program this year, with a total of 37 fresh graduates taking part, the largest cohort to date. The Individual Development Program (IDP) was also popular and was conducted effectively online. However, feedback from our online ANJ Values training sessions determined that these were more effective if done in person, this feedback will be integrated into our plans for 2022 when we hope to carry out more sessions in person.

While much of the health and safety focus was placed upon mitigating the risk of COVID-19, we maintained an unwavering focus on the day-to-day safety of individuals working at our operations. Although there were no fatal work accidents in 2021, 18 severe accidents were recorded. Considering the circumstances of these accidents, ANJ has decided to further prioritize educating our people on work health strategies and improving the health and safety culture at estates.

Driving Productivity and Accountability Through Digital Solutions

ANJ aims to integrate the most current technology into all our operations to ensure that we remain competitive with other actors in the industry. In 2021, several digital transformations were made that updated and streamlined our performance. Of note is our mobile traceability platform which can incorporate the exact GPS coordinates for each step of our processes, from harvest to export, allowing for transparent and thorough data collection. We have also initiated aerial remote sensing using drones to map and monitor our production more efficiently. Our electronic mobile solutions continue to be a very effective, transparent and thorough methods of data collection, especially for our mobile traceability programs for palm oil (eTIS) and at GMIT (SIGAP).

Corporate Governance

ANJ acknowledges the negative stigma that surrounds the palm oil industry. We believe that through our transparent approach, demonstrated willingness to reduce impacts, openness to innovation and sustainable business practices, we will help to effect a change in public perception and promote our essential industry as one that can align both with the demand of a growing world and the unique needs of our changing climate.

In 2021, we are proud to be recognized by several global bodies for our ESG performance. Our SPOTT rating increased by 14.7 points from 2020 and our CDP score for palm oil also saw an improvement from a B- in 2020 to A- in 2021; better than the industry average. I would like to add to this that only three palm oil companies worldwide have received an A-. The CDP assessment went beyond palm oil, seeing both soy (GMIT) and the Group wide water management receiving a B. This year, we also engaged with Sustainalytics for the first time to rate our ESG performance. We received a very good initial score of 26.1 (Medium Risk) and have been rated as the No.1 company in Indonesia and No.3 among all companies in the agricultural sector, globally. The accolades do not end there, as December 2021 saw SMM and ANJA receive the Gold PROPER award from the Ministry of Environment and Forestry – a most sought-after recognition for sustainable environmental practices and social innovation in Indonesia. We are proud that both SMM and ANJA are the only palm plantation companies to be awarded this prestigious recognition, with SMM having been awarded in two consecutive years. Furthermore, KAL and ANJAS received Blue PROPER and Blue PROPERDA respectively.

While we appreciate the recognition that these awards bring, our Company does not rest on its laurels. Rather, we use these awards as an indicator of our progress and areas in which we can improve. To ensure that our good governance practices are maintained, we continue to implement our audit process and the whistleblowing system, both of which have grown significantly in the past year. This year we initiated collaboration between the internal audit team and the ANJ value champions to address certain issues, particularly those raised through the whistleblowing system. Our value champion system is not part of the formal organization structure and is a unique characteristic of ANJ, where our values are paramount to our success. In 2021, our value champions were particularly important as COVID restrictions made regular site visits difficult. Seeing the Group-wide enthusiasm for upholding ANJ Values, we have intensified our efforts to provide training to all our employees. In 2021, we made the program more focused and enrolled more individuals to ensure that all estates have at least two trained value champions, preferably representing both genders and from different levels in the Company, for example, managerial and staff levels. In 2021, value champion training was conducted for Jakarta and Medan offices, as well as at GMIT and ANJA, with plans to expand to other locations in the new year.

Sustainability

As markets reopened and production levels stabilized, ANJ was able to prioritize our sustainability initiatives, making our ESG journey the focus of 2021. With the help of strategic management consultants, we worked hard on the process of determining materiality and setting our ESG ambitions. The foresight behind this shift in focus is that by clearly identifying environmental, social and climate change risks, the Company can develop a more targeted business strategy. The aim is ultimately to prioritize our ESG targets, develop our ESG strategy and effectively integrate it with our business strategy.

In 2021 we announced ambitious targets of Net-Zero Carbon by 2030 and a reduction in our GHG intensity by 30% from the baseline year of 2015 by 2030. We are acutely aware of the materiality of mitigating climate change risk. Our extensive composting and fertigation initiatives are clearly reaping benefits for productivity and cost-reduction. Predictions from our research and development team have determined that the improved soil condition and yields that result from the composting and fertigation could support a 50% reduction in inorganic fertilizer use in coming years, which would ultimately see a significant reduction in operational costs, as well as a reduction in GHG emissions. Our stance is that both countries and industries alike must recognize the increasing threat of climate change as a risk to the production of essential commodities. In addressing the issues sooner rather than later, ANJ is directly strengthening our sustainability as a business and prolonging our lifespan as a producer of palm oil and other products.

Protecting forests and biodiversity continues to be material for ANJ and an aspect we are highly committed to, as evidenced in our Sustainability Policy. Wildfires remain a threat at several of our estates, particularly KAL. Commencing in 2020, we have invested heavily in fire prevention and management infrastructure and capacity training. By January 2022, the Phase 1 of the forest fire infrastructure was completed and Phase 2 had commenced. This allowed the Group to perform well and score highly on the CDP for forest fire risk and water security.

A new initiative with the potential to finance conservation efforts is our Carbon Project in West Papua, which has now completed the feasibility study, the ground survey and the Free Prior Inform Consent (FPIC) process with the communities. We aim to complete this phase by mid-2022, keeping in mind that the project is subject to changes from new carbon trading regulations issued by the Indonesian government.

To be a role model for other companies in our industry, we must be as transparent about our operations as possible. The traceability program is integral to our operations and is now implemented in all relevant estates, resulting in more than 98% of our FFB from third party sources traceable to plantation, which is a remarkable achievement. This process was completed in July 2021, well ahead of the September 2021 target. Our traceability system refuses new sources of FFB from forest areas and socializes our no deforestation policies to our supply chain. We ensure that all third-party labour practices are monitored and regulated as per our Sustainability Policy. In 2021 we established a new function aimed at enhancing smallholder knowledge and skills by engaging and educating farmers on social and environmental best practices, which includes a total ban on forced or child labour.

Many of our ESG and sustainability initiatives and commitments are underpinned by our Responsible Development projects. In 2021, we saw continued success with our savings and transport cooperatives in West Papua, as well as with Warung Mama. At SMM, a new initiative, the floating rice cultivation project, enables the local community to use seasonal flooding to their advantage. The scheme saw an increase in paddy field productivity which suggests that farmers might avoid decreased yields during extreme weather events which will only become more common in the future.

Pendaki or Care for Biodiversity, the citizen science-based Responsible Development program initiated in 2019 continues to be an overwhelming success. To date, over 40,000 observations have been collected by the workforce, an incredible achievement. In 2021, an external expert review of Pendaki concluded that it is a cutting-edge program that has not been successfully implemented by any other palm oil company. Through the program, ANJ has demonstrated its commitment to making biodiversity observations and data collecting a fundamental part of the day-to-day company operations.

Unfortunately, the education program in West Papua experienced some issues over the past year. A good quality education program requires financial resources and the Company has a limited capacity to support the initiative to establish and finance kindergartens and elementary schools in many more villages than the current two villages. We believe that improving the quality of education requires a collaborative effort with various stakeholders, including the local government. Our teams are currently in the process of getting the local government's support for this collaboration. If these discussions are successful, ANJ hopes to work together with all parties to develop a sustainable education program in the surrounding villages.

Analysis of Prospects

Prospects for the coming year are bright. The high CPO price that has only grown as the year progressed, is expected to continue its upward trend until at least the second quarter of 2022. Beyond that, prices are highly dependent on the planting progress of soya in South America, which will be influenced by the weather conditions in the coming months. ANJ must also keep abreast of the developments regarding the domestic supply demand imbalance of cooking oil which had led to the implementation of Domestic Market Obligation (DMO) and Domestic Price Obligation (DPO), which were subsequently revoked by the Indonesian government. Although the implementation of DMO and DPO have been revoked, the Indonesian government has put additional CPO price reference brackets for the export levy and the maximum export levy has been increased from USD 175 per tonne to USD 375 per tonne. Our current estimates indicate that although the increase in export levy will limit our opportunity to record an average selling price in line with CPO price movement on the international from the improved productivity and cost management. This status quo could change, however, depending on the dynamics of government regulations, prevailing weather conditions and the global supply and demand of vegetable oils.

General productivity across our Group has been good throughout 2021, allowing us to focus upon targets that do not directly enhance our production. However, the success of our operations is also dictated by the weather conditions which we face. Therefore, ANJ must continue to focus upon our key initiatives, such as composting, to ensure that the impacts of extreme weather and climate change do not cause a drastic decline in production or production quality. To this point, it should also be stressed that capital expenditure and operational costs must be considered cautiously to prevent losses if low-production circumstances arise.

While we have observed a gradual improvement in the pandemic situation throughout 2021, the emergence of the Omicron variant in the final months of the year has brought with it new uncertainties with regards to trade and travel restrictions and infection risk. ANJ must continue to monitor the pandemic, enforce strict health measures within the Company and assess the most cost-effective export markets to pursue. Equally, we must remain attuned to the developments in the Omnibus Law of Indonesia, particularly the tax regulation harmonization in 2022, as there could be significant impacts on our operations and exports.

Aside from external determinants of success, ANJ recognizes that our Company is built upon its people. Particularly during the pandemic, our people have demonstrated their dedication to ANJ and its values. In the coming years, our management would like to champion this trait and invest more heavily in the talent development program. The program has already proven to be successful, particularly at the managerial level. Providing individuals who feel passionately about the Company and its mission with the opportunity to develop their skills and rise through the ranks is an optimal means of forming a cohesive cohort of individuals who understand and value ANJ to the fullest.

Capital Expenditure

Although the CPO prices of 2021 far exceeded those of previous years, ANJ will not be complacent and will continue to prioritize cost control. The current pandemic situation remains volatile and, as a result, future market conditions and trade potential is difficult to predict. We, therefore, cautiously considered capital expenditure and operational costs through the implementation of the following strategic projects in 2021:

- Replanting at ANJA and SMM and new planting at SMM.
- Resumption of the GSB land compensation project to consolidate 3,000 ha for HGU.
- Intensification of the composting and fertigation schemes.

- Continuation of road laterization and infrastructure construction at PPM and PMP.
- Continuation of construction of flood prevention measures at ANJAS.
- Completion of Phase 1 fire prevention infrastructure at KAL.

For 2022 our planned capital investments include:

- Replanting in SMM and ANJA.
- Continue GSB land compensation to consolidate 3,000 ha for HGU.
- Continue planting in GSB.
- Build a composting plant in KAL.
- Continuation of Phase 2 and commencement of Phase 3 fire prevention infrastructure at KAL.
- Completion of flood prevention measures at ANJAS.
- Continuation of road laterization at PPM and PMP.

Changes in the Composition of the Board of Directors

This year, Istini Tatiek Siddharta stood down from her position as the President Director of ANJ and took a seat on the Board of Commissioners. She becomes the first female Commissioner, which lends to ANJ's continued efforts to achieve greater gender equality across the Company. Istini was an excellent president director and led ANJ on a path to success, pursuing our values through difficult times and trying circumstances. Her contributions to the Board are indicative of her work ethic and we anticipate great input from this innovative and goal-driven individual in years to come.

ANJ has also welcomed two new directors. Aloysius D'Cruz as Agronomy Technical and R&D Director and Nopri Pitoy as Finance Director, both of whom have been with the Company for many years and have contributed significantly in their respective roles. Aloysius was previously a director at ANJA, where he played a critical role in improving agronomy practice, including high-quality composting; productivity; and research and development. He will play an instrumental role in consolidating the development of the Group and bringing the innovation of the agronomy sector to new levels. Nopri's previous position saw her manage the procurement and financial affairs of the West Region Palm Oil. Her strong background in the finance and supply chain is expected to reap great benefits in her new position. With the appointment of these two individuals, our directorial board has a combined experience of over 100 years, which is important in driving our values and development.

In closing, I would like to take this opportunity to thank all those involved in our operations for their hard work and dedication to the core values and missions of ANJ. In 2021, the world continues to be a difficult place, with the end of the pandemic a distant goal. However, through adapting to a new normal and applying the lessons learned over the past two years, our people have helped ANJ to achieve some outstanding results this year. Through the unwavering devotion to their work, our Company is entering the new year at an all-time high. As we move into 2022 with promising prospects, we look forward to the journey that lies ahead in our mission to become the blueprint for sustainable industries worldwide.

On behalf of the Board of Directors

LUCAS KURNIAWAN
President Director

THE BOARD OF DIRECTORS

FROM LEFT TO RIGHT:

GEETHA GOVINDAN
Vice President Director

ALOYSIUS D'CRUZ
Director

LUCAS KURNIAWAN
President Director

NAGA WASKITA
Director

NOPRI PITOY
Director

STATEMENT OF RESPONSIBILITY

By the Members of the Board of Directors and the Board of Commissioners for the 2021 Annual Report of PT Austindo Nusantara Jaya Tbk.

Jakarta, May 6, 2022

We, the undersigned, declare that the information contained in the 2021 Annual Report of PT Austindo Nusantara Jaya Tbk. is complete and we are responsible for the accuracy of the report's content. Thus, this statement is duly made by the Board of Directors and Board of Commissioners.

BOARD OF DIRECTORS

Lucas Kurniawan
President Director

Geetha Govindan
Vice President Director

Naga Waskita
Director

Aloysius D'Cruz
Director

Nopri Pitoy
Director

BOARD OF COMMISSIONERS

Adrianto Machribie
President Commissioner (Independent)

George Santosa Tahija
Commissioner

Sjakon George Tahija
Commissioner

Anastasius Wahyuhadi
Commissioner

Istama Tatang Siddharta
Commissioner

J. Kristiadi
Independent Commissioner

Darwin Cyril Noerhadi
Independent Commissioner

Istini Tatiek Siddharta
Commissioner

COMPANY PROFILE

All of our palm producing plantations are RSPO and ISPO certified.

ANJ's BUSINESS IDENTITY

COMPANY NAME PT Austindo Nusantara Jaya Tbk.

OFFICE ADDRESS

BTPN Tower, 40th Floor
Jl. Dr Ide Anak Agung Gde Agung
Kav. 5.5-5.6
Jakarta 12950
(62-21) 2965 1777
(62-21) 2965 1788

BUSINESS ACTIVITY

Trading, services and operations related to palm oil plantation and processing, as well as trading of palm oil products, sago harvesting and processing, vegetable production and processing (edamame) and renewable energy business.

DATE OF ESTABLISHMENT

APRIL 16, 1993

DOMICILE

JAKARTA

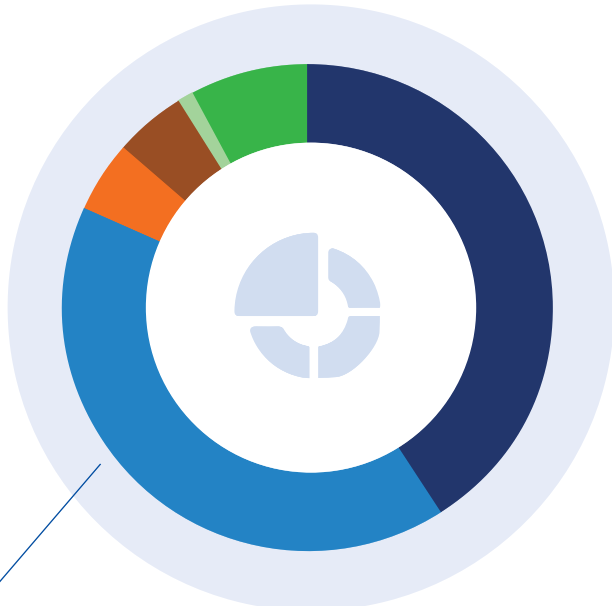
PRODUCTS AND SERVICES

CRUDE PALM OIL (CPO), PALM KERNEL (PK) AND PALM KERNEL OIL (PKO), SAGO, VEGETABLE (EDAMAME) AND RENEWABLE ENERGY FROM PALM OIL WASTE.

PT Austindo Nusantara Jaya Tbk.

SHARE OWNERSHIP

- PT Austindo Kencana Jaya 40.85%
- George SantosaTahija 4.74%
- Sjakon George Tahija 4.74%
- Yayasan Tahija 0.00%
- Treasury Stock 1.19%
- Public 7.64%
- PT Memimpin Dengan Nurani 40.85%



LEGAL BASIS OF ESTABLISHMENT

- Deed No. 72, dated April 16, 1993, Notary Sutjipto;
- Deed No. 54, dated July 16, 1998, Notary Esther Mercia Sulaiman;
- Deed No. 161, dated January 17, 2013, Notary Irawan Soerodjo
- Deed No. 270, dated June 22, 2015, Notary Irawan Soerodjo
- Deed No. 61, dated May 14, 2018, Notary Irawan Soerodjo
- Deed No. 143, dated May 15, 2019, Notary Christina Dwi Utami
- Deed No. 144, dated May 15, 2019, Notary Christina Dwi Utami
- Deed No. 74, dated June 9, 2021, Notary Christina Dwi Utami
- Deed No. 23, dated November 2, 2021, Notary Christina Dwi Utami

COMPANY STATUS

Public company that sells shares

SHARE CODE ANJT

www.anj-group.com
corsec@anj-group.com
investor.relations@anj-group.com
anjgroup.id
Austindo Nusantara Jaya

COMPANY OVERVIEW

ANJ is a holding company, engaging both directly and indirectly through subsidiaries, in the production and sale of crude palm oil, palm kernel, palm kernel oil, other sustainable food crops and renewable energy. The Company is currently leveraging its acknowledged capabilities in agronomic best practice, innovation and efficiency to develop new agribusiness ventures in sago and vegetable harvesting and processing.

PT Austindo Nusantara Jaya Tbk. ("ANJ" or "the Company") was established on April 16, 1993 as PT Austindo Teguh Jaya, with interests in agribusiness, financial services, healthcare and renewable energy. On July 16, 1998, the Company changed its name to PT Austindo Nusantara Jaya (ANJ) based on Deed No. 54, dated July 16, 1998, Notary Esther Mercia Sulaiman. In 2012, in line with our renewed vision to become a world-class agribusiness-based food company, ANJ began to focus on palm oil while growing new agribusinesses based on other food crops. The second part of our vision, which is to be a company that elevates the lives of people and nature, is reflected in our commitment to achieving a sustainable balance between our responsibilities to people, the planet and prosperity for all our stakeholders. In 2013, the Company held its initial public offering on the Indonesia Stock Exchange of 10% of our shares.

Palm Oil

Our business comprises the integrated cultivation and harvesting of fresh fruit bunches from our oil palm plantations, milling them into crude palm oil, palm kernel and palm kernel oil and selling the oils. ANJ owns six oil palm producing plantations:

North Sumatra I Plantation

A 9,988 hectares oil palm plantation in Binanga, North Sumatra, operated by our subsidiary PT Austindo Nusantara Jaya Agri (ANJA).

North Sumatra II Plantation

A 9,412 hectares oil palm plantation in Padang Sidempuan, North Sumatra, operated by our subsidiary PT Austindo Nusantara Jaya Agri Siais (ANJAS).

Belitung Island Plantation

A 17,360 hectares oil palm plantation in Belitung Island in Bangka Belitung, operated by our subsidiary PT Sahabat Mewah dan Makmur (SMM).

West Kalimantan Plantation

A 13,879 hectares oil palm plantation in Ketapang, West Kalimantan, operated by our subsidiary PT Kayung Agro Lestari (KAL).

West Papua Plantation

A 54,704 hectare oil palm plantation in South Sorong and Maybrat, West Papua, operated by our subsidiaries PT Permata Putera Mandiri (PPM) and PT Putera Manunggal Perkasa (PMP).

These are all plantations with mature oil palms, served by an on-site processing mill. ANJ is a member of the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO). All of our palm producing plantations are RSPO and ISPO certified.

We are also planting areas of our landbanks in South Sumatra and West Papua:

South Sumatra Landbank

This landbank covers 12,800 hectares in Empat Lawang, South Sumatra and is operated by our subsidiary PT Galempa Sejahtera Bersama (GSB). We commenced planting parts of the landbank in 2013.

West Papua Landbank

This landbank covers 36,506 hectares in Maybrat, West Papua, operated by ANJ. The planting for ANJ landbank was suspended as of 2018 due to pending approval of the New Planting Procedures from RSPO.

Our development plantations are managed in compliance with RSPO and ISPO standards and we will apply for RSPO and ISPO certification when they begin operating commercially.

As of December 31, 2021, the Company had a total landbank of more than 150,000 hectares. At that time, approximately one-third of this area or 54,630 hectares, was planted. By the end of 2021 a total of 4,588 hectares of the planted area was allocated to community smallholders under the Indonesian government's Plasma Program.

Mature oil palms cover 43,962 hectares or 80%, of the planted area, while 10,668 hectares or 20%, comprises immature oil palms. The average age of our nucleus oil palms across all the Group's plantations, as of December 31, 2021, was 13 years.

Of the entire landbank, approximately 22,000 hectares are deemed plantable but are not yet planted (nucleus or plasma).

We have secured or are in the process of securing, the necessary rights and permits to develop this land as oil palm plantation.

The remainder of our landbank is either not plantable due to unsuitable topography or is used for fulfilling various voluntary environmental and social commitments, including biodiversity conservation, riverine buffers and the preservation of historical and/or culturally significant sites. The remaining portion of our landbank is designated for infrastructure, such as roads and housing and amenities for our employees.

As stated in our Sustainability Policy, ANJ has made a commitment to maintain areas of forest with High Conservation Value (HCV) and/or High Carbon Stock (HCS) and to refrain from developing peat or wetlands.

Sago

ANJ operates a sago harvesting and processing operation in South Sorong, West Papua, through our subsidiary, PT ANJ Agri Papua (ANJAP). ANJAP manages a 40,000 hectares concession, where it is pioneering the country's first commercial-scale harvesting of natural sago palm. ANJAP processes the logs at its sago mill to produce dry sago starch, which is sold to the food industry.

As a sustainable alternative to rice, sago plays a key role in our sustainable agribusiness strategy, which is aligned with the government's food security objectives as well as its economic and social development acceleration strategy in Papua.

Vegetables

ANJ has operated in the vegetable sector since 2015, when our subsidiary, PT Gading Mas Indonesia Teguh (GMIT), began cultivating edamame, a high-protein, antioxidant-rich legume belonging to the soybean family. We use a cooperation model, providing agronomic inputs, training and field support to local farmers in Jember, East Java to maintain and improve quality and yield. In 2020 we began field trials for okra, another high-value vegetable.

In 2017, ANJ entered into a joint venture with AJI HK Limited to facilitate GMIT's market expansion into the Asia Pacific region. In 2021, GMIT completed the replacement of essential machinery and has started export of its frozen edamame to Japan in March 2021.

Renewable Energy

PT Austindo Aufwind New Energy (AANE), a subsidiary of the Company, has been licensed as an independent power producer (IPP) since 2013 and began operating commercially at the beginning of 2014. AANE operates a 1.8 MW capacity biogas power plant at our Belitung Island Plantation, generating electricity from the methane produced as a by-product of our CPO mill.

The Company plans to build further biogas power plants at selected mills for internal use, to reduce its reliance on fossil fuels and improve our greenhouse gas emission reduction performance.

A BRIEF HISTORY OF THE ANJ GROUP

1993-2006

1993

ANJ was established.

2000

- PT Austindo Agro Nusantara and PT Austindo Nusantara Resources were merged into the Company.
- ANJ acquired PT Austindo Nusantara Jaya Agri (formerly PT Eka Pendawa Sakti) through Verdaine Investments Ltd., acting as manager/operator.

2001

PT Austindo Investama Jaya, PT Austindo Mining Corporindo and PT Austindo Nusantara Energi were merged into the Company.

2010-2016

2010

PT ANJ Agri Papua was awarded a permit (IUPHHBK) to use 40,000 hectares of land in West Papua for a sago plantation.

2012

- ANJ divested its healthcare and financial services interests to concentrate on agribusiness, food and renewable energy.
- ANJ acquired PT Galempa Sejahtera Bersama.

2013

- ANJ acquired PT Permata Putera Mandiri and PT Putera Manunggal Perkasa.
- ANJ's shares were listed for the first time on the Indonesia Stock Exchange (IDX).
- PT Austindo Aufwind New Energy began the commercial operation of its biogas plant.

2017-2021

2017

- ANJ divested its shareholding in PT Darajat Geothermal Indonesia and PT Star Energy Geothermal Suoh Sekincau to focus on agribusiness, food and renewable energy.
- The share ownership of (a) PT Aceh Timur Indonesia (ATI), PT Simpang Kiri Plantation Indonesia (SKPI), (b) PT Surya Makmur (SM) and PT Bilah Plantindo (BP) all of MP Evans Group was restructured.
- AJI HK Limited acquired a 20% stake in ANJ subsidiary, PT Gading Mas Indonesia Teguh.
- ANJ sold a 10.87% stake in PT Agro Muko to SIPEV NV, retaining 5% of the shares.

2018

- ANJ launched its new corporate logo.
- GMIT initiated the construction of a frozen line facility.
- PMP began the construction of its CPO mill.

2003

ANJ acquired PT Sahabat Mewah dan Makmur.

2004

ANJ acquired PT Austindo Nusantara Jaya Agri Siais (formerly PT Ondop Perkasa Makmur).

2005

ANJ acquired PT Kayung Agro Lestari.

2006

ANJ became full owner of PT Austindo Nusantara Jaya Agri.

2014

ANJ acquired PT Pusaka Agro Makmur.

2015

- PT Pusaka Agro Makmur was merged into the Company.
- PT ANJ Agri Papua completed the construction of its sago starch mill in West Papua.

2016

PT Kayung Agro Lestari's palm oil mill in West Kalimantan began operating.

2019

ANJ divested its shareholding in PT Puncak Jaya Power and entire investment in MP Evans Group.

2020

PT Putera Manunggal Perkasa's palm oil mill and kernel crushing plant in West Papua began operating.

2021

- PT Putera Manunggal Perkasa and PT Permata Putera Mandiri obtained RSPO and ISPO certification.
- PT Kayung Agro Lestari increased the mill capacity from 45 tons per hour to 90 tons per hour
- GMIT began exporting frozen edamame.

OUR VISION, MISSION AND CORPORATE VALUES

VISION

To become a world-class agribusiness based food company that elevates the lives people and nature.

MISSION

- **People and nature oriented:**
  People and nature as the north star of the Company, guiding every aspect of all business activities.
- **Striving for world-class excellence:**
  A continuous quest to comply with and exceed local and global standards, exercising good corporate governance.
- **Sustainable growth for prosperity:**
  Achieving widespread economic prosperity without exhausting the finite resources at our disposal.
- **Integrity:**
  Doing the right thing at all times, in all circumstances, regardless of the consequences or of anyone watching.

The corporate vision and mission above were reviewed and approved by the Board of Commissioners and the Board of Directors on February 12, 2018.

VALUES

INTEGRITY

RESPECT FOR PEOPLE AND THE ENVIRONMENT

CONTINUOUS IMPROVEMENT

OUR LOGO

ANJ's logo is a visual representation of our priorities. Each symbol represents a vital element for the Company:

PEOPLE

People are the central element of ANJ's identity. The circle represents the harmony in human lives. People cannot survive without nature's benefits, so they need to take a lead in maintaining a harmonious relationship between people and nature. This is depicted through the four natural elements that circle the core element of human life.

SUN

The sun is our primary source of energy and is one of the principal elements in elevating the life of each living organism on earth.

FAUNA

All animals on earth have their own unique, essential role in balancing nature. The footprint represents Indonesia's fauna and the everlasting spirit that is bequeathed from generation to generation.

FLORA

Flora or plants, are the foundation of the food chain and a balanced ecosystem. Flora play essential roles in producing oxygen and food and in maintaining the soil's fertility. Indonesia's rich geography allows a unique and diverse range of flora to flourish, making it the pride of the archipelago.

WATER

Water is a vital source of life and acts as one of the balancing elements. Whether a small drop of rain or a large sea, water has tremendous potential as a source of power.

The Company's Code of Ethics on Business Conduct (the "Code"), launched in 2013, elaborates our core corporate values into behaviors and guidance that are designed to ensure that ANJ's people uphold our reputation and maintain the trust of our stakeholders by being transparent, accountable, objective and treating all stakeholders equally and with respect.

Code of Conduct and Corporate Culture

The core values underpinning the Code are: Integrity, Respect for People and the Environment and Continuous Improvement. The articles of the Code provide guidance for employees on fulfilling their work responsibilities and interacting with others effectively, safely, lawfully and with integrity. The Code applies equally and without exception to all employees and all levels of management, including the members of the Board of Directors and the Board of Commissioners. Every employee of the ANJ Group is required to pledge to uphold the Code; our investors, stakeholders and business partners are also required to make such a commitment where relevant. The Code was formally adopted in January 2014 and has been disseminated to all employees. Since October 2017, the Code has been an integral part of our Management Trainee program curriculum as well as the induction program provided for all new employees and is embedded into the learning and development curriculum at our ANJ Learning Center.

ANJ's Code of Ethics on Business Conduct Covers:

- Compliance with laws and regulations;
- Workplace safety, health and the environment;
- Work relations;
- Relationships with suppliers and customers;
- Relations with the government;
- Conflicts of interest;
- Use and maintenance of company property;
- Company information and financial disclosure;
- Relationships with investors and the media; and
- Insider trading.

The Code is regularly reviewed and periodically updated to ensure that it remains aligned with the growth of our business, our strategic objectives and developments in our external environment.

BUSINESS ACTIVITY

Based on the Articles of Association, the Company engages business in the area of:

Core Business Activities:

a. Carry out business of other consultancy management activities.
b. Carry out business of wholesale of fruit containing oil.
c. Carry out business of wholesale in agricultural products and other living animals.
d. Carry out business of wholesale based on fee or contract.
e. Carry out business of palm oil plantation.
f. Carry out business of crude palm oil industry (Crude Palm Oil/CPO).
g. Carry out business of crude palm kernel oil industry (Crude Palm Kernel Oil/CPKO).
h. Carry out business crude palm oil and crude palm kernel oil refinery industry.

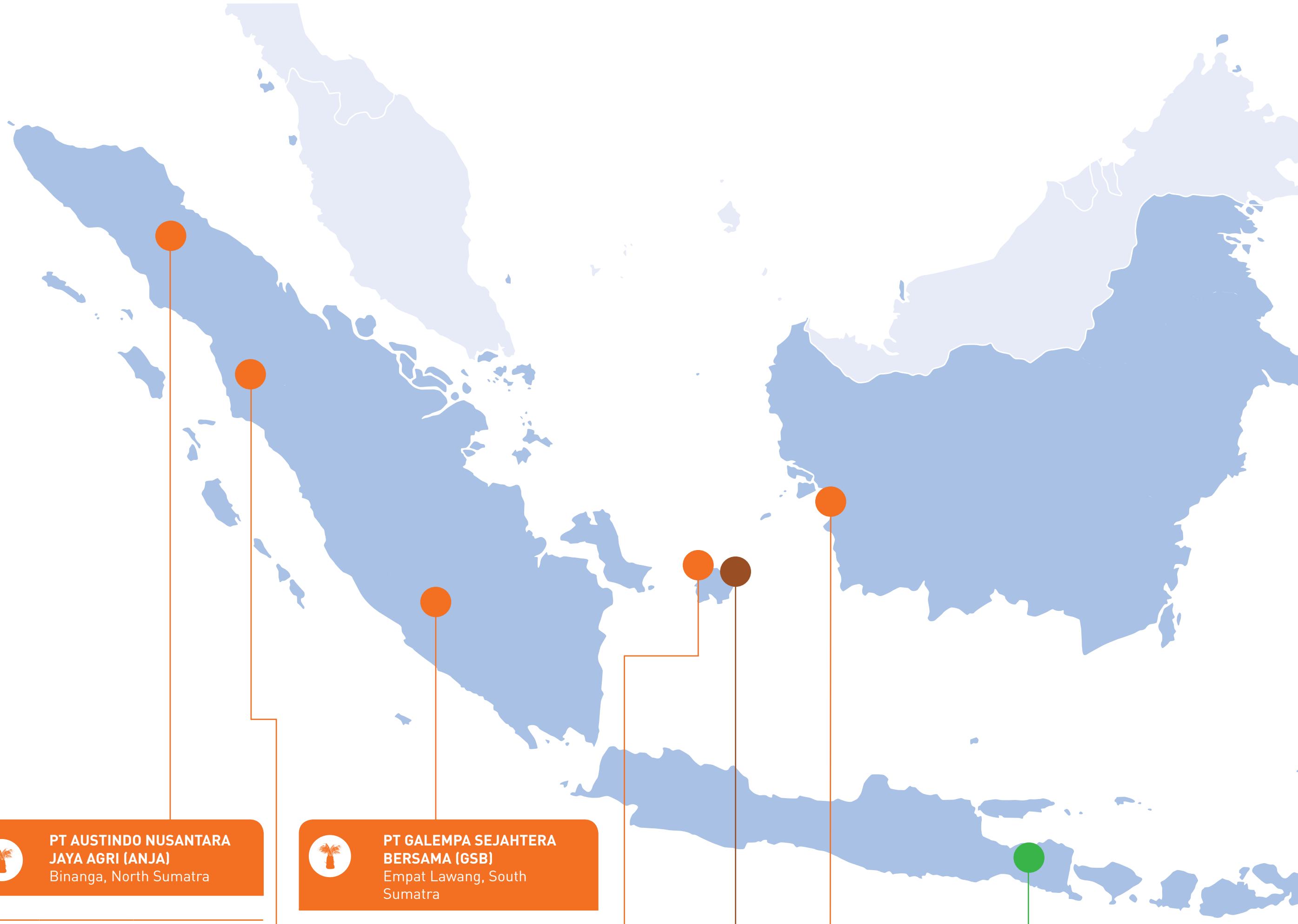
Supporting Business Activities:

Carry out other businesses, related to and supporting the main business activities of the Company in accordance with the prevailing laws and regulations.

Articles of Association

ANJ's Articles of Association have been amended several times since the Company's establishment in 1993. The most recent amendment was in 2021 pursuant to Deed No. 74 of Christina Dwi Utami, SH, M.Si., Notary in Jakarta, dated June 9, 2021, related to amendment and restatement of the Articles of Association of the Company to comply with the applicable capital market rules and regulations and Deed No. 23 of Christina Dwi Utami, SH, M.Si., Notary in Jakarta, dated November 2, 2021, for amendment of the Article 16 of the Articles of Association of the Company related to the Duties and Authorities of the Board of Directors.

CORE BUSINESS SITE MAP



PT AUSTINDO NUSANTARA JAYA AGRI (ANJA)
Binanga, North Sumatra

Landbank	9,988 Ha
Planted Area	9,515 Ha
Matured Area	7,283 Ha
Mill Capacity	60 ton/hour
Conservation Area	241 Ha

PT AUSTINDO NUSANTARA JAYA AGRI SIAIS (ANJAS)
Padang Sidempuan, North Sumatra

Nucleus	
Landbank	9,255 Ha
Planted Area	7,752 Ha
Matured Area	7,752 Ha
Mill Capacity	60 ton/hour
Conservation Area	1,464* Ha
Plasma	
Landbank	158 Ha
Planted Area	158 Ha
Matured Area	158 Ha

PT GALEMPA SEJAHTERA BERSAMA (GSB)
Empat Lawang, South Sumatra

Landbank	12,800 Ha
Planted Area	724 Ha
Matured Area	-
Mill Capacity	-
Conservation Area	1,373 Ha

PT SAHABAT MEWAH DAN MAKMUR (SMM)
Belitung, Bangka Belitung

Nucleus	
Landbank	16,277 Ha
Planted Area	14,361 Ha
Matured Area	11,430 Ha
Mill Capacity	60 ton/hour
Conservation Area	1,406 Ha
Partnership with Smallholders	
Landbank	1,118 Ha
Planted Area	860 Ha
Matured Area	860 Ha

PT AUSTINDO AUFWIND NEW ENERGY (AANE)
Belitung, Bangka Belitung

Type of Renewable Energy	Biogas
Production Capacity	1.8 MW

PT GADING MAS INDONESIA TEGUH (GMIT)
Jember, East Java

Product: Edamame (Fresh and Frozen)

Total Planted Area:

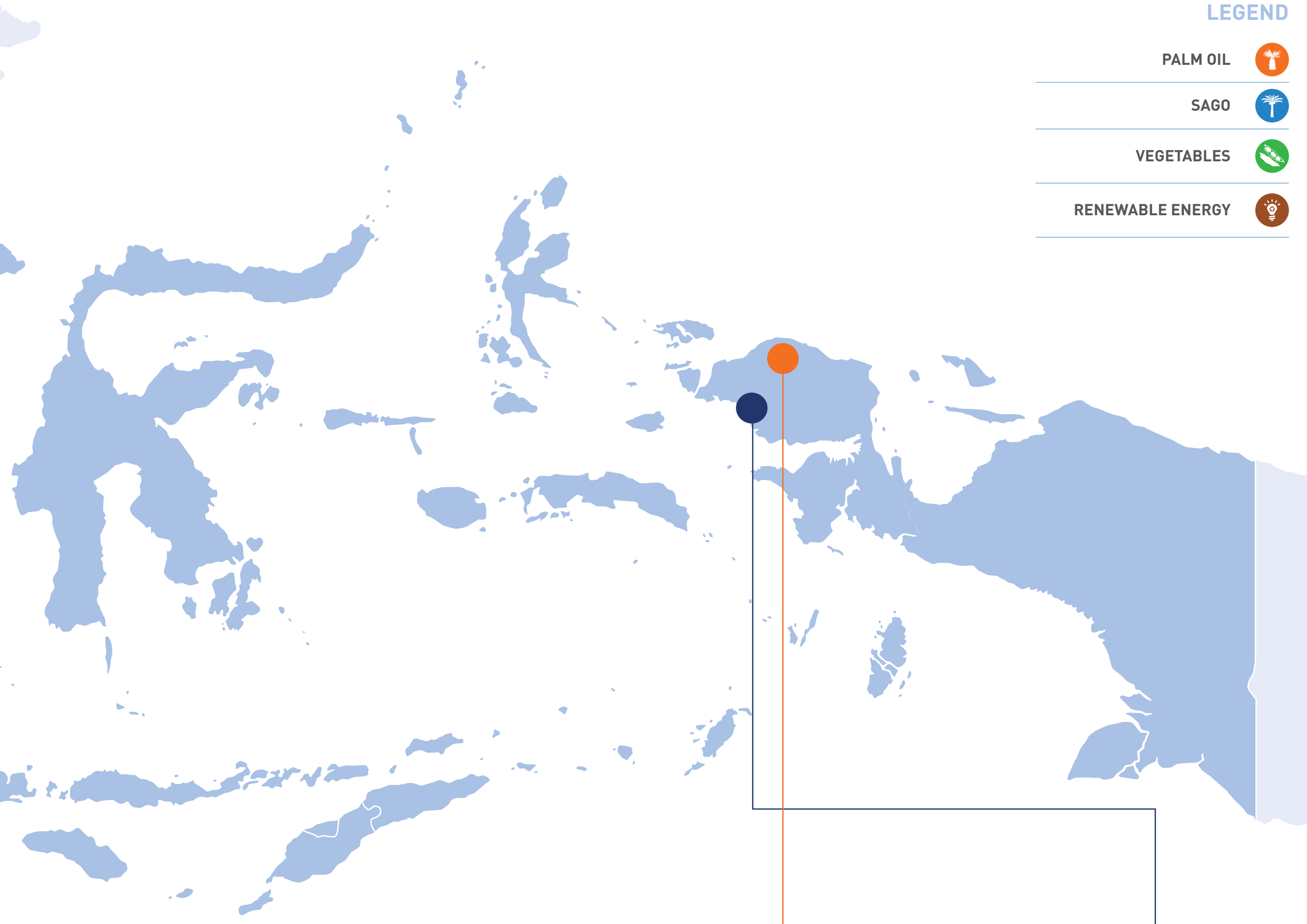
50,042 Ha

Total Conservation Area:

60,985 Ha

LEGEND

- PALM OIL
- SAGO
- VEGETABLES
- RENEWABLE ENERGY



PT KAYUNG AGRO LESTARI (KAL)
Ketapang, West Kalimantan

Nucleus	
Landbank	10,920 Ha
Planted Area	9,583 Ha
Matured Area	8,784 Ha
Mill Capacity	90 ton/hour
Conservation Area	3,845** Ha
Plasma	
Landbank	2,958 Ha
Planted Area	2,668 Ha
Matured Area	2,287 Ha

PT PUTERA MANUNGGAL PERKASA (PMP)
PT PERMATA PUTERA MANDIRI (PPM)
PT AUSTINDO NUSANTARA JAYA TBK. (ANJ)
West Papua

Nucleus	
Landbank	75,947 Ha
Planted Area	8,107 Ha
Matured Area	5,022 Ha
Mill Capacity	45 ton/hour
Conservation Area	44,506*** Ha
Plasma	
Landbank	15,263 Ha
Planted Area	902 Ha
Matured Area	386 Ha

PT ANJ AGRI PAPUA (ANJAP)
South Sorong, West Papua

Concession Right	40,000 Ha
Mill Capacity	1,250 ton/month
Conservation Area	8,150 Ha

Notes :

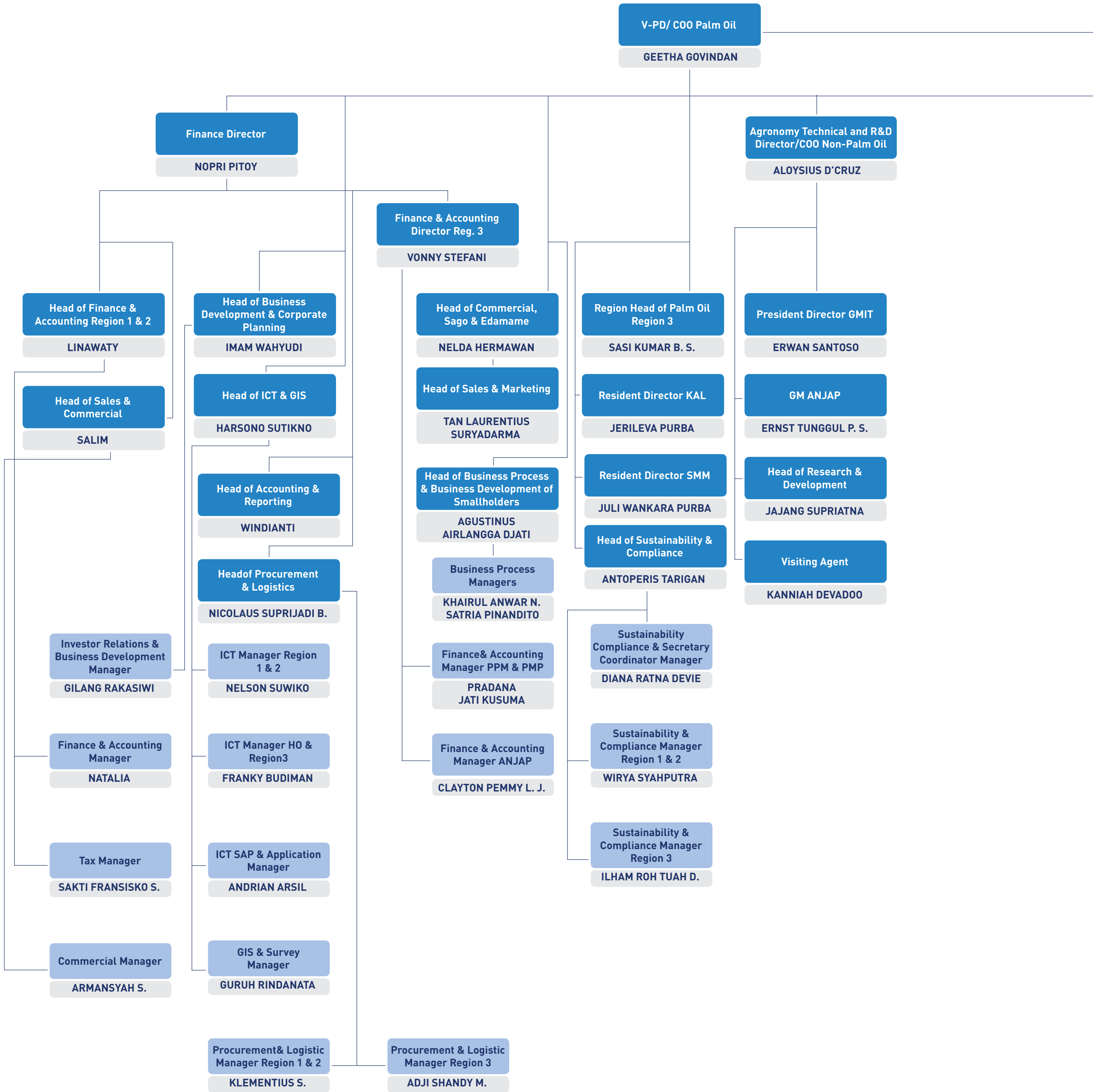
Data as of December 31, 2021

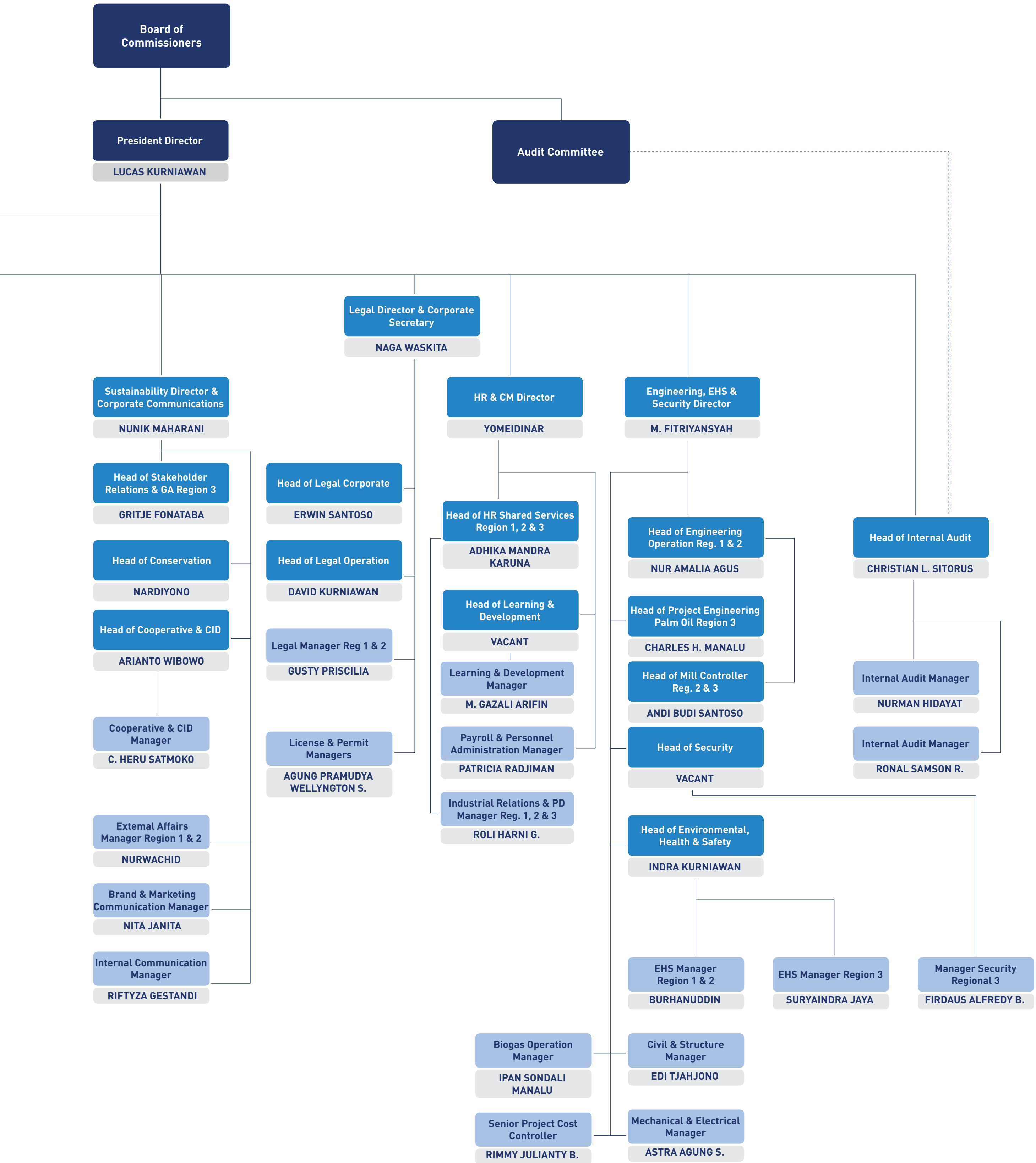
* Includes 288 ha of conservation area outside ANJAS's HGU

** Includes 2,330.88 hectares of conservation area under KAL's Plantation usiness Permit area but outside KAL's HGU

*** Conservation area for ANJ not yet determined

ORGANIZATIONAL STRUCTURE




Board of Commissioners
President Director
LUCAS KURNIAWAN
Audit Committee
Legal Director & Corporate Secretary
NAGA WASKITA
Sustainability Director & Corporate Communications
NUNIK MAHARANI
HR & CM Director
YOMEIDINAR
Engineering, EHS & Security Director
M. FITRIYANSYAH
Head of Stakeholder Relations & GA Region 3
GRITJE FONATABA
Head of Conservation
NARDIYONO
Head of Cooperative & CID
ARIANTO WIBOWO
Cooperative & CID Manager
C. HERU SATMOKO
External Affairs Manager Region 1 & 2
NURWACHID
Brand & Marketing Communication Manager
NITA JANITA
Internal Communication Manager
RIFTYZA GESTANDI
Head of Legal Corporate
ERWIN SANTOSO
Head of Legal Operation
DAVID KURNIAWAN
Legal Manager Reg 1 & 2
GUSTY PRISCILIA
License & Permit Managers
AGUNG PRAMUDYA
WELLYNGTON S.
Head of HR Shared Services Region 1, 2 & 3
ADHIKA MANDRA KARUNA
Head of Learning & Development
VACANT
Learning & Development Manager
M. GAZALI ARIFIN
Payroll & Personnel Administration Manager
PATRICIA RADJIMAN
Industrial Relations & PD Manager Reg. 1, 2 & 3
ROLI HARNI G.
Head of Engineering Operation Reg. 1 & 2
NUR AMALIA AGUS
Head of Project Engineering Palm Oil Region 3
CHARLES H. MANALU
Head of Mill Controller Reg. 2 & 3
ANDI BUDI SANTOSO
Head of Security
VACANT
Head of Environmental, Health & Safety
INDRA KURNIAWAN
EHS Manager Region 1 & 2
BURHANUDDIN
EHS Manager Region 3
SURYAINDRA JAYA
Manager Security Regional 3
FIRDAUS ALFREDY B.
Biogas Operation Manager
IPAN SONDALI MANALU
Civil & Structure Manager
EDI TJAHJONO
Senior Project Cost Controller
RIMMY JULIANTY B.
Mechanical & Electrical Manager
ASTRA AGUNG S.
Head of Internal Audit
CHRISTIAN L. SITORUS
Internal Audit Manager
NURMAN HIDAYAT
Internal Audit Manager
RONAL SAMSON R.

PROFILE OF THE BOARD OF COMMISSIONERS

Indonesian citizen, aged 80. Born in Bandung, 1941. Domiciled in Jakarta.

Adrianto Machribie

President Commissioner (Independent)

EXPERIENCE

Mr. Machribie has served as one of the Company's Commissioners since July 1996 and was appointed as President Commissioner in September 2003. He was the Administration Director for subsidiaries of Shell Indonesia (1980– 1985), Vice President General Affairs Shell Companies Indonesia (1986-1992), Executive Vice President & Director of PT Freeport Indonesia (1992-1995), President Director of PT Freeport Indonesia (1995-2006), Commissioner of PT Freeport Indonesia (2006-2011), Non-Executive Director Intrepid Mines Ltd. (2011-2015) and the President Director of PT Media Televisi Indonesia (Metro TV) (2011 - 2017). He is also actively engaged in several professional organizations.

EDUCATION

Mr. Machribie holds a law degree from the University of Indonesia (1967) and a Master's degree in Social Science from the Institute of Social Studies, The Hague, the Netherlands (1969).

AFFILIATIONS

Mr. Machribie has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

INDEPENDENCE

Mr. Machribie has served more than 2 (two) terms as an Independent Commissioner, but he declares that he remains independent and will comply with all prevailing laws and regulations.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 32 of Esther Mercia Sulaiman S.H, Notary in Jakarta, dated September 24, 2003.
- Last Appointment: Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

POSITION TENURE

September 2003-present.

CONCURRENT POSITIONS

- Commissioner of PT Freeport Indonesia (2018-present)
- Senior Advisor to the Office of the Chairman of parent company Freeport McMoRan Copper & Gold Inc. (2011-present).

Indonesian citizen, aged 63. Born in Jakarta, 1958.
Domiciled in Jakarta.

George Santosa Tahija

Commissioner

EXPERIENCE

Mr. Tahija was appointed as a Commissioner in 2012 and as Chairman of the Risk Management Committee of the Company, after more than 20 years overseeing ANJ as the President Director. He is also on the Board of Commissioners of ANJ subsidiaries.

Mr. Tahija is the founder of the Coral Triangle Centre (CTC), Indonesia's only marine conservation center.

He served as a member of the Board of Trustees (2012-2015) and of the Global Executive MBA Advisory Board (2010-2019), Darden School, University of Virginia. He is a founding member and Trustee of the Tahija Foundation, currently dedicated to the eradication of dengue fever. He was a Commissioner of PT Freeport Indonesia Company (1992-2012), the President Commissioner of PT Asuransi Indrapura (1991-2012) and Non-Executive Director of Pearl Energy Pte. Ltd. (2005-2006). Mr. Tahija currently serves as an Advisor to the Indonesia Chapter of The Nature Conservancy (TNC) and a Vice Chair of TNC Asia Pacific Council. He is an active member of the Young Presidents' Organization (YPO) Gold Indonesia Chapter. Mr. Tahija was the 2021 Abbott Award recipient from the Darden School, University of Virginia.

EDUCATION

Mr. Tahija holds a Bachelor's degree in Mechanical Engineering from Trisakti University, Indonesia (1983) and an MBA from the Darden School, University of Virginia, USA (1986).

AFFILIATIONS

Mr. Tahija is the brother of Sjakon George Tahija, a Commissioner of the Company. He is also President Director and the majority shareholder of PT Memimpin Dengan Nurani and a Commissioner of PT Austindo Kencana Jaya; both companies are majority shareholders in ANJ.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 72 of Mala Mukti, S.H., L.L.M, Notary in Jakarta, dated December 14, 2012
- Last Appointment: Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

POSITION TENURE

December 2012-present.

CONCURRENT POSITIONS

- Commissioner of PT Austindo Kencana Jaya (majority shareholder of the Company) (2012-present).
- President Director of PT Memimpin Dengan Nurani (majority shareholder of the Company) (2012-present).
- Chairman of the Tahija Foundation Board of Trustees (2003-present).
- President Commissioner of PT Austindo Nusantara Jaya Agri (2005 – present).
- President Commissioner of PT Austindo Nusantara Jaya Agri Siais (2006 – present).
- President Commissioner of PT Sahabat Mewah dan Makmur (2005 – present).
- President Commissioner of PT Kayung Agro Lestari (2008 – present).
- President Commissioner of PT Galempa Sejahtera Bersama (2015 – present).
- President Commissioner of PT Permata Putera Mandiri (2013 – present).
- President Commissioner of PT Putera Manunggal Perkasa (2013 – present).
- President Commissioner of PT ANJ Agri Papua (2011 – present).
- President Commissioner of PT Austindo Aufwind New Energy (2013 – present).
- President Commissioner of PT Gading Mas Indonesia Teguh (2008 – present).
- President Commissioner of PT Austindo Nusantara Jaya Boga (2013 – present).
- President Commissioner of PT Lestari Sagu Papua (2011 – present).

Indonesian citizen, aged 69. Born in Jakarta, 1952. Domiciled in Jakarta.

Sjakon George Tahija

Commissioner

EXPERIENCE

Dr. Tahija was appointed as one of the Company's Commissioners upon its establishment in 1993. A practicing vitreo-retinal consultant, he founded Klinik Mata Nusantara, a national chain of eye clinics and serves as the Chairman of the Clinic's Medical Advisory Board. He was the Commissioner of PT Elbatama Finance (2000-2004), the Commissioner of PT Aceh Timur (1998-2003) and the President Director of PT ANJ Healthcare (2006-2010).

EDUCATION

Dr. Tahija graduated from the University of Indonesia in 1980 with a Bachelor's degree in Medicine.

AFFILIATIONS

Dr. Tahija is the brother of George Santosa Tahija, a Commissioner of the Company. He is also President Director and the majority shareholder of PT Austindo Kencana Jaya, one of the majority shareholders in ANJ.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 72 of Sutjipto S.H, Notary in Jakarta, dated April 16, 1993
- Last Appointment: Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

POSITION TENURE

April 1993-present.

CONCURRENT POSITIONS

President Director of PT Austindo Kencana Jaya (majority shareholder of the Company) (2017-present).

Indonesian citizen, aged 75. Born in Klaten, 1946. Domiciled in Jakarta.

Anastasius Wahyuhadi

Commissioner

EXPERIENCE

Mr. Wahyuhadi was appointed as one of the Company's Commissioners in 2006, having served as ANJ's Corporate Services Director for eight years from 1997 to 2005. He is also on the Board of Commissioners of ANJ subsidiaries. During his career, he served as a Commissioner or Director of several multinational, national and public companies in Indonesia such as, the Deputy President Director dan Legal Director & Corporate Secretary of PT Rothmans of Pall Mall Indonesia (previously known as PT Faroka SA) (1983-1994), the Director of PT Anwar Sierad Group (1994-1997), the President Commissioner of PT Asuransi Indrapura (1998-2012). He is also actively engaged in philanthropic work, serving as Chairman of the Board of Management of the Tahija Foundation (2003-2018).

EDUCATION

Mr. Wahyuhadi holds a Bachelor's degree in Law from Satyawacana University, Indonesia (1976).

AFFILIATIONS

Mr. Wahyuhadi has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 49 of Esther Mercia Sulaiman S.H, Notary in Jakarta, dated January 19, 2006.
- Last Appointment: Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

POSITION TENURE

January 2006-present.

CONCURRENT POSITIONS

- Commissioner of PT Austindo Nusantara Jaya Agri (2006 – present).
- Commissioner of PT Austindo Nusantara Jaya Agri Siais (2008 – present).
- Commissioner of PT Sahabat Mewah dan Makmur (2003 – present).
- Commissioner of PT Kayung Agro Lestari (2008 – present).
- Commissioner of PT Galempa Sejahtera Bersama (2015 – present).
- Commissioner of PT Permata Putera Mandiri (2013 – present).
- Commissioner of PT Putera Manunggal Perkasa (2013 – present).
- Commissioner of PT ANJ Agri Papua (2011 – present).
- Commissioner of PT Austindo Aufwind New Energy (2013 – present).
- Commissioner of PT Gading Mas Indonesia Teguh (2008 – present).
- Commissioner of PT Austindo Nusantara Jaya Boga (2013 – present).

Indonesian citizen, aged 62. Born in Jakarta, 1959. Domiciled in Jakarta.

Istama Tatang Siddharta

Commissioner

EXPERIENCE

Mr. Siddharta was appointed as a Commissioner of the Company in July 2004. Prior to joining the Company, he was the Chairman of Siddharta, Siddharta & Widjaja, an affiliate of international accounting firm KPMG in Indonesia. Mr. Siddharta has more than 40 years of experience in finance and accounting. He is a member of the Institute of Indonesian Accountants.

EDUCATION

Mr. Siddharta holds a Bachelor's degree in Accounting from the University of Indonesia (1980).

AFFILIATIONS

Mr. Siddharta is the brother of the Company's Commissioner, Istini Tatiek Siddharta.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 24 of Utiek Rochmuljati Abdurachman, S.H, Notary in Jakarta, dated July 6, 2004.
- Last Appointment: Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

POSITION TENURE

July 2004-present.

CONCURRENT POSITIONS

- Independent Commissioner of PT Mitra Pinasthika Mustika Tbk. (2013-present).
- President Director of PT Amalgamated Consulting Indonesia (2009–present).

Indonesian citizen, aged 73. Born in Yogyakarta, 1948. Domiciled in Jakarta.

J. Kristiadi

Independent Commissioner

EXPERIENCE

Mr. Kristiadi has been an Independent Commissioner of the Company since March 2012. His varied career includes serving as a lecturer and guest lecturer at Faculty of Social and Political Sciences, Atma Jaya University, Yogyakarta; the National Resilience Institute; the Air Force Staff and Command College, Bandung and the National Police Staff College, Bandung. He was a member of People's Consultative Assembly (1987-1992). He regularly appears as a columnist and commentator in national media on political development, civil-military relations, security and constitutional reform. Mr. Kristiadi has also served as Head of the Politics Department and Deputy Executive Director at CSIS, Jakarta (1999–2004).

EDUCATION

Mr. Kristiadi holds a doctorate in Political Science from Gadjah Mada University, Yogyakarta (1995).

AFFILIATIONS

Mr. Kristiadi has no affiliate relationships with any other Commissioners, Directors or shareholder of the Company.

INDEPENDENCE

Mr. Kristiadi has served more than 2 (two) terms as an Independent Commissioner, but he declares that he remains independent and will comply with all prevailing laws and regulations.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 2 of Esther Mercia Sulaiman S.H, Notary in Jakarta, dated March 5, 2012.
- Last Appointment: Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

POSITION TENURE

March 2012-present.

CONCURRENT POSITIONS

Secretary of the Board of Directors of the CSIS Foundation (from 2005–present).

Indonesian citizen, aged 60. Born in Jakarta, 1961. Domiciled in Jakarta.

Darwin Cyril Noerhadi

Independent Commissioner

EXPERIENCE

Dr. Noerhadi was appointed as an Independent Commissioner of the Company in 2017. Mr. Noerhadi has more than 28 years of experience in financial industry. He has various senior roles, including President Director of PT Kliring Deposit Efek Indonesia (1993-1996), President Director of PT Bursa Efek Jakarta (1996-1999), Partner of PricewaterhouseCoopers Jakarta (1999-2005), Chief Financial Officer of PT Medco Energi Internasional Tbk. (2005-2011) and Senior Managing Director of Creador – Regional Private Equity (2011-2019).

EDUCATION

Dr. Noerhadi holds a Bachelor's degree in Petroleum Geology from the Bandung Institute of Technology, Indonesia (1985), an MBA in Finance and Economics from the University of Houston, USA (1988) and a PhD in Strategic Management from the University of Indonesia (2013).

AFFILIATIONS

Dr. Noerhadi has no affiliate relationships with any other Commissioners, Directors or shareholder of the Company.

INDEPENDENCE

Dr. Noerhadi has not served more than 2 (two) terms as an Independent Commissioner.

BASIS OF APPOINTMENT

- First Appointment: Deed No. 144 of Dr. Irawan Soerodjo S.H., M.Si, Notary in Jakarta, dated February 20, 2017.
- Last Appointment: Deed No. 73 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 9, 2021.

POSITION TENURE

February 2017-present.

CONCURRENT POSITIONS

- Member of Supervisory Board (professional) of Indonesia Investment Authority (2021-present)
- Commissioner of PT Medikaloka Hermina Tbk. (2017-present).
- President Commissioner of PT Creador Indonesia (January 2020-present).

Indonesian citizen, aged 59. Born in Jakarta, 1962. Domiciled in Jakarta.

Istini Tatiek Siddharta

Commissioner
(From November 2, 2021)

EXPERIENCE

Mrs. Siddharta was appointed as the Company's Commissioner in 2021, after having served as President Director of the Company (2016-2021), the Deputy President Director (2012-2015) and the Group Finance Director (2001-2012). She began her career as a public accountant and was a Partner at Siddharta, Siddharta & Harsono, a member firm of Coopers & Lybrand, which in 1998 became a member firm of KPMG. She is an active member of several professional associations, including the Institute of Indonesian Accountants, where she is on the Consultative Board of Financial Accounting Standards. She chaired the Indonesian Financial Accounting Standards Board from 2000 to 2002.

EDUCATION

Mrs. Siddharta holds a Bachelor's degree in Accounting from the University of Indonesia (1985) and an MBA from the John Anderson School at the University of California, Los Angeles, USA (1994).

AFFILIATIONS

Mrs. Siddharta is the sister of Istama Tatang Siddharta, a Commissioner of the Company.

BASIS OF APPOINTMENT

First and Last Appointment: Deed No. 23 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated November 2, 2021.

POSITION TENURE

November 2021-present.

CONCURRENT POSITIONS

- Commissioner PT Memimpin Dengan Nurani (2016–present).
- Commissioner PT Austindo Kencana Jaya (2016–present).

PROFILE OF THE BOARD OF DIRECTORS

Indonesian citizen, aged 50. Born in Teluk Betung, Bandar Lampung, 1971. Domiciled in Jakarta.

Lucas Kurniawan

President Director
(From November 2, 2021)

EXPERIENCE

Mr. Kurniawan was appointed as President Director in November 2021. He joined the Company in November 2014 as the Group Finance Director. Prior to joining the Company, Mr. Kurniawan was a partner at Tanudiredja, Wibisana & Rekan, a member firm of PricewaterhouseCoopers International Ltd (2011-2014). He began his career with Siddharta, Siddharta & Widjaja (formerly Siddharta, Siddharta & Harsono) (1993-1998), a member firm of Coopers and Lybrand and then a member of KPMG. He was made a partner at the firm in 2005. He then worked at KPMG Ltd., Vietnam as an audit partner (2007-2011), before becoming a partner at Tanudiredja, Wibisana & Rekan.

Mr. Kurniawan has more than 28 years of experience in finance and accounting. Since 2016, he led the Company's digital transformation which has placed the Company in the forefront of technology implementation in the industry.

Mr. Kurniawan is a member of the Indonesian Institute of Accountants and the Indonesian Institute of Certified Public Accountants.

EDUCATION

Mr. Kurniawan holds a Bachelor's degree in Accounting from Tarumanagara University, Jakarta (1994) and has completed several professional programs, including KPMG AsPac Chairman's 25 Program in 2008 (INSEAD certified), PwC Understanding the Client's Strategic Agenda in 2012 (INSEAD certified) and the Executive Program at the Darden School of Business, University of Virginia, USA in 2017.

AFFILIATIONS

Mr. Kurniawan has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

BASIS OF APPOINTMENT

First and Last Appointment: Deed No. 23 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated November 2, 2021.

POSITION TENURE

November 2021-present.

CONCURRENT POSITIONS

- Commissioner of PT Austindo Nusantara Jaya Agri (2019 – present).
- Commissioner of PT Austindo Nusantara Jaya Agri Siais (2019 – present).
- Commissioner of PT Sahabat Mewah dan Makmur (2019 – present).
- Commissioner of PT Kayung Agro Lestari (2019 – present).
- Commissioner of PT Galempa Sejahtera Bersama (2019 – present).
- Commissioner of PT Permata Putera Mandiri (2019 – present).
- Commissioner of PT Putera Manunggal Perkasa (2019 – present).
- Commissioner of PT ANJ Agri Papua (2020 – present).
- Commissioner of PT Austindo Aufwind New Energy (2019 – present).
- Commissioner of PT Gading Mas Indonesia Teguh (2019 – present).
- Commissioner of PT Austindo Nusantara Jaya Boga (2019 – present).
- Commissioner of PT Lestari Sagu Papua (2019 – present).

Malaysian citizen, aged 62. Born in Selangor, 1959. Domiciled in Jakarta.

Geetha Govindan

Vice President Director
(From November 2, 2021)

EXPERIENCE

Mr. Govindan was appointed as the Vice President Director of the Company in November 2021, after serving as a Director since 2015. He also serves as President Director of various ANJ subsidiaries. He has over 30 years of experience in the plantation industry. He began his career as an Estate Manager at Socfin Co. Bhd in Malaysia, where he spent 16 years (1983–1999). He then became a regional controller at PT Sinar Mas Agro Resources and Technology Tbk (2000–2001). He next worked at PT REA Kaltim Plantations, where he served as Estates Controller and Chief Operating Officer before being appointed as Vice President Director (2008-2013). Mr. Govindan also has related experiences in palm oil sustainability and a wide knowledge on renewable energy possibilities with regards to the palm oil business.

EDUCATION

Mr. Govindan has a Bachelor of Science degree from the University of Madras, India (1980), a Diploma in Human Resource Management from the University of Malaya, Malaysia (1999) and an Executive MBA from Euregio Management School, the Netherlands (2015). He has also attended an Executive Program at The Darden School of Business, University of Virginia, USA in 2015 and has also recently completed a course "Health Effects of Climate Change" from Harvard University in 2020.

AFFILIATIONS

Mr. Govindan has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

BASIS OF APPOINTMENT

First and Last Appointment: Deed No. 23 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated November 2, 2021.

POSITION TENURE

November 2021-present.

CONCURRENT POSITIONS

- President Director of PT Austindo Nusantara Jaya Agri (2013 – present).
- President Director of PT Austindo Nusantara Jaya Agri Siais (2013 – present).
- President Director of PT Sahabat Mewah dan Makmur (2013 – present).
- President Director of PT Kayung Agro Lestari (2013 – present).
- President Director of PT Galempa Sejahtera Bersama (2015 – present).
- President Director of PT Permata Putera Mandiri (2015 – present).
- President Director of PT Putera Manunggal Perkasa (2015 – present).
- Commissioner of PT Gading Mas Indonesia Teguh (2015 – present).

Indonesian citizen, aged 47. Born in Tanjung Pinang, 1974. Domiciled in Jakarta.

Naga Waskita

Director and Corporate Secretary

EXPERIENCE

Mr. Waskita joined the Company in 2012 as legal counsel and Corporate Secretary and was appointed as a Director in 2017. Prior to joining ANJ, Mr. Waskita was a corporate lawyer at the law firm Mochtar Karuwin Komar, where he specialized in banking and finance (1997 – 2012). He was in charge for the legal aspect and its associated matters for the initial public offering of the Company. He also led the legal team for the acquisitions of West Papua concessions as well as an internal merger of a subsidiary to the Company. One of the aspects he has focused on is the corporate governance of the Company by following, among others, the standards determined by the ASEAN Scorecard on Corporate Governance.

EDUCATION

Mr. Waskita holds a Bachelor's degree in Law from Gadjah Mada University, Yogyakarta, Indonesia (1997) and a Master's degree in Law from the University of Groningen, the Netherlands (2008). He is a member of Perhimpunan Advokat Indonesia (the Indonesian Advocates Association).

AFFILIATIONS

Mr. Waskita has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

BASIS OF APPOINTMENT

First and Last Appointment: Deed No. 35 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated May 24, 2017.

POSITION TENURE

- As Corporate Secretary, September 2012 – present.
- As Legal Counsel, September 2012 – May 2017.
- As Director, May 2017 – present.

CONCURRENT POSITIONS

- Commissioner of PT Austindo Nusantara Jaya Agri (2021 – present).
- Commissioner of PT Austindo Nusantara Jaya Agri Siais (2021 – present).
- Commissioner of PT Sahabat Mewah dan Makmur (2021 – present).
- Commissioner of PT Kayung Agro Lestari (2021 – present).
- Commissioner of PT Galempa Sejahtera Bersama (2021 – present).
- Commissioner of PT Permata Putera Mandiri (2021 – present).
- Commissioner of PT Putera Manunggal Perkasa (2021 – present).
- Commissioner of PT ANJ Agri Papua (2021 – present).
- Commissioner of PT Austindo Aufwind New Energy (2021 – present).
- Commissioner of PT Gading Mas Indonesia Teguh (2021 – present).
- Commissioner of PT Austindo Nusantara Jaya Boga (2021 – present).

Malaysian citizen, aged 72. Born in Johor, 1949. Domiciled in Jakarta.

Aloysius D'Cruz

Director
(From November 2, 2021)

EXPERIENCE

Mr. D'Cruz has been an Estate Director of ANJA since early 2011 and was appointed as the President Director of ANJAP in 2017.

His experience, spanning over 47 years, is in rubber, oil palm and cocoa plantations; and industrial forests. As Joint President (2008 - 2011) of Birla Lao Pulp and Plantations Co Ltd, a subsidiary of India's conglomerate Aditya Birla Group in Laos, he assisted in reorganizing and establishing Eucalyptus species, as an industrial forest to provide pulp. He also held positions as Assistant General Manager in Riau Fiber Plantations (2006 -2008); and Area Manager in Sinarmas Forestry-Asia Pulp and Paper (2003 - 2005). He began his career in Sime Darby Plantations in 1973 and held several positions before taking up postings in Indonesia.

EDUCATION

Mr. D'Cruz holds a Bachelor's degree in Agriculture from Allahabad University, India (1973) and an Associate Diploma from the Incorporated Society of Planters of Malaysia (1979).

AFFILIATIONS

Mr. D'Cruz has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

BASIS OF APPOINTMENT

First and Last Appointment: Deed No. 23 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated November 2, 2021.

POSITION TENURE

November 2021-present.

CONCURRENT POSITIONS

- Director of PT Austindo Nusantara Jaya Agri (2011 – present).
- President Director of PT ANJ Agri Papua (2017 – present).
- Commissioner of PT Gading Mas Indonesia Teguh (2015 – present).

Indonesian citizen, aged 56. Born in Jakarta, 1965. Domiciled in Medan.

Nopri Pitoy

Director
(From November 2, 2021)

EXPERIENCE

Ms. Nopri has over 20 years of experience in the palm oil industry. She is a Director and Chief Financial Officer of ANJ's Group subsidiaries engaging in the palm oil business (2011 to present). She joined ANJ Group in June 2001 and became Head of Finance and Accounting of ANJA in January 2006.

Before joining ANJ Group, from 1997 to 2001, Ms. Nopri served as a financial controller in a palm oil and rubber plantation, Ukindo Group, a subsidiary of Anglo-Eastern Plantations Plc, quoted on the London Stock Exchange.

She began her career with a public accounting firm PricewaterhouseCoopers in Jakarta and worked in the business advisory services from 1989 to 1991.

EDUCATION

Ms. Nopri obtained her Higher School Certificate in Sydney and continued her Bachelor of Commerce degree with major in Accounting and Information Systems from the University New South Wales in Sydney, Australia in 1989.

AFFILIATIONS

Ms. Nopri has no affiliate relationships with any other Commissioners, Directors or shareholders of the Company.

BASIS OF APPOINTMENT

First and Last Appointment: Deed No. 23 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated November 2, 2021.

POSITION TENURE

November 2021-present.

CONCURRENT POSITIONS

- Director of PT Austindo Nusantara Jaya Agri (2011 – present).
- Director of PT Austindo Nusantara Jaya Agri Siais (2011 – present).
- Director of PT Sahabat Mewah dan Makmur (2011 – present).
- Director of PT Kayung Agro Lestari (2011 – present).
- Director of PT Galempa Sejahtera Bersama (2015 – present).

PROFILE OF KEY MANAGEMENT

Yomeidinar

Director: ANJA, ANJAS, KAL, SMM, PPM, PMP, GSB, ANJAP, AANE and GMIT

Mrs. Yomeidinar was appointed as a Director of ANJA, ANJAP, PPM and PMP in January 2018 and ANJAS, KAL, SMM, GSB, AANE and GMIT in April 2021. Since joining the Company in 2014 she has served as Group Head of HR and Change Management. Before joining ANJ, she served for 10 years as Head of HR and Change Management at Medco Downstream Indonesia, a sub-holding of Medco Energi International. Prior to that, she held senior roles in various foreign bank representative offices. She holds a Bachelor's degree in Financial Management from Perbanas Institute, Jakarta, a Master's Degree in Management Executive from Binus International University, Jakarta and she is a Doctor in Strategy and Growth from Binus University, Jakarta.

Mrs. Yomeidinar has 17 years of experience in HR and since 2008 has also been in the field of Change Management. She has managed many of the Company's organization development program and change management program since 2014.

Mohammad Fitriyansyah

President Director: AANE and LSP
Director: ANJA, ANJAS, KAL, SMM, PPM, PMP, GSB, ANJAP and GMIT

Mr. Fitriyansyah was appointed as President Director of AANE and LSP in April 2021, as a Director of KAL, PPM, PMP, ANJAP and GMIT in January 2018 and a Director of ANJA, ANJAS, SMM and GSB in April 2021. Mr. Fitriyansyah has more than 30 years of experience in Engineering, Procurement and Construction Management in infrastructure projects (roads and bridges), power plant, power distribution and oil & gas plant. He began his career as a Civil Engineer at PT Rekayasa Industri involved in design and construction of fertilizer and oil & gas plant (1990 -1994) and then worked at PT Balfour Beatty Sakti Indonesia (1994 – 2008) dealing with project management of power and distribution plants. From 2008 - 2011, he worked at PT JGC Indonesia, where he was responsiblefor the Project Operation Division, which oversaw the project management, construction management, procurement and quality control departments. After that, Mr. Fitriyansyah served at PT Petrosea Tbk. (2012-2016), where his most recent position was as a General Manager for Infrastructure and Offshore Supply Base Projects. Mr. Fitriyansyah graduated from the University of Indonesia, Jakarta in 1990 with a Bachelor's degree in Civil Engineering.

Nunik Maharani Maulana

President Director: ANJB
Director: ANJA, ANJAS, KAL, SMM, PPM, PMP, GSB, ANJAP, AANE and GMIT

Mrs. Maharani joined ANJ in 2016 as the Group Head of Corporate Communications and, as of 2018, has acted as a Director of PPM, PMP and ANJAP. In 2021, Mrs. Maharani was appointed to the role of President Director of ANJB as of June and a Director of ANJA, ANJAS, KAL, SMM, GSB, AANE and GMIT.

With 31 years of working experience in both corporations and consultancy agencies, ranging from communications to external affairs, Mrs. Maharani has handled a broad remit covering community and government relations and sustainability communications. She has held senior management positions in mining as well as oil and gas multi-national companies, namely the Rio Tinto group, Unocal Indonesia, Chevron IndoAsia, Newmont and Ephindo. She was Director and Senior Partner at Kiroyan Partners before co-founding IComm communication agency. Beyond her corporate experience, she served on the National Board of Indonesia Junior Achievement, a non-profit organization that encourages young entrepreneurship (2006-2015) and is a board member of Indonesia Business Links (2006-2021), a non-profit organization that promotes corporate social responsibility. In April 2021, the responsibility for sustainability was merged with corporate communications and she was appointed to lead those functions within the ANJ Group.

Mrs. Maharani obtained a Graduate Diploma from the London School of Public Relations in 2002 and in 2021 obtained a Diploma in Project Management from Interlink Technology Services Pty Ltd in 2021 (a qualification recognized within the Australian Qualifications Framework).

Erwan Santoso

President Director: GMIT

Mr. Santoso has served as Operations Director at GMIT since joining the Company in 2007 and was appointed as President Director on July 1, 2018. Before joining GMIT, he served as Leaf Operations Manager at PT Philip Morris Indonesia (2002-2007). Prior to that, he was Crop Manager at Bentoel Prima Group (2001-2002), Operations Manager at PT Drassindo, part of the Mustika Ratu Group (1998-2000) and Business Plan and Control Section Head at PT Sumalindo, part of PT Astra International Tbk. (1994-1998). He graduated from the Bogor Institute of Agriculture in 1993 with a Bachelor's degree in Agronomy.

Vonny Stefani

Director: PPM, PMP, ANJAP, ANJB and LSP

Ms. Vonny was appointed as a Finance Director of PPM, PMP, ANJAP and ANJB in January 2021 and a Director of LSP in April 2021. She has 25 years of working experience in accounting. She began her career as an auditor with Siddharta, Siddharta & Widjaja (formerly Siddharta, Siddharta & Harsono), a member firm of Coopers and Lybrand and then a member of KPMG. She joined ANJ in 2005, at first handling Risk Management Division and later became a Head of Finance & Accounting. She has expertise in various industries such as manufacturing, healthcare, financial institution, plantation and sago industry. Her expertise includes handling and helping the turnaround of a new entity. She graduated from University Tarumanagara University with a Bachelor's degree in Accounting.

Juli Wankara Purba

Director: SMM

Mr. Juli was appointed as a Resident Director of SMM in July 2021. He joined ANJ Group in 2011 and started his career as Senior Estate Manager of ANJA. He was General Manager of KAL (2013-2017), ANJA (2017-2018) and SMM (2018-2021). Prior to joining ANJ Group, he served as Senior Estate Manager in Agrina Group from 2010 to 2011 in Tebas Regency, West Kalimantan. He also worked in Asian Agri Group for 13 years (1997-2010). He holds a Bachelor's degree in University of Sumatera Utara majoring in Agriculture.

Jerileva Purba

Director: KAL

Mr. Jerileva Purba was appointed as a Resident Director of KAL in July 2021. He has 26 years working experience in the palm oil sector. He joined ANJ Group in 2007 as Estate Manager and then became General Manager at SMM and subsequently KAL. Before joining ANJ, he worked at PT Asiatic Persada (CDC-Pacrim) and PT Cargill Indonesia. He holds a Bachelor's degree in Agriculture, from the University of Sumatera Utara and a Master's degree in Business Administration from the University Gadjah Mada.

EMPLOYEE COMPOSITION – ANJ AND SUBSIDIARIES

Employee Composition ANJ and Subsidiaries		2021			2020		
		Male	Female	Total	Male	Female	Total
By Segment	Head Office Jakarta	20	10	**30**	45	26	**71**
	Palm Oil	7,045	1,321	**8,366**	7,125	1,373	**8,498**
	Sago	218	12	**230**	247	21	**268**
	Others	227	165	**392**	71	10	**81**
	Total	**7,510**	**1,508**	**9,018**	**7,488**	**1,430**	**8,918**
By Position	Director	8	4	**12**	8	4	**12**
	General Manager (GM)	26	4	**30**	27	5	**32**
	Manager	191	29	**220**	185	29	**214**
	Staff	292	63	**355**	288	64	**352**
	Laborers or Workers	6,993	1,408	**8,401**	6,980	1,328	**8,308**
	Total	**7,510**	**1,508**	**9,018**	**7,488**	**1,430**	**8,918**
By Education	Doctoral's degree	-	1	**1**	-	1	**1**
	Master's degree	14	9	**23**	13	10	**23**
	Bachelor's degree	524	123	**647**	506	119	**620**
	Diploma	116	46	**162**	119	51	**170**
	Senior/Vocational High School	2,877	410	**3,287**	6,701	1,222	**7,923**
	Other	3,979	919	**4,898**	153	28	**181**
	Total	**7,510**	**1,508**	**9,018**	**7,488**	**1,430**	**8,918**
By Employment Status	Contract Workers	1,037	226	1,263	1,798	139	1,937
	Permanent Workers	6,473	1,282	7,755	5,690	1,291	6,981
	Total	**7,510**	**1,508**	**9,018**	**7,488**	**1,430**	**8,918**
By Age	Over 55	42	9	51	103	16	119
	41-55	1,695	489	2,184	1,820	506	2,326
	25-40	4,388	868	5,256	4,528	846	5,374
	Under 25	1,385	142	1,527	1,037	62	1,099
	Total	**7,510**	**1,508**	**9,018**	**7,488**	**1,430**	**8,918**

Training and Competency Development Participation

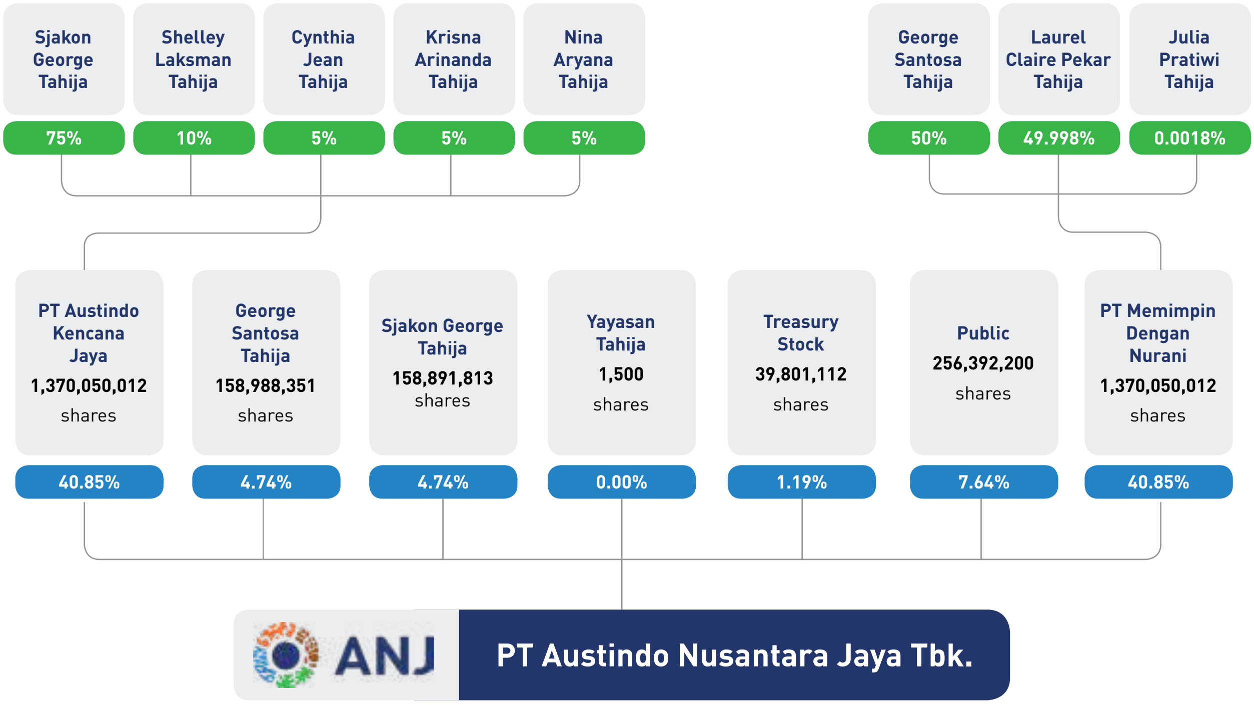
	Number of Employee	Total Training Hours	Average Training Hours/Person
BY GRADE			
Non-Staff	**8,401**	**20,983**	**2.50**
Male	6,993	18,311	2.62
Female	1,408	2,672	1.90
Staff	**355**	**24,460**	**68.90**
Male	292	20,827	71.33
Female	63	3,633	57.67
Manager	**220**	**6,021**	**27.37**
Male	191	5,384	28.19
Female	29	637	21.95
General Manager/Regional Manager/Group Head	**30**	**764**	**25.47**
Male	26	549	21.12
Female	4	215	53.75
Board of Directors	**12**	**91**	**7.58**
Male	8	46	5.75
Female	4	45	11.25
Grand Total	**9,018**	**52,319**	**5.80**
BY GENDER			
Male	7,510	45,117	6.01
Female	1,508	7,202	4.78
Grand Total	**9,018**	**52,319**	**5.80**

Training and Competency Development Expenditure 2021

ANJ invested a total of USD 338,517 in training and competency development in 2021.

SHAREHOLDER INFORMATION

ANJ Majority and Controlling Share Structure as of December 31, 2021



Share Ownership by Commissioners and Directors as of December 31, 2021

Name	Position	Shares	Percentage
George Santosa Tahija	Commissioner	158,988,351	4.74%
Sjakon George Tahija	Commissioner	158,891,813	4.74%
Istini Tatiek Siddharta	Commissioner	3,620,000	0.11%
Lucas Kurniawan	President Director	3,020,000	0.09%
Geetha Govindan	Vice President Director	3,120,000	0.09%
Naga Waskita	Director	3,019,563	0.09%
Aloysius D'Cruz	Director	1,600,000	0.05%
Nopri Pitoy	Director	1,150,000	0.03%

Shareholder Composition by Type of Investor as of December 31, 2021

Type of Investors	Investors	Shares	Shares (%)
DOMESTIC	**1,220**	**3,344,559,663**	**99.71%**
Retail	1,203	404,100,418	12.05%
Insurance	7	159,904,800	4.77%
Corporation	8	2,780,552,845	82.90%
Foundation	1	1,500	0.00%
Mutual Fund	1	100	0.00%
FOREIGN	**12**	**9,615,337**	**0.29%**
Retail	3	591,937	0.02%
Corporation	9	9,023,400	0.27%
TOTAL	**1,232**	**3,354,175,000**	**100.00%**

Shareholder Composition by Domicile as Of December 31, 2021

Type of Investors	Number of Accounts	Number of Shares	Shares (%)
DOMESTIC	**1,220**	**3,344,559,663**	**99.71%**
- Domestic individual	1,203	404,100,418	12.05%
- Domestic limited liability company	17	2,940,459,245	87.67%
FOREIGN	**12**	**9,615,337**	**0.29%**
- Overseas individual	3	591,937	0.02%
- Overseas limited liability company	9	9,023,400	0.27%
TOTAL	**1,232**	**3,354,175,000**	**100.00%**

Shareholder Composition by Sub Account Status as of December 31, 2021

No.	Shareholder Status	Domestic/Overseas	Number of Accounts	Number of Shares	Shares (%)
1	Insurance	Domestic	7	159,904,800	4.77%
2	Limited Liability Company	Domestic	10	2,780,554,445	82.90%
3	Individual	Domestic	1,203	404,100,418	12.05%
4	Limited Liability Company	Overseas	9	9,023,400	0.27%
5	Individual	Overseas	3	591,937	0.02%
	TOTAL		**1,232**	**3,354,175,000**	**100.00%**

SHARE ISSUANCE AND LISTING CHRONOLOGY

ANJ became a public company in 2013 as the culmination of a comprehensive corporate restructuring. ANJ made an initial public offering (IPO) of 10% of its shares on the Indonesia Stock Exchange (IDX) to access the capital needed to expand the Company's business. Prior to the listing, the Company was wholly owned by the Tahija family through individual shareholdings and corporate entities. On May 1, 2013, of the approval from the Financial Services Authority (OJK) for ANJ's IPO, the Company listed its shares on the IDX on May 8, 2013, under the stock code ANJT. A total of 333,350,000 common shares were offered at a nominal value of IDR 100 per share. The share price at the Initial Public Offering (IPO) was IDR 1,200 per share. The Company's market capitalization as of the end of trading in 2021 was IDR 3.3 trillion, with a closing share price of IDR 990.

Date	Corporate action/policy	Total addition/reduction of shares	Accumulated share total
May 8, 2013	Initial Public Offering	333,350,000	333,350,000
November 3 - December 5, 2014	MSOP Exercise	1,550,000	334,900,000
November 2 - December 4, 2015	MSOP Exercise	325,000	335,225,000
November 2 - December 4, 2015	MSOP Exercise	300,000	335,525,000
May 9 - June 10, 2016	MSOP Exercise	8,750,000	344,275,000
May 9 - June 10, 2016	MSOP Exercise	9,900,000	354,175,000

BOND, SUKUK (SHARIA BOND) AND CONVERTIBLE BOND

The Company did not have any outstanding bonds, sukuk (sharia bond) or convertible bonds in 2021.

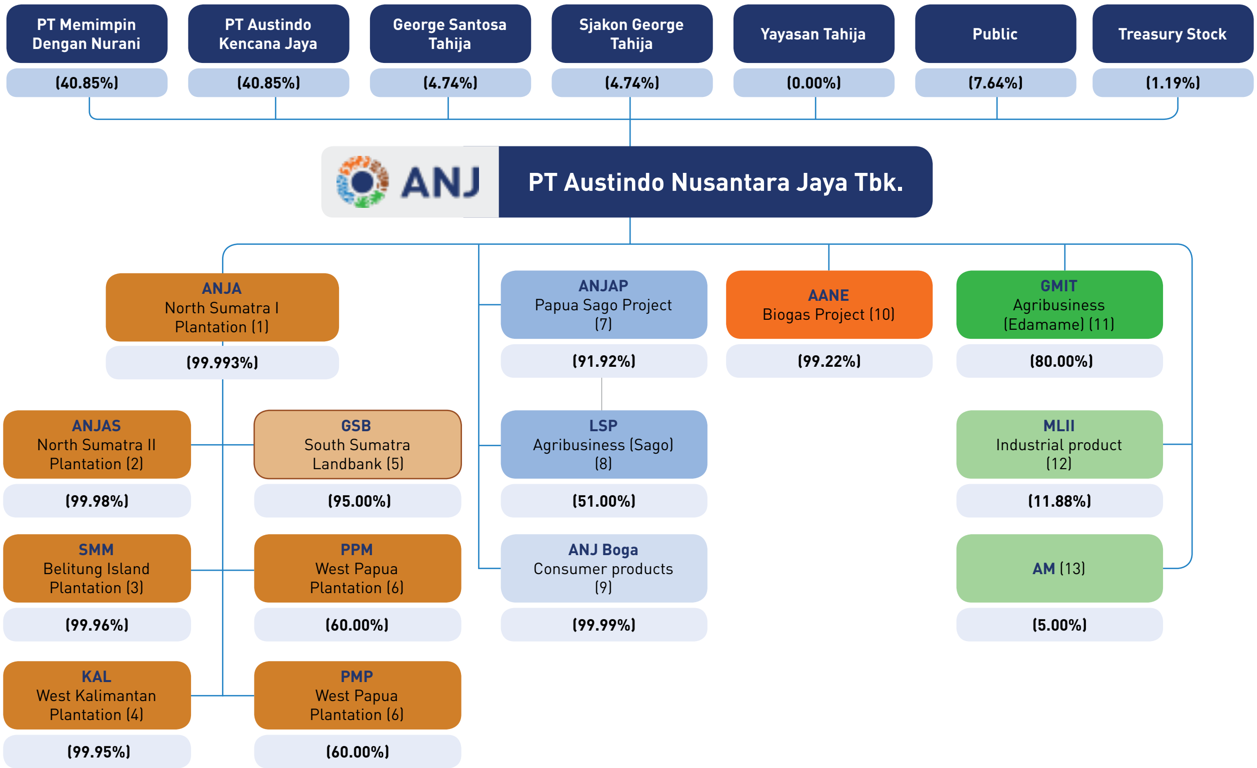
SUSPENSION OF THE COMPANY'S SHARES

The Company's shares were not suspended during fiscal year 2021.

DIVIDEND PAYMENT FOR THE LAST TWO YEARS

Year	Total Dividend (IDR)	Payment Date	Dividend per Share	Dividend Payout Ratio	Total Shares
2020	-	-	-	-	-
2021	IDR. 13,247,492,352	July 9, 2021	IDR. 4	0.42	3,354,175,000

CORPORATE STRUCTURE



DESCRIPTION

- Palm oil
- Developing palm oil plantation
- Minority investments
- Sago
- Renewable Energy
- Vegetables
- Others

NOTES :

1. ANJ has 99.993% and ANJB has 0.007%.
2. ANJA has 99.98% and SMM has 0.02%.
3. ANJA has 99.96% and ANJ has 0.04%.
4. ANJA has 99.95% and SMM has 0.05%.
5. ANJA has 95.00% and ANJ has 5.00%.
6. ANJA has 60.00% and ANJ has 40.00%.
7. ANJ has 91.92% and SMM has 8.08%.
8. ANJAP has 51.00%, SPC has 40.00% and GAH has 9%.
9. ANJ has 99.999% and YT has 0.001%.
10. ANJ has 99.22% and ASG has 0.78%.
11. ANJ has 80.00% and AJI has 20%.
12. ANJ has 11.88%.
13. ANJ has 5.00% and TTI has 95%.

Note: Data as at December 31, 2021

- PT Austindo Nusantara Jaya Tbk. ("ANJ")
- PT Austindo Nusantara Jaya Agri ("ANJA")
- PT Austindo Nusantara Jaya Agri Siais ("ANJAS")
- PT Kayung Agro Lestari ("KAL")
- PT Galempa Sejahtera Bersama ("GSB")
- PT Permata Putera Mandiri ("PPM")
- PT Putera Manunggal Perkasa ("PMP")
- PT ANJ Agri Papua ("ANJAP")
- PT Lestari Sagu Papua ("LSP")
- PT Austindo Aufwind New Energy ("AANE")
- PT Gading Mas Indonesia Teguh ("GMIT")
- PT Austindo Nusantara Jaya Boga ("ANJB")
- PT Moon Lion Industries Indonesia ("MLII")
- PT Agro Muko ("AM")
- SP Chemicals Pte, Ltd ("SPC")
- Grand Asia Holding Pte, Ltd. ("GAH")
- Yayasan Tahija ("YT")
- AJI HK Limited ("AJI")
- Aufwind Schmack Asia Holding GmbH ("ASG")
- PT Tolan Tiga Indonesia ("TTI")

OUR SUBSIDIARIES

No.	Subsidiary Companies	Information		
1	**PT AUSTINDO NUSANTARA JAYA AGRI (ANJA)** PT Austindo Nusantara Jaya Agri (ANJA) was established in March 1986. ANJA was bought by ANJ in 2000 through Verdaine Investments Ltd. and we acquired direct ownership in 2006. ANJA owns, manages and operates our North Sumatra I Plantation in Binanga, North Sumatra, engaging in the planting, developing and cultivating of oil palms, production of CPO and PK and activities related to CPO/PK production and marketing. ANJA also holds interests in our six other oil palm plantations and landbanks through its subsidiaries. ANJA has a total landbank of 9,988 hectares, of which 9,515 hectares are planted comprising 7,283 hectares of matured oil palms. ANJA owns a 60 tons per hour capacity mill in which it processes FFB from its own plantation as well as FFB purchased from third parties.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** Binanga, North Sumatra **REGISTERED ADDRESS:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**TOTAL ASSETS:** USD 545,360,468 **COMMERCIALLY OPERATING SINCE:** 1995 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Aloysius D'Cruz • Nopri Pitoy • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
2	**PT AUSTINDO NUSANTARA JAYA AGRI SIAIS (ANJAS)** PT Austindo Nusantara Jaya Agri Siais (ANJAS) was established in May 2002 and acquired by ANJA in November 2004. It owns, manages and operates our North Sumatra II Plantation at Padang Sidempuan, North Sumatra. ANJAS has a total landbank of 9,412 hectares, of which 7,752 hectares are nucleus planted area and contains matured oil palms. There are 158 planted hectares of plasma which contain matured oil palms. ANJAS' mill has a capacity of 60 tonnes per hour and processes FFB from its own plantation as well as FFB purchased from third parties.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** Padang Sidempuan, North Sumatra **REGISTERED ADDRESS:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**TOTAL ASSETS:** USD 47,495,997 **COMMERCIALLY OPERATING SINCE:** 2009 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Nopri Pitoy • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
3	**PT SAHABAT MEWAH DAN MAKMUR (SMM)** PT Sahabat Mewah dan Makmur (SMM) was established in July 1985 and planted from 1990. SMM was acquired by ANJA in March 2003. It owns, manages and operates our plantation on Belitung Island. SMM's total landbank of 17,360 hectares, 14,361 hectares are nucleus planted area consisting of 11,430 hectares of matured oil palms. There are 860 planted hectares in partnership with smallholders which contain matured oil palms. SMM has a mill with a capacity of 60 tons per hour and primarily processes FFB from its plantation as well as FFB purchased from third parties.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** Belitung, Bangka Belitung **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 65,497,835 **COMMERCIALLY OPERATING SINCE:** 1994 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Nopri Pitoy • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Juli Wankara Purba **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita

No.	Subsidiary Companies	Information		
4	**PT KAYUNG AGRO LESTARI (KAL)** PT Kayung Agro Lestari (KAL) was established in September 2004 and acquired by ANJA in December 2005. It owns, manages and operates our plantation in Ketapang, West Kalimantan, which has a total landbank of 13,879 hectares. Planting began in 2010. Currently, 9,583 hectares are planted, consisting of 8,784 hectares of matured oil palms. There are 2,668 planted hectares of plasma consisting of 2,287 hectares of matured oil palms. KAL has a 90 tons per hour capacity mill which processes primarily FFB from its plantation as well as FFB purchased from third parties.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** Ketapang, West Kalimantan **REGISTERED ADDRESS:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**TOTAL ASSETS:** USD 82,757,762 **COMMERCIALLY OPERATING SINCE:** 2014 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Nopri Pitoy • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Jerileva Purba **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
5	**PT GALEMPA SEJAHTERA BERSAMA (GSB)** PT Galempa Sejahtera Bersama (GSB) was established in January 2012 and acquired by ANJA in May 2012. GSB holds a license for 12,800 hectares of oil palm plantation in Empat Lawang, South Sumatra, of which 724 hectares have been planted.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** Empat Lawang, South Sumatra **REGISTERED ADDRESS:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**TOTAL ASSETS:** USD 10,141,600 **COMMERCIALLY OPERATING SINCE:** Pre-operating stage **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Nopri Pitoy • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
6	**PT PERMATA PUTERA MANDIRI (PPM)** PT Permata Putera Mandiri (PPM) was established in July 2007 and acquired by ANJA in January 2013. It holds land cultivation rights for 26,571 hectares of nucleus oil palm and 5,454 hectares of plasma oil palm in South Sorong, West Papua. Planting began in 2014 and 4,245 hectares have now been planted, consisting of 2,209 hectares of matured oil palms.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** South Sorong, West Papua **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 119,228,166 **COMMERCIALLY OPERATING SINCE:** 2020 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Vonny Stefani **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita

No.	Subsidiary Companies	Information		
7	**PT PUTERA MANUNGGAL PERKASA (PMP)** PT Putera Manunggal Perkasa (PMP) was established in November 1999 and acquired by ANJA in January 2013. PMP holds a license for 18,860 hectares of nucleus oil palm and 3,818 hectares of plasma oil palm in South Sorong and Maybrat, West Papua. Planting began in 2014 and 3,862 hectares of nucleus area are planted, consisting of 2,813 hectares of matured oil palms. There are 902 hectares of plasma have now been planted. PMP operates a mill with a 45 tonnes per hour capacity which primarily processes FFB from its own plantation, PPM and plasma.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** South Sorong and Maybrat, West Papua **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 152,341,652 **COMMERCIALLY OPERATING SINCE:** 2020 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Vonny Stefani **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
8	**PT ANJ AGRI PAPUA (ANJAP)** PT ANJ Agri Papua (ANJAP) was established in September 2007 and is developing ANJ's pioneering sago starch business in West Papua. ANJAP holds a license for a concession of 40,000 hectares of sago forest in South Sorong, where it has a sago mill with a capacity of 1,250 tonnes of dry starch per month, which will eventually be expanded to 2,500 tonnes per month.	**BUSINESS ACTIVITY:** Agribusiness (Sago) **LOCATION:** South Sorong, West Papua **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 14,922,992 **COMMERCIALLY OPERATING SINCE:** 2017 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Aloysius D'Cruz (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Vonny Stefani **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
9	**PT LESTARI SAGU PAPUA (LSP)** PT Lestari Sagu Papua (LSP) was established in November 2011 and engages primarily in the non-timber forest resources concession businesses and the processing, marketing and transportation of various kinds of sago starch. LSP has not yet commenced operations.	**BUSINESS ACTIVITY:** Agribusiness (Sago) **LOCATION:** South Sorong, West Papua **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 274,617 **COMMERCIALLY OPERATING SINCE:** Pre-operating stage **GROUP OWNERSHIP:** 51%	**DIRECTORS** • Mohammad Fitriyansyah (PD) • Chan Hian Siang • Vonny Stefani **COMMISSIONERS** • George Santosa Tahija (PC) • Hendrik Sasmito • Lucas Kurniawan

No.	Subsidiary Companies	Information		
10	**PT AUSTINDO AUFWIND NEW ENERGY (AANE)** PT Austindo Aufwind New Energy (AANE) was established in October 2008 and operates ANJ's biogas power generation business at our Belitung plantation SMM, using methane produced by waste material from the CPO mill. Having obtained its independent power producer (IPP) license in 2013, AANE began operating commercially on December 31, 2013. AANE currently has a production capacity of 1.8 MW.	**BUSINESS ACTIVITY:** Renewable energy (Biogas) **LOCATION:** Belitung, Bangka Belitung **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 1,269,808 **COMMERCIALLY OPERATING SINCE:** 2013 **GROUP OWNERSHIP:** 99.22%	**DIRECTORS** • Mohammad Fitriyansyah (PD) • Yomeidinar • Nunik Maharani Maulana **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita
11	**PT GADING MAS INDONESIA TEGUH (GMIT)** PT Gading Mas Indonesia Teguh (GMIT) was originally established as PT Gading Mas Indonesian Tobacco in March 1970 to process tobacco purchased from individual farmers. ANJ began to exit the tobacco business in 2012, since then GMIT has focused on higher-value vegetable products such as edamame and okra. Its name was changed to PT Gading Mas Indonesia Teguh in March 2015. In 2017, a joint venture was established with AJI HK Limited, which owns a 20% stake in GMIT.	**BUSINESS ACTIVITY:** Agribusiness (Horticulture) **LOCATION:** Jember, East Java **REGISTERED ADDRESS:** Jl. Gajah Mada No. 254, Jember, East Java	**TOTAL ASSETS:** USD 12,846,624 **COMMERCIALLY OPERATING SINCE:** 2000 **GROUP OWNERSHIP:** 80.00%	**DIRECTORS** • Erwan Santoso (PD) • Yomeidinar • Mohammad Fitriyansyah • Nunik Maharani Maulana **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Geetha Govindan • Aloysius D'Cruz • Lin Ching-Hua • Naga Waskita
12	**PT AUSTINDO NUSANTARA JAYA BOGA (ANJB)** PT Austindo Nusantara Jaya Boga (ANJB) was established in May 2013 to support ANJ's emerging food business, particularly the development of product and marketing plans for sago starch.	**BUSINESS ACTIVITY:** Consumer products **LOCATION:** Jakarta **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 139,825 **COMMERCIALLY OPERATING SINCE:** 2014 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Nunik Maharani Maulana (PD) • Vonny Stefani **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita

AWARDS AND CERTIFICATIONS

Awards 2021

01

COMPANY:
PMP

AWARDS:
Third Best (Category of Large Companies) - PARITRANA AWARD 2020 Employment Social Security Award of West Papua Province

DATE:
January 12, 2021

ISSUER:
Social Security Administrator for Employment (BPJAMSOSTEK)

02

COMPANY:
ANJ

AWARDS:
Golden Champion in Corporate Social Responsibility Program

DATE:
April 22, 2021

ISSUER:
Bisnis Indonesia Corporate Social Responsibility Award (BISRA)

03

COMPANY:
ANJ

AWARDS:
The Best Award for Volunteering Program

DATE:
April 22, 2021

ISSUER:
Bisnis Indonesia Corporate Social Responsibility Award (BISRA)

04

COMPANY:
ANJ

AWARDS:
Green Elite category for Non-Banking Corporate Emissions Reduction & Non-Banking SOE Corporate Emissions Calculation Transparency Platinum Plus

DATE:
April 29, 2021

ISSUER:
Berita Satu Media Holdings & Bumi Global Karbon Foundation

05

COMPANY:
ANJ

AWARDS:
Solid Team Indonesia MarComm & CorComm Dream Team 2021

DATE:
April 29, 2021

ISSUER:
MIX MarComm Magazine (SWA Group)

06

COMPANY:
KAL

AWARDS:
Surface Water Tax Compliance of West Kalimantan Province 2020

DATE:
October 25, 2021

ISSUER:
Regional Revenue Office (Bapenda) West Kalimantan Province

07

08

09

COMPANY:
ANJ

AWARDS:
Environment, Social, Governance (ESG) Disclosure Awards 2021 - Disclosure Rating Leadership A

DATE:
October 27, 2021

ISSUER:
Bumi Global Karbon Foundation (BGKF) and Berita Satu Media Holdings (BSMH)

COMPANY:
ANJ

AWARDS:
Platinum Rank' and 'Commendation for Four Consecutive Year Participation in ASSRAT

DATE:
November 17, 2021

ISSUER:
National Center for Sustainability Reporting (NCSR)

COMPANY:
ANJ

AWARDS:
Indonesia's Best Corporate Sustainability Initiatives 2021 Responsible Business Practices Category

DATE:
December 10, 2021

ISSUER:
SWA

10

COMPANY:
SMM & ANJA

AWARDS:
GOLD PROPER

DATE:
December 30, 2021

ISSUER:
Ministry of Environment and Forestry

Certifications 2021

RSPO

RSPO is the global standard for sustainable palm oil which sets environmental and social criteria that companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO).

ISPO

ISPO is a guidance for sustainability standards in palm oil production within the framework of the Indonesian Ministry of Agriculture regulation.

ISO 14001

ISO 14001 is an international standard for environmental management systems. Certification is valid for three years and each year the certified company is subject to an audit by a certification body accredited by the National Accreditation Committee.

ISO 45001

ISO 45001 is an international standard that specifies requirements for an occupational health and safety (OH&S) management system, with guidance for its use, to enable an organization to proactively improve its OH&S performance in preventing injury and ill-health.

ISCC

ISCC is a European sustainability standard that assesses greenhouse gas emissions, preservation of biodiversity, agricultural practices and respect for labor and land rights.

SMK3

SMK3 Certification is a prerequisite for ISPO certification that standardizes the occupational health and safety regulation in accordance with the Indonesian law.

PROPER

PROPER is a company performance rating assessment program in environmental management and community engagement developed by the Ministry of Environment and Forestry to encourage companies to improve their environmental and social performance.

BRC

BRC is a globally recognized standard which creates a framework that covers internationally accepted food safety standards and helps improve food safety.

ISO 22000

ISO 22000 is an internationally recognized standard that combines the ISO9001 approach to food safety management and Hazard Analysis Critical Control Point (HACCP) for the assurance of food safety at all levels.

Estate	Certificate	Date/Validity	Issuer
ANJA	RSPO	November 14, 2017, valid until November 13, 2022	SGS
	ISPO	November 25, 2021, valid until November 24, 2026	TUV Nord Indonesia
	ISO 14001	July 6, 2020, valid until June 6, 2023	TUV Nord Indonesia
	ISO 45001	June 15, 2020, valid until June 15, 2023	TUV Nord Indonesia
	PROPER	Gold Rating for year 2020 – 2021	Ministry of Environment and Forestry
	SMK3	May 16, 2019, valid until May 15, 2022	Ministry of Labor and Transmigration
ANJAS	RSPO	November 7, 2019, valid until September 24, 2024	Mutu International
	ISPO	September 4, 2020, valid until September 3, 2025	Mutu International
	ISO 14001	November 11, 2020, valid until November 11, 2023	TUV Nord Indonesia
	ISO 45001	November 10, 2020, valid until November 10, 2023	TUV Nord Indonesia
	SMK3	November 3, 2020, valid until November 3, 2023	Ministry of Labor and Transmigration
	PROPERDA	Blue Rating 2020 - 2021	North Sumatra Environmental Agency
SMM	RSPO	February 10, 2021, valid until January 5, 2026	Mutu International
	ISPO	September 23, 2020, valid until September 22, 2025	TUV Nord Indonesia
	ISCC	December 25, 2021, valid until December 24, 2022	Mutu International
	ISO 14001	June 14, 2021, valid until June 14, 2024	Bureau Veritas
	ISO 45001	July 21, 2021, valid until July 21, 2024	Bureau Veritas
	PROPER	Gold Rating for year 2020 - 2021	Ministry of Environment and Forestry
	SMK3	March 29, 2019, valid until March 29, 2022	Ministry of Labor and Transmigration
KAL	RSPO	November 11, 2019, valid until November 10, 2024	Mutu International
	ISPO	July 27, 2018, valid until July 26, 2023	Mutu International
	ISO 14001	January 4, 2021, valid until January 3, 2024	TUV Nord Indonesia
	ISO 45001	January 4, 2021, valid until January 3, 2024	TUV Nord Indonesia
	SMK3	July 14, 2020, valid until July 13, 2023	Ministry of Labor and Transmigration
	PROPER	Blue Rating for year 2020 - 2021	Ministry of Environment and Forestry
PMP	RSPO	December 23, 2021, valid until December 22, 2026	Mutu International
	RSPO SCCS	December 24, 2021, valid until December 23, 2026	SGS
	ISPO	December 17, 2021, valid until December 16, 2026	Mutu International
PPM	RSPO	December 23, 2021, valid until December 22, 2026	Mutu International
	ISPO	December 3, 2021, valid until December 2, 2026	Mutu International
AANE	SMK3	June 30, 2021, valid until June 30, 2024	Ministry of Labor and Transmigration
GMIT	Brand Reputation through Compliance (BRC)	October 18, 2021, valid until October 28, 2022	RINA Services S.p.a
	ISO 22000 (Edamame, Mukimame and Okra (frozen)	July 27, 2020, valid until July 27, 2023	MBRIO Certification Body

CAPITAL MARKET SUPPORTING INSTITUTIONS & PROFESSIONALS

EXTERNAL AUDITOR

Siddharta Widjaja & Rekan, Registered Public Accountants
33rd Floor, Wisma GKBI, Jl. Jend. Sudirman 28
Jakarta 10210, Indonesia
Tel.: (62-21) 574 2333

SERVICE(S) PROVIDED:
Auditing of the Company's financial statements including the accuracy of the accounting policies used and the reasonableness of the estimates made by management and evaluation of the presentation of Company's financial statements. There are no other services provided to the Company other than financial statement audit services.

FEE:
Audit Fee: IDR 800 million
Non Audit Fee: -

PERIOD OF APPOINTMENT:
2017-2021

SHARE REGISTRAR

PT Datindo Entrycom
Jl. Hayam Wuruk No. 28, Jakarta 10120, Indonesia
Tel.: (62-21) 3508077

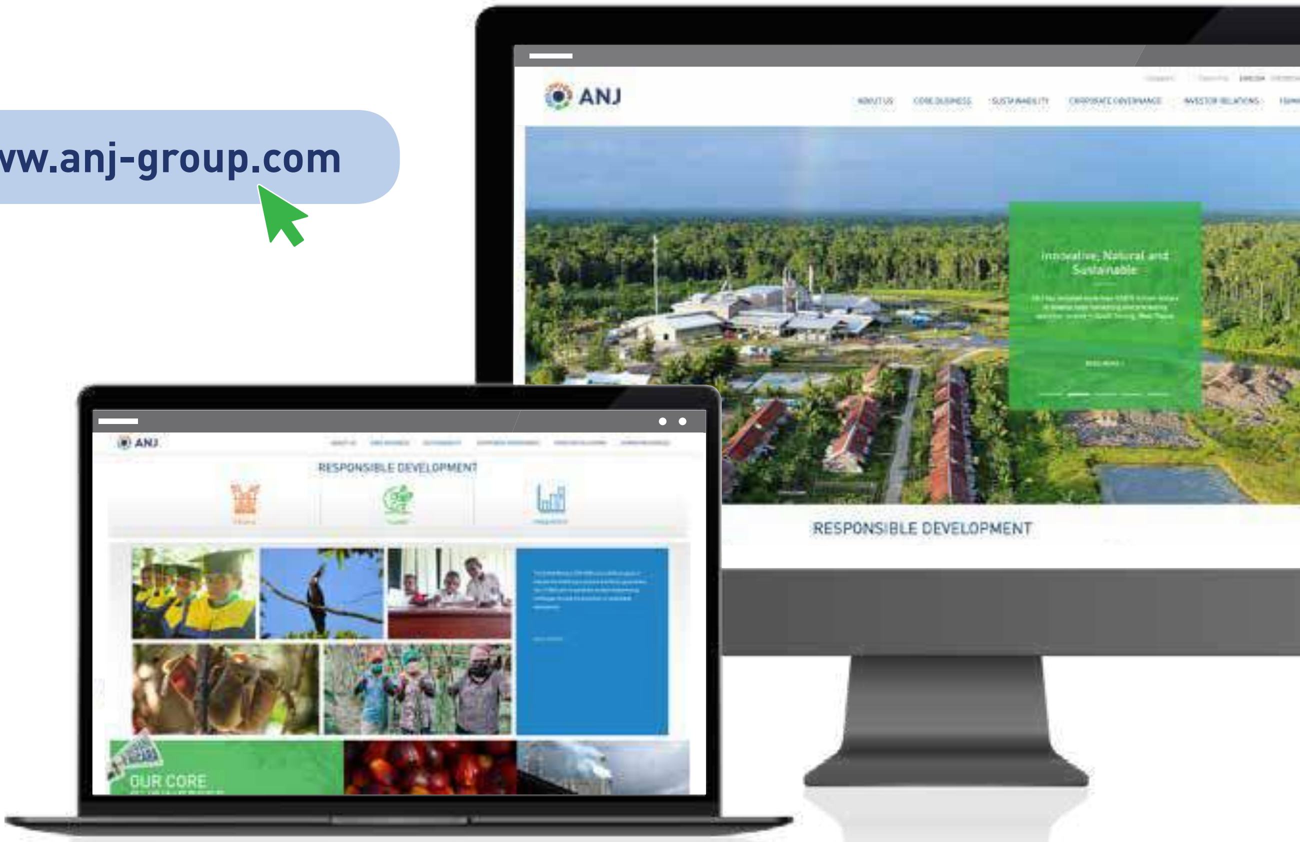
SERVICE(S) PROVIDED:
Keeping and maintaining the shareholders' register, preparing the register for General Meetings of Shareholders and assisting in the payment of dividends and bonus shares.

FEE:
IDR 40,000,000

APPOINTED DATES:
2013-2021

INFORMATION ON THE COMPANY WEBSITE

www.anj-group.com



The Company's website, www.anj-group.com, contains at least the following information:

- Information on the shareholders up to the last individual owner;
- The Code of Conduct;
- Summaries of the minutes of Annual and Extraordinary General Meetings of Shareholders as well as all related notices and invitations, dating from 2014;
- The Company's annual reports/financial statements dating from 2010 and full year and quarterly (interim) financial statements dating from 2013;
- Profiles of the Board of Commissioners and Board of Directors; and
- The Charters of the Board of Commissioners, Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility and Sustainability Committee as well as Internal Audit Unit.


MEMIMPIN
DENGAN
NURANI
ONETEAM ONE GOAL

TRAINING AND DEVELOPMENT OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, COMMITTEES, CORPORATE SECRETARY AND INTERNAL AUDIT UNIT

Board of Commissioners

No	Trainings	Participants	Period
1	Indonesia Climate Finance	George Santosa Tahija, J. Kristiadi	July 8, 2021
2	Orientation for new members of the Board of Commissioners	Istini T. Siddharta (from November 2, 2021)	December 6, 2021

Board of Directors

No	Trainings	Participants	Period
1	ASEAN & ASIA FOCUS : Partnership in Economic Recovery and Sustainable Infrastructure	Istini T. Siddharta (until November 2, 2021)	March 31, 2021
2	Haze Outlook | SIIA x ANJ		April 21, 2021
3	IDX - CEO Meeting (ESG & Sustainability Leadership and Journey)		September 30, 2021
1	Microsoft Power Platform Virtual Training Day: Fundamentals CDP Launch Event: CDP Financial Services Climate and Forests Pilot Results 2020	Lucas Kurniawan	February 24, 2021
2	DBS Bank Live Webinar: Opportunities in a Low-Yielding World		March 3, 2021
3	Webinar HHP: Latest Developments on the Priority List and Employment Matters		March 17, 2021
4	Fitch on Indonesia 2021: Navigating a Post-Pandemic World (Part 1 - Sovereign, Economic and Financial Institutions)		March 24, 2021
5	ASEAN & ASIA FOCUS : Partnership in Economic Recovery and Sustainable Infrastructure		March 31, 2021
6	Webinar: Fitch on Indonesia 2021: Navigating a Post-Pandemic World (Part 2 - Corporates and Infrastructure & Project Finance)		March 31, 2021
7	Virtual Outreach: PIR IFRS 10 (PSAK 65), IFRS 11 (PSAK 66), IFRS 12 (PSAK 67) and impacts of PP No. 35 of 2021		April 8, 2021
8	Cessation of LIBOR and SOR – UOB Webinar		April 21, 2021
9	CFO & Finance Executive Roundtable – Connect Global Group		June 21, 2021
10	UOB Kay Hian Webinar - Palm Oil 2H21 Outlook by Mr. Dorab Mistry		June 15, 2021
11	Porsche Consulting Agri & Food Lounge 2021 – "Mastering future challenges in a common ecosystem"		June 16, 2021
12	Webinar - US Biofuel Policy & The Impact on Vegetable Oil Prices		July 14, 2021
13	UOB Economic Outlook 2022 – Empowering the Indonesian Economy for Stronger Recovery		September 15, 2021
14	IDX - CEO Meeting (ESG & Sustainability Leadership and Journey)		September 30, 2021
15	SEA Green Economy Indonesia Webinar		November 3, 2021
16	Green House Gas Training by ANJ's EHS Department		November 9, 2021
17	PwC Webinar: ESG Value Creation Journey in the Palm Oil Industry		November 12, 2021

No	Trainings	Participants	Period
1	OFIC (Oil and Fats International Congress 2021)	Geetha Govindan	June 15 - June 16, 2021
2	Mosta Oil Palm Best Practices In Agronomy, Management And Milling Webinar 2021		September 21, 2021
1	HHP, Webinar Latest Developments on the Priority List and Employment Matters	Naga Waskita	March 17, 2021
2	ICSA, Webinar Be More Persuasive in Digital Era through The Right Public Speaking		March 30, 2021
3	IDX, Capital Market Webinar: TCFD in Finance		December 1, 2021
4	ICSA, Industry Visit PT Bank CIMB Niaga Tbk.		December 9, 2021
5	Green House Gas Training by ANJ's EHS Department		November 9, 2021
1	Orientation for the new members of the Board of Directors	Aloysius D'Cruz	December 6, 2021
1	UOB Kay Hian Webinar-Palm Oil 2H21 Outlook by Mr. Dorab Mistry	Nopri Pitoy	June 15, 2021
2	Economic Outlook & Financial Market Updates by Bank Mandiri-Treasury		August 5, 2021
3	Global Oils & Fats Market Prospects and Price Forecasts with Focus on Palm Oil (Thomas Mielke, Ista Mielke Gmbh, Oil World)		October 15, 2021
4	Indonesia's Palm Oil 2021 Impact of Export Tax and Levy Revision (Togar Sitanggang, GAPKI)		October 24, 2021
5	Green House Gas Training by ANJ's EHS Department		November 9, 2021
6	Orientation for the new members of the Board of Directors		December 6, 2021
7	Market Outlook 2022 & Tax Amnesty jilid 2 by Bank Mandiri		December 7, 2021

Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility and Sustainability Committee.

In 2021, no training and development was conducted by the Company for the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee as well as Corporate Social Responsibility and Sustainability Committee.

Corporate Secretary

No	Trainings	Participants	Period
1	HHP, Webinar Latest Developments on the Priority List and Employment Matters	Naga Waskita	March 17, 2021
2	ICSA, Webinar Be More Persuasive in Digital Era through The Right Public Speaking		March 30, 2021
3	IDX, Capital Market Webinar: TCFD in Finance		December 1, 2021
4	ICSA, Kunjungan Industri PT Bank CIMB Niaga Tbk.		December 9, 2021

Internal Audit Unit

No	Trainings	Participants	Period
1	Improving Audit Quality and Quality During COVID-19 and Beyond	Nurman Hidayat	February 2, 2021
2	Legal Aspects of Corruption and Money Laundering on Corporate Finance and Investment	Nurwachid	February 25, 2021
3	Understanding Insurance From Legal Aspect - Insurance Risk Management	Nurwachid	February 26, 2021
4	ANJ Value Workshop	Nico Bangun Jaya	March 10, 2021
5	Certified Practitioner of Internal Auditor (CPIA)	Nurwachid	March 15-23, 2021
6	Asia-Pacific Board Leadership Center Webinar	Ronal Samson R	April 7, 2021
7	The Role of Internal Audit in Escorting Organizations Towards Digital Transformation in the New Normal Era	Ronal Samson R	April 17, 2021
8	Workshop on Quality Assurance of Internal Audit Function	Ronal Samson R	April 26-27, 2021
9	Internal Control COSO - 2013	David Djantua	May 3-4, 2021
10	The Asia-Pacific Board Leadership Centre Webinar on "Board and Audit Committee Priorities 2021"	Nurman Hidayat	May 7, 2021
11	Internal Audit for New Internal Auditor	Ahmad Syahfitri, Desmon Hasudungan, Nico Bangun Jaya	May 10-11 and August 12-13, 2021
12	Implementation of Forensic Accounting in Detecting Fraud	Nico Bangun Jaya	June 5, 2021
13	Understanding the Importance of Investigative Auditing and Forensic Accounting in Their Contribution to Formation of Advanced Indonesia Post-Covid-19	Ronal Samson R	June 5, 2021
14	Risk Management Based on ISO 31000:2018	Nico Bangun Jaya	July 12, 2021
15	Effective Report Writing for Internal Audit	Abid Yahya	July 12-13, 2021
16	Integrated Management System Training (RSPO, ISPO, ISCC)	Ahmad Syahfitri, David Djantua, Nico Bangun Jaya, Nurman Hidayat, Ronal Samson R	October 7, 2021
17	Building A Resilient Organization: The Role Of Internal Auditor As A Trusted Advisor	Nurwachid	November 6, 2021
18	Training Green House Gas (GHG) & Crisis Management Plant (CMP)	Christian L Sitorus, Nurman Hidayat, Ronal Samson R	November 9 & 11, 2021
19	Training Integrated Management System ISO 45001, ISO 14001 & SMK3	Nurman Hidayat, Ronal Samson R	November 12, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

The higher CPO, PK and PKO prices, compared to 2020, resulted in a net income for the year of USD 39.7 million.

REVIEW OF OPERATIONS

Macroeconomic Review

For the last 2 years, the COVID-19 pandemic has significantly affected the business environments and caused a global economic slowdown. Commodity prices and capital market dropped to the lowest level in early 2020. Businesses were forced to adapt or to change their business model in order to survive. With the pandemic receding mid of this year, the global economy started to recover with imbalance in the supply-demand of many business sectors. This anticipated economic recovery will possibly trigger an increase in interest rate and higher inflation rate mainly labor cost, volatility in exchange rates as well as raising logistic cost and healthcare cost in the upcoming years. Several policies were issued by the Indonesian Government to counter the COVID-19 pandemic and stimulate the economy, Indonesia's economic growth up to 3.69% in 2021 from -2.07% in 2020.

Industry Review

CPO price has been bullish since July 2021 from USD 850 per tonne to touch the highest level in history above USD 1,300 per tonne in November 2021 which is mostly driven by supply imbalance of edible oil productions and high crude oil price. This supply imbalance was mostly caused by labour deficit in Malaysia, extreme dry weather pattern in South America and the biofuel mandates. Market outlook for CPO price may still be bullishly driven by the labor shortage in Malaysia, new export policy in Indonesia and recent war between Russia and Ukraine which imposed the worries for tightened supplies of palm oil.

In light of increasing the competitiveness of Indonesian palm oil products in the international market while still paying attention to the welfare of oil palm farmers, the Indonesian government adjust the export levy in June 2021 which progressive to USD 55 per tonne when CPO price touched USD 750 per tonne (previously was USD 670 per tonne), increasing by USD 20 per tonne for each USD 50 increased in the CPO price and capped to the maximum export levy to USD 175 per tonne when the CPO price reached above USD 1,000 per tonne. Export tax regulation remains the same; however, the export tax tariff increased from USD 33 per tonne in 2020 to USD 200 per tonne in 2021 in line with the increase in the CPO price reference.

Operational Review Per Segment

ANJ's operations are categorized into four segments according to product type: palm oil, sago, vegetables and renewable energy. As of December 31, 2021, all four segments operate in Indonesia.

Palm Oil

As of the end of 2021, the Company was producing palm oil from 43,962 hectares of matured plantation, consisting of 40,271 hectares of nucleus plantation and 3,691 hectares of plasma and partnership plantations, in North Sumatra, West Kalimantan and Belitung.

Matured plantations

Our productive plantation area of 43,962 hectares in 2021 was higher than the 41,291 hectares of matured plantation we operated in 2020, mainly due to the additional matured area from the West Papua estate and replanting area in SMM compensating for the decrease in matured area due to the continuing replanting program in the plantation operated by ANJA in North Sumatra. We continuously carry on our replanting program as one of our project initiatives to manage our average palm oil age to be at a productive age which can support our yield and future growth. As of December 31, 2021, our average palm oil age was maintained at 13.0 years.The total planted area (nucleus, plasma and partnership) for matured plantation increased to 53,905 hectares in 2021, from 53,067 hectares in 2020.

In 2021, we produced 838,191 tonnes of fresh fruit bunches (FFB), higher than our budget of 829,702 tons and the 2020 production of 785,202 tons. The average FFB yield per hectare increased from 20.1 tons in 2020 to 20.4 tons in 2021, surpassing our target of 19.8 tons. Compared to prior year, our North Sumatra I estate experienced a decrease in FFB production of 15.1% due to the impact of the replanting program. Meanwhile, our North Sumatra II, West Kalimantan and Belitung Island estates recorded increases in FFB production of 2.2%, 3.3% and 19.3% respectively, mainly because of a yield improvement program. The yield improvement program is integrated with our ESG initiatives and includes promoting the use of compost to supply organic nutrients to the palm trees whilst maintaining soil moisture levels and innovation to improve the pollination process.

To maintain mill utilization rates mainly from the lower production in North Sumatra I estate and continue our support for local independent farmers, we increased the purchasing of FFB from outside suppliers to 434,123 tons in 2021, compared to 408,554 tons in 2020, despite 6.1% lower than our budget of 462,217 tons.

CPO production volume increased from 244,485 tons in 2020 to 262,683 tons in 2021, mainly due to additional production from our newly matured plantation in West Papua, representing a negative variance of 3.9% from our budget of 273,424 tons, mainly due to late pickup by our buyers because we sell our CPO on a FOB basis, except for CPO from PMP in West Papua which we sell on a CIF basis.

Our average CPO sales price increased by 38.0%, from USD 581 per tonne in 2020 to USD 801 per tonne in 2021. This was a significant positive variance from our budget assumption of USD 550 per tonne. As a result, we booked an increase of 61.2% in CPO sales revenue from USD 145.9 million in 2020 to USD 235.2 million in 2021.

We produced 51,531 tons of Palm Kernel (PK) in 2021, an increase from 49,286 tons in 2020. This resulted in a higher PK sales volume of 6.8%, from 48,660 tons in 2020 to 51,991 tons in 2021, however it was still below our sales volume budget of 54,521 tons. Palm kernel (PK) sales revenue increased by 78.9%, from USD 15.3 million in 2020 to USD 27.4 million in 2021, largely due to a 67.2% increase in the average selling price from USD 315 per tonne in 2020, to USD 527 per tonne in 2021, which was significantly above the budget price of USD 275 per tonne. We produced 1,080 tonnes and sold 1,113 tonnes of CPKO in 2021 from our Kernel Crushing Plant (KCP) in West Papua, with total sales revenue of USD 1.5 million at an average selling price of USD 1,308 per tonne, 96.1% higher compared to CPKO price of USD 667 per tonne in 2020.

Our average CPO extraction rate, slightly increase to 20.6% in 2021 from 20.5% in 2020, which was 2.4% below our target of 21.2%. The PK extraction rate increased from 4.2% in 2020 to 4.4% in 2021.

Development Plantation

In Empat Lawang, South Sumatra, our subsidiary GSB has a land bank of 12,800 hectares. In 2021, we start to continue land compensation in GSB with the primary objective to obtain a commercially feasible area to operate in one contiguous area of approximately 3,000 hectares.

The land compensated in 2021 was 142.5 hectares with total land compensated to date was 4,123.07 hectares. The planted area, to date, stands at 724 hectares.

Development of our third concession in Papua, operated by ANJ, has been suspended since November 2018 as we await clarification of the RSPO HCVRN review.

Sago

ANJAP has been pioneering industrial-scale sago harvesting and processing from approximately 40,000 hectares of natural sago forest in South Sorong, West Papua. As a result of continuous innovation and improvement in both the harvesting and processing operations, ANJAP has succeeded in developing the commercial production of high-quality sago starch from its mill with a production capacity of 1,250 tons/month and has a growing customer base in the food industry.

In 2021, we continued our efforts to extract higher starch through the construction of three sedimentation tanks and introducing the Micro Planning system as a new harvesting system. As a result, our extraction rate increased from 8.4% in 2020 to 13.04% in 2021. Sago starch production increased by 58% from 2,233 tonnes in 2020 to 3,529 tonnes in 2021, however still below our budget of 5,470 tonnes, mainly due to the delays in completion of the sedimentation tanks and trial production for product differentiation.

Sales volume grew from 2,833 tons in 2020 to 3,167 tons in 2021, falling short of our target of 5,191 tons. This drove an increase in sales revenue to USD 1.3 million, up from USD 1.2 million in 2020, which was below our budget of USD 2.3 million with average selling price of IDR 5,858/kg. The average sales price for sago starch in 2021 was lower than our budget assumption of IDR 6,306/kg.

Vegetables

Our vegetable business, operated by GMIT in Jember, East Java, focuses on growing and processing edamame and okra. As a high-protein soybean with strong antioxidant properties, edamame is recognized as a 'superfood', while okra is a high-yielding, highly profitable vegetable with strong market potential.

The edamame business experienced several steps forward during the year. Production increased from 941 tonnes in 2020 to 2,038 tons in 2021, 10% below our budget of 2,264 tons. This was due to the higher planting size in 2021 of 268 hectares compared to 168 hectares in 2020 and the higher yield by optimizing planting during the golden period in March-June.

GMIT marked its commercial operation for the frozen product in August 2021. We booked USD 0.9 million in revenue from edamame sales in 2021; an increase from USD 0.5 million in 2020, however representing a negative variance from our budget of USD 2.2 million. The revenue in 2021 was including the sales of frozen edamame of USD 0.2 million following the commercial operation of frozen product in 2021. The average sales price of fresh edamame decreased from IDR 7,971/kg in 2020 to IDR 6,978/kg in 2021, but above our budget assumption of IDR 6,613/kg.

The frozen food business is a joint venture with AJI HK Limited (Asia Foods group), which acquired a 20% stake in GMIT in

October 2017. Under our agreement, Asia Foods provides technical assistance for the development of the frozen line facility, as well as access to the export market.

We continued to increase frozen edamame production to meet the export market and preparations for okra production in line with our strategy to diversify the business and optimize the capacity of the frozen line.

Renewable Energy

AANE, our renewable energy subsidiary located in Belitung, was licensed as an independent power producer (IPP) in 2013 and in 2014 became the first IPP in Indonesia to operate and sell electricity from a biogas power plant. AANE generates electricity by capturing and burning methane released in the decomposition of palm oil mill effluent (POME) waste from the Belitung estate operated by SMM. With a total installed capacity of 1.8 MW, the plant can generate sufficient electricity to power 2,000 households at 900 VA per home. The sole off taker for AANE's electricity is state power company PLN, which distributes it on the national grid.

AANE's electricity generation and sales increased from 9,400,660 kWh in 2020 to 9,402,197 kWh in 2021, representing a positive variance of 3.9% from our budget of 9,046,261 kWh. This was largely attributable to fewer shutdowns during the year, which also contributed to lower maintenance and repair costs.

Service concession revenue remains stable at USD 0.6 million in 2021 and 2020, which was 5.8% above our budget of USD 0.5 million. The tariff remained at IDR 975/kWh.

Profitability per Segment

The table below summarizes the profitability of each segment:

(million USD)	Palm Oil	Sago	Vegetables	Renewable Energy
December 31, 2021				
Revenue	264.0	1.3	0.9	0.6
Gross Profit (loss)	105.8	(4.2)	(1.1)	0.2
Profit (loss) before tax	67.5	(4.4)	(1.2)	0.1
December 31, 2020				
Revenue	161.8	1.2	0.5	0.6
Gross Profit (loss)	43.4	(3.4)	(0.2)	0.2
Profit (loss) before tax	22.6	(4.1)	(0.6)	0.1

Palm Oil Segment

As our core business, palm oil contributed USD 264.0 million or 99.0%, of our total revenue in 2021, generating a gross profit of USD 105.8 million and profit before tax of USD 67.5 million.

Sago Segment

The sago segment contributed USD 1.3 million or 0.5% of our total revenue. We saw a steady improvement in productivity, largely driven by the automatization of more mill processes, which improved production cost efficiencies. We expect to see an improvement in profitability with increases in processing and storage capacity and further market growth.

Vegetables Segment

Revenue from edamame sales contributed USD 0.9 million or 0.3%, to our total revenue in 2021. The vegetable segment commenced its first commercial exports in August 2021. We expect to see an improvement in profitability in 2022.

Renewable Energy Segment

The renewable energy segment contributed USD 0.6 million or 0.2% to our total revenue in 2021. The tariff paid by PLN has remained flat, however our renewable energy business start to have a positive financial performance for these past two years.

MARKETING REVIEW

Palm Oil

ANJ produces CPO, PK and PKO from their five mills. Most of the palm oil product is sold to the local market but a small portion is sold to the export market, on a FOB Dumai basis. For the local market, palm oil is either sold through the nearest port on a FOB basis or delivered directly to the buyer.

ANJ is committed to sustainable development because we firmly believe that agriculture development should have a balance between prosperity, social and environment. We have updated our sustainability and conservation policy in and publicly stated our HCS Area Loss Recovery plan to enable our stakeholders to closely monitor our progress and evaluate our commitment. In 2020, we completed the re-entry protocol and many local buyers reengage with ANJ.

All our five estates are RSPO and ISPO certified and our newly matured West Papua estates receive the RSPO certificate with Identity Preserved category. RSPO and ISPO certification is an assurance to the customers that the standard of production is sustainable. ANJ obtained RSPO premium for CPO and PK produced from all five of our RSPO-certified estates. To obtain better RSPO premium, we do direct sales to refineries that require RSPO certification to ensure the traceability of the product in their supply chains. We are also eligible to charge a quality premium for CPO with a Free Fatty Acid (FFA) content of less than 3.5%.

Sago

Despite the benefits of sago as a healthy and sustainable source of gluten-free native starch becoming more widely appreciated and even the Indonesian government supporting in promoting sago as a sustainable food source, the domestic demand remains weakened during 2021, which has forced ANJ to reduce sales prices to compete with other products on the market.

In 2021, we have begun categorizing our sago starch based on product specification, which we are confident will grant us wider market access. We have started the projects to begin exporting to Singapore, Malaysia and China. In order to enter some of these markets, we were able to customize the specification of our product to satisfy the specific customer needs of these countries.

We expect to see continued sales growth and market interest for native sago starch from domestic traditional and modern food industry markets as well as export market.

Sago: Marketing Targets vs Realization in 2021

We targeted a market expansion for sago starch to several regions in Indonesia and export destinations such as Japan, Singapore, Malaysia and China. In 2021, in the midst of global pandemic, our annual export sales contract target was not realized. However, we were able to increase the sales of sago starch in comparison to 2020 (12% by volume and 5% by revenue) through our expanding domestic distribution network, despite a decline in the native starch market prices.

Additionally, our in-house food application team has discovered benefits of native sago starch in several food applications, which we have communicated to various prospective modern food industry, as well as household consumers, one of which is through social media.

Sago: Projected Marketing Performance in 2022

As continuous initiatives to increase sago starch production are underway, we will continue to increase sales by expanding our customer base in the domestic food industry. Covering both industries who are already using sago starch, as well as prospective new users, by introducing innovative sago starch uses and new applications. We will also continue to pursue the export market, given that potential buyers from Japan, Malaysia, Singapore and China have continued to show interest in securing supplies from us. In 2022, the sales volume for the export market is estimated to absorb about 2% of our total production as we are a new player in the market. We expect higher sales volume in the coming years in line with the increase of our production.

Vegetables

Edamame: Marketing Targets vs Realization in 2021

In 2021, we started our frozen edamame commercial production and trial for frozen okra. However, demand from Japan market is still adversely affected by the pandemic; therefore we did not achieve our annual production and sales target. However, our own local frozen edamame brand Edashi started to penetrate the modern market, with the successful entrance in the Bali area.

Edamame: Projected Marketing Performance in 2022

The domestic market for fresh edamame will remain relatively stable in 2022 as we continue to sell to local distributors in Greater Jakarta, East Java, Central Java and Bali. Our main target remains the export market for frozen edamame, mukimame and edatsuki for the main target export markets of Japan, Australia and Malaysia through our export purchase agreement with the Asia Foods group.

BUSINESS PROSPECTS AND STRATEGIES

Palm Oil

Prospects: Palm oil production in the world's top producers Indonesia and Malaysia is likely to rise by about 3% in year 2022, but it would not be enough to meet global edible oil demand. Adverse weather in South America and Canada has curbed the supply of soybean oil and rapeseed oil, while there is a lack of availability of sunflower oil due to Russia's invasion to Ukraine. The war in Ukraine will halt sunflower crushing and oil exports, while the fighting means there would be much less sowing taking place. Thus the high palm oil prices are going to be around[1].

World output could be also impacted by lower availability of fertilizer from the Black Sea region. Export fertilizer from Ukraine, Russia and Belarus is going to be affected. The inflated cost of fertilizer will be a problem for farmers planning next year's crop. Smallholders may stop applying so much fertilizer[2].

We must also keep abreast with the developments regarding the domestic supply demand imbalance of cooking oil which had led to the implementation of Domestic Market Obligation (DMO) and Domestic Price Obligation (DPO) for a while and were then revoked by the Indonesian government. Although the implementation of DMO and DPO have been revoked, the Indonesian government has put additional CPO price reference brackets for the export levy and the maximum export levy has been increased from USD 175 per tonne to USD 375 per tonne. Our current estimates suggest that although the increase in export levy will limit our opportunity to record an average selling price in line with the CPO price movement at the international market, the Company will continue to be able to deliver a better profitability from the improved productivity and cost management, but this could change depending on the dynamics of the government regulations, the weather pattern and global supply and demand of vegetable oils.

1,2 James Fry of agribusiness consultancy LMC International, 7 March 2022

Strategies: Our commitment to responsible development will continue to guide our overall strategy in 2022 as we pursue our objectives in compliance with the RSPO guidelines and the Company's Sustainability Policy. Although the CPO prices of 2021 far exceeded those of previous years, ANJ will not be complacent and will continue to prioritize cost control, drive productivity and minimize non-essential capital expenditures.

As we enter the second year of CPO production from our West Papua estates, we will continue the planned construction of infrastructure, mainly for road lateriting. The completion of the Tatakera bridge in December 2021 has allowed more efficient logistics and direct shipment of CPO from Giamarema to nearby Island. The replanting program in ANJA and SMM estates will continue for 1,000 hectares in each estate to improve our age profile in the coming years. In GSB we will continue land compensation with a plan to consolidate 3,000 hectares for the HGU process.

Sago

Prospects: We believe that sago starch has considerable potential as a sustainable alternative carbohydrate source that can contribute to reducing dependence on rice, wheat and other staple grains, as part of Indonesia's food diversification and security strategies. As a gluten-free product with beneficial digestive properties, sago starch has market potential in numerous applications and we are seeing increasing interest in its use as an ingredient in processed foods in both the domestic and export markets, including, but not limited to, Japan, Singapore, Malaysia and China.

The sago business also plays a key role in our strategy for improving livelihoods in West Papua, generating a multiplier effect on the local economy by creating decent local employment opportunities and contributing to the development of local physical and social infrastructure. The principal challenges will be to continue to drive the production volume of sago starch while developing the market, which is still in its infancy.

Strategies: We have started to optimize the extraction process to increase the extraction rate in conjunction with optimizing the current processing technology. Our new technology, including the installation of sedimentation tanks which eliminate the bottleneck at the front-end processing, have not only increased the volume of production but will also continue to reduce the cost of production per kilogram to break even. On the agronomy side, we will continue to implement sustainable forest management practices, including selective harvesting, enhancing and replacing harvested sago trees, restoring forest paths and managing water levels and developing our nurseries to ensure sufficient high yielding, high quality material for planting.

We will continue to work closely with the local communities, on managing the sago forest sustainably. Obtaining certification for our forest stewardship practices remains an important goal and we are working with various organizations to adopt existing frameworks for timber forests in sago forest management.

We will enhance our effort to encourage consumers to make native sago starch a part of everyday food needs. A key component of this strategy is developing and promoting innovative applications for sago, both for the industry and for consumer use. Increased consumer understanding will also encourage modern industry to include sago starch as a part of the raw material portfolio.

We will continue to pursue opportunities to develop the export market after completing customer trials. A key component of this strategy is advancing the quality assurance and quality control procedure, which is key in stringent export markets.

Vegetables

Prospects: Although Japan is the principal market for frozen edamame and okra, we have continued to see growing demand in Singapore, Malaysia, Thailand and the Middle East, as well as the United States and Australia.

Indonesia's climate allows farmers to produce two to three cycles annually, giving it a relative production advantage over the other major producing countries such as China, Taiwan, Thailand and Vietnam.

Strategies: We will continue the production to meet the demand from export market while prioritizing product quality. Most of the production will be absorbed by the Asia Foods group and exported to Japan and other potential markets such as Malaysia and Australia. We will also continue to explore other potential markets, such as North America, Europe and the Middle East. With the launch of Edashi, our domestic brand for frozen edamame, we will continue to promote the benefits of edamame as an affordable and highly nutritious plant protein source to local consumers. As a part of creating a more value-added product, we will explore the potential and possibility of developing edamame powder from the edamame grade that is not desired for frozen edamame. Outside the factory operation, our key priority will be continuous improvement in field operations to drive productivity and quality.

Renewable Energy

Prospects: We are not planning to pursue further commercial development of our renewable energy business, primarily because the price at which we sell electricity to PLN is too low to be commercially feasible. Moreover, the requirement for IPPs to transfer ownership of the power plant at the end of the contract would be difficult to fulfill, given that the plant is on our plantation site. Over the longer term, however, we continue to see a role for biogas for internal use as part of our sustainability strategy, targeting reduced reliance on fossil fuels, lower greenhouse gas emissions and the optimized use of waste products.

Strategies: In the coming year we will continue to minimize losses by optimizing operations and cost efficiency at the power plant.

REVIEW OF FINANCIAL PERFORMANCE

Palm oil contributed 99.0% of the Company's consolidated revenue in 2021. CPO sales volume increased by 11.6% year-on-year, from 240,315 tonnes in 2020 to 268,289 tonnes in 2021, as a result of higher internal fresh fruit bunch (FFB) production in our estates and the newly mature declaration of mature plantation in our estate in Papua.

FFB purchases from third parties increased by 6.3% due to maximizing mill utilization mainly in our North Sumatra I estate which had a decrease in FFB production as an impact of the replanting program. The average CPO selling price rose by 38% from USD 581per tonne in 2020 to an average of USD 801 per tonne in 2021.

The increasing price drove a 62.6% increase in total revenue from USD 164.1 million in 2020 to USD 266.8 million in 2021. As a result, the Company posted a net income for the year of USD 39.7 million, a significant increased compared to the net income of USD 2.2 million in 2020.

The following discussion and analysis of the Company's financial performance in 2021 is based on the Consolidated Financial Statements and Notes to the Financial Statements as of and for the years ended December 31, 2021 and 2020.

The Financial Statements as of and for the years ended December 31, 2021 and 2020 were audited by Siddharta Widjaja & Rekan (Registered Public Accountants) who rendered an unqualified opinion that they fairly present the Company's financial position, financial performance and cash flows.

Consolidated Statements of Financial Position

USD thousand	2021	2020	Change (%)
Current assets	78,229	66,509	17.6%
Non-current assets	574,422	569,635	0.8%
Total assets	652,650	636,144	2.6%
Current liabilities	48,778	28,406	71.7%
Non-current liabilities	170,596	211,980	-19.5%
Total liabilities	219,374	240,386	-8.7%
Equity attributable to owners of the Company	430,619	393,764	9.4%
Total equity	433,276	395,757	9.5%

Assets

The Company's current assets, at end of 2021, stand at USD 78.2 million, up 17.6% from USD 66.5 million at end of 2020. This was largely attributable to the increase in cash and cash equivalents, trade receivable, inventories and biological assets. Non-current assets, at end of 2021, amounted to USD 574.4 million, up 0.8% from USD 569.6 million at end of 2020, mainly due to capitalized upkeep cost for immature plantations and replanting programs in ANJA plantation, as well as the purchase of property, plants and equipment, primarily relating to our West Papua palm oil mill. As a result, total assets increased by 2.6% from USD 636.1 million, at end of 2020, to USD 652.7 million, at end of 2021.

Liabilities

At the end of 2021, current liabilities stood at USD 48.8 million, up 71.7% from USD 28.4 million at end of 2020, principally as a result of the increase in current maturities of long term bank loan due to the early loan repayment plan in January 2022 and higher tax payable in line with the higher profit in 2021. As of December 31, 2021, total outstanding short-term bank loans stood at USD 2.0 million, compared to USD 3.1 million at the end of 2020.

Non-current liabilities were down 19.5% from USD 212.0 million at the end of 2020 to USD 170.6 million at the end of 2021, principally because of the repayment of long-term bank loans and post-employment benefit obligations. Total outstanding long-term bank loans, net with the deferred financing cost, amounted to USD 167.2 million as of December 31, 2021, compared to USD 192.8 million as of December 31, 2020. Total liabilities were down 8.7% from USD 240.4 million in 2020 to USD 219.4 million in 2021, largely due to the decrease in non-current liabilities.

Equity

Total equity stood at USD 433.3 million in 2021, up 9.5% from USD 395.8 million in 2020. This was attributable to the net income in the current year offset with the decrease in cumulative translation adjustment in other comprehensive income from the subsidiaries' net assets translation adjustment and dividend payment.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

USD thousand except where stated	2021	2020	Change (%)
Total revenue	266,792	164,100	62.6%
Total cost of revenue	(166,046)	(124,011)	33.9%
Gross profit	100,746	40,089	151.3%
Total operating expenses, net	(38,241)	(22,506)	69.9%
Operating profit	62,505	17,583	255.5%
Total other expenses, net	(4,119)	(2,560)	60.9%
Profit before tax	58,386	15,024	288.6%
Net income for the year	39,681	2,211	1694.9%
Net loss attributable to non-controlling interests	(344)	(137)	151.2%
Net income attributable to the owners of the Company	40,025	2,348	1604.7%
Total comprehensive income	36,951	5,840	532.7%
EBITDA	87,161	34,306	154.1%
EBITDA margin (%)	32.7%	20.9%	56.3%

Revenue

We posted a total revenue of USD 266.8 million in 2021, increasing from USD 164.1 million in 2020. This consisted of USD 266.2 million in revenue from sales and USD 0.6 million in revenue from service concessions. Revenue from sales of palm oil accounted for 99.0% of total revenue in 2021, whereas 1.0% was contributed by service concession revenues and sales of edamame and sago starch.

CPO sales revenue increased by 61.2%, from USD 145.9 million in 2020 to USD 235.2 million in 2021, as our average CPO sales price increased by 38%, from USD 581 per tonne in 2020 to USD 801 per tonne in 2021 and CPO sales volume rose 11.6% to 268,289 tonnes from 240,315 tonnes in 2020. Palm kernel (PK) sales revenue amounted to USD 27.4 million in 2021, an increase of 78.9% from USD 15.3 million in 2020, as a result of our average selling price increasing by 67.2% to USD 527 per tonne from USD 315 per tonne in 2020 and PK sales volume increased by 6.8% to 51,991 tonnes from 48,660 tonnes in 2020. Our revenue in 2021 also included the sales of PKO of USD 1.5 million, increase by 314.2% from USD 0.4 million following new declaration mature area in our West Papua estates.

Revenue from sales of non-palm oil products increased by 30.2%, from USD 1.7 million in 2020 to USD 2.2 million in 2021. This consisted of sales of edamame and sago starch. Our revenue from sales of sago starch increased by 7.4% from USD 1.2 million in 2020 to USD 1.3 million in 2021, while our revenue from sales of edamame increased by 90.5%, from USD 0.5 million in 2020 to USD 0.9 million in 2021 following the commencement of the frozen product commercial operation in August 2021.

Service concession revenue comprised of revenue from our subsidiary AANE, an Independent Power Producer (IPP) that uses biogas to generate electricity, which is sold to PLN in Belitung Island. We posted a total service concession revenue in 2021 of USD 0.6 million, an increase of 0.5% from USD 0.6 million in 2020.

Cost of Revenue

The cost of revenue amounted to USD 166.0 million in 2021, an increase of 33.9% from USD 124.0 million in 2020. The principal component was costs relating to sales of CPO, PK and PKO, amounting to USD 158.2 million in 2021, increasing by 33.6% from USD 118.4 million in 2020. The increase was largely attributable to the higher cost of third-party FFB purchases, due to the higher CPO price in 2021, additional cost of revenue from our newly mature area in our West Papua estates and higher loss from derivative transactions from USD 0.2 million in 2020 to USD 0.5 million in 2021. The higher cost of sales was partially offset, however, by a higher FFB fair value gain of USD 3.8 million in 2021 compared to USD 0.2 million in 2020. The cost of third-party FFB purchases was USD 68.9 million in 2021, compared to USD 45.2 million in 2020, due, as mentioned, to the much higher price of FFB.

In the edamame business, cost of sales was up from USD 0.6 million in 2020 to USD 2.0 million in 2021, following the new commercial operation of frozen edamame products and a one-time expense from the write-down of seedlings and discolor defect edamame inventories in GMIT.

Cost of service concessions remains stable at USD 0.4 million in 2021 and 2020.

Dividend income mainly consists of dividends received from investments in entities in which we hold an interest of less than 20%. In 2021, we received USD 0.3 million in dividend income from our investment in PT. Moon Lion Industries Indonesia, which increased compared to the dividend income of USD 0.1 million in 2020.

Our foreign exchange loss was USD 0.4 million in 2021, compared to the foreign exchange gain of USD 3.1 million in 2020, largely due to the depreciation of the Rupiah against the US dollar. Our financial risk management policy on minimizing currency mismatch in our monetary assets and monetary liabilities remains the same.

Selling expenses increased to USD 20.0 million, from USD 9.6 million in 2020, as a result of the higher export levy in 2021 in line with the positive trend of CPO price in 2021. Starting June 2021, the export levy was USD 55 per tonne when CPO price touched USD 750 per tonne (previously was USD 670 per tonne), increasing progressively by USD 20 per tonne for each USD 50 increased in the CPO price and capped to the maximum export levy to USD 175 per tonne when the CPO price reached above USD 1,000 per tonne.

Personnel expenses increased by 1.2%, from USD 12.2 million in 2020 to USD 12.3 million in 2021, mainly from the salary increase in current year offset with the lower accrual for employee benefit as a result of Omnibus Law implementation which provides a lower post-retirement benefits than the former labor law.

General and administrative expenses increased from USD 5.5 million in 2020 to USD 6.7 million in 2021, largely due to the higher professional fees.

Our other income, net decreased from USD 1.5 million in 2020 to USD 0.9 million in 2021, mainly due to the recognition of loss from plantation assets write off in our estate in Kalimantan as a result of our decision to abandon certain high fire risk and high flood risk areas.

Finance costs-net rose from USD 2.6 million in 2020 to USD 4.1 million in 2021 following the additional commercial operations of our West Papua estates, hence the interest expense was no longer capitalized.

Tax expenses increased by 46.0% to USD 18.7 million in 2021, from USD 12.8 million in 2020, due to the higher profit before tax in 2021 which was attributable to the increase in CPO, PK and PKO sales prices.

Net Profit and Total Comprehensive Income

The higher CPO, PK and PKO prices, compared to 2020, resulted in a net income for the year of USD 39.7 million, significantly increased compared to the net income of USD 2.2 million in 2020.

Other comprehensive income in 2021 comprised of actuarial gain/loss from post-employment benefits, a change in fair value of available-for-sale investment and foreign exchange differentials from the translation of subsidiaries' financial statements.

A number of the Company's subsidiaries use the Rupiah as their functional currency. The foreign exchange effect, due to translation of the subsidiaries' financial statements, is reported as other comprehensive income. The foreign exchange rate of Rupiah in 2021 was depreciated against the US dollar. As a result, the Company reported USD 2.9 million loss on the translation of subsidiaries' financial statements in other comprehensive income, a 165.5% decrease from gain on the translation of subsidiaries' financial statements of USD 4.4 million in 2020. The remaining in the other comprehensive income is the change in fair value of available-for-sale investment of USD 0.4 million and actuarial loss of USD 0.2 million. Total comprehensive income increased from USD 5.8 million in 2020 to USD 37.0 million in 2021.

Consolidated Statements of Cash Flows

USD thousand except where stated	2021	2020	Change (%)
Net cash provided by operating activities	85,781	35,054	145%
Net cash used in investing activities	(42,933)	(50,720)	-15%
Net cash (used in) provided by financing activities	(31,594)	13,069	-342%
Net increase (decrease) in cash and cash equivalents	11,254	(2,597)	533%
Cash and cash equivalents at the beginning of the year	15,887	18,484	-14%
Cash and cash equivalents at the end of the year	27,141	15,887	71%

Net cash provided by operating activities:

USD 85.8 million, in cash, was provided by operating activities in 2021, increasing from USD 35.1 million in 2020. The favorable variance was due to the increase in cash received from customers, which is in line with the increase in revenue from sales of CPO, PK and PKO due to increase the prices.

Net cash used in investing activities:

In 2021, a total of USD 42.9 million was used in investing activities mainly for acquisition of plantation assets and property, plant and equipment, decreasing from USD 50.7 million in 2020 due to the lower expenditures for our immature plantation following to the additional declaration of mature areas in our Papua estates.

Net cash provided by financing activities:

Net cash provided by financing activities was USD 13.1 million in 2020 compared to the net cash used in financing activities of USD 31.6 million in 2021, mainly due to the loan repayment of short- and long-term bank loans in 2021.

Operating Ratios

Gross Margin:

Our gross margin is measured by dividing the gross profit by the sum of the revenue from sales and service concessions. In 2021 our gross margin increased by 13.3 percentage points to 37.8%, from 24.4% in 2020, which was attributable to the increase in CPO. PK and PKO sales prices.

EBITDA Margin:

Our EBITDA margin is measured by dividing EBITDA by the sum of revenue from sales and service concessions. Our EBITDA is calculated from profit before tax, adding back depreciation, amortization, interest expenses, impairment loss and foreign exchange loss, then subtracting foreign exchange gain and interest income. Our EBITDA margin stood at 32.7% in 2021, an increase of 11.8 percentage points from 20.9% in 2020, primarily due to the higher CPO and PK sales prices.

Net Profit Margin:

In 2021 our net profit margin was 14.9%, compared to 1.3% in 2020. This represented a net income of USD 39.7 million from a total revenue of USD 266.8 million, compared to a net income of USD 2.2 million from a total revenue of USD 164.1 million in 2020.

Return on Assets and Equity:

Return on Assets (ROA) is calculated by dividing net profit for the year by the total assets at the end of the year. We booked a ROA of 6.1% in 2021, compared to 0.3% in 2020, due to higher net income in 2021.

Return on Equity (ROE) is calculated by dividing net profit for the year by the total equity at the end of the year. ROE in 2021 was 9.2%, compared to 0.6% in 2020.

Account Receivables Collectibility

Receivables Turnover:

This is a measure of the average days required by a company to turn receivables into cash collected. Our average receivables turnover was approximately 3 days in 2021 and 2020. Receivables turnover is calculated by dividing the number of days in the year (365) by the quotient of total revenue from sales during the year and trade receivables at the end of the year. The lower the number of days, the faster the receivables are turned into cash. In 2021 and 2020, our trade receivables were derived from our local sales of palm oil, service concession revenue and edamame and sago sales. Local sales of CPO and PK are either on a one-year contract basis or a spot contract, both of which require advance payment from buyers before delivery, vary from 80%-95% and receive the remaining balance soon after the delivery. Thus our outstanding trade receivables at end of the year will be minimal compared to the total revenue.

Solvability

The Current Ratio is measured by dividing total current assets by total current liabilities at the end of the year. Our current ratio in 2021 was 1.60x, down from 2.34x in 2020. This was attributable to the increase in current liabilities as a result of the higher current maturities of long term bank loan and higher taxes payable in 2021.

The Cash Ratio is calculated by dividing total cash and cash equivalents by total current liabilities. At the end of 2021, 34.7% of our current assets were in the form of cash and cash equivalents, compared to 23.9% in 2020. Our cash ratio was steady at 0.56x in 2021 and 2020, which was indicating that we have more than adequate capacity to meet our current liabilities.

The Debt-to-Equity Ratio reflects our ability to meet our total liabilities. The lower the ratio, the better our ability. In 2021, our total liabilities decreased to USD 219.4 million, from USD 240.4 million in 2020, while our total equity increased to USD 433.3 million, from USD 395.8 million in 2020, driving the lower debt-to-equity ratio of 0.51x in 2021 compared to 0.61x in 2020. This indicates that our capacity to meet our liabilities remains strong.

The Net Debt-to-Equity Ratio is calculated by dividing net debt by equity, where net debt represents interest-bearing liabilities minus cash and cash equivalents. Our net debt-to-equity ratio in 2021 was 0.33x, compared to 0.45x in 2020, reflecting the decrease in bank loans.

Capital Structure and Capital Structure Policy

Capital Structure

USD thousand except where stated	2021	2020	Change (%)
Short-term bank loans	2,000	3,143	-36.4%
Long-term bank loan – current maturities	12,745	2,666	378.1%
Long-term bank loan – net of current maturities	154,501	190,114	-18.7%
Lease liabilities - current maturities	898	430	108.7%
Lease liabilities - net of current maturities	1,027	751	36.7%
Total debt	171,171	197,104	-13.2%
Total cash and cash equivalent	(27,141)	(15,887)	70.8%
Net debt	144,030	181,217	-20.5%
Equity			
Equity attributable to the owners of the Company	430,619	393,764	9.4%
Net debt to equity ratio	33.45%	46.02%	-27.3%

We continued to work towards realizing our vision of being a world-class agribusiness-based food company that elevates the lives of people and nature in 2021; executing our strategy of growing our agribusiness-based food business in the palm oil, sago and vegetable sectors. Our strategy for value creation across the ANJ Group is based on responsible growth. As an example, we seek to maintain a balance between the use of equity and borrowings. We have therefore taken advantage of the strong liquidity from our palm oil operations and our cash balance from operations to finance our investments, supplementing this by using substantial bank loan facilities. We have also maintained a modest degree of leverage into the Company's capital structure.

Capital Structure Policy

Management periodically reviews the Group's capital structure, focusing particularly on the cost of capital and associated risks. This capital structure consists of equity attributable to the owners of the Company (comprising capital stock, additional paid in capital, difference in value due to changes in equity of subsidiaries, management stock options, other comprehensive income and retained earnings) and debt. The Group is not required to meet any specific capital requirements.

We recorded USD 2.0 million in outstanding short-term loans as of December 31, 2021 from PT Bank CIMB Niaga Tbk.

Outstanding long-term loans, as of December 31, 2021, amounted to USD 167.8 million from the Company's subsidiaries in West Papua (PPM and PMP), ANJA, ANJAS, KAL and SMM. A total of USD 160.4 million or 95.6%, of this amount was withdrawn from loan facilities from PT Bank OCBC NISP Tbk. and the remaining balance consisted of withdrawals from PT Bank CIMB Niaga Tbk. and PT Bank BTPN Tbk. The total equity stood at USD 433.3 million as of December 31, 2021.

We recognize the importance of a resilient capital structure for the sustainability of our businesses. We believe that the strength of our capital structure is demonstrated by our net debt to total equity ratio of 0.33x as of December 31, 2021. However, to fulfill the financing requirements of our oil palm planting program and other business expansion plans, we will continue to increase our leverage in our capital structure prudently, up to a level of no more than 0.75 times net debt to shareholders' equity, from bank loans, bonds or other resources.

Changes to Accounting Policy

In 2021, the Group applied a number of PSAK, issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant and effective for accounting period beginning on January 1, 2021, as follows:

- Amendments to PSAK 71, PSAK 55, PSAK 60, PSAK 62 and PSAK 73: "Interest Rate Benchmark Reform – Phase 2"
- Amendment PSAK 22: "Business Combination related to the definition of a business"

The adoption of those amendments does not have material effect to the consolidated financial statements.

The following standards were issued, but had not come into effect in 2021:
- Amendment to PSAK 16: "Fixed Assets – Proceeds before Intended Use"
- Amendment to PSAK 22: "Business Combination: Reference to the Conceptual Framework"
- Amendment to PSAK 57: "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling the Contracts"

The above amendments will be efective for the financial reporting beginning on 1 January 2022, except for Amendment to PSAK 16: "Fixed Assets – Proceeds before Intended Use" which will be efective for the financial reporting beginning on 1 January 2023. Early adoption on the amendments is permitted. As of the issuance date of this annual report, management is still evaluating the effect of adoption of these standards on the consolidated financial statements.

Dividend Policy

Under Indonesian law, dividend payments are determined by a resolution of the annual general meeting of shareholders, based on the recommendation of the Board of Directors. A dividend may be announced in any given year if we have positive retained earnings. Our policy is to pay dividends at a rate of up to 50% of our consolidated net income after provisioning all statutory reserves. The dividend rate, as well as our ability to pay dividends in the future, is subject to our cash flow, future retained earnings, financial condition, working capital requirements and investment plans, as well as regulatory and other requirements. Dividends are paid in Indonesian Rupiah. Shareholders of record on the dates concerned will be entitled to the full approved dividend amount, subject to any withholding tax imposed by Indonesian authorities. Since 2021, dividends paid to shareholders who are resident in Indonesia are not subject to withholding tax. Dividends paid to shareholders who are not resident in Indonesia are subject to a 20% Indonesian withholding tax. This rate may be lower if tax treaties are in place. Our dividend policy is a statement of present intention and is subject to modification by our Board of Directors, with the shareholders' approval, at a general meeting of shareholders.

Dividend Payment

USD thousand except where stated	2021
Total dividend in USD	928,280
Net income in thousand USD	2,211
Dividend per share	IDR 4
Dividend yield	0.7%
Dividend Payout Ratio	0.42
Declaration date	June 9, 2021
Payment date	July 9, 2021

In the Annual General Shareholders' Meeting held on June 9, 2021, the shareholders of the Company approved the distribution of cash dividends of IDR 13,247.49 million or IDR 4 (full amount) per share (equivalent to USD 928,280 or USD 0.0003 per share) from the unappropriated retained earnings as of December 31, 2020 to the shareholders recorded on the shareholders register on 21 June 2021 (recording date). The dividend was paid to the shareholders on 9 July 2021. No dividend was paid in 2020.

Use of IPO Proceeds

The proceeds from the IPO in 2013 were used in their entirety for the expansion of the business and investment in capital goods.

Material Information Related to Investment, Expansion, Divestments, Consolidation/Merger, Acquisition or Debt/Capital Restructuring Investment

The Company made no investment in any new subsidiaries or other new entities in 2021 but increased its investments in fixed assets and palm plantations.

Divestments

The Company made no divestment in 2021.

Debt/Capital Restructuring

On April 28, 2021 ANJA and SMM retired 136,477 shares and 23 shares, respectively from ANJAS. ANJA and SMM's direct ownership in ANJAS remains at 99.98% and 0.02%, respectively.

On December 22, 2021 ANJA and SMM retired 283,900 shares and 100 shares, respectively from KAL. ANJA and SMM's direct ownership in KAL remains at 99.95% and 0.05%, respectively.

On December 10, 2021, ANJA and ANJ subscribed and paid 151,508,000 shares and 187,234,000 shares, respectively to PPM. ANJA and ANJ's direct ownership in PPM became 60% and 40%, respectively.

On December 10, 2021, ANJA and ANJ subscribed and paid 217,217,000 shares and 244,618,500 shares, respectively to PMP. ANJA and ANJ's direct ownership in PMP became 60% and 40%, respectively.

On December 10, 2021, SMM subscribed and paid 71,700 shares to ANJAP. SMM's direct ownership in ANJAP became 8.08%.

On December 10, 2021, ANJ and AJI HK Limited subscribed and paid 865,214 shares and 216,303 shares, respectively to GMIT. ANJ's direct ownership in GMIT remains at 80%.

On December 10, 2021, the Company subscribed and paid 950,000 new shares in ANJB. The Company's direct ownership in ANJB remained at 99.99%.

Changes in Laws and Regulations

There were changes in the laws or regulations that materially affected the Company's business in 2021, namely:

- Law No 7 of 2021 dated October 29, 2021 regarding Harmonisasi Peraturan Perpajakan, which changes the income tax rate for the fiscal year 2022 onwards from 20% become 22% and several changes in other taxes such as the increase of the VAT rate become 11% in April 2022 and changes in the withholding tax art 21.
- Government Regulation No. 35 of 2021 dated February 2, 2021 regarding Definite Period Agreement, Outsourcing, Working Hours and Rest Times and Employment Termination which impact for the compensation at the end of Definite Period Agreement, the process of termination of employment and the severance payment for the termination.

Material Facts About Related-Party Transactions

ANJ has very few transactions with related parties; our related-party transactions in 2021 were within the ANJ Group and have been previously reviewed and approved by the Board of Commissioners and Directors and disclosed to either the Financial Services Authority (OJK) or the Indonesia Stock Exchange (IDX) or both, in compliance with prevailing laws and regulations and under arm-length transactions. ANJ shall ensure that the related party transactions that are carried out by the Company are fair and at arm's length.

- GMIT used land and buildings owned by AKJ and MDN for its offices, employee housing, training center and warehouse in accordance with a lend-use agreement, dated May 17, 2012. This agreement has been renewed and is valid until May 17, 2022. Based on the agreement, GMIT has no obligation to pay anything to AKJ or MDN, but must pay land and building tax, fire insurance, repair and maintenance, electricity, water, telephone, security and all other maintenance costs related to the land and buildings during the agreement period.
- Pursuant to a management and technical services agreement, dated May 21, 2014, which has been amended several times, most recently on October 31, 2017, SMM charged AANE management fees of IDR 300 million per annum.
- Based on a management and technical services agreement dated June 27, 2014, which was amended recently on October 8, 2021, ANJA charged management fees of USD 1,680,000 per annum to ANJAS.
- Based on a management and technical services agreement dated June 27, 2014, which was recently amended on October 8, 2021. ANJA charged management fees of USD 3,240,000 per annum to SMM.
- The Company charged management fees to subsidiaries, based on a management services agreement, dated December 14, 2015, which was recently amended on September 27, 2021. The management service fee per annum for each subsidiary is as the following:

Subsidiary	Maximum Management Service Fee
ANJA, SMM, ANJAS	IDR 9,473.9 million
KAL	IDR 6,240.4 million
PPM	IDR 771.9 million
PMP	IDR 1,581.0 million
ANJAP	IDR 330.5 million
AANE	IDR 101.5 million
GMIT	IDR 238.2 million
ANJB	IDR 20.3 million

- ANJA entered into a loan agreement with KAL (borrower) on June 24, 2015, for which the most recent amendment was made on March 31, 2021. The current loan facility of IDR 500 billion bears interest at an annual interest rate of 8% and is valid until December 31, 2021. As of December 31, 2021, the total outstanding loan was IDR 21.5 billion.
- On August 28, 2020, LSP entered into a loan agreement with PPM as the borrower for IDR 2.35 billion and bears interest at an annual interest rate of 8.75%. This loan facility is valid until August 27, 2022. As of December 31, 2021, the total outstanding loan was IDR 2.35 billion (equivalent to USD 0.2 million).
- On August 28, 2020, AANE entered into a loan agreement with PPM as the borrower for IDR 5 billion and bears interest at an annual interest rate of 8.75%. This loan facility is valid until August 27, 2022. As of December 31, 2021, the total outstanding loan was IDR 3 billion (equivalent to USD 0.2 million).
- On October 28, 2020, ANJAS entered into a loan agreement with PPM as the borrower for USD 10 million or its equivalent in IDR and bears interest at an annual interest rate of 8% for borrowing in IDR and 3.5% for borrowing in USD. This loan facility is valid until October 27, 2022. As of December 31, 2021 the total outstanding loan was IDR 33.2 billion (equivalent to USD 2.3 million).
- On October 28, 2020, ANJAS entered into a loan agreement with PMP, as the borrower, for USD 10 million or its equivalent in IDR and bears interest at an annual interest rate of 8% for borrowing in IDR and 3.5% for borrowing in USD. This loan facility is valid until October 27, 2022. As of December 31, 2020, the total outstanding loan was IDR 25 billion (equivalent to USD 1.8 million).

Information on Material Transactions Containing Conflict of Interest and / or Transactions With Affiliated Parties

During 2021, the Company did not have any material transactions containing conflict of interest and/or transactions with affiliated parties.

Material Commitments for Capital Expenditure

Capital Expenditure Realization in 2021

Our capital expenditure (capex) in 2021 amounted to USD 43.5 million. Of this, USD 40.8 million was used for developing our palm oil estates (PPM, PMP, ANJA, ANJAS, SMM, KAL, GSB); USD 1.5 million for developing our edamame business (GMIT); and the remainder for developing our sago starch (ANJAP). The capex was mainly financed by the cash flows generated from our operating activities and short-term and long-term bank loans.

Our capital expenditures are denominated in US Dollars. We mitigate our exposure to forex risk by monitoring fluctuations in the foreign currency rates and by entering into forward exchange-rate contracts to hedge against fluctuations, as permitted by Company policy, on the condition that any such contract does not exceed six months and the value of the contracts does not exceed the amount of Rupiah needed for operational expenses for three months.

We have made a number of material capital expenditure work plans for 2022 in support of our growth strategies for our core businesses, including:

- Transfer of composting to self-operation in ANJAS starting January 2022;
- Completion construction of infrastructures in PPM/ PMP for road surfacing (laterite) and few buildings to support the operation of 9,010 hectares of planted area;
- Expansion of the composting plant in KAL with our own development and design based on the experience that we obtained in ANJAS and SMM;
- New planting of 236.68 hectares and replanting of 1,055 hectares at our Belitung Island Plantation (SMM);
- Replanting of 1,054.76 hectares at our North Sumatra I Plantation (ANJA);
- Mitigation of extreme weather events, including forest fire prevention infrastructure in KAL and flood prevention in ANJAS ;and
- Land compensation for targeted areas of 800 hectares and new planting of 300 hectares at our Empat Lawang plantation (GSB).

We anticipate a total capital expenditure of approximately USD 50.4 million in 2022. This will be financed largely by cash from operations and external financing, including but not limited to bank loans.

Our overall expenditure and its allocation among projects is subject to a number of uncertainties. We may increase, reduce or suspend our planned capital expenditures or modify the timing and/or location of any of our planned capital spending from the estimates described above in response to market conditions or for other reasons.

In addition, our actual capital expenditure may be significantly higher or lower than the estimated amount due to various factors, including, but not limited to, unplanned cost overruns, our ability to generate sufficient cash flows from operations and our ability to obtain adequate external financing for planned capital expenditures.

Comparison of Targets/Realization 2021

	Target	Realization	Variance
Palm oil production (tonnes)			
FFB production*	829,702	838,191	1.0%
CPO production	273,424	262,683	-3.9%
PK production	54,521	51,531	-5.5%
PKO production	1,366	1,080	-20.9%
Sago starch production (tonnes)	**5,470**	**3,529**	**-35.5%**
Edamame production (tonnes)			
Fresh edamame production	1,091	1,980	81.5%
Frozen edamame production	773	534	-30.9%
Frozen mukimame production	90	67	-26.0%
Okra production	230	-	-100.0%
Renewable energy production (kWh)	**9,046,261**	**9,402,197**	**3.9%**
Revenue (USD thousand)	**171,474**	**266,792**	**55.6%**
Gross profit (USD thousand)	**29,859**	**100,746**	**237.4%**
Profit before tax (USD thousand)	**1,673**	**58,386**	**3,390.0%**
Net income (loss) for the year (USD thousand)	**(4,849)**	**39,681**	**918.3%**

* including Papua scout harvesting of 8,720 tonnes in target 2021 and 17,721 tonnes in 2021 realization.

Comparison of Realization Against Targets

Production

The Company produced 838,191 tons of FFB in 2021, an increase of 6.7% compared to 2020 and higher than our target of 829,702 tons, as a result of a yield improvement program, which was integrated with our ESG initiatives and includes promoting the use of compost to supply organic nutrients to the palm trees whilst maintaining soil moisture levels and innovation to improve the pollination process. Meanwhile, we also declared a new mature area at our West Papua and Belitung Island estates.

CPO and PK production in 2021 missed by 3.9% and 5.5% to 262,683 tons and 51,531 tons, respectively, falling short of our targets of 273,424 tons for CPO and 54,521 tons for PK mainly due to lower FFB external purchased coupled with lower CPO and PK extraction rate than budgeted.

Sago starch production in 2021 also fell short by 35.5% to 3,529 tons from our target of 5,470 tons due to the delays in completion of the sedimentation tanks and trial production for product differentiation.

Our fresh edamame production marked a positive variance compare to the target by 81.5% due to the higher yield, while frozen edamame products are still below our target due to the delay in the commercial operation from April to August 2021.

Our renewable energy generated a higher amount of electricity, up 3.9% to 9,402,197 kWh in 2021 from our target of 9,046,261 kWh which was largely attributable to fewer shutdowns during the year.

In 2021, the CPO price continued its positive momentum which increased significantly until the end of the year driven by the supply imbalance of edible oils production and high crude oil price. This supply imbalance was mostly caused by labour deficit in Malaysia, extreme dry weather pattern in South America and the biofuel mandates.

The Group recorded an average selling price for CPO in 2021 of USD 801 per tonne, 38.0% higher than the 2020 average selling price of USD 581 per tonne and 45.7% higher than our target of USD 550 per tonne. The average selling price for PK in 2021 was USD 527 per tonne, 67.2% higher than the average selling price in 2020 of USD 315 per tonne and 91.6% higher than our target of USD 275 per tonne.

Sales and Revenues

The Company booked a total revenue of USD 266.8 million in 2021, an increase of 62.6% from 2020 and 55.6% above our revenue target for 2021, due to the higher average selling price.

Profit

The Company posted a net income of USD 39.7 million in 2021, compared to a net income of USD 2.2 million in 2020 and our target net loss of USD 4.8 million. This was largely attributable to the higher average selling price for CPO, PK and PKO in 2021.

2022 Company Targets

	2021	2022	Change (%)
	Actual	Target	
Palm oil production (tonnes)			
FFB production	838,191	926,027	10.5%
FFB purchase	434,123	503,873	16.1%
CPO production	262,683	302,452	15.1%
PK production	51,531	57,608	11.8%
PKO production	1,080	1,944	80.0%
Sago starch production (tonnes)	**3,529**	**14,427**	**308.8%**
Edamame production (tonnes)			
Fresh edamame production	1,980	1,878	-5.2%
Frozen edamame production	534	1,355	153.5%
Frozen mukimame production	67	151	125.6%
Okra production	-	577	100%
Renewable energy (kWh)	**9,402,197**	**9,401,200**	**-0.01%**

Revenues

As most of the Company's revenue is contributed by the palm oil business segment, our revenue is very dependent on the CPO and PK price and sales volume. For 2022, the Company has set targets/projections for production values, namely: 926,027 tonnes of FFB (including Papua scout harvesting of 18,914 tonnes), 302,452 tonnes of CPO, 57,608 tonnes of PK and 1,944 tonnes of PKO. The Group expects a growth in revenue from our newly matured plantations in West Papua. However, the revenue amount is highly dependent on the commodity price in 2022.

Profit

Following the newly mature declaration of our West Papua estates, with the high production cost through its first year of commercial production and the more conservative assumption on the commodity price in 2022, the Company estimates a decreasing net profit margin for 2022.

Subsequent Events

On January 5, 2022, the Ministry of Environment and Forestry MOEF issued Decree No.SK.01/MENLHK/ SETJEN/ KUM.1/1/2022 regarding Revocation of Forest Area Concession Permits ("SK 01") which revoked a number of forestry concession licenses, including those under the Approval for Relinquishment of Forestry Area (Persetujuan Pelepasan Kawasan Hutan). The Company and two of our subsidiaries, namely PT Permata Putera Mandiri ("PPM") and PT Putera Manunggal Perkasa ("PMP"), were included in the list of companies whose concession permits were revoked. Notwithstanding the above, SK 01 calls for an official revocation letter to be issued by three directorate generals under the MOEF to give effect to such revocation (the "Official Letter"). The Company submitted a letter to the MOEF and the Ministry of Agrarian and Spatial Affairs / National Land Agency providing clarification that the Company, PPM and PMP have all obtained land rights (Hak Guna Usaha, (HGU) for these three land parcels and have developed an oil palm plantation in PPM and PMP as well as the ongoing review of the development options for the third concession. On April 12, 2022, the Minister of Agrarian and Spatial Affairs/ Head of National Land Agency issued a letter No. HT.01.01/528/ IV/2022 to the Chairman of the Indonesian Palm Oil Association ("GAPKI") regarding the Status of HGU which are Included In the List of Companies / Forest Area Concession Permit. Holders which have been or will be Revoked or Evaluated by the MOEF ("HT 01 Letter"). HT 01 Letter confirmed that the HGU of PPM and PMP remains valid since both HGUs have been utilized or developed, whereas the HGU of the third concession owned by the Company remains valid with status quo until data verification and a spatial analysis process have been completed and a decree by the Task Force for Land Use and Investment Affairs is issued. Although HT 01 Letter has confirmed the HGU status of the Company, PPM and PMP, we expect that a final decree will still need to be issued. We have assessed that the Company, PPM and PMP have a strong basis to continue holding the HGU for these three land parcels. As of the issuance date of the Annual Report, the Management has not obtained a final decree relating to SK 01.

On March 23, 2022, PT Agro Muko, our minority investments in agribusiness, repurchased all the shares owned by the Company at a price of USD 5.5 million.

Going Concern Information

The COVID-19 global pandemic is still continuing and has created significant uncertainty in macroeconomic conditions, including volatility in exchange and interest rates, volatility in commodity prices and disruption to supply chains. The Government of the Republic of Indonesia has launched various fiscal and monetary policy measures and implemented the mass vaccination, to counter the adverse impacts of the COVID-19 outbreak. The Company has implemented policies and procedures at all its operational sites to monitor and manage the risks associated with COVID-19. Although there has been no significant adverse impact from the COVID-19 outbreak on the Company's operations, much depends on the success of the vaccinations to control the outbreak, the success of the Government's efforts to contain the virus and the successful implementation of the Government's fiscal and monetary policies. All of these factors may affect the Company's operations in the near future.

There is still significant potential for the Company to develop its core business of palm oil. Our landbanks in North Sumatra, Belitung, West Kalimantan, South Sumatra and West Papua extend to over 157,000 hectares, with the infrastructure to support improvements in productivity and operational efficiency. In addition, we continue to develop responsible strategic initiatives that incorporate community development and other sustainability initiatives, in support of the government development policies.

In our sago segment, we will continue to improve our sago extraction and reduce the variable cost of production. In our vegetable segment, we managed to improve our planting yield and ramp up the volume of commercial operation and export of frozen vegetable products (edamame and okra) in 2022. We believe that both businesses have the potential to strengthen our position as a world-class agribusiness-based food Group that makes a positive contribution to local economic development and national food diversification and security. A priority in 2022 will be to continue to develop domestic and export markets for value-added sago and edamame products.

The Company's sound capital structure also bodes well for sustained growth as we continue to pursue our long-term objectives of growing responsibly, generating sustainable value and strengthening our reputation and position in the industry.

CORPORATE GOVERNANCE

The Company is committed to the continuous improvement of our corporate governance practices, in line with our commitment to responsible business growth.

ANJ'S COMMITMENT TO GOOD CORPORATE GOVERNANCE

The Company believes that a strong commitment to upholding the principles of good corporate governance (GCG)—transparency, accountability, responsibility, independence and fairness—throughout our business is essential for delivering sustainable value to all our stakeholders and ensuring the Company's long-term growth in line with our responsible development goals.

ANJ's corporate governance framework consists of policies, controls, processes and standards that cover all aspects of the business and allow for a clear separation of distinct responsibilities and informed, accountable decision making. The framework is underpinned by the Company's Code of Ethics on Business Conduct and our core values of integrity, respect for people and the environment and continuous improvement.

Legal Basis for Corporate Governance at ANJ

The legal and policy foundation for the implementation of corporate governance at ANJ includes the following:

1. The prevailing laws and regulations in Indonesia, particularly those related to the capital market and the Limited Liability Company Law;
2. Regulations and circular letters issued by OJK;
3. The Good Corporate Governance Guidelines issued by the National Governance Policy Committee (KNKG);
4. The ASEAN Corporate Governance Scorecard; and
5. The Articles of Association of the Company.

GCG Policy

ANJ's internal corporate governance policy is defined in the following documents:

1. The Articles of Association of the Company;
2. By-laws;
3. The Code of Ethics on Business Conduct;
4. The Charters of the Board of Commissioners (and its Committees) and the Board of Directors; and
5. The Company's Sustainability Policy.

Together with ANJ's operational procedures, business processes and quality management systems, these documents represent the Company rules. All of these are reviewed and updated periodically to ensure that they are aligned with growth of the business, regulatory changes and shifts in the market dynamics.

ASSESSMENT OF GCG IMPLEMENTATION

The Company is committed to the continuous improvement of our corporate governance practices, in line with our commitment to responsible business growth. This is realized through an ongoing cycle of review, remediation and development by the Board of Commissioners, Board of Directors, the Board Committees and the Internal Audit Unit.

The Company's Directors serve as Directors and/or Commissioners of our subsidiaries, enabling them to monitor and guide corporate governance across the entire Group.

Assessing Parties

Our governance is either evaluated through self-assessment by the Company itself or in collaboration with a third party to obtain an independent assessment. The assessments are as follows:

- Self-assessment of performance against the Governance Guidelines for Listed Companies issued by OJK, conducted by the Board of Directors and Board of Commissioners.
- Assessment against the ASEAN Corporate Governance Scorecard (ACGS), by the Indonesian Institute for Corporate Directorship (IICD).

Criteria

In 2021, corporate governance was assessed against the following criteria:

- Governance Guidelines for Listed Companies issued by OJK through OJK Regulation No. 21/POJK.04/2015 and OJK Circular Letter No. 32/SEOJK.04/2015.

- ASEAN Corporate Governance Scorecard (ACGS). The indicators cover (1) shareholders' rights; (2) equal treatment of shareholders; (3) the role of stakeholders; (4) transparency and disclosure; and (5) Board responsibility.

- Indicators/criteria of the Corporate Governance by Sustainalytics in the ESG rating process.

Results

The results of the GCG implementation of the Company are as follows:

- OJK Governance Guidelines for Listed Companies: the Company has fulfilled almost all recommendations, as shown in the matrix on page 164 of this Report.

- ASEAN Corporate Governance Scorecard (ACGS): 87.57. With this score, it puts ANJ in level three (out of five) which means that ANJ has adopted international standards in corporate governance.

- ESG Rating: the Company was assessed by Sustainalytics to have a Medium Risk Rating score of 26.1. With this achievement, the Company was ranked in third place among the global agriculture companies for having the lowest ESG risk, as assessed by Sustainalytics.

Implementation of Recommendations

The Company follows up on the findings of the above assessments as well as the results of our internal audit mechanisms.

Asean Corporate Governance Scorecard

The ASEAN Corporate Governance Scorecard is a quantitative tool to measure the compliance of public companies in ASEAN with corporate governance guidelines according to exemplary practices based on international standards, in particular the principles of corporate governance issued by the Organization for Economic Cooperation and Development (OECD). ANJ has been assessed by the Indonesian Institute for Corporate Directorship (IICD) for its corporate governance implementation from 2017 until 2020. The assessment methodology consists of two levels. The first level consists of 5 (five) aspects, namely Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency as well as Responsibilities of the Board. The second level consists of bonus items, reflecting practices beyond minimum standard expectations and penalty items reflecting poor governance practices. The result for 2020 is 87.57, an increase from 86.68 of the previous year. This result was verified by the IICD at the Company's request. The Company has also made public the ASEAN Corporate Governance Scorecard's assessment report on the website of the Company.

CORPORATE GOVERNANCE STRUCTURE

ANJ's corporate governance structure consists of three mutually independent bodies, in accordance with Law No. 40/2007 on Limited Liability Companies:

- the General Meeting of Shareholders (GMS): this is the highest decision-making authority;
- the Board of Commissioners: this provides oversight over the Company's management and advises the Board of Directors; and
- the Board of Directors: this has overall responsibility for managing the Company for the benefit of the Company and its shareholders.

Both the Board of Commissioners and the Board of Directors are accountable to the GMS.

The Board of Commissioners is supported in its supervisory functions by four Committees (Audit, Risk Management, Nomination and Remuneration as well as Corporate Social Responsibility and Sustainability). The Board of Directors is supported in its management functions by the Corporate Secretary and the Internal Audit Unit.

This framework is underpinned by a series of complementary mechanisms that ensure the effective and consistent implementation of corporate governance throughout the Company. These mechanisms include the internal control system, the risk management system, the internal and external audits, the whistleblowing system and the corporate governance policy documents referred to above.

GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders (GMS) is the principal forum in which shareholders can exercise their rights to make certain decisions relating to the Company, to receive reports from the Board of Commissioners and the Board of Directors on their performance and accountability and to question the Boards about their actions.

According to Indonesian Company Law, OJK Regulation No. 15/POJK.04/2020 on the Planning and Organization of the General Meeting of Shareholders of a Public Company and OJK Regulation No. 16/POJK.04/2020 regarding to Implementation of General Meeting of Shareholders of a Public Company on Electronically and the Company's Articles of Association, the Company must hold an Annual General Meeting of Shareholders (AGMS) once a year and no later than six months after the end of the Company's financial year. An Extraordinary General Meeting of Shareholders (EGMS) can be convened at any time if deemed necessary.

GMS Authority

The GMS has authority that is not possessed by either the Board of Commissioners or the Board of Directors, such as the authority to appoint and dismiss commissioners and directors and the right to determine the distribution and appropriation of the Company's net profit.

GMS Procedures

To maximize the shareholders' participation in meetings and to protect their interests, the Company publishes announcements about the GMS and its agenda on (i) the website of e-RUPS, provided by PT Kustodian Sentral Efek Indonesia (KSEI), (ii) the website of Indonesia Stock Exchange (IDX) and (iii) the website of the Company (http://anj-group.com/). Meeting rules and materials are available from the date of the GMS notice at the Company's Head Office and can be obtained by shareholders upon written request to the Company. These procedures are in compliance with OJK Regulation No. 15/POJK.04/2020 on the Planning and Organization of the General Meeting of Shareholders of a Public Company and the Company's Articles of Association.

Meetings are considered legal and able to issue binding decisions if they are attended by shareholders and/or their proxies who represent more than one half of the total number of shares unless, the Articles of Association determine a higher quorum.

Rights, Authority and Responsibility of the Shareholders

The Company does not have a share classification so that each share has rights of one vote. The rights held by shareholders include:

1. Attend the GMS and cast one vote;
2. Opportunity to propose the GMS agenda by one shareholder or more representing at least 1/10 (one-tenth) of the total shares with voting rights;
3. Opportunity to grant a proxy to another party if the shareholder is unable to attend the GMS. The proxy form is available on the Company's website (www.anj-group.com);
4. The Company will provide the material of the agenda of GMS for the shareholders of the Company at the main office of the Company and such material may be obtained by the shareholders by delivering a written request to the Company during the office hours in any working day as of the date of this notice until the date of the GMS;
5. Opportunity to raise questions in the GMS;
6. Opportunity to vote on any proposed decision in the GMS; and
7. Receive equal treatment from ANJ.

In addition, shareholders also have the authority, among others, to appoint and dismiss members of the Board of Commissioners and members of the Board of Directors, to conduct assessments on the performance of the Board of Commissioners and the Board of Directors, temporarily dismiss the members of the Board of Directors, approve amendments to the Company's Articles of Association, approve the annual report, approve the remuneration of the Board of Commissioners and the Board of Directors, and approve the dividend distribution.

Shareholders' rights, authorities and responsibilities are regulated, in detail, in the Articles of Association of the Company that are accessible through the Company's website (www.anj-group.com).

The Company also encourages all shareholders, including institutional shareholders, to attend the GMS of the Company with advertisements or announcements on all of the social media of the Company, including the Company's website, since the notice of the GMS until the GMS is held. In addition, the Company also considers the proximity of GMS venue to ensure that it is easily accessible by the shareholders. Additionally, for the shareholders who cannot attend the GMS physically, the shareholders can attend the GMS by electronic means.

The following is an abbreviated discussion on the resolutions and implementations of the AGM and EGM in 2021 of the Company:

GMS in 2021

The Company held one AGMS and two EGMS in 2021. The AGMS and one EGMS were held on June 9, 2021 and the last EGMS was held on November 2, 2021. All of the GMS were held at Menara BTPN, 40th floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, South Jakarta.

The actions taken to comply with the regulations on holding the AGMS and the EGMS on June 9, 2021 were as follows:

No.	Action	Date	Medium
1.	Notified OJK of the plan to hold the AGMS and EGMS, with the agenda	April 19, 2021	IDX website and the Company website
2.	Notified shareholders of the planned AGMS and EGMS	April 26, 2021	IDX website, KSEI website and the Company website
3.	Published the notice to shareholders to attend the AGMS and EGMS, with the detailed agenda	May 11, 2021	IDX website, KSEI website and the Company website
4.	Held the AGMS and EGMS	June 9, 2021	Menara BTPN 40th Floor, Jakarta
5.	Published the summary of the AGMS and EGMS	June 10, 2021	IDX website, KSEI website and the Company website
6.	Published the minutes of meeting of the AGMS and EGMS	July 7, 2021	IDX website and the Company website

The AGMS on June 9, 2021 was attended by shareholders and/or their proxies representing 3,231,989,251 shares or 97.59% of the total shares with valid voting rights issued by the Company, while the EGMS on June 9, 2021 was attended by shareholders and/or their proxies representing 3,232,017,751 shares or 97.595% of the total shares with valid voting rights issued by the Company. The quorum for the both meeting was therefore legally fulfilled.

The actions taken to comply with the regulations on holding the EGMS on November 2, 2021 were as follows:

No.	Action	Date	Medium
1.	Notified OJK of the plan to hold the EGMS, with the agenda	September 10, 2021	IDX website and the Company website
2.	Notified shareholders of the planned the EGMS	September 17, 2021	IDX website, KSEI website and the Company website
3.	Published the notice to shareholders to attend the EGMS, with the detailed agenda	October 4, 2021	IDX website, KSEI website and the Company website
4.	Held the EGMS	November 2, 2021	Menara BTPN 40th Floor, Jakarta and Electronic System (easy KSEI)
5.	Published the summary of the EGMS	November 3, 2021	IDX website, KSEI website and the Company website
6.	Published the minutes of meeting of the EGMS	November 22, 2021	IDX website and the Company website

The EGMS on November 2, 2021 was attended by shareholders and/or their proxies representing 3,071,214,968 shares or 92.729% of the total shares with valid voting rights issued by the Company. The quorum for the meeting was therefore legally fulfilled.

Online Voting and Vote Calculation Mechanism

The GMS decision-making is made by deliberations for consensus. However, to ensure that deliberation for consensus was reached, while maintaining the independence and confidentiality of shareholders in the voting process, the decision-making is conducted through voting. Voting is conducted by the shareholders or their proxies directly in confidence through the easy KSEI system, such that the confidentiality and independency of shareholders' votes are secured. Disclosures on the procedures of voting and its tally in the GMS have been stated clearly in the Code of Conduct of Meeting that was published on the Company's website together with the invitation to the GMS and was read out before the start of the meeting. In addition to the Code of Conduct of Meeting, the voting procedures were also uploaded onto the website of the Company.

Independent Party to Calculate Votes

The Company appointed independent parties for all GMS of the Company in 2021, namely: (i) Notary Mrs. Christina Dwi Utami, S.H., M.Hum., M.Kn., as the Public Notary and (ii) PT Datindo Entrycom as the Share Registrar Bureau in calculating and/or validating quorum as well as the voting in the GMS of the Company.

GMS Resolutions

The following tables present the resolutions made at the general meetings of shareholders held in 2021 and 2020 and their implementation status. There is no resolution of the Company's GMS for 2021 and 2020 that has not been realized by the Company.

Summary of the Resolutions of the 2021 AGMS held on June 9, 2021

THE FIRST AGENDA			
Agenda	Approval and ratification on the Annual Report of the Company, which includes the Report on the Supervisory Duties of the Board of Commissioners and the ratification of the Consolidated Financial Statements of the Company for the year ending on December 31, 2020, including the Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ending on December 31, 2020 and granting of full release and discharge from responsibilities (*acquit et de charge*) to the Board of Directors and the Board of Commissioners of the Company for their management duties and supervisory duties carried out during the year ending on December 31, 2020.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the first meeting agenda.		
The Results of the Voting	Agree	3,231,989,251	100%
	Disagree	-	-
	Abstain	-	-

The Resolution of the First Agenda	To approve and ratify the Annual Report of the Company for the year ending on December 31, 2020, including the Operational Report of the Company, the Supervisory Report of the Board of Commissioners and the Consolidated Financial Statements of the Company for the year ending on December 31, 2020, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the year ending on December 31, 2020, as well as to give full release and discharge of responsibilities (*acquit et de charge*) to the members of the Board of Directors and the Board of Commissioners of the Company for their management duties and supervisory duties carried out during the year ending on December 31, 2020 to the extent that their actions are reflected in the Annual Report of the Company.		
Implementation Status	Completed. Financial statements for the year ending December 31, 2020 were delivered on March 25, 2021 and the annual report for the year ending December 31, 2020 was delivered on May 11, 2021, both to the OJK and IDX.		

THE SECOND AGENDA			
Agenda	Stipulation of use of net profit of the Company for the year ending on December 31, 2020.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the second meeting agenda.		
The Results of the Voting	Agree	3,231,989,251	100%
	Disagree	-	-
	Abstain	-	-
The Resolution of the Second Agenda	1. To approve the distribution of the net profit of the Company for the year ending on December 31, 2020, as follows: a. The Company will distribute cash dividends of IDR 4 (four Rupiah) for each share to the entitled shareholders of the Company. The exchange rate for book-keeping purposes will use the middle exchange rate of Bank Indonesia on the recording date to determine the shareholders who are entitled to the cash dividend, namely on June 21, 2021. b. The remaining balance will be recorded as retained earnings which will be used for the working capital of the Company. 2. To give powers and authorities to the Board of Directors of the Company to carry out any and all actions required in relation to the abovementioned resolutions in accordance with the prevailing laws and regulations.		
Implementation Status	Completed. The dividend was distributed to shareholders on July 9, 2021.		

THE THIRD AGENDA			
Agenda	Appointment of an independent public accountant to carry out audit on the Company for the financial year of 2021 and to approve the honorarium of the public accountant so appointed.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the third meeting agenda.		
The Results of the Voting	Agree	3,231,989,251	100%
	Disagree	-	-
	Abstain	-	-
The Resolution of the Third Agenda	1. To approve the appointment of KAP (Public Accountant Office) Siddharta Widjaja & Rekan and Mr. Susanto as the Public Accountant from KAP Siddharta Widjaja & Rekan to carry out the audit of the Company for the financial year of 2021. 2. To give authorities and powers to the Board of Commissioners of the Company to appoint a substitute KAP, including a replacement of a Public Accountant, as well as to dismiss the appointed Public Accountant. 3. To give authorities to the Board of Directors of the Company to approve and determine the honorarium and the terms of its appointment in accordance with applicable laws and regulations.		
Implementation Status	Completed.		

THE FOURTH AGENDA			
Agenda	Approval of change and/or reappointment of the members of the Board of Commissioners and the Board of Directors of the Company.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fourth meeting agenda.		
The Results of the Voting	Agree	3,071,243,951	95.0264%
	Disagree	-	-
	Abstain	160,745,300	4.9735%

The Resolution of the Fourth Agenda	1. To approve and reappoint of Mr. Darwin Cyril Noerhadi as an Independent Commissioner of the Company effectively as of the closing of the AGMS. 2. To approve the resignation of Mr. Lucas Kurniawan from his position as a Director of the Company and to appoint Mr. Lucas Kurniawan as the Vice President Director of the Company effectively as of the closing of the AGMS. 3. To approve the resignation of Mr. Fakri Karim from his position as a Director of the Company effectively on March 31, 2021 and to release and discharge Mr. Fakri Karim from his responsibility during his term of office provided that his management duty has been carried out in accordance with the Articles of Association of the Company, the prevailing laws and regulations, including but not limited to Law Number 40 of 2007 concerning Limited Liability Company. 4. To restate the composition of the Board of Commissioners and the Board of Directors of the Company effectively as of the closing of the AGMS as follows: **Board of Commissioners:** President Commissioner (Independent) : Mr. Adrianto Machribie Commissioner : Mr. George Santosa Tahija Commissioner : Mr. Sjakon George Tahija Commissioner : Mr. Anastasius Wahyuhadi Commissioner : Mr. Istama Tatang Siddharta Independent Commissioner : Mr. J. Kristiadi Independent Commissioner : Mr. Darwin Cyril Noerhadi **Board of Directors:** President Director : Mrs. Istini Tatiek Siddharta Vice President Director : Mr. Lucas Kurniawan Director : Mr. Geetha Govindan K Gopalakrishnan Director : Mr. Naga Waskita The term of office of the Board of Commissioners and the Board of Directors is until the closing of the Annual General Meeting of Shareholders in 2025, except that the term of office of Mr. Darwin Cyril Noerhadi as an Independent Commissioner and Mr. Lucas Kurniawan as the Vice President Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2026 and the term of office of Mr. Naga Waskita as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2022. 5. To give authorities and powers to the Board of Directors of the Company and/or Mr. Naga Waskita, individually or jointly with the rights of substitution, to draw up/state the resolutions regarding the composition of the Board of Commissioners and the Board of Directors of the Company, in a notarial deed made before a Notary Public and further to notify the authorities and to take all and every actions necessary in connection with the decision in accordance with the applicable laws and regulations.
Implementation Status	Completed. • Mr. Darwin Cyril Noerhadi was reappointed as an Independent Commissioner. • Mr. Lucas Kurniawan was appointed as the Vice President Director.

THE FIFTH AGENDA			
Agenda	Stipulation of the amount of salary and honorarium as well as other allowances for the members of the Board of Directors and the Board of Commissioners for the financial year of 2021.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fifth meeting agenda.		
The Results of the Voting	Agree	3,231,989,251	100%
	Disagree	-	-
	Abstain	-	-
The Resolution of the Fifth Agenda	1. To give authorities and powers to the Nomination and Remuneration Committee, one of the committees under the Board of Commissioners of the Company, to determine the salary and/or honorarium and other allowances payable to the members of the Board of Directors. 2. To approve and stipulate that the amount of salary and/or honorarium and other allowances for the members of the Board of Commissioners of the Company for the financial year of 2021 is the same amount with the previous financial year and/or with a maximum increase of 20% from the previous financial year on an average for each member of the Board of Commissioners of the Company.		
Implementation Status	Completed.		

The Board of Directors who attended physically the AGMS on June 9, 2021 was as follows:

- Director : Lucas Kurniawan
- Director : Geetha Govindan K. Gopalakrishnan
- Director : Naga Waskita

The Board of Commissioners who attended physically the AGMS on June 9, 2021 was as follows:

- President Commissioner : Adrianto Machribie (Independent)
- Commissioner : George Santosa Tahija
- Commissioner : Sjakon George Tahija

The other members of the Board of Commissioners and the Board of Directors attending the AGMS with the electronic facility were as follows:

- Commissioner : Anastasius Wahyuhadi
- Commissioner : Istama Tatang Siddharta
- Independent Commissioner : J. Kristiadi
- Independent Commissioner : Darwin Cyril Noerhadi
- President Director : Istini Tatiek Siddharta

Summary of the resolutions of the 2021 EGMS held on June 9, 2021

THE FIRST AGENDA			
Agenda	Approval of the amendment and restatement of the Company's Articles of Association in order to comply with the applicable rules, in particular the Financial Services Authority Regulations: (i) Number 15/POJK.04/2020 concerning Plan and Implementation of General Meeting of Shareholders of Public Companies; (ii) Number 16/POJK.04/2020 concerning the Implementation of the General Meeting of Shareholders of Public Companies Electronically; (iii) Number 32/POJK.04/2015 concerning Increase in Capital for Public Companies by Providing Pre-emptive Rights as amended by Number 14/POJK.04/2019 concerning Amendment to the Financial Services Authority Regulation Number 32/POJK.04/2015 concerning Increase in Capital for Public Companies by Providing Pre-emptive Rights.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the first meeting agenda.		
The Results of the Voting	Agree	3,232,015,751	99.99%
	Disagree	2,000	0.001%
	Abstain	-	-
The Resolution of the First Agenda	1. To approve the amendment and restatement the Articles of Association of the Company to comply the applicable rules, in particular the Financial Services Authority Regulations: (i) Number 15/POJK.04/2020 concerning Plan and Implementation of General Meeting of Shareholders of Public Companies; (ii) Number 16/POJK.04/2020 concerning the Implementation of the General Meeting of Shareholders of Public Companies Electronically; (iii) Number 32/POJK.04/2015 concerning Increase in Capital for Public Companies by Providing Pre-emptive Rights as amended by Number 14/POJK.04/2019 concerning Amendment to the Financial Services Authority Regulation Number 32/POJK.04/2015 concerning Increase in Capital for Public Companies by Providing Pre-emptive Rights. 2. To give authorities and powers to the Board of Directors of the Company and/or Mr. Naga Waskita, individually or jointly with the right of substitution, to carry out any and all actions required in relation to such resolutions, including but not limited to state/draw up the resolutions in a notarial deed made before a Notary, to amend, adjust and/or restate all provisions of the Articles of Association of the Company in accordance with such resolutions (including confirming the composition of shareholders in the relevant deed, if necessary), together with changes or renewals thereof (if any) and the other contents as determined by the competent authorities, as required by and in accordance with the provisions of the applicable laws and regulations, which then to apply for approval and/or submit notification of the resolutions of this Meeting and/or amendment to the Articles of Association of the Company in the resolutions of this Meeting to the relevant authorities and to carry out any and all necessary actions, in accordance with the applicable laws and regulations.		
Implementation Status	Completed.		

The Board of Directors who attended physically to the EGMS on June 9, 2021 was as follows:

- Director : Lucas Kurniawan
- Director : Geetha Govindan K. Gopalakrishnan
- Director : Naga Waskita

The Board of Commissioners who attended physically the EGMS on June 9, 2021 was as follows:

- President Commissioner : Adrianto Machribie (Independent)
- Commissioner : George Santosa Tahija
- Commissioner : Sjakon George Tahija

The other members of the Board of Commissioners and the Board of Directors attending the EGMS with the electronic facility were as follows:

- Commissioner : Anastasius Wahyuhadi
- Commissioner : Istama Tatang Siddharta
- Independent Commissioner : J. Kristiadi
- Independent Commissioner : Darwin Cyril Noerhadi
- President Director : Istini Tatiek Siddharta

Summary of the resolutions of the 2021 EGMS held on November 2, 2021

<table>
<tr><th colspan="4">THE FIRST AGENDA</th></tr>
<tr><td>Agenda</td><td colspan="3">Approval on the change of the composition of the Board of Commissioners and/or the Board of Directors of the Company.</td></tr>
<tr><td>Number of Shareholders Who Raised Queries and/ or Opinions</td><td colspan="3">There was no question on the first meeting agenda.</td></tr>
<tr><td rowspan="3">The Results of the Voting</td><td>Agree</td><td>3,071,212,968</td><td>99.99%</td></tr>
<tr><td>Disagree</td><td>2,000</td><td>0.001%</td></tr>
<tr><td>Abstain</td><td>-</td><td>-</td></tr>
<tr><td>The Resolution of the First Agenda</td><td colspan="3">1. To approve the resignation of Mrs. Istini Tatiek Siddharta from her position as the President Director of the Company effectively as of the closing of the Meeting and to release and discharge Mrs. Istini Tatiek Siddharta from her responsibility during her term of office provided that her management duty has been carried out in accordance with the Articles of Association of the Company, the prevailing laws and regulations, including but not limited to Law Number 40 of 2007 concerning Limited Liability Company.

2. To approve the appointment of Mrs. Istini Tatiek Siddharta as a Commissioner of the Company effectively as of the closing of the Meeting.

3. To approve the resignation of Mr. Lucas Kurniawan from his position as the Vice President Director of the Company and to appoint Mr. Lucas Kurniawan as the President Director of the Company effectively as of the closing of the Meeting.

4. To approve the resignation of Mr. Geetha Govindan Kunnath Gopalakrishnan from his position as a Director of the Company and to appoint Mr. Geetha Govindan Kunnath Gopalakrishnan as the Vice President Director of the Company effectively as of the closing of the Meeting.

5. To approve the appointment of Mr. Aloysius D'Cruz as a Director of the Company effectively as of the closing of the Meeting.

6. To approve the appointment of Ms. Nopri Pitoy as a Director of the Company effectively as of the closing of the Meeting.

7. To restate the composition of the Board of Commissioners and the Board of Directors of the Company effectively as of the closing of the Meeting as follows:

Board of Commissioners:
President Commissioner (Independent) : Mr. Adrianto Machribie
Commissioner : Mr. George Santosa Tahija
Commissioner : Mr. Sjakon George Tahija
Commissioner : Mr. Anastasius Wahyuhadi
Commissioner : Mr. Istama Tatang Siddharta
Independent Commissioner : Mr. J. Kristiadi
Independent Commissioner : Mr. Darwin Cyril Noerhadi
Commissioner : Mrs. Istini Tatiek Siddharta

Board of Directors:
President Director : Mr. Lucas Kurniawan
Vice President Director : Mr. Geetha Govindan K Gopalakrishnan
Director : Mr. Naga Waskita
Director : Mr. Aloysius D'Cruz
Director : Ms. Nopri Pitoy

The term of office of the members of the Board of Commissioners and the Board of Directors is until the closing of the Annual General Meeting of Shareholders in 2025, except that the term of office of Mr. Darwin Cyril Noerhadi as an Independent Commissioner, Mrs. Istini Tatiek Siddharta as a Commissioner, Mr. Lucas Kurniawan as the President Director, Mr. Geetha Govindan Kunnath Gopalakrishnan as the Vice President Director, Mr. Aloysius D'Cruz and Ms. Nopri Pitoy as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2026 and the term of office of Mr. Naga Waskita as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2022.

8. To give authorities and powers to the Board of Directors of the Company and/or Mr. Naga Waskita, individually or jointly with the rights of substitution, to draw up/state the resolutions regarding the composition of the Board of Commissioners and the Board of Directors of the Company, in a notarial deed made before a Notary and further to notify the authorities and to take all and every actions necessary in connection with the abovementioned decision in accordance with the applicable laws and regulations.</td></tr>
<tr><td>Implementation Status</td><td colspan="3">Completed.
• Mrs. Istini Tatiek Siddharta was appointed as a Commissioner.
• Mr. Lucas Kurniawan was appointed as the President Director.
• Mr. Geetha Govindan K. Gopalakrishnan was appointed as the Vice President Director.
• Mr. Aloysius D'Cruz was appointed as a Director.
• Ms. Nopri Pitoy was appointed as a Director.</td></tr>
</table>

THE SECOND AGENDA			
Agenda	Approval on the amendment to the Articles of Association of the Company.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the second meeting agenda.		
The Results of the Voting	Agree	3,071,212,968	99.99%
	Disagree	2,000	0.001%
	Abstain	-	-
The Resolution of the Second Agenda	1. To approve the amendment to Article 16 of the Articles of Association of the Company regarding the Duties and Authorities of the Board of Directors. 2. To give authorities and powers to the Board of Directors of the Company and/or Mr. Naga Waskita, individually or jointly with the rights of substitution, to carry out any and all actions required in relation to such resolutions, including but not limited to state/draw up the resolutions in a notarial deed made before a Notary, to amend, adjust and/or restate all provisions of Article 16 of the Articles of Association of the Company together with changes or renewals thereof (if any) and the other contents as determined by the competent authorities, as required by and in accordance with the provisions of the applicable laws and regulations, which then to apply for approval and/or submit notification of the resolutions of this Meeting and/or amendment to the Articles of Association of the Company in the resolutions of this Meeting to the relevant authorities and to carry out any and all necessary actions, in accordance with the applicable laws and regulations.		
Implementation Status	Completed.		

The Board of Directors who attended physically the EGMS on November 2, 2021 was as follows:

- President Director : Istini Tatiek Siddharta
- Vice President Director : Lucas Kurniawan
- Director : Geetha Govindan K. Gopalakrishnan
- Director : Naga Waskita

The Board of Commissioners who attended physically the EGMS on November 2, 2021 was as follows:

- President Commissioner (Independent) : Adrianto Machribie
- Commissioner : George Santosa Tahija
- Commissioner : Sjakon George Tahija
- Commissioner : Anastasius Wahyuhadi

The other members of the Board of Commissioners attending the EGMS with the electronic facility were as follows:

- Commissioner : Istama Tatang Siddharta
- Independent Commissioner : J. Kristiadi
- Independent Commissioner : Darwin Cyril Noerhadi

Summary of the resolutions of the 2020 AGMS held on June 10, 2020

THE FIRST AGENDA			
Agenda	Approval and ratification on the Annual Report of the Company, which includes the Report on the Supervisory Duties of the Board of Commissioners and the ratification of the Consolidated Financial Statements of the Company for the year ending on December 31, 2019, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the year ending on December 31, 2019 and granting of full release and discharge from responsibilities to the Board of Directors and the Board of Commissioners for their management duties and supervisory duties carried out during the year ending on December 31, 2019 (*acquit et de charge*).		
Number of Shareholders Who Raised Queries and/or Opinions	There was questions on the first meeting agenda.		
The Results of the Voting	Agree	3,234,605,978	100%
	Disagree	-	-
	Abstain	-	-
The Resolution of the First Agenda	To approve and ratify the Annual Report of the Company for the year ending on December 31, 2019, including the Operational Report of the Company, the Supervisory Report of the Board of Commissioners and the Consolidated Financial Statements of the Company for the year ending on December 31, 2019, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the year ending on December 31, 2019 as well as to give full release and discharge of responsibilities (*acquit et de charge*) to the members of the Board of Directors and the Board of Commissioners of the Company for their management duties and supervisory duties carried out during the year ending on December 31, 2019 to the extent that their actions are reflected in the Annual Report of the Company.		
Implementation Status	Completed. Financial statements for the year ending December 31, 2019 were delivered on March 12, 2020 and the annual report for the year ending December 31, 2019 was delivered on May 18, 2020 both to the OJK and IDX.		
THE SECOND AGENDA			
Agenda	Stipulation of use of net profit of the Company for the year ending on December 31, 2019.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the second meeting agenda.		
The Results of the Voting	Agree	3,234,605,978	100%
	Disagree	-	-
	Abstain	-	-
The Resolution of the Second Agenda	To approve the Company not to distribute dividends for the year ending in December 31, 2019.		
Implementation Status	Completed.		
THE THIRD AGENDA			
Agenda	Appointment of an independent public accountant to carry out audit on the Company for the financial year of 2020 and to approve the honorarium of the public accountant so appointed.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the third meeting agenda.		
The Results of the Voting	Agree	3,234,605,978	100%
	Disagree	-	-
	Abstain	-	-
The Resolution of the Third Agenda	1. To appoint Mrs. Kartika Singodimejo from KAP Siddharta Widjaja & Rekan to carry out the audit of the Company for the financial year of 2020. 2. To give authorities and powers to the Board of Commissioners to appoint a substitute or dismiss Public Accountants has been appointed. 3. To give authorities to the Board of Directors of the Company to approve and determine the honorarium and the terms of appointment in accordance with applicable laws and regulations.		
Implementation Status	Completed.		

THE FOURTH AGENDA			
Agenda	Approval of changes and/or reappointment the composition of the Board of Commissioners and Board of Directors of the Company.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fourth meeting agenda.		
The Results of the Voting	Agree	3,234,603,978	99.99%
	Disagree	2,000	0.001%
	Abstain	-	-
The Resolution of the Fourth Agenda	1. To approve and reappoint certain members of the Board of Commissioners and the Board of Directors, whose term of office were expired as of the closing of the Meeting, as follows: **Board of Commissioners:** President Commissioner (Independent) : Mr. Adrianto Machribie Commissioner : Mr. George Santosa Tahija Commissioner : Mr. Sjakon George Tahija Commissioner : Mr. Istama Tatang Siddharta Commissioner : Mr. Anastasius Wahyuhadi Independent Commissioner : Mr. J. Kristiadi **Board of Directors:** President Director : Mrs. Istini Tatiek Siddharta Director : Mr. Geetha Govindan K Gopalakrishnan 2. To restate the composition of the Board of Commissioners and the Board of Directors of the Company effectively as of the closing of the AGMS as follows: **Board of Commissioners:** President Commissioner (Independent) : Mr. Adrianto Machribie Commissioner : Mr. George Santosa Tahija Commissioner : Mr. Sjakon George Tahija Commissioner : Mr. Istama Tatang Siddharta Commissioner : Mr. Anastasius Wahyuhadi Independent Commissioner : Mr. J. Kristiadi Independent Commissioner : Mr. Darwin Cyril Noerhadi **Board of Directors:** President Director : Mrs. Istini Tatiek Siddharta Director : Mr. Geetha Govindan K Gopalakrishnan Director : Mr. Lucas Kurniawan Director : Mr. Naga Waskita Director : Mr. Fakri Karim The term of office of the Board of Commissioners and the Board of Directors is until the closing of the Annual General Meeting of Shareholders in 2025, except that the term of office of Mr. Darwin Cyril Noerhadi as an Independent Commissioner is until the closing of the Annual General Meeting of Shareholders of the Company in 2021, the term of office of Mr. Lucas Kurniawan and Mr. Naga Waskita, both as Directors is until the closing of the Annual General Meeting of Shareholders of the Company in 2022 and the term of office of Mr. Fakri Karim as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2024. 3. To give authorities and powers to the Board of Directors of the Company and/ or Mr. Naga Waskita, individually or jointly with the right of substitution, to express/state the resolutions regarding the composition of the Board of Commissioners and the Board of Directors of the Company, in the notarial deed made before a Notary Public and further notify the authorities and take all and every action necessary in connection with the decision in accordance with the applicable laws and regulations.		
Implementation Status	Completed. • Mr. Adrianto Machribie was reappointed as a President Commissioner (Independent). • Mr. George Santosa Tahija was reappointed as a Commissioner. • Mr. Sjakon George Tahija was reappointed as a Commissioner. • Mr. Istama Tatang Siddharta was reappointed as a Commissioner • Mr. Anastasius Wahyuhadi was reappointed as a Commissioner. • Mr. J. Kristiadi was reappointed as an Independent Commissioner. • Mrs. Istini T. Siddharta was reappointed as the President Director. • Mr. Geetha Govindan K. Gopalakrishnan was reappointed as a Director.		

THE FIFTH AGENDA			
Agenda	Stipulation of the amount of salary and honorarium as well as other allowances for the members of the Board of Directors and the Board of Commissioners for the financial year of 2020.		
Number of Shareholders who raised queries and/or opinions	There was questions on the fifth meeting agenda.		
The Results of the Voting	Agree	3,234,602,378	99.99%
	Disagree	3,600	0.001%
	Abstain	-	-
The Resolution of the Fifth Agenda	To give authorities and powers to the Nomination and Remuneration Committee, one of the committees under the Board of Commissioners of the Company, to determine the salary and/or other allowances payable to the members of the Board of Commissioners and the Board of Directors of the Company.		
Implementation Status	Completed.		

The Board of Directors who attended physically the AGMS on June 10, 2020 was as follows:

- President Director : Istini Tatiek Siddharta
- Director : Lucas Kurniawan
- Director : Geetha Govindan K. Gopalakrishnan
- Director : Naga Waskita
- Director : Fakri Karim

The Board of Commissioners who attended physically the AGMS on June 10, 2020 was as follows:

- President Commissioner (Independent) : Adrianto Machribie

The other members of the Board of Commissioners attending the AGMS with the electronic facility were as follows:

- Commissioner : George Santosa Tahija
- Commissioner : Sjakon George Tahija
- Commissioner : Istama T. Siddharta
- Commissioner : Anastasius Wahyuhadi
- Independent Commissioner : J. Kristiadi
- Independent Commissioner : Darwin Cyril Noerhadi

THE BOARD OF COMMISSIONERS

The Board of Commissioners is responsible for supervising the management of the Company and advising the Board of Directors. This includes the duty to ensure that the strategies, policies and actions executed by the Board of Directors are in line with the provisions of the Company's Articles of Association, its Code of Ethics and the prevailing laws and regulations. In addition, the Board of Commissioners is responsible for monitoring the implementation of good corporate governance throughout the Company.

Duties and Responsibilities of the Board of Commissioners

The duties of the Board of Commissioners, as stated in the Board of Commissioners' Charter, are as follows:

a. To carry out the supervision and to be responsible for the supervision of the management of the Company or the business of the Company and to provide advice to the Board of Directors.
b. To approve the annual working plan of the Company at the latest before the commencement of a new financial year.
c. To carry out duties specifically designated to it pursuant to the Articles of Association, the prevailing laws and regulations and/or the resolutions of the GMS.
d. To carry out duties, powers and responsibilities in accordance with the Articles of Association of the Company and the resolutions of the GMS.
e. To examine and review the annual report prepared by the Board of Directors and to sign such annual report.
f. To obey the Articles of Association and the laws and regulations, as well as to implement principles of professionalism, efficiency, transparency, independency, accountability and appropriateness.

With regard to those duties, the Board of Commissioners has the following obligations:

a. To supervise the implementation of the annual working plan of the Company.
b. To keep updated with the activities of the Company and in the event that the Company shows indications of major impediments, to immediately report to the GSM together with advice on rectification.
c. To provide opinions and advice to the GMS regarding any matter deemed pivotal for the management of the Company.
d. To carry out other supervision duties as determined by the GMS.
e. To provide inputs on the regular reports of the Board of Directors and to provide inputs at any time relating to the development of the Company.

Duties and Responsibilities of the President Commissioner

The President Commissioner leads the Board of Commissioners as a member. He carries out the same duties and responsibilities as the other members of the Board of Commissioners. In addition to the above duties and responsibilities, the President Commissioner has duties to ensure and coordinate the activities and/or the implementation of the Board of Commissioners duties and responsibilities, as well as performing duties as chairman of the GMS and Board meetings. He is also responsible for conducting final evaluation on the collegial performance of the Board of Commissioners and the Committees.

Board of Commissioners' Charter

The Board of Commissioners' Charter sets out the duties and responsibilities, values, membership and the rules of procedure of the Board of Commissioners. The charter complies with the Company's Articles of Association and relevant laws and regulations and is periodically reviewed and updated. The charter can be found on ANJ's website at www.anjgroup.com/en/boc/index.

Appointment, Dismissal and Term of Office of the Board of Commissioners

According to the Articles of Association, the Board of Commissioners must have at least two members, one of whom is appointed as the President Commissioner. Commissioners are appointed by the general meeting of shareholders at the recommendation of the Company's Nomination and Remuneration Committee.

A Commissioner's term runs until the fifth AGMS following his or her appointment. However, the general meeting of shareholders reserves the right to dismiss a Commissioner during his or her term of office or to re-appoint a Commissioner whose term of office has expired.

The Criteria of Selecting Members of the Board of Commissioners

The criteria for the selecting of the Company's members of the Board of Commissioners below are aligned with the provisions of OJK Regulation No. 33/POJK.04/2014:

a. Meet the following requirements at the time of appointment and during his/her term:
   1. Have good character, morals and integrity;
   2. Capable of carrying out legal actions;
   3. During the past five years prior to his/her appointment and during his/her term:
      a) Has never been declared bankrupt;
      b) Has never been a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
      c) Has never been convicted of a criminal offense that is detrimental to the country's financial and/or relating to the financial sector; and
      d) Has never been a member of the Board of Commissioners of a company who during his/her term:
         1) Does not hold an annual GMS;
         2) Their responsibilities as members of the Board of Commissioners have never been accepted by the GMS or have not provided accountability as members of the Board of Commissioners to the GMS; and
         3) Has caused a company that obtained a permit, approval or registration from the Financial Services Authority to fail to fulfill the obligation to submit an annual report and/or financial report to the Financial Services Authority.

b. Have a commitment to comply with the prevailing laws and regulations; and
c. Have knowledge and/or expertise in the field required by the Company.

The Process of Selecting Members of the Board of Commissioners

The process of selecting members of the Board of Commissioners is as follows:

a. Recommendations on the criteria required in the process of proposing a person to become a member of the Board of Commissioners are prepared by the Nomination and Remuneration Committee.
b. Candidates for a member of the Board of Commissioners may be proposed from internal or external. If required, the Company can utilize the services of independent and reputable search firms in selecting a member of the Board of Commissioners.
c. The appointment of a member of the Board of Commissioners is approved by the General Meeting of Shareholders.

Independent Commissioners

Number of Independent Commissioners

Three of the Company's eight Commissioners in 2021, including the President Commissioner, were independent. The Company therefore fulfills the provisions of OJK Regulation No.33/POJK.04/2014 stating that more than 30% of the members of the Board of Commissioners must be independent.

Criteria for Independent Commissioners

All Independent Commissioners in the Company are selected based on criteria set forth in OJK Regulation No.33/POJK.04/2014 and the Board of Commissioners Charter. The criteria for the appointment of the Company's Independent Commissioners below are aligned with the provisions of OJK Regulation No.33/POJK.04/2014:

1. Has not worked for or had any authority or responsibility for planning, leading, controlling or supervising the activities of the Company within the 6 months prior to his/her appointment, except in the case of independent commissioners who are being reappointed;
2. Does not hold any shares in the Company;
3. Does not have any affiliation with the Company or its majority shareholders or any of the members of the Boards of Commissioners or Directors; and
4. Does not have any business relationship, either directly or indirectly, that is related to the Company's business activities.

Independence Statement

Each Independent Commissioner meets the appointment criteria above and has made a statement declaring their independence, in compliance with the provisions of OJK Regulation No.33/POJK.04/2014. These statements can be seen in the Commissioners' profiles.

Orientation for New Members of the Board of Commissioners

The Corporate Secretary facilitates a comprehensive orientation for each new Commissioner, covering the Company, its business, the operating environment and their duties and responsibilities. In 2021, one orientation was carried out on December 6, 2021 for the newly appointed Commissioner, namely Istini Tatiek Siddharta.

Composition of the Board of Commissioners

The current Board members were confirmed pursuant to Notarial Deed No. 23 dated November 2, 2021. The notification of the change in the Company's data was received and recorded by the Ministry of Law and Human Rights (MOLHR) through Letter No AHU-AH.01.03-0469943 dated November 5, 2021.

The composition of the Board of Commissioners as of December 31, 2021, is shown in the table below.

Name	Position	Term started	Term ends	Independent
Adrianto Machribie	President Commissioner	AGMS 2020	AGMS 2025	✓
George Santosa Tahija	Commissioner	AGMS 2020	AGMS 2025	
Sjakon George Tahija	Commissioner	AGMS 2020	AGMS 2025	
Anastasius Wahyuhadi	Commissioner	AGMS 2020	AGMS 2025	
Istama Tatang Siddharta	Commissioner	AGMS 2020	AGMS 2025	
J. Kristiadi	Commissioner	AGMS 2020	AGMS 2025	✓
Darwin Cyril Noerhadi	Commissioner	AGMS 2021	AGMS 2026	✓
Istini Tatiek Siddharta	Commissioner	AGMS 2021	AGMS 2026	

Brief profiles of the members of the Board of Commissioners can be seen on page 48-55 of this Annual Report.

Shareholding of the Board of Commissioners

1. Each member of the Board of Commissioners is required to report to the Corporate Secretary of the Company for the ownership and any change in ownership of the Company's shares no later than 3 (three) working days after the ownership or any change in ownership of the Company's shares to be reported to the OJK and the IDX.
2. The provisions in above do not apply to the Company's Independent Commissioners, who are prohibited from owning shares in the Company.

There are no changes in ownership of the Board of Commissioners of the Company and share transactions made by the Company's Board of Commissioners in 2021.

Policy on Loans to the Board of Commissioners

If the Company extends a loan facility to a member of the Board of Commissioners (or his/her family and other affiliated parties), it will be conducted at an arm's length basis subject to the prevailing terms and conditions commonly applicable for any other transaction.

Meetings of the Board of Commissioners

The Board of Commissioners is required to meet at least once every two months, in accordance with the Charter. These meetings are scheduled in advance, but additional meetings may be held at the request of one or more members of the Board, by the Board of Directors or by one or more of the shareholders jointly representing at least 10% of the total number of shares with valid voting rights. The board papers for the Board of Commissioners meeting will be prepared and distributed to the Board of Commissioners at least 5 (five) working days prior the relevant meeting.

A Board meeting is deemed valid and may take binding decisions if more than one half of its members are present or represented in the meeting. Resolutions are adopted by consensus, but if a consensus cannot be reached, a resolution may be passed by the affirmative votes of more than one half of the total number of votes validly exercised in the meeting. Each member of the Board has equal voting rights and is entitled to cast one vote and up to one additional vote for another member whom he or she represents. If a commissioner is not able to attend a meeting, the commissioner in question will provide a Power of Attorney to another commissioner.

In the year ending December 31, 2021, the Board of Commissioners held six meetings and four other meetings which were held jointly with the Board of Directors.

Board of Commissioners' Meetings in 2021

Name	Position	1 Feb 10, 2021	2 Apr 14, 2021	3 May 25, 2021	4 Aug 10, 2021	5 Sep 15, 2021	6 Nov 24, 2021	No. of Meetings	Number Attended	Attendance Percentage
Adrianto Machribie	President Commissioner (Independent)	✓	✓	✓	✓	✓	✓	6	6	100%
George Santosa Tahija	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Sjakon George Tahija	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Istama Tatang Siddharta	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Anastasius Wahyuhadi	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
J. Kristiadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Darwin Cyril Noerhadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Istini Tatiek Siddharta*	Commissioner	⊖	⊖	⊖	⊖	⊖	✓	1	1	100%

Note:
*: From November 2, 2021

BOC Meeting Agendas 2021

Date	Agenda
February 10, 2021	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
April 14, 2021	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
May 25, 2021	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
August 10, 2021	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
September 15, 2021	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
November 24, 2021	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.

Competency Development for the Board of Commissioners

Details of the competency development undertaken by members of the Board of Commissioners in 2021 are provided on page 81 of this Annual Report.

Remuneration of the Board of Commissioners

Details of the policy and procedures for determining the remuneration of the Board of Commissioners are provided on page 130 of this Annual Report.

THE BOARD OF DIRECTORS

The Board of Directors is responsible for managing the Company's interests, assets and progress towards objectives in pursuit of its vision and mission, in accordance with the Articles of Association and the prevailing laws and regulations.

Duties and Responsibilities of the Board of Directors

Members of the Board of Directors are jointly and severally liable for the Board's actions. They are responsible for the management of Company for the interest of the Company, in accordance with its purpose and objectives, the Articles of Association and prevailing law and regulation. Board of Directors is accountable to the shareholders through the GMS.

The Board of Directors has the right to consult and seek advice from the Board of Commissioners at any time. If the Board of Directors does not share the Board of Commissioners' perspective regarding its advice or recommendations, the two boards will discuss the matter together.

The Directors who are empowered to act for and on behalf of the Board of Directors and represent the Company are the President Director and a Director who is responsible for a subject under his/her authority or a Deputy President Director together with a Director who is responsible for a subject under his/her authority.

The principle duties of the Board of Directors are:

a. To lead, manage and direct the Company in line with the objectives of the Company and to continuously improve the efficiency and effectiveness of the Company.
b. To control, maintain and manage the assets of the Company.
c. To draw up the Company's annual working plan, including the annual budget, which shall be delivered to the Board of Commissioners for its approval prior to the commencement of the relevant financial year.

In addition, each member of the Board of Directors has specific duties and responsibilities which are specified in their respective job descriptions. These are as follows:

President Director: Co-ordinates, supervises and leads the Company's management and ensures that all the Company's business activities are executed in accordance with the vision, mission and values of the Company; monitors and reviews the Company's risk management, internal control system, corporate governance for the interests of the minority shareholders and other stakeholders and compliance with regulations; and leads the Board of Directors, human resources, engineering, corporate communication, internal audit, information and communication technology, business process and business development departments.

Vice President Director (Operations Director): Plans, coordinates, directs, controls, implements and evaluates agronomic aspects and overall operational processes of our agribusinesses.

Legal Director: Plans, coordinates, directs, controls, implements and evaluates matters related to legal affairs and licensing and permits. The Legal Director is also responsible for the corporate secretary function.

Finance Director: Leads the finance department to ensure that the Company complies with all reporting, accounting and audit requirements imposed by capital market regulations and prepares an annual budget, other budgets and financial plans of the Company; and leads the tax, commercial and supply chain management departments.

Agronomy Technical and R&D Director: Plans, coordinates, directs, controls, implements and evaluates operational tasks with respect to agronomic aspects and research and development aspects for plantation of the Company.

Actions Requiring Board of Commissioners' Approval

The Board of Directors is authorized to carry out corporate actions for and on behalf of the Company. However, they must seek the prior approval of the Board of Commissioners for certain corporate actions, including:

- The acquisition of a new business, including approval of any subsidiary's acquisition of a new business;
- The acquisition or sale of assets or properties representing more than 5% of the Company's total assets;
- Approval of the acquisition of new assets or properties by a subsidiary whose value more than USD 500,000 (five hundred thousand US Dollars) or its equivalent in Rupiah currency;
- Approval of the transfer or encumbrance is more than 50% of the total net assets or property of a subsidiary;

- Changes in the Company's business plan or budget and spend on capital and operational expenditures (if beyond the approved annual budget), including approval of any change in the annual business plans and/or annual budgets of the subsidiary and approval of the capital and operational expenditures (if beyond the approved annual budget) of the subsidiary of the Company, in value more than USD 100,000 (one hundred thousand US Dollars) or its equivalent in Rupiah currency;
- Approval of the appointment and dismissal of any member of a subsidiary's Board of Directors or Commissioners or its auditor;
- Obtaining loans and other financial facilities from banks by the Company, including obtaining loans and other financial facilities from banks by a subsidiary, in value more than USD 500,000 (five hundred thousand US Dollars) or its equivalent in Rupiah currency;
- Entry into any material contract other than in the ordinary course of business;
- Approval of the signing of any material contract other than in the ordinary course of business of a subsidiary of the Company
- Entry into an agreement with a director, commissioner or shareholder of the Company (or their affiliates) other than on *bona fide* arms-length terms; and
- Approval of any amendment to a subsidiary's articles of association or other constitutional documents or a merger, acquisition, consolidation and spin-off of a subsidiary or a bankruptcy, liquidation, winding up or dissolution of a subsidiary.

Oversight of ANJ's subsidiaries

ANJ's governance structure is designed to ensure strong oversight across the Group. To the extent permitted by prevailing laws and regulations, one or more directors of the Company serve on the Boards of Commissioners of each of the Company's key subsidiaries and each subsidiary has at least one director of the Company serving on its board of directors (details of the commissioners and directors of ANJ Group subsidiaries are presented in the Company Profile chapter of this Report). This ensures that ANJ's Board of Directors has direct oversight over each of the Company's subsidiaries and the material actions they take.

Board of Directors' Charter

The Board of Directors' Charter sets out the duties and responsibilities of the Board of Directors in accordance with the prevailing laws and regulations. The Charter is periodically reviewed and updated when necessary. The Charter can be found on ANJ's website at www.anjgroup.com/en/bod/index.

Appointment, Dismissal and Term of Office of the Board of Directors

The current Board complies with the Company's Articles of Association, which states that the Board of Directors must comprise a president director and at least one director. Directors are appointed by the shareholders at a general meeting of shareholders based on the recommendations of the Nomination and Remuneration Committee.

The Directors are appointed for a term that runs until the fifth AGMS following his or her appointment may be reappointed for a further term. However, the general meeting of shareholders reserves the right to dismiss a director at any time during his or her term.

The Criteria of Selecting Members of the Board of Directors

The criteria for the selecting of the Company's Members of the Board of Directors below are aligned with the provisions of OJK Regulation No.33/POJK.04/2014:

a. Meet the following requirements at the time of appointment and during his/her term:
   1. Have good character, morals and integrity;
   2. Capable of carrying out legal actions;
   3. During the past five years prior to his/her appointment and during his/her term:
      a) Has never been declared bankrupt;
      b) Has never been a member of the Board of Directors who was found guilty of causing a company to be declared bankrupt;
      c) Has never been convicted of a criminal offense that is detrimental to the country's financial and/or relating to the financial sector; and
      d) Has never been a member of the Board of Directors of a company who during his/her term:
         1) Does not hold an annual GMS;
         2) Their responsibilities as members of the Board of Directors have never been accepted by the GMS or have not provided accountability as members of the Board of Directors to the GMS; and
         3) Has caused a company that obtained a permit, approval or registration from the Financial Services Authority to fail to fulfill the obligation to submit an annual report and/or financial report to the Financial Services Authority.

b. Has a commitment to comply with the prevailing laws and regulations; and

c. Has knowledge and/or expertise in the field required by the Company.

The Process of Selecting Members of the Board of Directors

The process of selecting members of the Board of Directors is as follows:

a. Recommendations on the criteria required in the process of proposing a person to become a member of the Board of Directors are prepared by the Nomination and Remuneration Committee.
b. Candidates for members of the Board of Directors may be proposed from internal or external. If required, the Company can utilize the services of independent and reputable search firms in in selecting member of the Board of Directors.
c. The appointment of a member of the Board of Directors is approved by the General Meeting of Shareholders;

Orientation for New Members of the Board of Directors

Newly appointed Directors receive a comprehensive induction program, facilitated by the Corporate Secretary, covering the Company, its business, the operating environment and their duties and responsibilities. In 2021, one orientation was carried out on December 6, 2021 for the newly appointed Directors, namely Aloysius D'Cruz and Nopri Pitoy.

Composition of the Board of Directors

The legal basis for the appointment of the current Board, shown below, is Notarial Deed No. 23 dated November 2, 2021. The notification of the change in the Company's data was received and recorded by the Ministry of Law and Human Rights (MOLHR) through Letter No. AHU-AH.01.03-0469943 dated November 5, 2021.

Board of Directors as of December 31, 2021

Name	Position	Term started	Term ends
Lucas Kurniawan	President Director	AGMS 2021	AGMS 2026
Geetha Govindan	Vice President Director	AGMS 2021	AGMS 2026
Naga Waskita	Director	AGMS 2017	AGMS 2022
Aloysius D'Cruz	Director	AGMS 2021	AGMS 2026
Nopri Pitoy	Director	AGMS 2021	AGMS 2026

Shareholding of the Board of Directors

Each member of the Board of Directors is required to report to the Corporate Secretary of the Company for the ownership (and any change thereof) of the Company's shares no later than 3 (three) working days after the ownership or any change thereof of the Company's shares for further reporting to the OJK and the IDX.

There are no changes in ownership of the Company's shares by the Board of Directors of the Company and share transactions made by the Company's Board of Directors in 2021.

Policy on Loans to the Board of Directors

If the Company extends a loan facility to a member of the Board of Directors (or his/her family and other affiliated parties), it will be conducted at an arm's length basis subject to the prevailing terms and conditions commonly applicable for any other transaction.

Meetings of the Board of Directors

The Board of Directors meets at least once every month, as required by OJK Regulation No.33/POJK.04/2014 and the Board Charter. Monthly meetings are scheduled in advance, but additional meetings may be convened at the request of one or more members of the Board, the Board of Commissioners or one or more of the shareholders who jointly represent at least 10% of the total number of shares with valid voting rights. Directors of the Company's subsidiaries and other interested parties may be invited to the Board meetings. The board papers for the meeting will be prepared and distributed to the Board of Directors at least 5 (five) working days prior to the meeting.

A Board meeting may take binding decisions if more than half of the Board members are present or represented in the meeting. Resolutions should be adopted by consensus, but may be passed by the affirmative votes of more than half of the total number of votes validly exercised in the meeting, in the event that a consensus cannot be reached. Each Board member has equal voting rights and is entitled to cast one vote and up to one additional vote for another member he or she is representing.

The Board of Directors held the following meetings in 2021:

- Meeting A: Combined meetings with the Board of Commissioners, at least once every three months. Four of these meetings were held in 2021.
- Meeting B: Meetings of the Board of Directors, at least every two weeks where possible. Directors of the Company's subsidiaries and other invitees may also attend these meetings. In 2021 there were a total of 23 Board of Directors' meetings.

Meeting A in 2021

Name	Position	1 Feb 10, 2021	2 May 25, 2021	3 Aug 10, 2021	4 Nov 24, 2021	No. of Meetings	Number Attended	Attendance Percentage
Istini Tatiek Siddharta*	President Director	✓	✓	✓	–	3	3	100%
Lucas Kurniawan**	President Director	✓	✓	✓	✓	4	4	100%
Geetha Govindan**	Vice President Director	✓	✓	✓	✓	4	4	100%
Naga Waskita	Director	✓	✓	✓	✓	4	4	100%
Aloysius D'Cruz**	Director	–	–	–	✓	1	1	100%
Nopri Pitoy**	Director	–	–	–	✓	1	1	100%

Note:
*: Until November 2, 2021 **: From November 2, 2021

Joint Board Meeting Agendas 2021

Date	Agenda
February 10, 2021	• Significant Events and Highlights of 2020. • Financial Highlight 2020. • Summary of Responsible Development Project 2020. • Budget 2021 and Critical Success Factor 2021.
May 25, 2021	• Significant Events and Highlight Q1 2021. • Consolidated Financial Performance Q1 2021. • Financial Updates. • Proposal Projects.
August 10, 2021	• Update on Strategy Review. • ESG Rating. • Business Opportunity. • Significant Events and Highlights Q2 2021. • Financial Highlight Q2 2021.
November 24, 2021	• Significant Events and Highlights Q2 2021. • Summary of R&D Innovation in Palm Oil. • Financial Highlight Q3 2021 and Latest Estimate for 2021. • Summary of Work Program and Budget Approval for 2022. • Carbon Funded Conservation – an Overview.

Meeting B in 2021

Name	Position	Number of Meetings	Total Attended	% Attended
Istini Tatiek Siddharta*	President Director	20	18	90%
Lucas Kurniawan**	President Director	23	23	100%
Geetha Govindan**	Vice President Director	23	22	95%
Naga Waskita	Director	23	20	87%
Aloysius D'Cruz**	Director	3	3	100%
Nopri Pitoy**	Director	3	3	100%

Note:
*: Until November 2, 2021 **: From November 2, 2021

Competency Development of the Board of Directors

Details of the training and competency development for the Board of Directors in 2021 are provided in the Company Profile section of this Annual Report page 81-82.

POLICY ON THE DIVERSITY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Company recognizes the value of diversity throughout the Company, including at the senior level. The members of the Board of Commissioners and the Board of Directors possess wide-ranging experience, qualifications and knowledge that the Company believes are needed to achieve the Company's objectives. The diversity in the composition of members of the Board of Commissioners and the Board of Directors of ANJ are in line with the Appendix of the OJK Circular Letter No. 32/SEOJK.04/2015 on the Guidelines of the Corporate Governance for Public Listed Companies.

The diversity of the composition is a combination of the required characteristics both collegially and individually, in accordance with the Company's needs. The Company also appoints members of the Board of Commissioners and Board of Directors by considering the experience and understanding of the plantation industry, integrity and dedication of each individual.

This combination should take into account the appropriate expertise, knowledge and experience when distributing the duties and functions to the Board of Commissioners and Board of Directors, in achieving the objective of the Company. Consideration of these characteristics will have an impact on the accuracy of the nomination process and the appointment of individual members of the Board of Commissioners and the Board of Directors or the Board of Commissioners and the Board of Directors collegially.

When the diversity in the composition of members of the Board of Commissioners and Board of Directors of the Company is appropriate and is in accordance with the Company's needs, it will support the effectiveness of the Board of Commissioners and Board of Directors duties and responsibilities implementation and will support the achievement of the Company's vision and mission. The Company has governed the diversity in the composition of members of the Board of Commissioners and the Board of Directors.

Diversity in the Composition of the Board of Commissioners

The diversity factors in the composition of the Board of Commissioners includes:

1. Expertise/Experience/Education
   a. Members who have expertise or work experience or education in the fields of global economy or business or financial industry;
   b. Members who have expertise or work experience or education in the fields of the business of the Company; and
   c. Members who have expertise or work experience or education in the fields of law and politics.
2. Nationalities
   The majority (more than 50% (fifty percent)) of the members of the Board of Commissioners shall be Indonesian.
3. Gender
   The Company aims at having gender diversity in the Board of Commissioners.
4. Age
   The Company aims at age diversity in the Board of Commissioners.

Diversity in the Composition of the Board of Directors

The diversity factors in the composition of the members of the Board of Directors include:

1. Expertise/Experience/Education:
   a. Members who have expertise or work experience or education in the fields of management, global economy or business or financial industry;
   b. Members who have expertise or work experience or education in the fields of the business of the Company;
   c. Members who have expertise or work experience or education in the fields of accounting and finance; and
   d. Members who have expertise or work experience or education in the fields of legal.
2. Nationalities
   The majority (more than 50% (fifty percent)) of the members of the Board of Directors shall be Indonesian.
3. Gender
   The Company aims at having gender diversity in the Board of Directors.
4. Age
   The Company aims at age diversity in the Board of Directors.

Diversity Aspects of Members of the Board of Commissioners	
Nationality	All of the members of the Board of Commissioners are Indonesian citizens.
Education	The education of the members of the Board of Commissioners covers accounting, engineering, medicine, business management, law and political science.
Work Experience	A diversity of working experience that includes members of the Board of Commissioners who have experiences or hold senior positions, both in the past or present, in: 1. National and multinational companies; 2. Accounting firms in Indonesia; 3. Capital market authorities in Indonesia; and 4. Lecturers of leading universities in Indonesia.
Age	The age diversity of members of the Board of Commissioners is in a fairly productive and mature ages, ranging from 59 to 80 years old.
Gender	There is 1 (one) female Commissioner.

Diversity Aspects of Members of the Board of Directors	
Nationality	Three members of the Board of Directors are Indonesian citizens and two members are Malaysian citizen.
Education	The level of education of the members of the Board of Directors includes Bachelor and Postgraduate degrees in accounting, agriculture, business management, law and science.
Work Experience	A diversity of working experience that includes members of the Board of Directors who have experiences or held senior positions in: 1. National and multinational companies, including those in the palm oil industry; 2. Accounting firms in Indonesia; and 3. Corporate law firms in Indonesia.
Age	The age diversity of members of the Board of Directors is in a fairly productive and mature ages, ranging from 47 to 72 years old.
Gender	There is 1 (one) female Director.

PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The performance of the Board of Commissioners and the Board of Directors in carrying out their functions, duties and responsibilities are regularly evaluated and reported to the Shareholders of the Company at the Annual General Meeting of Shareholders every year, based on their annual accountability reports.

The performance assessment of the Board of Commissioners and the Board of Directors is conducted annually and includes:

1. Collegial performance assessment;
2. Individual performance assessment.

Assessing Parties

The Boards' performance is evaluated by:

- The Board members themselves through a self-assessment process;

- The President Commissioner, President Director and the Nomination and Remuneration Committee, through their verification of the self-assessment results;
- The shareholders at the AGMS.

In 2021, no external parties were appointed to evaluate the performance of either the Board of Commissioners or the Board of Directors.

Performance Assessment Procedure and Criteria

Performance Assessment Criteria for Board of Commissioners

The collegial performance assessment of the Board of Commissioners is carried out by each Commissioner on the overall performance.

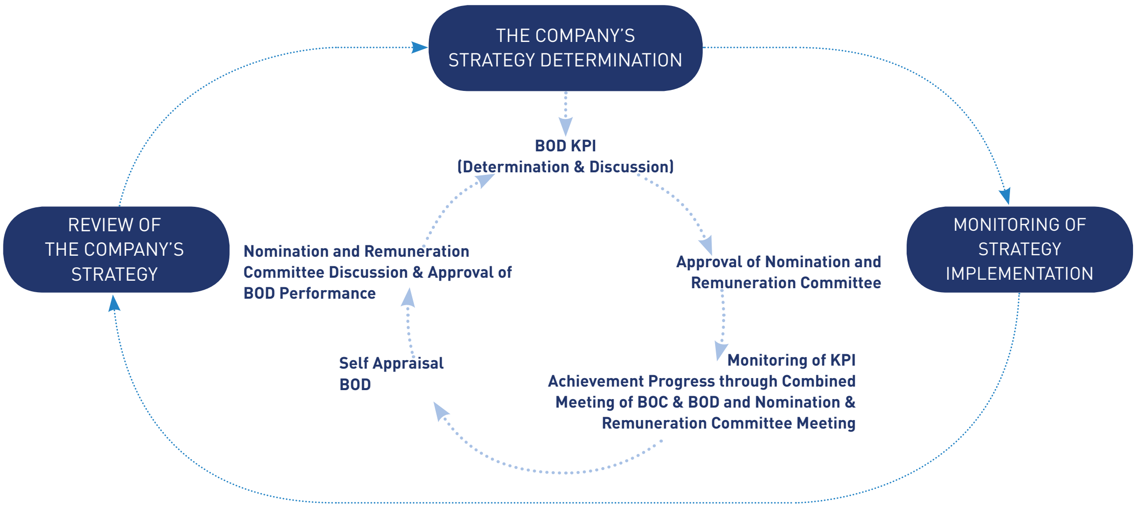
The final evaluation will be presented to the Nomination and Remuneration Committee in the Board of Commissioners meeting. The President Commissioner provides feedbacks or improvements on the assessment of the Board of Commissioners, if deemed necessary.

The assessment criteria include:

a. Effectiveness of the Board of Commissioners' composition;
b. Information to the Board;
c. Board procedures, including effectiveness of the Board of Commissioners' meetings;
d. Board accountability;
e. Risk management and internal controls;
f. Review of President Director and top management;
g. Standard of conducts.

Performance Assessment Criteria for Board of Directors

1) Every year, key performance indicators (KPIs), which are linked to the corporate strategy and implementation plan, are assigned to each members of the Board of Commissioners and Board of Directors. Each Board member also assumes responsibility for at least one of the corporate KPIs for Responsible Development.
2) At the end of the appraisal period, each Board member, self-assesses their performance against their respective KPIs.
3) The President Director will evaluate the performance assessment of the each member of the Board of Directors.
4) The results are verified by the President Commissioner and further discussed with the Nomination and Remuneration Committee.
5) The Nomination and Remuneration Committee takes the assessment results into account when making recommendations on the remuneration for the Directors. The Committee also provides guidance on improvement actions based on the self-assessment results.



The criteria applied in the performance assessment of the Board of Directors includes:

a. Effectiveness of the Board of Directors' role;
b. Effectiveness in the strategy and management implementation;
c. Implementation of good corporate governance and sustainability principles;
d. Effectiveness of risk management and internal control implementation;
e. Achievement of KPI.

REMUNERATION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Remuneration Policy

The Company is committed to implementing a competitive, fair, risk-based remuneration system based on the common practice as well as prevailing laws and regulations. The Company also ensures that no individual receives compensation below the minimum wages as determined by the government. In addition, the Company also considers the remuneration applicable in the similar industries (peers group) and the Company's capabilities.

The Company did not use external consultants to prepare its remuneration policy. However, to maintain competitiveness, the Company performed remuneration benchmarking through independent party surveys. The Company's remuneration policy is based on performance, competitiveness, fairness and risk.

Procedure for Determining the Remuneration Amount in 2021

The Nomination and Remuneration Committee reviewed the amount and structure of the compensation received by the Board of Commissioners and Board of Directors in the current year. The Nomination and Remuneration Committee formulated recommendations on the remuneration amount for the following year, taking into consideration the criteria as determined by the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the total amount of the remuneration for both the Commissioners and the Directors is determined and approved by the shareholders at the general meeting of shareholders.

Basis for Determining The Remuneration Amount

Board of Commissioners

In determining the amount of the remuneration for the Commissioners, the Nomination and Remuneration Committee takes into account the market rates for such positions and the participation of individual commissioners in the various committees under the Board of Commissioners.

Board of Directors

The remuneration received by the Directors is based on the achievement of the Company's performance targets. The Nomination and Remuneration Committee takes the following factors into consideration in determining the remuneration amount it will recommend to the Board of Commissioners:

- Financial performance;
- Achievement against corporate key performance indicators (KPIs), including the area planted and other non-financial indicators such as the Board's leadership in developing and improving the internal structures and organization of the Company and its subsidiaries and their performance on guiding the Company towards its strategic objectives;
- Individual performance, as assessed by the Nomination and Remuneration Committee on the basis of the Board's self-assessment;
- Benchmarking against the compensation offered by peer companies; and
- Consideration of the Company's long-term goals and objectives, including strategic development.

Remuneration Structure and Amount in 2021

The Board of Commissioners' Remuneration Structure

The Board of Commissioners' remuneration structure consists of only a monthly honorarium. There is no stock options provided to the Board of Commissioners and there is no additional incentive provided to an Independent Commissioners.

All Commissioners are covered by liability insurance.

The Board of Directors' Remuneration Structure

The remuneration of the Board of Directors consists of:

1. Fixed monthly remuneration;
2. Annual bonus depending on the performance of the Company;
3. Retainer bonus;
4. Transportation allowance; and
5. Religious Holiday allowance.

Additionally, the members of the Board of Directors receive benefits and facilities, such as medical and club membership.

The Board of Directors of the Company also received a long-term incentive programs in the form the management stock options from the Company. The long-term incentives are provided based on the achievement of long-term performance, as reflected by the growth in the share value or other long-term targets of the Company. Long-term incentives are intended to maintain and motivate the Board of Directors to improve the performance or productivity that will impact on improving the Company's performance over the long term.

All Directors are covered by liability insurance.

Remuneration Amount in 2021

The amount of remuneration received by the members of the Board of Commissioners and the Board of Directors of the Company including the key management such as the Board of Directors of the subsidiaries in 2021 amounted to USD 6,370,679.

AFFILIATIONS BETWEEN THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The affiliate relationships between members of the Board of Directors, Board of Commissioners and the Controlling Shareholders presented below. All such relationships comply with OJK regulations.

1. There are no affiliations between any members of the Board of Directors.
2. Affiliations between members of the Board of Commissioners and majority shareholders:
    - Commissioner Mr. George Santosa Tahija is the President Director and majority shareholder of PT Memimpin Dengan Nurani. He is also a Commissioner of PT Austindo Kencana Jaya.
    - Commissioner Mr. Sjakon George Tahija is the President Director and majority shareholder of PT Austindo Kencana Jaya.
    - Commissioner Mrs. Istini Tatiek Siddharta is a Commissioner of PT Austindo Kencana Jaya and PT Memimpin Dengan Nurani, which are both majority shareholders of the Company.
3. Affiliations among members of the Board of Commissioners:
    - Commissioners Mr. George Santosa Tahija and Mr. Sjakon George Tahija are brothers.
    - Commissioner Mrs. Istini Tatiek Siddharta is a sister of Mr. Istama Tatang Siddharta.

Name		Board of Commissioners								Board of Directors					Controlling Shareholders	
		Adrianto Machribie	George Santosa Tahija	Sjakon George Tahija	Istama Tatang Siddharta	Anastasius Wahyuhadi	J. Kristiadi	Darwin Cyril Noerhadi	Istini Tatiek Siddharta	Lucas Kurniawan	Geetha Govindan	Naga Waskita	Aloysius D'Cruz	Nopri Pitoy	PT Austindo Kencana Jaya	PT Memimpin Dengan Nurani
Board of Commissioners	Adrianto Machribie															
	George Santosa Tahija			✓											✓	✓
	Sjakon George Tahija		✓												✓	
	Istama Tatang Siddharta								✓							
	Anastasius Wahyuhadi															
	J. Kristiadi															
	Darwin Cyril Noerhadi															
	Istini Tatiek Siddharta				✓										✓	✓
Board of Directors	Lucas Kurniawan															
	Geetha Govindan															
	Naga Waskita															
	Aloysius D'Cruz															
	Nopri Pitoy															
Controlling Shareholders	PT Austindo Kencana Jaya		✓	✓					✓							
	PT Memimpin Dengan Nurani		✓						✓							

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The Board of Commissioners has established four committees to assist in its supervisory function. These are the Audit Committee, the Corporate Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility and Sustainability Committee. Each committee operates independently, in accordance with Company policy.

Audit Committee

The Audit Committee supports the Board of Commissioners by reviewing the quality and integrity of the Company's financial disclosures, providing oversight over the effectiveness of the internal control and risk management systems and ensuring that the internal core values are upheld. The legal basis for the Committee is OJK Regulation No. 55/POJK.04/2015 dated December 23, 2015 concerning the Establishment and Working Guidelines of Audit Committees.

The current structure, composition and basis of appointment of the Audit Committee are stated in table below:

Audit Committee Composition as of December 31, 2021

Member	Position	Basis of Appointment	Period
Darwin Cyril Noerhadi	Chairman	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Irawan Soerodjo	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Osman Sitorus	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025

The Profile of the Audit Committee

Darwin Cyril Noerhadi

Mr. Noerhadi was appointed as the chairman of the Audit Committee on June 10, 2020, based on the Resolution of the Board of Commissioners No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020. He is an Independent Commissioner of the Company. His profile can be seen in the Commissioners' profiles on page 54 of this Annual Report.

Irawan Soerodjo

Indonesian Citizen, born in Banyuwangi in 1952 (aged 69)

Experience: Mr. Soerodjo was as a Notary Public and Land Deed Officer (PPAT) since 1982 until he was retired in 2020. He is also active as a lecturer at some universities, such as University of Muhammadiyah, Jember (1983 - 2010), Magister Notarial at University of Airlangga, Surabaya (1999 -present), Magister program at University of Pelita Harapan, Jakarta (2000 - present), Magister Notarial at University of Surabaya (2003 - present), Magister Notarial at University Jember (2014 - present) and Faculty of Law at University of Dr. Soetomo, Jakarta (2014 - present).

Education: Mr. Soerodjo holds a law degree from University Negeri Jember (1995), a notarial speciality from University of Gajah Mada (1981), a Masters's degree from University of Indonesia (1999) and a Doctorate from University of Airlangga, Surabaya (1999). He obtained his Professor of Law degree in 2019.

Basis of appointment as a member: Resolution Board of Commissioners No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020

Osman Sitorus

Indonesian Citizen, born in North Sumatra in 1959 (aged 62)

Experience: Mr. Sitorus was a partner at the Public Accounting Firm Osman, Bing & Eny (2006-2016) where he led the audit business of Deloitte Indonesia. He began his career as an auditor in 1986 at a local Public Accounting Firm (*Kantor Akuntan Publik*) which in 1990 became part of Deloitte Indonesia. He is a trustee and member of accountancy professional associations and has also served as Sector Head and Head of the Capital Market Accountant Forum, Indonesian Public Accountant Association (IAPI). He is also a trustee and member of the Indonesian Accountant Association (IAI) and member of the Board of Financial Accounting Standards. Since 2018, he also served as an Independent Commissioner and Chairman of the Audit, Risk and Compliance Committee of PT Petrosea Tbk., as an Independent Commissioner and Chairman of Audit Committee of PT Mulia Industrindo Tbk., as a member of the Audit, Risk and Compliance Committee of PT Indika Energy Tbk. and as a member of the Audit, Risk and Compliance Committee of PT Kideko Jaya Agung.

Education: Mr. Sitorus graduated from the Faculty of Economics at the University of Sumatra Utara in 1986 majoring in accounting.

Basis of appointment as a member: Resolution Board of Commissioners No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020.

Appointment of Audit Committee Members

The Audit Committee comprises a chairman, who is one of the Company's independent commissioners and two other members. All are appointed by the Board of Commissioners. Members are appointed for a term that runs until the fifth AGMS following his or her appointment. All the current members have fulfilled the membership criteria stated in OJK Regulation No.55/ POJK.04/2015 on the Establishment and Working Guidelines of Audit Committees.

Independence of the Audit Committee

Assurance of the Audit Committee's independence is provided by the following:

a. The Chairman is one of the Company's Independent Commissioners;
b. The two other members are professionals with no connection to the Company;
c. Each member of the Committee is required to carry out their duties and responsibilities independently, objectively and professionally;
d. None of the current Audit Committee members own any shares in the Company and none have any affiliate relationships with any other commissioners, directors or shareholders of the Company;
e. The Audit Committee reports directly to the Board of Commissioners and is independent of the Company's management.

Audit Committee Charter

The Audit Committee Charter, which specifies the Committee's duties and responsibilities, was adopted on February 6, 2013. It undergoes periodic review and was last updated in 2021 to comply with OJK Regulations No. 55/POJK.04/2015, No. 56/ POJK.04/2015 and No. 13/ POJK.03/2017. It is available on ANJ's website at www.anj-group.com/en/commissioners-commitees.

Duties and Responsibilities of the Audit Committee

As specified in the Audit Committee Charter, the Audit Committee's duties and responsibilities are as follows:

1. The Audit Committee is tasked with providing opinions to the Board of Commissioners on reports or matters submitted by the Board of Directors, identifying issues requiring the attention of the Commissioners and carrying out other tasks related to the duties of the Board of Commissioners, including the following:
   a. Ensure that there is a satisfactory procedure for the review of information submitted/issued by the Company to the Public, Shareholders and/ or Authorities, including 3 (three) monthly financial statements, projections and other reports related to the Company's financial information.
   b. Assess the planning, implementation and results of audits carried out by the internal auditors and external auditors to ensure that the auditors' performance of audit procedures and audit reporting are following applicable audit standards.
   c. Reviewing compliance with laws and regulations relating to the Company's activities.
   d. Provide an independent opinion in the event of a difference of opinion between management and the external auditor on the services provided by the external auditor.
   e. Provide recommendations to the Board of Commissioners regarding the appointment, termination and/or replacement of an external auditor, based on independence, the scope of the assignment and remuneration for services.
   f. Reviewing complaints related to the Company's accounting and financial reporting processes.
   g. Reviewing and providing advice to the Board of Commissioners regarding potential conflict of interests with the Company.
   h. Reviewing and providing advice to the Board of Commissioners regarding the affiliation transaction (RPT) and/or conflict of interest transaction that will be carried out by the Company.
   i. Provide recommendations on the strengthening the Company's internal control system and its implementation.
   j. Carry out other duties assigned by the Board of Commissioners provided that it is within the Commissioner's scope of responsibilities and obligations.
2. The Audit Committee receives and reviews the internal auditor's annual work plans and the realization made by the Internal Auditor Unit (IAU) and provides input to the Board of Commissioners.
3. The Audit Committee conducts 3 (three) monthly review on the implementation of the audit by the internal auditors and supervises the implementation of follow-up actions by the Board of Directors on the findings of the internal auditors.
4. The Audit Committee is obliged to maintain the confidentiality of documents, data and information regarding the Company forever.

The Roles of the Audit Committee Concerning External Auditors are:

a. Nominate and recommend the appointments, termination and/or replacement of the external auditor to the Board of Commissioners.
b. Monitor the process of appointing the external auditor.
c. Evaluate the potential risk of using the services of the same external auditor for period of 3 (three) consecutive financial years.

d. Provide recommendations and considerations on the re-appointment of the use of the services of the same external auditor after a 2 (two) financial reporting years of not using the services of said external auditor.
e. Review and recommend a reasonable fees for external auditor services to the Board of Commissioners.
f. With Internal Audit Unit and the Director of Finance, discuss the audit's objectives and scope with the external auditor before the audit.
g. Conduct periodic reviews of the progress of the external auditors' work.
h. If necessary, the Audit Committee may discuss the external auditor's audit results with management, external auditors and IAU.
i. Monitor the external auditor's performance to ensure that the external auditors' complies with applicable professional standards and maintains the external auditor's independence.
j. Provide independent opinion in the event of disagreements between management and accountants for the services rendered.

Audit Committee Meetings

In compliance with OJK Regulation No.55/POJK.04/2015 on the Establishment and Working Guidelines for Audit Committees and the provisions of the Audit Committee Charter, the Audit Committee meets at least 4 times a year. The Audit Committee held four meetings in 2021, all in conjunction with the Internal Audit, including two meetings together with the external auditor on the result and reports.

Audit Committee Meetings in 2021

Name	Position	No. of Meetings/No. Attended	% Attendance
Darwin Cyril Noerhadi	Chairman	4/4	100%
Irawan Soerodjo	Member	4/4	100%
Osman Sitorus	Member	4/4	100%

Training and Development for Audit Committee Members

No training or development was provided for Audit Committee in 2021.

Audit Committee Activities in 2021

The Audit Committee reviewed the following in 2021:
- The implementation of risk management by the Company's Board of Directors;
- The quarterly financial reports disclosed to the public and the authorities;
- The performance and independence of the external auditor, Siddharta, Widjaja & Rekan;
- The Company's compliance with applicable laws and regulations; and
- The implementation of the internal audit function and management's follow-up to internal audit findings.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) supports the efficient succession and renewal of the Board of Directors and Board of Commissioners and reviews and makes recommendations on the remuneration for the senior management of ANJ and its subsidiaries.

The NRC was established in 2013 under the name of the Compensation and Benefit Committee and change its name to Nomination and Remuneration Committee. The current structure, composition and basis of appointment of the NRC are stated in table below:

Nomination and Remuneration Committee Composition as of December 31, 2021

Member	Position	Basis of Appointment	Period
Adrianto Machribie	Chairman	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
George Santosa Tahija	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Sjakon George Tahija	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Istama Tatang Siddharta	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Anastasius Wahyuhadi	Member	BoC Resolution No. 03/BOC/ANJ/GEN/2021 dated April 14, 2021	2021 - 2025

The Profile of the Nomination and Remuneration Committee Members

The NRC members are all members of the Company's Board of Commissioners. Their profiles can be seen in the Board of Commissioners' profile on page 48-52 of this Annual Report.

Appointment of Nomination and Remuneration Committee Members

The NRC comprises a chairman and four other members, who are appointed for a term that runs until the fifth AGMS following their appointment.

All current members fulfill the membership criteria set out in OJK Regulation No. 34/ POJK.04/2014 on the Nomination and Remuneration Committee of an Issuer or Public Company.

Independence of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee works independently of the Company's management and is chaired by one of the Company's Independent Commissioners. This Commissioner does not own any shares in the Company and has no affiliate relationships with any other commissioners, directors or major shareholders of the Company or its subsidiaries. The other NRC members are not independent.

Nomination and Remuneration Committee Charter

The NRC Charter was issued on February 10, 2015, in compliance with OJK Regulation No. 34/POJK.04/2014 dated December 8, 2014. The Charter sets out the NRC's duties and responsibilities, in accordance with the relevant laws and regulations. It is periodically reviewed and updated as necessary.

Duties and Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee, as stated in the Nomination and Remuneration Committee Charter, are as follows:
Nomination function:
- Provide recommendations to the Board of Commissioners relating to:
  a. the composition of the Board of Directors and the Board of Commissioners;
  b. policy and criteria for nominations to both boards; and
  c. policy on the performance review for both boards.
- Assist the Board of Commissioners in conducting performance evaluations of the Board of Directors and Board of Commissioners based on approved benchmarking.
- Provide recommendations to the Board of Commissioners relating to the capacity development of the Board of Directors and the Board of Commissioners.
- Propose qualified candidates for the Board of Directors and Board of Commissioners.
- Review and update the succession plan of the Board of Directors and Board of Commissioners.

Remuneration function:
- Provide recommendations to the Board of Commissioners relating to the policy, structure and amount of remuneration for the Board of Directors and the Board of Commissioners.
- Assist the Board of Commissioners in evaluating performance against remuneration for each member of the Board of Directors and Board of Commissioners.

Nomination and Remuneration Committee Meetings

As specified by its Charter, the Nomination and Remuneration Committee meets at least once every four months. Meetings may be held in person or by teleconference and there is a pre- approved agenda for each meeting. The Committee held four meetings in 2021.

Nomination and Remuneration Committee Meetings in 2021

Name	Position	No. of Meetings/No. Attended	% Attendance
Adrianto Machribie	Chairman	4/4	100%
George Santosa Tahija	Member	4/4	100%
Sjakon George Tahija	Member	4/4	100%
Istama Tatang Siddharta	Member	4/4	100%
Anastasius Wahyuhadi*	Member	3/3	100%

Note:
*: From April 14, 2021

Training and Development for Nomination and Remuneration Committee Members

No training or development was provided for Nomination and Remuneration Committee in 2021.

Succession Policy for the Board of Commissioners and the Board of Directors

Succession Policy for the Board of Commissioners

The Company has a list of potential candidates who meet the membership requirements specified in the Board of Commissioners' charter. The Nomination and Remuneration Committee periodically reviews and updates the list and if there is a vacancy on the Board, the Committee recommends suitable candidates to the Board of Commissioners. Their appointment is then subject to the approval of the General Meeting of Shareholders.

Succession Policy for the Board of Directors

As part of its succession planning for the Board of Directors, the Nomination and Remuneration Committee develops and determines appropriate selection criteria and identifies and recommends suitable candidates, which may include internal candidates or external candidates. The Company's policy is to promote from within from internal candidates where possible. The Human Resources division is continuously mapping talent with leadership potential across the organization and providing future leaders with integrated management development programs that include on-the-job assignments and rotation as well as training, coaching and mentoring and ensuring that they have a path to leadership positions through strategic promotions.

If required, the Nomination and Remuneration Committee can also utilize and engage the services of independent and reputable search firms or any other third party to assist the Company in the selection process of a Director.

Upon the recommendation from the Nomination and Remuneration Committee, the appointment of a Director is subject to the approval of the General Meeting of Shareholders of the Company.

Nomination and Remuneration Committee Activities in 2021

The Nomination and Remuneration Committee reports its activities to the Board of Commissioners at the quarterly Board of Commissioners' meetings. Its activities in 2021 included the following:

- Providing input on the performance assessment of the Board of Commissioners and Board of Directors;
- Reviewing the remuneration system and formula and gave recommendations on the amount of the remuneration to be paid to the Board of Commissioners and Board of Directors;
- Reviewing the range of skills and expertise needed for the Boards;
- Identifying and proposing qualified candidates for positions on the Board of Commissioners and Board of Directors; and
- Reviewing the succession plan for the Board of Directors.

Risk Management Committee

The Risk Management Committee (RMC) was established in 2013 by a Resolution of the Board of Commissioners.

The current structure, composition and basis of appointment of the RMC are stated in table below:

Risk Management Committee Composition as of December 31, 2021

Member	Position	Basis of Appointment	Period
George Santosa Tahija	Chairman	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Adrianto Machribie	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Anastasius Wahyuhadi	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
J. Kristiadi	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025

The Profiles of the Risk Management Committee Members

All of the members of the RMC are members of the Company's Board of Commissioners and their profiles can be seen on page 48-53 of this Report

Independence of the Risk Management Committee

The RMC works independently of the Company's management and two of its members, Adrianto Machribie and J. Kristiadi, are Independent Commissioners of the Company.

Risk Management Committee Charter

The Risk Management Committee Charter, issued on February 10, 2015, specifies the Committee's duties and responsibilities and is in compliance with the relevant laws and regulations.

Duties and Responsibilities of the Risk Management Committee

The RMC supports the Board of Commissioners in evaluating the Group's risk management system, including the internal control system and assessing the Company's risk tolerance. It also provides advice to the Board of Directors on current and potential risk management and compliance issues.

Risk Management Committee Meetings

According to the RMC Charter, the Committee must meet at least six times a year, either in person or by teleconference, with a pre-approved agenda for each meeting. The RMC held twelve meetings in 2021.

Risk Management Committee Meetings in 2020

Name	Position	No. of Meetings/No. Attended	% Attendance
George Santosa Tahija	Chairman	12/12	100%
Adrianto Machribie	Member	12/12	100%
Anastasius Wahyuhadi	Member	12/12	100%
J. Kristiadi	Member	12/12	100%

Training and Development for Risk Management Committee Members

No training or development was provided for Risk Management Committee in 2021.

Risk Management Committee Activities in 2021

The RMC communicated with management at least once a month, where possible, during 2021, either at meetings or by other means, to:

a) Review the Company's policies on risk management and compliance, giving due consideration to existing and new regulations, the Company's Code of Ethics and any conflicts of interest;

b) Identify and monitor any issues related to risk management and compliance that required the attention of the Board of Commissioners; and
c) Seek information on and discuss issues that could potentially negatively impact the Company's performance.

The RMC chairman reported on the Committee's activities to the Board of Commissioners at the scheduled Board of Commissioners' meetings and joint meetings of the Board of Commissioners and the Board of Directors.

Corporate Social Responsibility and Sustainability Committee

The Corporate Social Responsibility and Sustainability Committee was originally established as the Corporate Social Responsibility Committee in 2013. The current structure, composition and basis of appointment of the Corporate Social Responsibility and Sustainability Committee (CSRS) are stated in table below:

Corporate Social Responsibility and Sustainability Committee Composition as of December 31, 2021

Member	Position	Basis of Appointment	Period
Sjakon George Tahija	Chairman	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Anastasius Wahyuhadi	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
J. Kristiadi	Member	BoC Resolution No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Istini Tatiek Siddharta	Member	BoC Resolution No.020/BOC/ANJ/GEN/2021 dated November 2, 2021	2021 - 2025

The Profiles of the Corporate Social Responsibility and Sustainability Committee Members

All the CSRS Committee members are also members of the Company's Board of Commissioners, whose profiles can be seen on page 50-55 of this Report.

Independence of the Corporate Social Responsibility and Sustainability Committee

The CSRS Committee works independently of the Company's management. One member, J. Kristiadi is an Independent Commissioner of the Company.

Corporate Social Responsibility and Sustainability Committee Charter

The CSRS Committee Charter was adopted on February 10, 2015 and defines the duties and responsibilities of the Committee.

Duties and Responsibilities of the Corporate Social Responsibility and Sustainability Committee

The CSRS Committee supports the oversight function of the Board of Commissioners by monitoring the development and implementation of the Group's corporate social responsibility and sustainability plans and policy. The Committee also advises the Board of Directors on these matters.

Corporate Social Responsibility and Sustainability Committee Meetings

According to the CSRS Committee Charter, the Committee should hold at least two meetings every year, either in person or by teleconference, with a pre-approved agenda for each meeting. The committee held four meetings in 2021.

Name	Position	No. of Meetings/No. Attended	% Attendance
Sjakon George Tahija	Chairman	4/4	100%
Anastasius Wahyuhadi	Member	4/4	100%
J. Kristiadi	Member	4/4	100%
Istini T. Siddharta*	Member	1/1	100%

Note:
*: From November 2, 2021

Training and Development for Corporate Social Responsibility and Sustainability Committee Members

No training or development was provided for CSRS Committee in 2021.

Corporate Social Responsibility and Sustainability Committee Activities in 2021

The CSRS Committee's activities in 2021 included reviewing and updating the following:

a) The strategic direction of the Company's corporate social responsibility and sustainability program.
b) The Company's Sustainability Policy.
c) Company policies and practices relating to corporate social responsibility and sustainability, the environment, politics and government.
d) The Company's response to issues of major concern or material non-compliance related to corporate social responsibility and sustainability.

Committees Under the Board of Directors

The Board of Directors of the Company does not have a committee under it. However, the Board of Directors liaises closely with the committees under the Board of Commissioners.

PERFORMANCE EVALUATION OF COMMITTEES

Performance Evaluation Process and Criteria

The Board of Commissioners supervises and carries out the performance evaluation of four committees under it, which support the Board's oversight function, every year. Committee performance is evaluated against the objectives in their respective duties and responsibilities. The results relates to the determination of the following year's objectives.

The performance assessment is conducted annually and includes the following criteria:

a. Effectiveness of the Committee composition;
b. Information to the Committee;
c. Committee procedures, including effectiveness of the Committee meetings;
d. Committee accountability;
e. Standard of Conducts.

Evaluation Results in 2021

All the committees under the Board of Commissioners have successfully completed their respective duties and responsibilities. They have reported their findings, opinions and recommendations to the Board of Commissioners. The Board made use of their input to strengthen good corporate governance throughout the organization and has concluded that all the committees performed effectively in 2021.

MAJORITY AND CONTROLLING SHAREHOLDERS

The Company's majority and controlling shareholders are PT Austindo Kencana Jaya, which holds 40.85% of the shares and whose President Director is Mr. Sjakon George Tahija and PT Memimpin Dengan Nurani, which also holds 40.85% of the shares and whose President Director is Mr. George Santosa Tahija.

PT Austindo Kencana Jaya is 100% owned by Mr. Sjakon George Tahija, who is the company's President Director, and members of his family. PT Memimpin Dengan Nurani is 100% owned by Mr. George Santosa Tahija, the company's President Director, and members of his family.

A chart showing the majority and controlling shareholders and individual shareholders of the Company is presented in the Company Profile section on page 66 of this Report.

PT Memimpin Dengan Nurani (MDN)

Established in 2012, MDN is a holding company that has interests in the service provider and trade sectors. MDN engages in the following business activities:

a) Engages in business:
   - Services in general
   - Consultancy services

b) Engages in business:
   - Trade in general
   - Export and import
   - Local (domestic) wholesaler
   - Vendor, supplier, surveyor and commission house
   - Distributor, agent and as a representative corporate entities

Board Composition

As of December 31, 2021, the members of the Board of Commissioners and Board of Directors of MDN were as follows:

Board of Commissioners

President Commissioner	:	Laurel Claire Pekar Tahija
Commissioner	:	Istini Tatiek Siddharta

Board of Directors

President Director	:	George Santosa Tahija
Director	:	Trihadi

The composition of the Board of Commissioners and the Board of Directors above were appointed pursuant to Deed No. 573 dated February 10, 2021.

Shareholders Structure

Pursuant to Deed No. 76 dated August 30, 2012, the shareholder composition of MDN is as follows:

Share	Par value IDR 1,000,000,- per share		
	Total Shares	Total Par Value (IDR)	%
Authorized capital	680,000	680,000,000,000	
Issued and paid-up capital			
George Santosa Tahija	85,505	85,505,000,000	50
Laurel Claire Pekar Tahija	85,502	85,502,000,000	49.9982
Julia Pratiwi Tahija	3	3,000,000	0.0018
Total issued and paid-up capital	**171,010**	**171,010,000,000**	**100.00**

PT Austindo Kencana Jaya (AKJ)

AKJ is a holding company that was established in 2012 and has interests in the service provider and trade sectors. AKJ engages in the following business activities:

a) Engages in business:
- Services in general
- Laboratory management and healthcare services facilities
- Consultancy services

b) Engages in business:
- Trade in general
- Export and import
- Local (domestic) wholesaler
- Vendor, supplier, surveyor and commission house
- Distributor, agent and as a representative corporate entities.

Board Composition

As of December 31, 2021, the members of the Board of Commissioners and Board of Directors of AKJ were as follows:

Board of Commissioners

President Commissioner : Shelley Laksman Tahija
Commissioner : George Santosa Tahija
Commissioner : Istini Tatiek Siddharta

Board of Directors

President Director : Sjakon George Tahija
Director : Trihadi

The composition of the Board of Commissioners and the Board of Directors above were appointed pursuant to Deed No. 572 dated February 10, 2021.

Shareholders Structure

Pursuant to Deed No. 130 dated September 27, 2012, the shareholder composition of AKJ is as follows:

Share	Par value IDR 1,000,000,- per share		
	Total Shares	Total Par Value (IDR)	%
Authorized capital	800,000	800,000,000,000	
Issued and paid-up capital			
Sjakon George Tahija	172,883	172,883,000,000	75
Shelley Laksman Tahija	23,052	23,052,000,000	10
Cynthia Jean Tahija	11,525	11,525,000,000	5
Krisna Arinanda Tahija	11,525	11,525,000,000	5
Nina Aryana Tahija	11,525	11,525,000,000	5
Total issued and paid-up capital	**230,510**	**230,510,000,000**	**100**

CORPORATE SECRETARY

The Corporate Secretary facilitates internal communications between all the functions and units of the Company, as well as external communications with the Company's external stakeholders, including the capital market authorities, financial regulators, shareholders and the investor community. In addition, the Corporate Secretary manages the Company's compliance with all relevant laws and regulations and advises the Board of Directors on compliance issues and any changes in the regulatory environment.

Corporate Secretary Profile

His profile can be seen in the Board of Directors' profiles on page 58 of this Annual Report.

Term of Office and Domicile

The Company's Corporate Secretary is Mr. Naga Waskita, who has served concurrently as the Company's Legal Director since May 24, 2017 and domiciled in Jakarta, Indonesia. The Corporate Secretary serves from the date of appointment until such time as a new Corporate Secretary is appointed by the Board of Directors.

Legal Basis

He was appointed as Corporate Secretary pursuant to a Letter of Appointment No.001/FAD/ANJ/2013 dated January 3, 2013.

Duties and Responsibilities of the Corporate Secretary

The Corporate Secretary's duties and responsibilities include:

- Ensuring full compliance with applicable laws and regulations, particularly the prevailing Indonesia Stock Exchange (IDX) and capital market regulations.
- Providing input and recommendations to the Company's Board of Directors with respect to the Company's compliance with applicable laws and regulations, particularly in the capital market.
- Providing input and recommendations to the Company's Board of Directors with respect to the Company's compliance with Corporate Governance.
- Liaising with and assuming responsibility for correspondence with the OJK, IDX and other relevant parties.
- Keeping abreast of developments and changes in capital market regulations.
- Giving input and recommendations to the Company's Board of Directors regarding legal matters of the Company and corporate action plans.
- Being responsible for organizing meetings of the Board of Directors, Board of Commissioners and shareholders, as well as the Company's annual public exposé.

Training and Development for the Corporate Secretary

Details of the training and development undertaken by the Corporate Secretary in 2021 are provided on page 82 of this Annual Report.

Corporate Secretary Activities in 2021

The Corporate Secretary's activities in 2021 included the following:

- Ensured full compliance with the prevailing laws and regulations, particularly with Indonesia Stock Exchange (IDX) and capital market regulations.
- Provided input and recommendations to the Board of Directors in respect of the Company's compliance with applicable laws and regulations, particularly pertaining to the capital market.
- Liaised with and submitted the required reports and notices to the OJK, IDX and other relevant parties.
- Kept abreast of developments and changes in capital market and other regulations and communicated these to the Board of Directors.
- Gave input and recommendations to the Board of Directors regarding the Company's legal affairs and corporate action plans.
- Led the organization of meetings of the Board of Directors and Board of Commissioners and general meetings of shareholders, as well as the Company's annual public exposé.
- Convened the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders on June 9, 2021.
- Convened the Annual Public Expose on June 9, 2021.
- Convened the Extraordinary General Meeting of Shareholders on November 2, 2021.

INTERNAL AUDIT

The Internal Audit Unit's primary function is to provide independent and objective assurance on the Company's financial and operational processes and controls, the risk management systems, compliance and general governance. In addition, it provides consulting services to management on strengthening the effectiveness of these operations to ensure that the Company's business and sustainability objectives are met, in the best interests of the Company and its stakeholders. The Internal Audit Unit was established on the basis of:

- OJK Regulation No. 56 /POJK.04/2015 on the Establishment and Working Guidelines of the Internal Audit;
- Resolution of the Board of Directors No 02/BOD/ANJ/ GEN/2017 dated December 13, 2017.

Head of Internal Audit

The Head of the Internal Audit Unit is Mr. Christian Lunard Sitorus, who was appointed in 2017.

Christian Lunard Sitorus

Indonesian citizen, born in Pematang Siantar in 1970 (aged 51).

Experience: Mr. Sitorus was appointed as the Head of Internal Audit in December 2017. His prior positions include Head of the Corporate Audit Department at PT Triputra Agro Persada (2016-2017), Head of the Internal Audit Division at PT Eagle High Plantation Tbk. (2006-2015) and Internal Audit Supervisor at PT RGM Indonesia (Asian Agri) (2002-2006).

Education: He holds a Diploma in Finance (1994) and an Extension in Financial Management (1999), both from the University of Sumatera Utara.

Appointment of the Head of the Internal Audit Unit

The Head of the Internal Audit Unit is appointed and dismissed by the President Director, subject to the approval of the Board of Commissioners. Any change in the status of the Head of the Internal Audit is reported immediately to the OJK.

Number, Qualifications and Certification of Internal Auditors

In 2021, the Internal Audit Unit comprises nine people, specifically chosen for their expertise in agronomy, agriculture and engineering as well as finance and accounting to reflect the scope of ANJ's operations. One of them has professional internal audit qualifications, they all fulfill the Company's requirements regarding professionalism, integrity and technical knowledge and experience in relevant disciplines.

The Internal Audit Unit is required to obtain professional certifications for internal audit such as Certified Practitioner of Internal Audit (CPIA). As at December 31, 2021, the Internal Audit Unit has one person who has a professional internal audit certification, namely, the Certified Practitioner of Internal Audit (CPIA).

Training and Development for the Internal Audit Unit

To strengthen the capabilities of the internal auditors and ensure that the team can meet the increasingly complex challenges of the business, the Company provides regular training, including an annual internal workshop to improve the team's understanding of industrial relations, ethics and related issues. Details of the training and development undertaken by members of the Internal Audit Unit in 2021 are provided on page 83 of this Annual Report.

Structure and Position of the Internal Audit Unit

The Internal Audit Unit (IAU) is part of the management structure, reporting directly to the President Director and the Audit Committee, in compliance with OJK Regulation No. 56/ POJK.04/2015 on the Establishment and Working Guidelines of the Internal Audit. The IAU coordinates with the Audit Committee on its day-to-day activities.

Internal Audit Unit Charter

The Internal Audit Charter sets out the duties and responsibilities of the IAU. Adopted on February 6, 2014, it is regularly reviewed and was last updated in 2021 to comply with OJK Regulations No. 55/POJK.04/2015; No. 56/POJK.04/2015 and No. 13/POJK.03/2017. The Charter is available on ANJ's website: www.anj-group.com/en/internal-audit.

Duties and Responsibilities of the Internal Audit Unit

The Internal Audit Unit's responsibilities are as follows:

a. Reviewing the Company's internal control system to achieve organizational goals including testing and evaluating the implementation of internal control and risk management based on internal audit.
b. Develop and implement an annual internal audit plan.
c. Prepare and submit an annual accountability report for the achievement and implementation of the Internal Audit Unit plan.
d. Testing and evaluating the implementation, relevance, reliability and integrity of the internal control and risk management system following Company policy.
e. Conduct inspections and assessments of efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology and other activities.
f. Assessing the effectiveness of securing asset values and verifying the existence of these assets.
g. Assessing the level of compliance with the Company's policies, procedures, internal instructions, regulations and applicable laws.
h. Conduct a special examination based on the approval of the President Director of the Company or the Commissioner of the Company or the Audit Committee on allegations of a conflict of interest, unlawful act, criminal act of corruption or fraud based on the urgency and scope of the examination, namely potential loss, the impact of the incident and grace period the time of the assignment in question.
i. Prepare a report on audit results and submit the report to the President Director and the Audit Committee, accompanied by a copy of the report to the Board of Commissioners.
j. Provide suggestions and recommendations for improving systems and procedures to prevent inefficiency and fraud at every management level.
k. Provide guidance and consultation on good administrative, operational and financial systems.
l. Monitor, analyze and report on the implementation of the follow-up improvements that have been suggested.
m. Coordinate with appropriate levels of Management if there are indications of fraud and system failure.
n. Cooperating with the Audit Committee.
o. Develop a program to evaluate the quality of the internal audit activities it carries out.

Internal Audit Reporting Flow

The following Internal Audit Unit reports are submitted to the President Director and the Audit Committee and copied to the Board of Commissioners:

- Annual accountability report;
- Reports on individual audits; and
- Reports on management's follow-up of remedial actions.

Internal Audit Activities in 2021

The Internal Audit Unit continued to focus on the most serious corporate risks in 2021, completing a total of 51 audit projects, thus meeting the target of 39 projects specified in the work plan. The planned audits included the following:

- Harvesting and EPMS utilization at KAL, ANJA, PPM and PMP;
- Upkeep and fertilizer use at ANJA, ANJAS and SMM;
- Composting at ANJAS and SMM;
- Edamame Harvesting and Cooperation Agreement at GMIT;
- Mill Process at ANJA, ANJAS, KAL, SMM and PMP; and
- Commercial activities for CPO, FFB and PK at KAL.

Internal Audit Unit Activities by Type

Activity	Planned	Realization
Follow up	1	1
Project Initiatives	4	10
Regular audit	21	21
Audit committee and training	6	11
Whistleblowing System	7	8
Total	**39**	**51**

Internal Audit Focus for 2022

The Internal Audit Unit will continue to focus on the Company's strategic objectives, capital expenditure and key risks, as follows. Additional *ad hoc* risk-based audits may also be performed upon request.

In Region 1 and Region 2, the key audit areas will include:
1. Biomass at AANE;
2. Supply Chain Management at Head Office and the Regional Office;
3. Mill process at ANJA, ANJAS, KAL and SMM;
4. Edamame harvesting and cooperation agreement and frozen line at GMIT;
5. Composting at ANJAS and SMM;
6. Harvesting at ANJAS and KAL;
7. Upkeep at GSB;
8. Central Workshop and Transportation at ANJA and SMM; and
9. School foundation at ANJA and ANJAS.

In Region 3, the key audit areas will include:
1. Upkeep and sago production at PPM, PMP and ANJAP;
2. Mill process at PMP;
3. General charge at Regional Office Sorong; and
4. Cooperative activities at PPM and PMP.

External Auditor

The Company's consolidated financial statements for the year ended December 31, 2021, were audited, for the fifth consecutive year, by the public accounting firm Siddharta Widjaja & Rekan (a member firm of the KPMG network). The firm was selected through a tender supervised by the Company's Audit Committee in 2017, which included four leading accounting firms in Indonesia. Following the tender, the Board of Commissioners appointed Siddharta Widjaja & Rekan.

The auditors appointed by the Company in the last five years are shown below:

External auditors for ANJ's financial statements, 2017-2021

Year	Public Accountants	Signing Partner
2021	Siddharta Widjaja & Rekan	Susanto, S.E., CPA
2020	Siddharta Widjaja & Rekan	Kartika Singodimejo, S.E., CPA
2019	Siddharta Widjaja & Rekan	Budi Susanto, S.E., M.B.A, CPA
2018	Siddharta Widjaja & Rekan	Budi Susanto, S.E., M.B.A, CPA
2017	Siddharta Widjaja & Rekan	Budi Susanto, S.E., M.B.A, CPA

Public Accountant's Fee

The fee paid for the audit of the consolidated financial statements of the Company for the year ended December 31, 2021 was IDR 800 million.

Other Services Rendered

No other services rendered by Public Accountant in 2021.

INTERNAL CONTROL

ANJ's internal control framework is designed to provide reasonable, but not absolute, assurance of the effectiveness and integrity of the Company's financial and operational activities, focusing on the following areas:

- Operational effectiveness and efficiency;
- Asset management and monitoring;
- Timely and accurate reporting; and
- Compliance with laws and regulations.

Alignment of the Company's Internal Control System with the COSO Internal Control Framework

Since 2015 the Company's internal control system has been aligned with the internal control framework approach advocated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), an initiative of five US private-sector organizations dedicated to global excellence in corporate governance, business ethics, internal control, enterprise risk management, fraud and financial reporting. The COSO approach works across the three principal control objective categories of operations, reporting and compliance and across all the units and activities of an organization. It comprises five key components, which ANJ applies as follows:

Components of the Internal Control System

- **Control Environment**: The key element in internal control is the behavior of each individual at every level of the organization. ANJ's Code of Ethics and core values have been instilled throughout the organization and are regularly refreshed across all our operational sites through the activities of the internal audit, our internal promotion programs, our network of Value Champions and the whistleblowing system (see page 158 of this Report).

- **Risk Assessment**: Operational and strategic risks that could materially affect the Company's performance, prospects or reputation are identified, assessed and continuously monitored. Any change in the risk environment is immediately detected and analyzed.

- **Control Activities**: Internal control and operational activities are in place to mitigate the impact of potentially serious risks. These include the continuous strengthening of our procedures and policies according to the following principles: segregation of duties; limited access, authority and responsibility; adequate documentation; and a phased review system. All our internal control activities are designed to ensure that these internal control objectives are achieved.

- **Information and Communication**: Information related to the structures and status of the internal control system, including improvements and challenges, is communicated regularly through quarterly Audit Committee meetings, internal audit reports, management meetings and reports from the Value Champion team, as well as to relevant external stakeholders as necessary.

- **Monitoring Activities**: All the internal control components are regularly reviewed to ensure that they are present and functioning properly. If any deficiencies are found, the relevant managers are promptly informed so that they can take remedial actions.

Management's Evaluation of Internal Control Effectiveness in 2021

The Internal Audit Unit, the Corporate Secretary and the Risk Management Committee monitor the internal control system and the Company's daily operations on an ongoing basis, while the Audit Committee provides an additional layer of supervision through its quarterly review. The Company's external auditor also evaluates the system as part of its annual audit of the Company's financial statements.

To make the internal control system more effective and responsive, the Company took various remedial and strengthening actions in 2021, including the following:

- Strengthening the capacity of the internal audit team through training based on IIA standards;
- Reducing misstatement risks in our financial disclosures by using dedicated computer software to generate statements; sampling financial transactions for review by the Internal Audit Unit; and ensuring a more rigorous review of quarterly financial reports by the Audit Committee prior to disclosure;
- Ensuring that all financial results were reported to the Board of Commissioners and the Board of Directors as well as the Audit Committee for control purposes; and
- Strengthening the management of company data using the Company's dedicated system, One Database.

On the basis of the review and follow-up actions, we are satisfied that the Company's internal control system gives a reasonable assurance i) that any potential risks and bottlenecks will be identified promptly; and ii) that appropriate action will be taken to mitigate the impact on the Company and the achievement of our business objectives. Nevertheless, we recognize that no internal control system can provide absolute assurance against human error, poor judgment, intentional misconduct or other irregularities.

Statement of Adequate Internal Control

The internal control system is a process that is carried out by the Board of Directors together with, among others, the Internal Audit, to ensure that the governance of the Company is carried out. Both the Board of Commissioners and Board of Directors commit to ensuring that good corporate governance is implemented at all levels as the foundation for achieving the goal of protecting and increasing the value of the Company. The Board of Directors is responsible for implementing internal control effectively to enable the Company to achieve its goal.

RISK MANAGEMENT SYSTEM

ANJ Risk Management Policy

ANJ recognizes that risks are an inherent part of doing business. To minimize exposure to these risks and ensure that they do not impede strategic objectives and business goals, ANJ is committed to ensuring that key risks are properly identified, evaluated, mitigated and effectively managed.

Our principal objective is to safeguard the long-term continuity of the business by ensuring a consistent, reliable supply of agribusiness products to our customers at a margin adequate to safeguard future growth and ensuring shareholder returns. Given the capital-intensive and long-term nature of the plantation business, we take a proactive, conservative approach to anticipating and neutralizing risks.

In accordance with the OJK's corporate governance framework, responsibility for risk management rests primarily with the Board of Directors, while the Board of Commissioners exercises oversight. The Risk Management Committee supports this oversight function and advises the Directors on identifying, assessing and mitigating risks.

Evaluation of Risk Management Effectiveness

Every year, the Board of Directors determines the Company's risk management priorities, with oversight from the Risk Management Committee. The Business Development and Corporate Planning Division facilitates and documents this process during the annual strategic planning session. To ensure the compliance of the risk mitigation strategies, the Internal Audit Unit will plan the audit process based on risk priorities.

The procedure is as follows:

1. Determine the corporate-wide risk exposures and appetite, as well as what opportunities, if any, that may rise from the risk itself;
2. Formulate the corporate-wide strategic initiatives to manage the Company's exposure and mitigate severe impacts from the risks;
3. Cascade and direct each business unit to make an internal assessment of its risks and control measures;
4. Formulate an internal audit plan that includes high-risk areas and enables timely identification of areas for follow-up by management, especially to identify areas that have potential to improve productivity, efficacy of capital expenditures realization and internal control and procedures; and
5. Perform periodic monitoring of the priority risks and opportunities based on their likelihood and impact to the Company objectives.

These procedures ensure that we will regularly assess inherent risks, identify new emerging risks and monitor the adequacy and effectiveness of the risk control. The ongoing review and identification of significant operational and financial risk areas by management are discussed at monthly Board of Directors meetings, as well as at the Risk Management Committee meetings.

Key Risks to Our Business and Their Mitigation

The key risks assessments by the Company in 2021 are presented in the table below, together with the ongoing mitigating actions. Any of the risks below could adversely affect our business, performance results, financial cash flows, financial condition, growth prospects and/or reputation.

With the inherent dynamics of the business environment, there may be other risks and uncertainties not currently identified as major risks to the business. These risks could emerge at any time and negatively affect the business; therefore, we are vigilant in anticipating emerging risks.

Fluctuations of CPO Price

Risk	Mitigation
CPO prices in the past few years have been fluctuative with high volatility and cyclicality. Several key factors affect this CPO price fluctuation, namely the dynamic nature of global supply in major vegetable oils due to adverse weather conditions dynamic of global demand on major vegetable oils due to resumption of economic activities from the adverse impact of the COVID-19 pandemic and the biodiesel mandates by the governments of Indonesia, Malaysia and Thailand. After experiencing CPO price pressure for several years, the CPO price started to move to a positive trend since the end of 2019 and the positive trend in CPO price continues in 2021, mainly due to the increase in crude oil price and tight CPO supply due to labor shortage in Malaysia, as well as tight supply of other vegetable oils. The favorable CPO price level continued in the first quarter of 2022; however, there remain many uncertainties that may affect the price. Factors that may potentially affect uncertainties in CPO price include extreme weather conditions, which may affect the supply going forward, environmental and conservation regulations, economic and demographic developments, population growth, per capita consumption and the global economy in general.	Management has anticipated the possibility of low commodity prices; we have therefore consistently focused on managing production costs and improving efficiency to mitigate the impact. We have been able to maintain our cash cost of CPO production within the range of USD 300/tonne for the last 10 years despite inflation and increases in our input costs (such as wages, fuel price and fertilizer price) through agronomy innovation to increase the productivity and cost management. In addition, the Board of Commissioners has authorized management to enter into derivative forward contracts if we believe the CPO price trend is declining. The limitations of this in terms of mitigating the risk are: 1) the price range, volume for each contract and total volume are entered in due observance of the break-even price levels for the consolidated profit or loss and the palm oil segment; 2) the forward contract period may not exceed six months. Overriding these limitations requires the approval of the Board of Commissioners.

Increases in labor costs

Risk	Mitigation
We operate in a labor-intensive industry therefore the government regulations related to labor wages will significantly affect us. Labor costs are a significant component of our total production costs, typically accounting for about 30-40%. Ministry of Labor and Transmigration Regulation No.7/2013 stipulates that the minimum wage is determined and implemented annually by provincial governments based on the annual living cost conditions of each respective province. Further, Government Regulation No. 78/2015 specifies a measured annual wage increase based on current growth rates of inflation and gross domestic product. The Omnibus Law issued in November 2020 aimed at balancing the burden of increasing wages without reducing livelihood quality of workers. However, the Constitutional Court ordered a revisit to the constitutional matters of the Law and there is a risk that the rules will revert to the previous prevailing laws and regulations. Within these regulations, we have experienced significant increases in our labor costs annually and we anticipate the increase to continue.	Since 2015, we have continuously introduced initiatives to mitigate annual labor cost increases, e.g: improving workers productivity, mechanization, digital data recording and mill automation We introduced incentive programs to boost workers' productivity and applied stricter standards to ensure that we harvest the FFB at the prime condition for higher extraction rates. We implemented harvesting mechanization in non-undulating plantation areas such as Belitung, North Sumatra I and West Papua and in our West Papua sago operation. In our newest mill in West Kalimantan and Papua, we chose the most robust technology with automation possibility to reduce dependency on manual operation. We also transformed our production data recording with the Electronic Plantation Mobile System (EPMS) to reduce manual recording and to initiate paperless business process documentation. All of these initiatives have also helped to mitigate the challenge posed by skilled labor availability constraints in our operating areas.

Increases in Material Costs (Fertilizers and Diesel Fuel)

Risk	Mitigation
The most dominant material cost in agriculture is fertilizer and fuel. Fertilizer is required to ensure the plant gets the required nutrients to grow and produce at an optimum level, where diesel fuel is required for the FFB transportation as well as for electricity in the area in locations not connected by the electricity grid from the palm oil mill biomass turbine. Both the prices of fertilizers and diesel fuels are affected by the global supply-demand of petrochemicals, which is also high in price fluctuations. There are other factors affecting the price of petrochemicals other than supply-demand balance: crude oil production quota agreements, discovery of new reserves, global political tension and also regional crises especially in the producing areas of oil and gas, such as the Middle East, Eastern Europe and Russia.	We have been embarking on reducing the usage of inorganic fertilizer and diesel fuel. To reduce dependency on chemical fertilizer, we have implemented composting technology to convert the empty fruit bunch into high quality organic fertilizer with the catalyst of microbes and enzymatic process. We have been able to reduce our chemical fertilizer application per hectare by more than 50%, compared to year 2014 before the composting initiatives commenced. These initiatives bring cost efficiency and resilience against soaring chemical fertilizer prices. To reduce the dependency on fossil fuel, we improved the efficiency of biomass power plants by revamping the boiler turbine system for more efficient power generation and connected some of our locations with national grid system. We also developed our competency in running the biogas power plant in Belitung and we are planning to build another biogas power plant facility in two of our other site locations within the next five years. Our target is to increase our renewable energy portfolio to above 60%.

Fluctuation in Foreign Exchange Rates

Risk	Mitigation
Our financial reporting currency is the US dollar and our sales are primarily denominated in US dollars, whereas our expenditures, including labor costs, are primarily denominated in Indonesian Rupiah. Due to this mismatch, any appreciation of the Rupiah against the dollar will reduce our net income and increase our expenditures in US dollar terms. In contrast, our subsidiaries that are still at the planting stage are required to use Rupiah as their operating currency, while their borrowing, if any, is denominated in either US dollars or Rupiah. Any appreciation of the dollar against the Rupiah will result in foreign exchange losses for these entities.	Company policy allows us to enter into forward exchange-rate contracts to hedge against fluctuations, provided that any such contract does not exceed six months and the value of the contract does not exceed the amount of Rupiah needed for three months' operational expenses. Regarding cash holdings, our general policy is to hold enough Rupiah for two weeks' operational requirements, but we may increase our Rupiah cash holdings up to a maximum amount sufficient to cover up to three months' operational expenses, if we judge the future trend of the Rupiah to be unfavorable. Since 2015, our policy has been that any borrowing by a subsidiary should be in the functional currency (i.e. bookkeeping currency) of that subsidiary. This has significantly reduced our exposure to foreign exchange volatility. For subsidiaries that maintain their bookkeeping records in Rupiah, we have converted their borrowings into Rupiah. While the interest rate for Rupiah borrowing is higher than for US dollar borrowing, we believe this policy enables us to measure currency risks and take action more promptly and effectively.

Physical Climate Change (Adverse Weather, Crop Disease, Pests and Natural Disasters)

Risk	Mitigation
We recognize that climate change has direct physical impacts to the nature of our agribusiness operation. The plantation business is vulnerable to adverse weather conditions, natural disasters, crop disease, ecological imbalance, pests and other factors that can affect crop production and harvesting. Higher average temperatures and more extreme weather events have been observed for the last 30 years. Higher soil moisture evaporation and insufficient rainfall cause water deficit in the soil causing the palms to produce fewer flowers that develop into palm fruits. The higher average temperature also cause changes of behaviour by pollinator insects, which disrupt the pollination process causing imperfect forming of the fruit sets. We have experienced prolonged drought induced by El Niño, creating water deficits and decreasing our overall yield by more than 10%. This also increases the risk of uncontrolled wild fires spreading into the plantation. On the other hand, prolonged wet conditions and extreme rainfall events lead to waterlogging, excess water flow and flooding in low lying plantations adversely impacting crops and access infrastructure such as bridges and access roads. A prolonged rainy season also extends the period of certain seasonal crop pests and disease.	We manage the risk of weather and climate-related disruption by establishing an early warning information system, applying agronomic best practices and strengthening our R&D for climate mitigation, technology intervention and mitigation infrastructures. We also commit to reducing our GHG emission as our corporate contribution to stop the climate change. We have been focusingon the use of high-resilience seeds in all new plantation developments; developing water catchment and gate systems to preserve water; composting application from empty fruit bunch to maintain moisture and rejuvenate the soils; implementing soil conservation and anti-erosion measures; planting beneficial crops to reduce weeds and pests. Recently we have successfully implemented pilot trial of drip fertigation combining fertilizer and irrigation to mitigate water deficit due to dry spells. We have put investment in fire prevention and mitigation infrastructures in areas with historical risk of fire, such as wide closed canals across our boundaries, water reservoirs and fire towers. We have also leveraged the advantages of remote sensing technology, such as satellite data and drones, for early fire detection. We also work closely with the local government and communities (Kelompok Tani Peduli Api) to prevent vegetation fires in the areas surrounding our plantations. To prevent severe impacts from flooding, we are building river bunds and performing periodic cleaning maintenance of debris in the river canals.

Market, Regulatory and Transitional Risk of Climate Change

Risk	Mitigation
There is growing pressure from the market and regulation toward for corporations to be responsible for ESG practice, especially tackling climate change. We have positioned ourselves at the forefront on ESG practices and climate change mitigation among peers in palm oil industry. Related to the palm oil industry, the transition risk might include: • Land use change policy, stricter sustainability standards and regulation to develop new plantations. • Water conservation practices on, including disclosing our water usage and management practices on sustainability disclosure platforms. • The cost of energy to reduce the usage of fossil fuel and conversion to renewable energy. • Certification, disclosures and reporting, which includes measurements of GHG emissions, ESG reporting and rating, carbon disclosures and benchmarking among peers within the industry. • Investment in low carbon production facility and processing technology.	We recognize the transition risk inherent in changing our strategies, policies, business model or investments to adopt a business model with integration of ESG into business strategy, to reduce our carbon footprint and the impact to the climate. In order to mitigate this transition risk, we have conducted company rebranding in 2015 with brand focus on people and nature. We also revamped our Sustainability Policy in 2019 to realign our course of actions in achieving strategic objectives with ESG integration. We have consolidated our resources in a task force to conduct systematic ESG disclosures and performed public ESG rating in 2021. We achieved distinguished result in ESG disclosures and rating score; as one of the lowest ESG risks among our peers in palm oil industry. As of this year, we are setting ourselves ESG Ambition and Targets as an intergal part of our business strategy including a road map to achieve net zero carbon by the year 2030.

Difficulties in Attracting or Retaining Qualified Staff

Risk	Mitigation
Our business success and growth depend on our ability to attract and retain highly qualified, skilled and experienced personnel in the palm oil industry. Our inability to attract, recruit, train and retain either experienced senior management or sufficiently qualified key personnel such as plantation or mill managers, field assistants and engineers could have a material adverse effect on our business, financial condition and operations. In addition, oil palm plantations require extensive labour. Harvesters and other plantation workers are increasingly mobile and if we are unable to hire and retain sufficient workers to maintain our workforce or if the minimum wage rate is increased significantly, our business and prospects could be adversely affected.	We review our remuneration and benefit programs on an ongoing basis and benchmark them against the market and seek to improve our performance-related pay program to help retain our employees and attract new candidates. We aim to ensure that our employees enjoy a good quality of life while working on our plantations, with a healthy and safe environment, comfortable living conditions, transportation, water, electricity, health care, clubhouse facilities, childcare facilities, training facilities and schooling. We also regularly update our learning and development programs, with an emphasis on leadership development. We have a dedicated management training program for recent graduates as well as internal training and career path programs to ensure the continuous improvement of capabilities. We also offer retention programs for qualified personnel and senior management and pay retention bonuses where appropriate. In light of the COVID-19 pandemic which has prevented us from having an in-person training program, we have tailored our training program and leveraged the technology to have virtual training to ensure that our development program can still continue.

Transportation or Logistics Disruptions or Mishaps

Risk	Mitigation
We typically sell our products on an ex-mill, ex-jetty or FOB basis and our customers transport the products they purchase from us. Any disruption of transportation services due to bad weather, strikes, lock-outs or other events could impair their ability to take delivery of our products or increase their freight costs, thereby making our products more expensive for them. Such disruptions may also result in storage problems at our plantations. It is our practice only to sell CPO once it is available for supply in our storage facilities, thus we rely on efficient transportation for timely off-take by our customers. Our West Papua businesses also present logistics and construction challenges, as those project areas are located mainly in the interior (palm oil) and in swampland (sago). Both are relatively far from any town or city and, consequently, remote from reliable infrastructure and electricity supplies.	We have made significant investments in developing flexible and reliable transportation systems and we only enter into transport contract agreements with reliable and experienced logistics companies. We anticipated the logistical challenges posed by our West Papua businesses early in the planning process. Taking into account the size, remoteness and scale of economic investment, we established a dedicated department to improve logistics planning develop integrated logistics systems and create logistical synergies between our estates in order to reduce disruption risks. We also rent storage facilities in Dumai to enable us to export our product to foreign buyers requiring volumes that are economically sizeable enough for shipment.

Delays in Land Compensation in Developing Plantations

Risk	Mitigation
To develop our plantations and obtaining land cultivation right (Hak Guna Usaha or HGU), plantation owners must release and compensate the land from legal right and customary right from the communities to avoid future third-party claims. This usually involves complicated negotiations with local stakeholders such as communities, tribes, indigenous people and influential community figures. Achieving concensus and resolution can be complex and therefore time-consuming, affecting the plantation's development and operation timeline.	We seek to offer attractive compensation for the land, combined with economic development plans that will benefit the community. During the process, we establish a local land compensation committee that includes community leaders and representatives of local authorities and neighboring industries to facilitate amicable communication to expedite the compensation process. We make concerted efforts to publicize and explain the benefits of our business to the community. These benefits include employment opportunities, improved infrastructure, our community development initiatives and the multiplier effects thereof. We completed the land compensation process for our West Papua land banks in 2017. Land compensation at our South Sumatra land bank is still ongoing and we are following the principles stated above to develop a mutually agreeable land compensation plan. In all of our land compensation process, we seek to adhere to RSPO Guidelines and follow the principle of Free, Prior and Informed Consent (FPIC) that are well documented for future accountability.

Community Social Conflict and Land Disputes

Risk	Mitigation
Even after land has been acquired for a plantation or other uses, plantation owners commonly face contested land claims from people living or working on such land and are required to negotiate the payment of compensation with such claimants. Resolving such contested land rights issues can be a difficult and time-consuming process.	We seek to build and maintain positive community relationships based on mutual benefit and respect and ensure that we use fair processes and proper administration procedures. We are implementing sustainable corporate social responsibility initiatives to support social and economic development in the communities close to our business operations. We also cooperate with NGOs on community development and environmental management and welcome input from various organizations to improve our programs. Through our CID department, we engage in regular communication and dialogue with community members to communicate the benefits of the Company's presence and hear their concerns.

Low Community Understanding of our Plasma Program Activities

Risk	Mitigation
Under the Indonesian Government's Plasma Program, oil palm plantation companies who obtained a plantation business license (IUP) since 2007 must develop part of the plantation to be operated by local smallholders. Accordingly, our West Kalimantan plantation currently has a plasma program. In developing our West Papua and South Sumatra land banks, we are setting aside the required 20% of the plantable area to be allocated for the plasma program. To mitigate the risk of receiving inferior quality of FFB through our plasma program, we develop our programs through cooperative structures. However, these programs may not be accepted by the smallholders and, as such, we may be forced to purchase FFB harvested from oil palms grown and maintained by the communities instead of by us.	Our plasma program is based on cooperative ownership, which we believe is in the best interests of both smallholders and the Company. We plan to run any future plasma programs in the same way. We have made management service agreements with our cooperatives to ensure that our standards of maintenance and harvesting are upheld in our plasma areas. In line with our sustainability objectives, we continue to develop our capacity-building and coaching programs for cooperative members and smallholders to develop their plantation, agronomic and business management capabilities and enable them to grow with us. We also support our plasma smallholders in gaining RSPO certification to give them the opportunity to get premium prices. A series of programs and activities have been ongoing and as a result in 2021 five of our smallholder partnerships in SMM and two plasma in KAL received RSPO certification. We are working to assist more of our plasma and partnership with smallholder farmers in gaining RSPO certification.

MATERIAL LITIGATION

In 2021, the Company, its subsidiaries and members of the Board of Commissioners and the Board of Directors of the Company and its subsidiaries, were not involved in any material cases involving civil, criminal, bankruptcy, taxation or arbitration proceedings with any court or arbitration board that would have materially affected the Company or posed a risk to the continuity of the business if the court had found against either the Company or the Board of Commissioners or Board of Directors.

LAND TITLE CLAIMS

Up to the end of 2021, there were no major outstanding land title claims against the Company.

ADMINISTRATIVE SANCTIONS

The Company, its subsidiaries and members of the Board of Commissioners and the Board of Directors were not subject to any administrative sanctions from the capital market authorities or any other authorities in 2021.

INSIDER TRADING

The Company ensures that information is released to the market in a balanced, fair and timely manner, so that the activity of a so-called insider in relation to the trading of securities of the Company is done only on the basis of a balance of information available to both (company) insiders and the general public.

There was no share trading transactions by the Board of Commissioners, the Board of Directors and the controlling shareholders of the Company in 2021.

CODE OF ETHICS ON BUSINESS CONDUCT

The Company adopted its Code of Ethics on Business Conduct (the "Code") in 2014. The Code serves as a guide and a reference for the Company's employees and management on how to carry out their duties effectively, lawfully and safely.

The Code is based on the Company's three core values, Integrity, Respect for People and the Environment and Continuous Improvement, which reflect the corporate culture that the ANJ Group seeks to create. We believe that these values will support the achievement of ANJ's vision, mission and objectives. The Code describes various principles and behaviors derived from these values that are essentially aimed at maintaining the trust and respect of our stakeholders through transparency, accountability, objectivity and equality. Every manager and employee is expected to internalize and practice these behaviors at all times.

We review the Code from time to time to ensure that it is commensurate with and relevant to the growing scope of our business, the interests of our stakeholders and the social, economic and regulatory environment, including the challenges we face.

Main Principles of the Code of Ethics on Business Conduct

The Company's Code of Ethics on Business Conduct is set out below:

- **Corporate Values**
  Brief information about the Corporate Values of the Company can be seen on page 41 of this Annual Report.

- **Compliance with Laws and Regulations**
  The Company complies with all prevailing laws and regulations and will ensure that all obligations are carried out in accordance with the prevailing laws and regulations. Employees also are obliged to understand the laws and regulations in accordance with their duties and work.

- **Workplace safety, health and the environment**
  The Company prioritizes the safety and health of our employees as well as the work environment, starting from employees' mind sets and actions to methods of continued supervision, as well as ways of obtaining commitments to uphold this from all parties.

- **Work relations, including professionalism, fairness and the separation of personal and corporate interests**
  Professionalism that enables a focus on the achievement of best performance; fairness and equal treatment based on the principles of transparency and objectivity; a distinct division between personal interests and the interests of the Company.

- **Relationships with suppliers and customers, including responsibility for product quality**
  The Company does not accept the granting of gifts which are exclusive in nature in the form of cash, cash equivalents or others, either personally or from any organization which is doing or seeking to do business with ANJ or a competitor of ANJ.

- **Relations with the government**
  The Company complies with all laws and regulations to support a clean government to realize a state economic competitive advantage.

- **Conflicts of interest**
  The Company makes a clear and distinct division between personal interests and the interests of the Company and avoids any situation which may result in or be perceived as a conflict of interest between the interests of the Company and personal interests.

- **Use and maintenance of Company property**
  All employees are responsible for maintaining and using the Company's property and internal information efficiently, effectively and solely to achieve the objectives of the Company in accordance with the prevailing rules.

- **Company information and financial disclosure**
  The Company does not provide internal information (including but not limited to the business strategies, contracts to be executed, products to be launched, research results, information on customers or suppliers, acquisitions or divestments and financial data) which has not yet been made available to the public to parties outside of the Company or to unauthorized parties within the Company without the prior approval of an authorized Director.

  The Company also will not manipulate accounting treatments, records or preparations of financial statements of the Company. All financial statements of the Company, accounting records, research reports, sale reports, records on liabilities, production reports, reports on the entry of employees and other reports will always be prepared based on accurate and complete data which clearly represent the relevant facts or the true nature of the transactions.

- **Relationships with investors and the media**
  The Company will:
  1. Not provide information on behalf of the Company to any party (including, among others, the shareholders, share agents, investment analysts, candidate investors and the mass media) if we are not so authorized.
  2. Treat each member of the investment community and the mass media fairly, in accordance with reasonable business practices in the investment community and the mass media.

- **Insider trading**
  The Company maintains and respects the principle of ensuring that information is released to the market in a balanced and fair manner, so that the activity of a so-called insider in relation to the trading of securities of the Company is done only on the basis of a balance of information, whether it be factual or conjectural, being available on the same basis to both (company) insiders and the general public.

  The Code can be found on our website at www.anj-group.com/en/code-of-conduct.

Socialization of the Code of Ethics on Business Conduct

The Code of the Company is continuously communicated and disseminated to the Board of Commissioners and its committees, the Board of Directors and its senior management as well as all employees of the Company, in order to increase the awareness and understanding to implement behavior in accordance with the core values and the Code of the Company.

The Company periodically conducts socialization to all employees of the Company through various media. In 2021, the Company has conducted 3 (three) socializations or refreshments of the Code to all employees of the Company. The socializations were conducted by face-to-face meeting, poster and/or pamphlet. The materials are also uploaded on the internal system of the Company and the website of the Company to make it easily accessible by employees.

Company-Wide Application of the Code of Ethics on Business Conduct

The Code applies equally and without exception to all employees and management of the Company, including the Board of Commissioners and the Board of Directors, as stated in their respective Charters. The Code notes that everyone in the organization is collectively responsible for upholding the values and principles in the Code of Ethics in their interactions and transactions with all customers, vendors and shareholders. In addition, the guidance on the ANJ Values notes that every leader and employee at ANJ must internalize and practice the corporate culture on a daily basis.

The Code also applies, where relevant, to our investors, stakeholders and business partners, including contractors and vendors.

Disciplinary Policy

The Company may impose the following sanctions for misconduct or violations of the Code, in order of severity:
1. First warning letter.
2. Second warning letter.
3. Final warning letter.
4. Suspension.
5. Dismissal.

Breaches of the Code of Ethics and Sanctions Imposed in 2021

The following Code violations were substantiated in 2021:
1. Fraud & Manipulation (Integrity related).
2. Non-Compliance with Internal Control SOP.
3. Operational Inefficiency.

With regard to the violations above, the Company imposed the following sanctions:
1. Warning letter.
2. Report to police to be processed according to law.
3. Work termination.

CORPORATE CULTURE

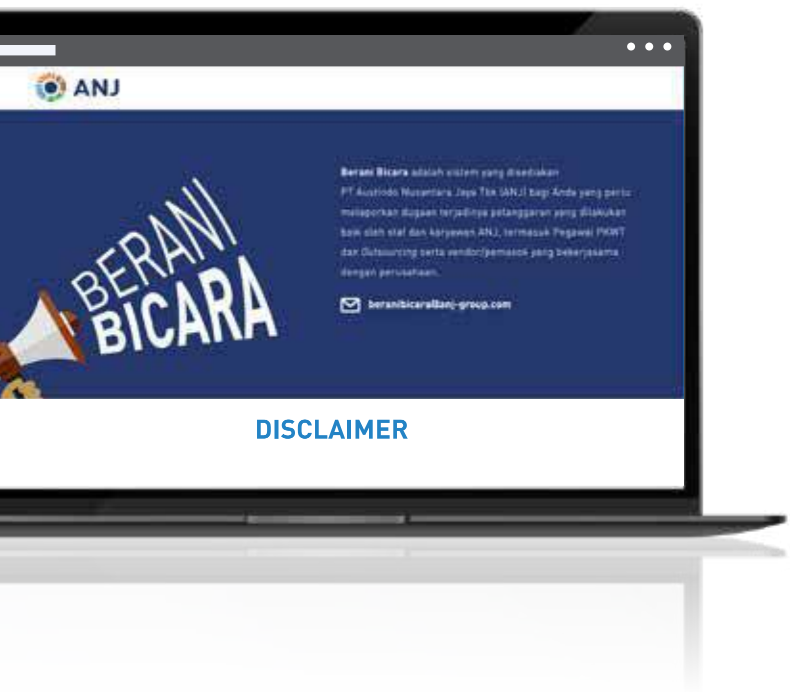
Value Champions

ANJ aspires to create a corporate culture based on our three core values of Integrity, Respect for People and the Environment and Continuous Improvement. These three values provide the foundation for all our objectives, policies and operations. At each of our offices and estates, we have appointed one to three Value Champions who, in addition to their regular work for the Company, also help to model and communicate the values to their co-workers. In this way, we aim to ensure that the values are internalized and upheld across the organization. When necessary, they also serve as intermediaries between management and employees, for example, by facilitating employees in making complaints, voicing grievances or finding appropriate assistance.

There were a total of 32 Value Champions in the Company by the end of 2021.

The Value Champions submit monthly reports on their observations of actions and behaviors that either embody or conflict with the core values. These reports are reviewed, analyzed and consolidated by an organizing committee and the analysis is forwarded to the Company's 'Value Guardians', currently Commissioners George Santosa Tahija and Anastasius Wahyuhadi, who may take further action if warranted. Value Champions are also responsible for reporting immediately any action or conduct that requires urgent attention.

WHISTLEBLOWING SYSTEM



The Company does not tolerate breaches of the Code of Ethics or the corporate values or any other misconduct in the form of fraud, corruption, abuse or violation of any laws and regulations. We are striving to create a transparent, supportive and proactive corporate culture in which employees and business partners can feel confident about reporting such misconduct without fear of reprisal, provided that such reports are made in good faith and in the best interests of the Company. The Company's whistleblowing system (WBS) provides a secure, confidential channel for anyone to report suspected misconduct.

Information about the WBS, which was launched in May 2016, is disseminated to all employees at all of the Company's estates and offices during inductions and through refresher sessions on the Code and Corporate Values. During site visits, the internal auditors also ensure that employees are aware of and understand the WBS and distribute cards with the hotline numbers. Vendors are informed about the WBS during briefings.

Procedure for Reporting Misconduct

Informants can contact the WBS Reporter Protection Unit via one of the following dedicated email or phone/SMS hotlines, stating the initial indication of misconduct and supporting evidence:

1. Email: beranibicara@anj-group.com
2. Phone/SMS/WhatsApp: 0815 1600 100

Protection for Whistleblowers

The Whistleblowing System protects informants against retaliation by:
1. Keeping the identity of the informant confidential.
2. Keeping the reported information secure and confidential.
3. Protecting informants against reprisals from any party implicated in the report.

Handling of Whistleblower Reports

1. The WBS Informant Protection Team (an independent representative of the Internal Audit Unit) analyses and verifies the incoming report and then assesses whether further investigation is required.
2. If further investigation is required, the case is escalated to the WBS Follow-up Team (part of the Internal Audit Unit). This Team assigns a team to investigate, which could be led by the IAU, by the Legal Director or through joint efforts with external investigators. After conducting its investigation, the team makes a report on its findings. If the case does not involve the President Director, this report is submitted to the President Director, the Board of Commissioners and the Audit Committee. However, if the President Director is involved, the report is sent directly to the Board of Commissioners and the Audit Committee, bypassing the President Director.
3. A Supervisory Team, consisting of the Board of Commissioners, the President Director and the Audit Committee, reviews the report and gives its considerations on the action to be taken.

Whistleblowing System Manager

The Whistleblowing System Manager and Investigator is the Internal Audit Unit. The President Director, selected members of the Board of Commissioners and the Audit Committee function as the Supervisory Team.

Whistleblowing Reports in 2021

In 2021, a total of eighteen reports were received through the whistleblowing system, of which fourteen were found to be non-whistleblower-related. The remaining four cases were followed up, investigated by the Internal Audit Unit and passed to the Commissioners, the President Director and Audit Committee for review. Misconduct was proven in three of the four cases.

Sanctions

The proven case of misconduct resulted in an improvement in process period.

Description	2021	2020
Related to Fraud	4	4
Proven	3	1
On Progress	-	3
Not Proven	1	-
Compliance	10	-
Related to Code of Ethics	4	3
Total Report Received	**18**	**7**

EMPLOYEE SHARE ALLOCATION PROGRAM/ MANAGEMENT SHARE OWNERSHIP PROGRAM (ESOP/MSOP) EMPLOYEE STOCK ALLOCATION PROGRAM

Following the Company's initial public offering (IPO) in 2013, the shareholders gave their approval for a share ownership program for selected employees, including managers and assistant managers, who met certain administrative requirements specified by the Company.

The Employee Stock Allocation Program (ESAP) offered its participants a fixed allotment of up to 1% of the shares offered in the IPO, in accordance with Bapepam-LK Regulation No.IX.A.7. During the IPO, the Company sold shares to ESAP participants at a 20% discount from the offer price. To finance the purchase of the shares allocated to them, participants were offered loans from the Company on the condition that the loans were repaid in four annual installments with funds deducted from the participants' bonuses.

A lock-up period of at least 12 months from the listing date was imposed on the ESAP shares or until the participant's loan had been repaid in full, after which they were allowed to sell or otherwise transfer, their ESAP shares. Participants who resigned from the scheme before their loan was fully repaid were allowed to sell or transfer their shares and then repay their ESAP loan in full. All ESAP loans were fully repaid by the end of 2017.

Management Stock Option Plan

The shareholders also approved a Management Stock Option Plan (MSOP) in 2013 for senior management and directors, including the management and directors of ANJ's subsidiaries. Like the ESAP, the MSOP gave participants an option to buy shares in the Company, in the future, at a predetermined price. The maximum number of new shares that the Company was able to issue was 1.5% of the Company's subscribed and paid-up capital following the Company's initial public offering.

Complying with the Indonesian Stock Exchange (IDX) rules, the exercise price of the options was at least 90% of the average closing price of the shares over the 25 trading days before the stock option implementation plan was reported to the exchange. The terms and conditions for exercising the MSOP options were determined by the Board of Directors with due observance of the prevailing laws and regulations.

The stock options were granted as follows: 40% on the first anniversary of the Company's IPO (Cycle I);30% on the second anniversary (Cycle II) and 30% on the third anniversary (Cycle III). They were valid for a period of three years after issue, which included a one-year vesting period from the date of issue, during which option holders were not entitled to exercise the options.

Once the vesting period expired, the options could be exercised at specified periods of up to 25 trading days, which occurred up to two times per year for each cycle. The first window in Cycle I for MSOP options to be exercised was opened on November 3, 2014, when 40% of the stock options (equivalent to 20,000,000 shares) were made available to be exercised. At that time, participants exercised a total of 1,550,000 shares, at an exercise price of IDR 1,095 per share. The IDX was notified of the exercise of the options on December 8, 2014.

In 2015, there were two windows during which options could be exercised from May 8 to June 15 and from November 2 to 4 December. While no Cycle I or Cycle II options were exercised during the first period, a total of 325,000 Cycle I options and 300,000 Cycle II options were exercised in the second period, all at an exercise price of IDR 1,095 per share. The Company notified the IDX of the exercise of the options on June 17, 2015 and December 8, 2015.

The Company opened two more windows for options to be exercised in 2016, from May 9 to June 10 and from November 1 to December 5. A total of 8,750,000 Cycle II options and 9,900,000 Cycle III options were exercised during the first period, all at an exercise price of IDR 1,095 per share. No Cycle II or Cycle III options were exercised during the second period. The Company notified the IDX of the exercise of the options on June 15, 2016 and December 7, 2016, respectively.

In 2017, two more windows for options to be exercised were opened, from May 3 to June 9 and from November 1 to December 6. No Cycle II or Cycle III options were exercised during either period. The Company notified the IDX on June 13, 2017 and December 7, 2017, respectively. No more windows for options were opened after December 2017.

Employee Stock Option Plan or Employee Stock Purchase Plan

On June 1, 2016, the Company's AGMS approved the transfer of a maximum of 63,000,000 treasury stocks, through an Employee Stock Option Plan or Employee Stock Purchase Plan, to the Directors and certain employees of the Company. The sale price of the treasury stock to said Directors and employees was IDR 1,271 per share. On June 23, 2016, the Company completed the transfer of 15,000,000 shares to the Directors and certain employees of the Company.

ANTI-CORRUPTION AND GRATUITY CONTROL POLICIES

Program and Procedure

The Company has policies on prohibiting corruption, including insider trading and the giving/receiving of gratuities from external parties. The above mentioned policies are stipulated in the Code of Ethics on Business Conduct of the Company. The Company also has a longstanding practice of having all employees of the Company and all vendors of the Company to sign a so-called Integrity Pact in order to prevent corruption and gratification practices.

Training/Socialisation

The Company constantly strives to increase the awareness of all employees in the prevention and avoidance of corruption and gratification practices, including by socialization through face-to-face meeting, blast email, poster or pamphlet. In 2021, the Company has conducted three socializations to the employees of the Company.

The Company also has a Whistleblowing System as a reporting tool for employees and external parties which is explained in more detail in the Whistleblowing System section in this Annual Report.

GOODS AND SERVICES PROCUREMENT

The Company's procurement policy states that the procurement of any goods and services by the Company must be effective, efficient, professional, independent, performed with integrity, contain no conflict of interest and uphold the GCG principles of transparency, accountability, responsibility, independence and fairness/ equality. This is aimed at ensuring that procurement is carried out inclusively, in a manner that supports local economies by empowering small businesses in our supply chain, including cooperatives and suppliers close to our operational areas.

Each vendor must meet specific qualifications related to their administrative, financial and technical capability and capacity as well as fulfill all licensing and tax matters required by law. They must also satisfy the Company's standards with regard to environmental, health and safety management systems, quality management, technical specifications and scheduling and the Company's Sustainability Policy.

They are also required to sign an integrity pact stating explicitly that they will not offer, give or accept any item, including but not limited to money, gifts or facilities, to or from any employee or person associated with the Company and the Group for the purpose of influencing any decision. The Company reserves the right to unilaterally cancel a contract if the vendor is found to have acted in any way that conflicts with the principles of integrity and honesty specified in the pact.

INSURANCE

The Company has comprehensive insurance coverage to protect against the various risks to our operational assets. In 2021 our insurance policies included the following:

1. Property all risk insurance: this covers the risk of potential loss of buildings, machinery and equipment and vehicles as well as assets under construction, in our head office and in our operating companies across Indonesia.
2. Indonesian Standard Earthquake Insurance: provides cover physical loss, destruction or damage to the insured property from any cause.
3. EEI (Electronic Equipment Insurance): the majority of our operating companies are covered against potential loss or damage to their electronic equipment.
4. Money insurance: this covers the risk of loss of money in transit or on our premises.
5. Fidelity guarantee insurance: this insures against infidelity risk on the part of our employees by providing indemnity to the employer against the loss of money or properties belonging to the Company as a result of acts of fraud or dishonesty by any employee, such as forgery, embezzlement, larceny or fraudulent conversion.
6. Public liability insurance: all our operating companies are covered against claims of loss or damage to other parties.
7. Marine cargo: this covers most of our operational companies against the risk of potential loss of inventory, including inventory in warehouses and in transit.
8. DNO (Directors and Officers Liability Insurance): our executives, members of the Board of Directors and officers are protected by this liability coverage for losses or advancement of legal defense costs in the event of a claim against them brought for alleged wrongful acts in their capacity as directors and officers.
9. Health Insurance and Life Insurance: provides cover for all ANJ employees.
10. Environmental Liability insurance: this protect us against pollution exposure and natural resources damage at all of our operating sites.

TAX COMPLIANCE

ANJ fully supports the government's policy of promoting national development through optimizing tax revenue. ANJ has assessed tax compliance throughout the Group and consistently complies with the provisions of the prevailing tax laws and regulations, including by submitting tax returns accurately and on time.

Collectively, the current members of the Board of Commissioners and the Board of complies with the provisions of the prevailing tax laws and regulations, including by submitting tax returns accurately and on time.

ACCESS TO CORPORATE DATA AND INFORMATION

The latest information on the Company's share price movements, corporate actions and other news, as well as our quarterly and annual results, press releases, investor newsletters and other corporate information, is available on our website, www.anj-group.com.

Inquiries may be addressed to the Company at any time via the website, by email, by phone/fax or in writing to:

PT AUSTINDO NUSANTARA JAYA Tbk.

Menara BTPN, 40th Floor
Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6 Jakarta 12950

Tel : **(62 21) 2965 1777**

Fax : **(62 21) 2965 1788**

Attention : Corporate Secretary; Investor Relations; Corporate Communications

E-mail : corsec@anj-group.com; investor.relations@anj-group.com

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES

The Company's compliance with the Corporate Governance Aspects and Principles specified in the provisions of OJK Regulation No.21/ POJK.04/2015 is outlined in the following table.

Principle	Recommendation	Status
Aspect 1: Relations between Public Companies and Shareholders in Assuring Shareholders' Rights		
Principle 1 **Increase the value of the general meetings of shareholders (GMS)**	Companies should have procedures for voting, whether open or closed, that protect the shareholders' independence and interests.	Status: Fulfilled. The voting procedure is stated in the GMS rules distributed to shareholders at each GMS.
	All members of the Board of Directors and Board of Commissioners attend the annual general meeting of shareholders.	Status: Fulfilled. All members of the Board of Directors and Board of Commissioners attended the GMS and joined with electronic facility unless exceptional circumstances applied.
	A summary of the minutes of AGMS should be available on the Company's website for at least one year.	Status: Fulfilled. Minutes are available at www.anj-group.com indefinitely.
Principle 2 **Strengthen the quality of communications between public companies and their shareholders or investors.**	Companies should have a policy on communications with their shareholders or investors.	Status: Fulfilled. The basic principles are stated in the Company's Code of Ethics on Business Conduct. The Corporate Secretary functions as a contact person to shareholders or investors for any question they have.
	The communications policy should be disclosed on the website.	Status: Fulfilled. The Company's Code of Ethics on Business Conduct is available on the website. The Company publishes Investor Newsletters accompanying its Quarterly Financial Statements. The Company fulfills all regulatory requirements of disclosures on its website.
Aspect 2: Function and Role of the Board of Commissioners		
Principle 3 **Strengthen the membership and composition of the Board of Commissioners**	The condition of the company determination should be considered in determining the number of members of the Board of Commissioners.	Status: Fulfilled.
	The composition of the Board of Commissioners should take into account the range of expertise, knowledge and experience required by the Company.	Status: Fulfilled.
Principle 4 **Strengthen the quality of execution of the Board of Commissioners' duties and responsibilities.**	The Board of Commissioners should have a policy on self-assessment to evaluate its performance.	Status: Fulfilled. The Board has a policy on annual self-assessment.
	The self-assessment policy should be disclosed in the Company's annual report.	Status: Fulfilled.
	The Board of Commissioners should have a policy on the resignation of board members who are involved in financial crimes.	Status: Fulfilled. Members of the Board are subject to the Company's Code of Ethics and are required to obey all prevailing laws and regulations.
	The Board of Commissioners or the committee that performs the nomination and remuneration functions should have a succession policy for members of the Board of Directors.	Status: Fulfilled. We established a succession committee in 2015 to identify and train potential leadership candidates. The succession policy is described in the 'Nomination and Remuneration Committee' subsection of this Report.

Principle	Recommendation	Status
Aspect 3: Function and Role of the Board of Directors		
Principle 5 **Strengthen the membership and composition of the Board of Directors.**	The condition of the Company and effectiveness in decision making should be considered in determining the number of members of the Board of Directors.	Status: Fulfilled.
	The composition of the Board of Directors should take into account the range of expertise, knowledge and experience required by the Company.	Status: Fulfilled.
	Members of the Board of Directors who are in charge of accounting or finance functions should have expertise in and/or knowledge of accounting.	Status: Fulfilled.
Principle 6 **Strengthen the quality of execution of the Board of Directors' duties and responsibilities.**	The Board of Directors should have a policy on self-assessment to evaluate its performance.	Status: Fulfilled. The Board of Directors conducts an annual self-assessment based on their KPIs and the results are reviewed by the Nomination and Remuneration Committee.
	The self-assessment policy should be disclosed in the company's annual report.	Status: Fulfilled.
	The Board of Directors should have a policy on the resignation of board members who are involved in financial crimes.	Status: Fulfilled. Members of the Board of Directors are subject to the Company's Code of Ethics and are required to obey all prevailing laws and regulations.
Aspect 4: Stakeholder Participation		
Principle 7 **Strengthen corporate governance through stakeholder participation.**	Companies should have a policy on preventing insider trading.	Status: Fulfilled. The policy is stated in the Company's Code of Ethics.
	Companies should have anti-corruption and antifraud policies.	Status: Fulfilled. The policy is an integral part of the Company's Code of Ethics and all employees and suppliers sign an integrity pact.
	Companies should have a policy on vendor/ supplier selection and improvement.	Status: Partly fulfilled. We have a policy on supplier selection, but not on supplier/ Vendor capacity improvement. However, we do implement several capacity improvement initiatives for our suppliers.
	Companies should have a policy on fulfilling creditors' rights.	Status: Fulfilled. The policy is stated in this Report.
	Companies should have a whistleblowing policy.	Status: Fulfilled. Our whistleblowing system is described in the GCG chapter of this Report.
Aspect 5: Information Disclosure		
Principle 8 **Strengthen information disclosure.**	Companies should make use of a range of information technology (in addition to their websites) as a means of disclosing information.	Status: Fulfilled. We use the ANJ website, the Indonesia Stock Exchange website and e-mail communications for disclosures.
	The Company's annual report should disclose the ultimate beneficial owners of shareholdings of 5% (five percent) or more of their shares, in addition to disclosing the ultimate beneficial owners of shareholdings in the company through the ultimate and controlling shareholders.	Status: Fulfilled. The information is presented in the Company Profile chapter of this Report.

Corporate Social Responsibility is reported in our Sustainability Report 2021 which is available on our website at

https://anj-group.com/en/sustainability-report.

CORPORATE SOCIAL RESPONSIBILITY

"Our recent performance amid challenging times is strong evidence that a sustainable business model built on the triple bottom line creates a more profitable and successful business. As we implement initiatives to mitigate climate change risk and meet emission reduction targets, it has become increasingly evident to us that climate-smart is also business-smart and that operating sustainably is commercially viable."

CONSOLIDATED
FINANCIAL STATEMENTS

This page is intentionally left blank

PT AUSTINDO NUSANTARA JAYA Tbk
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONTENTS

ANJ

**THE DIRECTORS' STATEMENT OF RESPONSIBILITY
FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES**

We, the undersigned:

1.	Name	:	Lucas Kurniawan
	Office address	:	Menara BTPN 40th Floor, Jalan. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950
	Domicile as in ID Card	:	Jl. Pulau Pelangi II No. 7, Kembangan Utara
	Office telephone	:	(021) 29651777
	Function	:	President Director
2.	Name	:	Nopri Pitoy
	Office address	:	Sinar Mas Plaza 7th floor, Jl. Diponegoro No 18, Medan, Sumatera Utara
	Domicile as in ID Card	:	Jl. Suprapto No. 8, Medan Maimun, Jati
	Office telephone	:	(061) 4537480
	Function	:	Director

declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of the Company and subsidiaries;
2. The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. The disclosures we have made in the consolidated financial statements are complete and accurate;

   b. The consolidated financial statements do not contain misleading information, and we have not omitted any information or facts that would be material to the consolidated financial statements;
4. We are responsible for the internal control.

This statement is made truthfully.

16 March 2022

METERAI TEMPEL
E0655AJX717119703

Lucas Kurniawan President Director	Nopri Pitoy Director

PT Austindo Nusantara Jaya Tbk.
Menara BTPN Lantai 40
Jalan Dr. Ide Anak Agung Gde Agung Kav. 5.5 - 5.6
Kawasan Mega Kuningan, Jakarta 12950
T (62 21) 2965 1777 F (62 21) 2965 1788
www.anj-group.com

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2021 AND 2020

	Notes	31 December 2021	31 December 2020
		US$	US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	27,141,425	15,887,126
Investments in marketable securities	6	490,209	490,209
Receivable from service concession arrangement	44	72,253	64,228
Trade accounts receivable	7	3,131,655	1,136,353
Other receivables	8	397,065	3,509,421
Inventories	9	18,992,054	17,132,182
Biological assets	11	7,028,766	3,234,440
Prepayments and advances	10	20,975,111	25,054,621
TOTAL CURRENT ASSETS		**78,228,538**	**66,508,580**
NON-CURRENT ASSETS			
Long term - receivable from service concession arrangement	44	698,370	779,583
Investments in equity securities	12	6,554,471	6,068,486
Deferred tax assets	38	974,832	5,013,408
Bearer plants	13	310,596,108	304,820,634
Property, plant and equipment	14	209,418,273	206,861,002
Intangible assets	15	894,054	1,184,641
Right-of-use assets	16	1,849,060	1,147,272
Advances	17	11,231,079	11,876,003
Goodwill	18	4,967,256	4,967,256
Claims for tax refund	19	5,176,638	5,914,581
Other non-current assets	20	22,061,683	21,002,366
TOTAL NON-CURRENT ASSETS		**574,421,824**	**569,635,232**
TOTAL ASSETS		**652,650,362**	**636,143,812**

See accompanying Notes to the Consolidated Financial Statements, which are an integral part of these consolidated financial statements.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)
31 DECEMBER 2021 AND 2020

	Notes	31 December 2021 US$	31 December 2020 US$
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	21	2,000,000	3,142,999
Trade accounts payable	22	5,939,443	5,661,890
Taxes payable	23	8,748,220	3,404,812
Derivative liabilities	41b	50,134	2,037,319
Other payables	24	10,851,940	4,912,646
Accrued expenses	25	7,511,706	6,082,689
Long-term bank loan-current maturities	21	12,744,759	2,665,668
Lease liabilities-current maturities	16	897,863	430,258
Provision for service concession arrangement-current maturities	44	34,118	67,848
TOTAL CURRENT LIABILITIES		**48,778,183**	**28,406,129**
NON-CURRENT LIABILITIES			
Long-term bank loans-net of current maturities	21	154,501,272	190,114,005
Lease liabilities-net of current maturities	16	1,027,382	751,360
Provision for service concession arrangement-net of current maturities	44	452,495	366,891
Deferred tax liabilities	38	770,444	427,697
Employee benefits obligation	26	13,844,321	20,319,686
Other non-current liabilities		-	689
TOTAL NON-CURRENT LIABILITIES		**170,595,914**	**211,980,328**
TOTAL LIABILITIES		**219,374,097**	**240,386,457**
EQUITY			
Capital stock-Rp 100 par value per share Authorized-12,000,000,000 shares Issued and paid-up-3,354,175,000 shares as of 31 December 2021 and 2020	27	46,735,308	46,735,308
Additional paid in capital	28	50,223,609	50,307,877
Treasury stock	1c,27	(3,668,309)	(3,926,668)
Difference in value due to changes in equity of subsidiaries	29	30,706,366	30,706,366
Other reserves	12,29	(31,360,972)	(29,173,010)
Retained earnings			
Appropriated		6,824,453	6,824,453
Unappropriated		331,158,488	292,289,905
Equity attributable to the owners of the Company		430,618,943	393,764,231
Non-controlling interests	30	2,657,322	1,993,124
TOTAL EQUITY		**433,276,265**	**395,757,355**
TOTAL LIABILITIES AND EQUITY		**652,650,362**	**636,143,812**

See accompanying Notes to the Consolidated Financial Statements, which are an integral part of these consolidated financial statements.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEARS ENDED 31 DECEMBER 2021 AND 2020

	Notes	Year ended 31 December 2021 US$	2020 US$
Revenue	31	266,792,377	164,099,644
Cost of revenue	32	(166,045,987)	(124,010,517)
GROSS PROFIT		**100,746,390**	**40,089,127**
Dividend income	35	278,883	97,177
Foreign exchange (loss) gain, net	46	(431,820)	3,137,837
Selling expenses		(19,985,362)	(9,642,430)
Personnel expenses	33	(12,318,859)	(12,176,581)
General and administrative expenses	34	(6,726,938)	(5,454,095)
Other income, net	37	942,878	1,532,188
OPERATING PROFIT		**62,505,172**	**17,583,223**
Finance costs, net	36	(4,119,003)	(2,559,606)
PROFIT BEFORE TAX		**58,386,169**	**15,023,617**
Income tax expense	38	(18,704,709)	(12,812,792)
PROFIT FOR THE YEAR		39,681,460	2,210,825
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Change in fair value of other investments	12	485,985	(641)
Changes resulting from actuarial remeasurements of post-employment benefits obligation	26	(293,490)	(1,017,748)
Income tax on items that will not be reclassified to profit or loss	39	(20,774)	216,314
		171,721	(802,075)

See accompanying Notes to the Consolidated Financial Statements, which are an integral part of these consolidated financial statements.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Continued)
YEARS ENDED 31 DECEMBER 2021 AND 2020

	Notes	Year ended 31 December 2021 US$	2020 US$
Items that will be reclassified subsequently to profit or loss:			
Foreign exchange differentials from translation of subsidiaries' financial statements		(2,902,304)	4,431,544
		(2,902,304)	4,431,544
OTHER COMPREHENSIVE INCOME, NET OF TAX		**(2,730,583)**	**3,629,469**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**36,950,877**	**5,840,294**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		40,025,789	2,347,918
Non-controlling interests	30	(344,329)	(137,093)
		39,681,460	**2,210,825**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		37,608,901	5,844,969
Non-controlling interests	30	(658,024)	(4,675)
		36,950,877	**5,840,294**
EARNINGS PER SHARE	39		
Basic earning (loss) per share		0.012084	0.000709
Diluted earning (loss) per share		0.012084	0.000709

See accompanying Notes to the Consolidated Financial Statements, which are an integral part of these consolidated financial statements.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2021 AND 2020

	Notes	Capital stock	Additional paid in capital	Treasury stock	Difference in value due to changes in equity of subsidiaries	Other comprehensive income: Unrealized gain (loss) on investments in equity securities	Other comprehensive income: Translation adjustment	Retained earnings: Appropriated	Retained earnings: Unappropriated	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance as of 31 December 2019		46,735,308	50,307,877	(3,926,668)	30,706,366	2,279,299	(35,753,042)	6,824,453	290,745,669	387,919,262	788,799	388,708,061
Changes in equity due to capital paid in advance from non-controlling interests in subsidiary	30	-	-	-	-	-	-	-	-	-	1,209,000	1,209,000
Profit for the year		-	-	-	-	-	-	-	2,347,918	2,347,918	(137,093)	2,210,825
Other comprehensive income:												
Changes resulting from actuarial remeasurements of post-employment benefits obligation, net of tax		-	-	-	-	-	-	-	(803,682)	(803,682)	2,248	(801,434)
Changes in fair value of investments in equity securities	12, 29	-	-	-	-	(641)	-	-	-	(641)	-	(641)
Difference in translation of subsidiaries' financial statements in foreign currencies	29	-	-	-	-	-	4,301,374	-	-	4,301,374	130,170	4,431,544
Balance as of 31 December 2020		46,735,308	50,307,877	(3,926,668)	30,706,366	2,278,658	(31,451,668)	6,824,453	292,289,905	393,764,231	1,993,124	395,757,355
Changes in equity due to capital paid in advance from non-controlling interests in subsidiary	30	-	-	-	-	-	-	-	-	-	1,322,222	1,322,222
Sales of treasury stock		-	(84,268)	258,359	-	-	-	-	-	174,091	-	174,091
Profit for the year		-	-	-	-	-	-	-	40,025,789	40,025,789	(344,329)	39,681,460
Other comprehensive income:												
Changes resulting from actuarial remeasurements of post-employment benefits obligation		-	-	-	-	-	-	-	(293,493)	(293,493)	3	(293,490)
Changes in fair value of investments in equity securities	12, 29	-	-	-	-	485,985	-	-	-	485,985	-	485,985
Income tax on items that will not be reclassified to profit or loss	41	-	-	-	-	(85,342)	-	-	64,567	(20,775)	1	(20,774)
Difference in translation of subsidiaries' financial statements in foreign currencies	29	-	-	-	-	-	(2,588,605)	-	-	(2,588,605)	(313,699)	(2,902,304)
Cash dividends	40	-	-	-	-	-	-	-	(928,280)	(928,280)	-	(928,280)
Balance as of 31 December 2021		**46,735,308**	**50,223,609**	**(3,668,309)**	**30,706,366**	**2,679,301**	**(34,040,273)**	**6,824,453**	**331,158,488**	**430,618,943**	**2,657,322**	**433,276,265**

See accompanying Notes to the Consolidated Financial Statements, which are an integral part of these consolidated financial statements.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2021 AND 2020

	Year ended 31 December	
	2021	2020
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	270,470,118	168,372,619
Cash received from interest income	234,945	199,134
Cash received from income tax fund	715,923	2,769,115
Cash received from VAT refund	12,401,746	7,133,133
Payments of employee benefits	(391,350)	(238,809)
Payments of contribution to pension fund	(8,299,748)	(2,960,845)
Income taxes paid	(7,677,879)	(5,250,166)
Payments to employees	(38,573,694)	(35,624,616)
Payments to suppliers	(107,534,294)	(82,283,182)
Payments for other operating activities	(35,564,565)	(17,062,131)
Net cash provided by operating activities	**85,781,202**	**35,054,252**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	278,883	85,162
Proceeds from sale/deduction of property, plant and equipment	620,884	155,272
Proceeds from sale deduction investment in marketable securities	-	1,800,000
Acquisitions of property, plant and equipment	(15,431,183)	(16,413,621)
Additions of bearer plants	(21,503,170)	(29,370,778)
Additions of advances	(406,998)	(4,976,312)
Acquisitions of intangible assets	(4,862)	(38,978)
Acquisitions of other non-current assets	(6,486,457)	(1,961,359)
Net cash used in investing activities	**(42,932,903)**	**(50,720,614)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from additional capital by non-controlling interests of a subsidiary	-	1,209,000
Payments for loan interest expenses	(4,507,477)	(3,171,043)
Payment of cash dividends	(928,280)	-
Reissuance of treasury stock	174,091	-
Lease liabilities payment	(619,075)	(542,553)
Proceeds from short-term bank loans	9,028,550	104,583,764
Payments of short-term bank loans	(10,199,611)	(101,165,161)
Proceeds from long-term bank loans	7,453,187	175,853,400
Payments of long-term bank loans	(31,763,090)	(163,355,744)
Payments for deferred financing costs	(232,295)	(342,835)
Net cash (used in)/provided by financing activities	**(31,594,000)**	**13,068,828**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**11,254,299**	**(2,597,534)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**15,887,126**	**18,484,660**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**27,141,425**	**15,887,126**

See accompanying Notes to the Consolidated Financial Statements, which are an integral part of these consolidated financial statements.

1. GENERAL

a. Establishment and General Information

PT Austindo Nusantara Jaya Tbk (the Company), formerly PT Austindo Teguh Jaya, was established by Deed No. 72 of Notary Mr. Sutjipto, S.H., dated 16 April 1993 which was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-3479.HT.01.01.TH.93 dated 21 May 1993, and was published in Supplement No. 4010 to the State Gazette No. 70, dated 31 August 1993. The Company's Articles of Association have been amended several times, among others, by Deed No. 161 of Notary Dr. Irawan Soerodjo, S.H., M.Si., dated 17 January 2013, pertaining to the Initial Public Offering (IPO) of the Company, which included the change in the Company's status, the IPO plan through the issuance of new shares from Company's portfolio, the approval of share allocation program to employees and the management stock option program, changes in composition of the Board of Commissioners and the Board of Directors and the change in the Articles of Association in order to comply with the regulation of Financial Service Authority ("OJK", formerly Bapepam-LK). The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-03796.AH.01.02. Tahun 2013 dated 31 January 2013.

The amendment to the entire Articles of Association by the Deed No. 270 of notary Dr. Irawan Soerodjo, S.H., M.Si., dated 22 June 2015, pertaining to the merger between the Company and PT Pusaka Agro Makmur ("PAM"), changes to the Company's principal business activities and the change to the Company's Articles of Association in order to comply with the regulation of OJK. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter of the Changes to the Articles of Association No. AHU-0937905.AH.01.02. Tahun 2015 dated 23 June 2015. The Notification of Merger and Notification of Amendment to the Articles of Association of the Company has been recorded in the database of the Legal Entity Administrative System of the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-AH.01.10-0105667 and No. AHU-AH.01.03-0944887, respectively, both dated 23 June 2015. The Articles of Association have been further amended by the Deed No. 98 of notary Dr. Ir. Yohanes Wilion, S.H, S.E., M.M. dated 31 May 2016 pertaining to the issuance of new shares from the Company's portfolio in relation with the management stock option program. The deed has been accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter of the Changes to the Articles of Association No. AHU-AH.01.03-0053226 dated 31 May 2016.

In accordance with the latest amendment in Article 3 of the Company's Articles of Association, the scope of its activities is to engage in the general trading, services and integrated palm oil plantation with its processing into crude palm oil and palm kernel. The Company is eligible to, among others, pursue business opportunities and investments. The Company started its commercial operations in 1993. Currently, the Company provides management services, operates in palm oil plantations and also operates as a holding company for its subsidiaries and associates operating in the agribusiness industry, which are palm oil plantation, sago processing, tobacco processing and horticultural agriculture as well as renewable energy.

As of 31 December 2021 and 2020, the Company and its subsidiaries (the Group) had 7,755 and 6,981 permanent employees (unaudited), respectively.

The Company is majority owned by PT Austindo Kencana Jaya and PT Memimpin dengan Nurani. The Company is domiciled in Jakarta and its head office is located at Menara BTPN 40th floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950.

1. GENERAL (Continued)

a. Establishment and General Information (Continued)

Based on Deed No. 23 of Notary Christina Dwi Utami, S.H., M.Hum., M.Kn., dated 2 November 2021, the Company's shareholders approved the changes in the composition of the Company's Board of Commissioners and Board of Directors as the following:

a. The resignation of Mrs. Istini Tatiek Siddharta as the Company's President Director and appointed as the Company's Commissioner.
b. the resignation of Mr. Lucas Kurniawan as the Company's Vice President Director and appointed as the Company's President Director.
c. the resignation of Mr.Geetha Govindan Kunnath Gopalakrishnan as the Company's Director and appointed as the Company's Vice President Director.
d. The appointment of Mr. Aloysius D'Cruz and Ms. Nopri Pitoy as the Company's Directors.

The deed was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia and accepted in its Decision Letter No. AHU-AH.01.03-0469942 dated 5 November 2021.

As of 31 December 2021 and 2020, the composition of the Company's Board of Commissioners and Board of Directors are as follows:

	31 December 2021	31 December 2020
President Commissioner	Mr. Adrianto Machribie Reksohadiprodjo	Mr. Adrianto Machribie Reksohadiprodjo
Commissioners	Mr. George Santosa Tahija	Mr. George Santosa Tahija
	Mr. Sjakon George Tahija	Mr. Sjakon George Tahija
	Mr. Istama Tatang Siddharta	Mr. Istama Tatang Siddharta
	Mr. Anastasius Wahyuhadi	Mr. Anastasius Wahyuhadi
	Mr. Josep Kristiadi	Mr. Josep Kristiadi
	Mr. Darwin Cyril Noerhadi	Mr. Darwin Cyril Noerhadi
	Mrs. Istini Tatiek Siddharta	
President Director	Mr. Lucas Kurniawan	Mrs. Istini Tatiek Siddharta
Vice President Director	Mr. Geetha Govindan Kunnath Gopalakrishnan	-
Directors	Mr. Naga Waskita	Mr. Lucas Kurniawan
	Mr. Aloysius D'Cruz	Mr. Geetha Govindan Kunnath Gopalakrishnan
	Ms. Nopri Pitoy	Mr. Naga Waskita
		Mr. Fakri Karim

The Company paid benefits to its Commissioners and Directors as follows:

	2021	2020
	US$	US$
Short-term benefits	6,370,679	3,193,699

The members of the Audit Committee as of 31 December 2021 and 2020 were as follows:

	31 December 2021 and 2020
Chairman	Mr. Darwin Cyril Noerhadi
Members	Mr. Irawan Soerodjo
	Mr. Osman Sitorus

1. GENERAL (Continued)

b. Initial Public Offering

On 1 May 2013, the Company obtained an effective statement from Otoritas Jasa Keuangan (OJK) by virtue of its letter No. S-101/D.04/2013 for its initial offering of 333,350,000 shares to the public at par value of Rp 100 per share on the Indonesia Stock Exchange at an initial offering price of Rp 1,200 per share. On 8 May 2013, all of these shares were listed on the Indonesia Stock Exchange.

Based on Deed No. 100 of Notary Dr. Irawan Soerodjo, S.H., M.Si., dated 14 June 2013, in accordance with the shareholders register dated 31 May 2013, the shares issued by the Company to the public in the Initial Public Offering were 333,350,000 shares, representing 10% of the outstanding shares. The deed was reported to the Minister of Law and Human Rights of the Republic Indonesia and accepted in its Decision Letter No. AHU-AH.01.10-25577 dated 24 June 2013.

As of 31 December 2021, all of the Company's 3,354,175,000 outstanding shares have been listed at the Indonesian Stock Exchange.

c. Merger with PT Pusaka Agro Makmur and Treasury Stock

The Extraordinary General Meeting of Shareholders (EGMS) of the Company on 22 June 2015 approved the merger of the Company and PAM (subsidiary), as stated in Deed No. 270 dated 22 June 2015 of notary Dr. Irawan Soerodjo, S.H., M.Si. The effective date of the merger is 23 June 2015, which is the approval date of the merger by the Minister of Law and Human Rights of the Republic of Indonesia as stated in its decision letter No. AHU-AH.01.10-0105667 dated 23 June 2015. Prior to merger, PAM was a wholly-owned subsidiary of the Company and its financial statements were consolidated to the Group's consolidated financial statements. Accordingly, the merger does not have any impact to the consolidated financial statements of the Group. At the effective date of the merger, all assets and liabilities were transferred to the Company, and PAM was liquidated in accordance with laws and regulations in Indonesia. The approval by the Capital Investment Coordinating Board was obtained on 29 January 2016.

In accordance with Law No. 40 of 2007 regarding Limited Liability Company ("Company Law") and Government Regulation No. 27 of 1998 regarding Merger, Consolidation and Acquisition of a Limited Liabilty Company ("PP 27/1998"), the shareholders of the Company who disagreed with the EGMS resolution as discussed above can exercise their rights to have their shares purchased by the Company at a fair price determined by the Company which is Rp 1,224 per share. On 30 June 2015, the Company completed the purchase of 115,651,300 shares from the shareholders who disagreed with the EGMS resolution for total acquisition cost of Rp 141,840 million (including other direct acquisition costs of Rp 283 million) or equivalent to US$ 10.6 million.

In December 2015, the Company submitted its application to use the book value in relation with this merger to the Directorate General of Taxation (DGT). On 19 February 2016, DGT issued the approval letter No. KEP-563/WPJ.07/2016 for using the net book value in the merger between the Company and PAM.

1. GENERAL (Continued)

d. Subsidiaries

i. Details of the Group's subsidiaries at the end of the reporting periods are as follows:

Subsidiaries' name and principal activities	Location	Year of commercial operation	Percentage of Group's ownership 31 December 2021	31 December 2020	Total assets before elimination 31 December 2021	31 December 2020
			%	%	US$	US$
Direct Subsidiaries						
Renewable Energy						
PT Austindo Aufwind New Energy (AANE)	Belitung, Bangka Belitung	2013	99.22	99.22	1,269,808	1,154,166
Agribusiness						
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga, North Sumatera	1995	99.99	99.99	545,360,468	522,916,110
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	2017	99.99	99.99	14,922,992	14,769,204
PT Gading Mas Indonesia Teguh (GMIT)	Jember	2000	80.00	80.00	12,846,624	11,820,746
Consumer Products						
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	2014	99.99	99.99	139,825	160,865
Indirect Subsidiaries						
Agribusiness						
PT Sahabat Mewah dan Makmur (SMM)	Belitung, Bangka Belitung	1994	99.99	99.99	65,497,835	58,305,519
PT Austindo Nusantara Jaya Agri Siais (ANJAS)	South Angkola, North Sumatera	2009	99.99	99.99	47,495,997	55,158,474
PT Kayung Agro Lestari (KAL)	Ketapang, West Kalimantan	2014	99.99	99.99	82,757,762	90,045,190
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	Pre-operating	99.99	99.99	10,141,600	10,069,048
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat, Papua	2020	99.99	99.99	152,341,652	146,255,873
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	2020	99.99	99.99	119,228,166	106,822,361
PT Lestari Sagu Papua (LSP)	South Sorong, Papua	Pre-operating	51.00	51.00	274,617	271,861

PT Austindo Nusantara Jaya Agri (ANJA)

Based on Deed No. 1423 of Notary Kartika, S.H., M.Kn. dated 15 November 2019, the shareholders of ANJA approved the decrease of authorized capital from Rp 1,000,000,000,000 to Rp 581,461,877,600 and the decrease of issued and paid up capital from Rp 472,896,142,400 to Rp 145,365,469,400 by retiring of 3,275,306,730 shares, all of which was owned by the Company. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0004959.AH.01.02 dated 18 January 2020. The Company's direct ownership in ANJA remains at 99.99%.

Based on Deed No. 6 of Notary Mala Mukti, S.H., LL.M. dated 1 December 2020, the shareholders of ANJA approved the transfer of all 100,000 shares held by Mr. Thomas Andrew Marshall to ANJB for total cash consideration of US$ 21,000. The change in the shareholders composition was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0204035.AH.01.011 dated 3 December 2020. The Company's direct ownership in ANJA remains at 99.99%.

PT Austindo Nusantara Jaya Agri SIAIS (ANJAS)

Based on Deed No. 2884 of Notary Kartika, S.H., M.Kn. dated 27 November 2019, the shareholders of ANJAS approved the decrease of authorized capital from Rp 800,000,000,000 to Rp 380,840,000,000 and the decrease of issued and paid up capital from Rp 225,770,000,000 to Rp 95,210,000,000 by retiring 130,560 shares owned by ANJA. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0007408.AH.01.02 dated 28 January 2020. ANJA's direct ownership in ANJAS remains at 99.99%.

1. GENERAL (Continued)

d. Subsidiaries (Continued)

i. Details of the Group's subsidiaries at the end of the reporting periods are as follows (Continued):

PT Austindo Nusantara Jaya Agri SIAIS (ANJAS) (Continued)

Based on Deed No. 1994 of Notary Kartika, S.H., M.Kn. dated 13 February 2020, the shareholders of ANJAS approved the decrease of authorized capital from Rp 380,840,000,000 to Rp 232,840,000,000 and the decrease of issued and paid up capital from Rp 95,210,000,000 to Rp 58,210,000,000 by retiring 37,000 shares owned by ANJA.

The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU- 0029730.AH.01.02 dated 15 April 2020. ANJA's direct ownership in ANJAS decreased from 99.99% to 99.98%.

Based on Deed No. 1073 of Notary Kartika, S.H., M.Kn. dated 17 September 2020, the shareholders of ANJAS approved the increase of authorized capital from Rp 232,840,000,000 to Rp 400,000,000,000 and the increase of issued and paid up capital from Rp 58,210,000,000 to Rp 214,527,000,000 through the conversion of additional paid in capital (APIC) of US$ 10,695,615 to capital which were propotionally distributed to the shareholders. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU- 0064610.AH.01.02 dated 18 September 2020.

Based on Deed No. 1371 of Notary Kartika, S.H., M.Kn. dated 25 February 2021, the shareholders of ANJAS approved the decrease of authorized capital from Rp 400,000,000,000 to Rp 200,000,000,000 and the decrease of issued and paid up capital from Rp 214,527,000,000 to Rp 78,027,000,000 by retiring 136,477 shares and 23 shares owned by ANJA and SMM, respectively. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU- 0025734.AH.01.02 dated 28 April 2021. ANJA direct ownership in ANJAS remains the same at 99.98%.

PT ANJ Agri Papua (ANJAP)

Based on Deed No. 1401 of Notary Kartika, S.H., M.Kn. dated 23 October 2020 the shareholders of ANJAP approved the increase of issued and paid up capital from Rp 865,102,000,000 to Rp 890,452,000,000 by issuing 25,350 new shares, of which 20,950 shares were subscribed and paid by the Company and 4,400 shares were subscribed and paid by SMM. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0401341 dated 23 October 2020. The Company's direct ownership in ANJAP decreased from 99.81% to 99.32%.

Based on Deed No. 431 of Notary Kartika, S.H., M.Kn. dated 6 December 2021 the shareholders of ANJAP approved the increase of authorized capital from Rp 1,000,000,000,000 to Rp 1,500,000,000,000 issued and paid up capital from Rp 890,452,000,000 to Rp 962,152,000,000 by issuing 71,700 new shares which were subscribed and paid by SMM. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0483801 dated 10 December 2021. The Company's direct ownership in ANJAP decreased from 99.32% to 91.92%.

PT Galempa Sejahtera Bersama (GSB)

Based on Deed No. 343 of Notary Kartika, S.H., M.Kn. dated 15 December 2020, the shareholders of GSB approved the increase of issued and paid up capital from Rp 197,200,000,000 to Rp 231,770,000,000 by issuing 345,700 new shares, of which 328,415 shares were subscribed and paid by ANJA and 17,285 shares were subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0419429 dated 15 December 2020.

1. GENERAL (Continued)

d. Subsidiaries (Continued)

i. Details of the Group's subsidiaries at the end of the reporting periods are as follows (Continued):

PT Putera Manunggal Perkasa (PMP)

Based on Deed No. 504 of Notary Kartika, S.H., M.Kn. dated 8 September 2020, the shareholders of PMP approved the increase of authorized capital from Rp 600,000,000,000 to Rp 1,500,000,000,000 and the increase of issued and paid up capital from Rp 511,722,000,000 to Rp 1,197,680,000,000 by issuing 685,958,000 new shares, of which 394,700,500 shares were subscribed and paid by ANJA and 291,257,500 shares were subscribed and paid by the Company. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0062352.AH.01.02 dated 10 September 2020.

ANJA's direct ownership in PMP decreased from 75.00% to 65.00% and Company's direct ownership increased from 25.00% to 35.00%.

Based on Deed No. 433 of Notary Kartika, S.H., M.Kn. dated 6 December 2021, the shareholders of PMP approved the increase of authorized capital from Rp 1.500,000,000,000 to Rp 2,000,000,000,000 and the increase of issued and paid up capital from Rp 1,197,680,000,000 to Rp 1,659,515,000,000 by issuing 461,835,000 new shares, of which 217,217,000 shares were subscribed and paid by ANJA and 244,618,500 shares were subscribed and paid by the Company. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0071073.AH.01.02 dated 10 December 2021.

ANJA's direct ownership in PMP decreased from 65.00% to 60.00% and Company's direct ownership increased from 35.00% to 40.00%.

PT Permata Putera Mandiri (PPM)

Based on Deed No. 506 of Notary Kartika, S.H., M.Kn. dated 8 September 2020, the shareholders of PPM approved the increase of authorized capital from Rp 600,000,000,000 to Rp 1,500,000,000,000 and the increase of issued and paid up capital from Rp 464,160,000,000 to Rp 1,034,740,000,000 by issuing 570,580,000 new shares, of which 324,461,000 shares were subscribed and paid by ANJA and 246,119,000 shares were subscribed and paid by the Company. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-062355.AH.01.02 dated 10 September 2020. ANJA's direct ownership in PPM decreased from 75.00% to 65.00% and Company's direct ownership increased from 25.00% to 35.00%.

Based on Deed No. 432 of Notary Kartika, S.H., M.Kn. dated 6 December 2021, the shareholders of PPM approved the increase of authorized capital from Rp 1,500,000,000,000 to Rp 2,000,000,000,000 and the increase of issued and paid up capital from Rp 1,034,740,000,000 to Rp 1,373,482,000,000 by issuing 338,742,000 new shares, of which 151,508,000 shares were subscribed and paid by ANJA and 187,234,000 shares were subscribed and paid by the Company. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0071047.AH.01.02 dated 10 December 2021. ANJA's direct ownership in PPM decreased from 65.00% to 60.00% and Company's direct ownership increased from 35.00% to 40.00%.

1. GENERAL (Continued)

d. Subsidiaries (Continued)

i. Details of the Group's subsidiaries at the end of the reporting periods are as follows (Continued):

PT Gading Mas Indonesia Teguh (GMIT)

Based on Deed No.8 of Notary Mala Mukti, S.H., LL.M. dated 1 December 2020, the shareholders of GMIT approved the transfer of all 62 shares held by Mr. Thomas Andrew Marshall to the Company for a total cash consideration of Rp 25,600,000. The change in shareholders composition was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0415209 dated 3 December 2020. The Company's direct ownership in GMIT increased from 79.99% to 80.00%.

Based on Deed No. 1631 of Notary Kartika, S.H., M.Kn. dated 30 November 2021, the shareholders of GMIT approved the increase of authorized capital from Rp 285,250,000,000 to Rp 407,500,000,000 and the increase of issued and paid up capital from Rp 78,334,377,000 to Rp 254,621,648,000 by issuing 1,081,517 new shares, of which 865,214 shares were subscribed and paid by the Company and 216,303 shares were subscribed and paid by AJI HK Limited. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0071208.AH.01.02 dated 10 December 2021. The Company's direct ownership in GMIT remains at 80.00%.

PT Austindo Nusantara Jaya Boga (ANJB)

Based on Deed No. 505 of Notary Kartika, S.H., M.Kn. dated 8 September 2020, the shareholders of ANJB approved the increase of issued and paid up capital from Rp 6,365,000,000 to Rp 6,880,000,000 by issuing 515,000 new shares, all of which was subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH. 01.03-0384900 dated 10 September 2020. The Company's direct ownership in ANJB is 99.99%.

Based on Deed No. 430 of Notary Kartika, S.H., M.Kn. dated 6 December 2021, the shareholders of ANJB approved the increase of issued and paid up capital from Rp 6,880,000,000 to Rp 7,830,000,000 by issuing 950,000 new shares, all of which was subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH. 01.03-0483780 dated 10 December 2021. The Company's direct ownership in ANJB is 99.99%.

PT Kayung Agro Lestari (KAL)

Based on Deed No. 1400 of Notary Kartika, S.H., M.Kn., dated 23 October 2020, the shareholders of KAL approved the increase of issued and paid-up share capital from Rp 1,410,205,000,000 to Rp 1,550,285,000,000 by issuing 280,160 new shares, of which 280,000 shares were subscribed and paid by ANJA and 160 shares subscribed and paid by SMM. The increase in capital was approved by Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH. 01.03-0401330 dated 23 October 2020. ANJA's direct ownership in KAL remains at 99.95%.

Based on Deed No. 641 of Notary Kartika, S.H., M.Kn. dated 21 October 2021, the shareholders of KAL approved the decrease of issued and paid up capital from Rp 1,550,285,000,000 to Rp 1,408,285,000,000 by retiring 283,900 shares owned by ANJA and 100 shares owned by SMM. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0074640.AH.01.02 dated 22 December 2021. ANJA's direct ownership in KAL decreased to 99.98%.

ii. Details of non-wholly owned subsidiaries that have non-controlling interests to the Group are further disclosed in Note 30.

2. ADOPTION OF NEW STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (“PSAK”)

a. PSAK effective in the current year

In the current year, the Group has applied a number of PSAK issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant and effective for accounting period beginning on 1 January 2021, as follows:

- Amendments to PSAK 71, PSAK 55, PSAK 60, PSAK 62 and PSAK 73: “Interest Rate Benchmark Reform – Phase 2”

  The above amendments were issued in relation with the reform on the global interest rate benchmark from Interbank Offered Rate (IBOR) to an Alternative Benchmark Rate (ABR).

- Amendment PSAK 22: “Business Combination related to the definition of a business”

  This amendment provides a framework on how to evaluate whether a transaction qualifies as a business combination or asset acquisition.

The adoption of those amendments does not have material effect to the consolidated financial statements.

b. Standards issued, but not yet adopted

The following standards were issued, but are not yet effective in 2021:

- Amendment to PSAK 16: “Fixed Assets – Proceeds before Intended Use”
- Amendment to PSAK 22: “Business Combination: Reference to the Conceptual Framework”
- Amendment to PSAK 57: “Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling the Contracts”

The above amendments will be efective for the financial reporting beginning on 1 January 2022, except for Amendment to PSAK 16: “Fixed Assets – Proceeds before Intended Use” which will be efective for the financial reporting beginning on 1 January 2023. Early adoption on the amendments is permitted.

As of the issuance date of the consolidated financial statements, management is still evaluating the effect of adoption of those amendments on the consolidated financial statements.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods in these consolidated financial statements.

a. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Basis of Preparation

The Company’s directors approved the consolidated financial statements for issuance on 16 March 2022.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Preparation (Continued)

The consolidated financial statements, have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement at the end of each reporting period, as explained in the accounting policies below. These consolidated financial statements are presented in United States Dollar (US$), which is the Company's functional currency.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated statements of cash flows are prepared using the direct method with classification of cash flows into operating, investing and financing activities.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The accounting policies adopted in these consolidated financial statements are consistently applied by the Company and subsidiaries.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 71 or when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after the reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase option.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another accounting standard.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured subsequent to reporting dates at fair value, with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if the interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Business Combination Under Common Control

Business combination of entities under common control that qualifies as a business is accounted for using pooling of interest method where assets and liabilities acquired in the business combination are recorded by the acquirer at their book values.

The difference between the transfer price and the book value is presented as Additional Paid in Capital and is not recycled to profit or loss.

The pooling of interest method is applied as if the entities had been combined from the period when the merging entities were placed under common control.

f. Foreign Currency Transactions and Translation

The individual financial statements of each Group's entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the financial statements of the Company are presented in United Stated Dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.

- Exchange differences on transaction entered into in order to hedge certain foreign currency risks.

- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

g. Transactions with Related Parties

A related party is a person or entity that is related to the Group (the reporting entity):

(a) A person or a close member of that person's family is related to the reporting entity if that person:

i. has control or joint control over the reporting entity;
ii. has significant influence over the reporting entity; or
iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Transactions with Related Parties (Continued)

(b) An entity is related to the reporting entity if any of the following conditions applies:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiaries and fellow subsidiaries is related to the other).
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group, of which the other entity is a member).
iii. Both entities are joint ventures of the same third party.
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring entities are also related to the reporting entity.
vi. The entity is controlled or jointly controlled by a person identified in (a).
vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

h. Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

i. Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (“FVOCI”) - debt investment; FVOCI - equity investment; or, fair value through profit or loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets that are measured at amortized cost consist of cash in banks and cash equivalents, investments in marketable securities, receivable from service concession arrangement, trade accounts receivable, other receivables, refundable deposits and plasma receivable (recorded as other non-current assets). These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Investments in equity securities are categorized as measured-at-FVOCI financial assets. These financial assets are recognized and measured at fair value. All gains or losses are recognized in other comprehensive income and are not reclassified to the income statement when the investments are sold or derecognized, aside from dividends which are recognized in the income statement when the right to receive payment is established.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial Instruments (Continued)

ii. Financial liabilities

Financial liabilities are classified as either measured at amortized cost, or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative, or if it is designated as such on initial recognition.

Bank loans, trade accounts payable, derivative payable, provision for service concession arrangement, other payables, lease liabilities and accruals, are initially measured at fair value, plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derivative payables are classified as at FVTPL, and all gains or losses, and interest charges, are recognized in profit or loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred: i.e. when control over the financial asset is relinquished.

In a transaction where a financial asset is transferred but the risks and rewards associated with ownership are somehow retained, the transferred asset is not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, Group currently have legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

v. Impairment

The Group recognizes loss allowances for expected credit loss (“ECL”) on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial Instruments (Continued)

v. Impairment (Continued)

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade and other receivables measured at amortized cost are always measured at an amount equal to lifetime ECL.

i. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consists of cash on hand and in banks and investments which (i) have maturities of three months or less from the date of placement, (ii) are not pledged as collateral and (iii) are unrestricted.

j. Time Deposits

Time deposits with maturities of three months or less which are pledged as collateral or restricted and time deposits with maturities of more than three months that are realizable within one year from reporting period are presented separately.

k. Receivable from Service Concession Arrangement

Receivable due from concession project represents services provided in connection with the service concession arrangement for which guaranteed minimum payments have been agreed irrespective of the extent of use. Due to the length of the payment plans, receivables are measured at present value of amortized cost.

The annual accumulation of interest on these discounted values is presented as interest income under revenue. Customers’ payments divided into a portion to be deducted from the receivable and interest on the unpaid amounts and a portion for the other concession services.

If collection is expected in one year or less, it is classified as current assets. Otherwise, it is presented as non-current assets.

l. Inventories

Inventories are stated at cost or net realizable value, whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated selling cost.

Cost of palm oil finished goods comprises fair value less costs to sell of fresh fruit bunch at the date of harvest and processing cost. Cost of edamame transferred from biological assets is at its fair value less costs to sell at the date of harvest. Cost of finished goods inventories are determined using the weighted average method.

Materials, spare parts and supplies are stated at cost, which is calculated using the weighted average method.

Allowance for decline in value of inventories is provided based on a review of the condition of the inventories at year end.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Investment in Associates and Joint Ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of operations and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58, Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture).

The Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any excess of the cost of acquisition over the Group's share of the net fair value of identifiable assets, liabilities and contingent liabilities of the associate or a joint venture recognized at the date of acquisition, is recognized as goodwill, which is included within the carrying amount of the investment and subject to the impairment test as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of PSAK 71, Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with PSAK 48, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures any retained investment at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 71. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Investment in Associates and Joint Ventures (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investmet in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities).

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of its interest in the associate or joint venture that are not related to the Group.

n. Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation; and
- 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 PSAKs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

o. Property, plant and equipment – Direct Acquisitions

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets, computed on the cost of assets less estimated residual value using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings, roads and bridges	4 - 20
Machinery and equipment	4 - 20
Computer and communication equipment	4
Office equipment, furniture and fixtures	4 - 8
Motor vehicles	4 - 8

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Property, Plant and Equipment - Direct Acquisitions (Continued)

The estimated useful lives and depreciation method are reviewed at each year end.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently related to addition, replacement or service of property, plant and equipment are recognized as asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in progress is stated at cost, which include borrowing costs during construction on debts incurred to finance the construction. Accumulated cost will be transferred to the respective property, plant and equipment account when the construction is completed and the asset is ready for use.

Land

Land is stated at cost and not depreciated.

Land cost consists of acquisition cost, land compensation cost and all legal processing cost of landrights.

During the process of obtaining legal landrights (i.e. Land Cultivation Rights or Hak Guna Usaha/HGU title), all relevant expenses incurred will be recognized as advances and will be reclassified as land cost when the HGU is obtained.

p. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent periods.

On the disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

q. Bearer Plants

Bearer plants (palm plantations) are classified as immature and mature plantations.

Immature plantations are stated at cost which represents accumulated costs incurred on the palm plantations before they mature and produce crops. Such costs include the cost for nurseries, field preparation, planting, fertilizing, maintenance, interest on debts incurred to finance the development of plantations until maturity, and allocation of other indirect costs based on hectares planted. These costs are accumulated up to the time the plantations are ready for harvest, for as long as the carrying value of such immature plantations do not exceed the higher of replacement cost or recoverable amount.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Bearer Plants (Continued)

Palm plantations are considered mature when (1) the age of the plantations in a block are at the minimum 36 months old with the productivity at a minimum of 3.5 ton per hectare per year or (2) the age of the plantations in a block has reached 48 months. At the time palm plantations are considered mature, immature plantations are reclassified to mature plantations account and are depreciated from the date of transfer.

Mature plantations are stated at cost as of the date of transfer, less accumulated depreciation. Mature plantations are depreciated using the straight line method based on the estimated productive lives of the mature plantations which is 20 years.

r. Biological Assets

Biological assets comprise of agricultural produce growing on bearer plants up to the point to be harvested, which are referred as Fresh Fruit Bunches (“FFB”) that grows on mature palm plantations and edamame plants. Biological assets measured at fair value less costs to sell. Gains or losses arising from the initial recognition and changes in fair value are recognized in the profit or loss for the period when they arise.

The fair value of FFB biological assets is estimated by reference to the projected harvest quantities and market price of FFB as at the financial position date, net of depreciation, maintenance and harvesting costs and estimated costs to sell. The fair value of edamame plants biological assets is estimated by reference to the estimated harvesting yields and market price of edamame as at the financial position date, net of maintenance and harvesting costs and estimated cost to sell. FFB and edamame plants biological assets are presented as part of current assets in the consolidated statement of financial position.

s. Intangible Assets

Intangible assets comprise of deferred charges for landrights and computer software, which have finite useful lives, and are measured at cost less accumulated amortization. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use. The Group’s estimated useful life of the computer software is 4 years while for deferred charges of landrights is over the legal term of the renewal extension or over the economic life of the asset, whichever is shorter, ranging from 20 – 55 years.

t. Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

Further policy for impairment of financial assets is discussed in Note 3h, while for impairment of goodwill is discussed in Note 3p.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on the index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u. Leases (Continued)

When the lease liability is measured this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets

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

v. Provisions

Provision is recognized when: (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that the Group will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for Service Concession Arrangements

Under the concession arrangement, AANE as the service provider is responsible for the maintenance of Electricity Generation Facility under its management. In this case, AANE is responsible to conduct a major overhaul of gas engine, which varies every 12,000 hours (approximately 4 years) until 64,000 hours (approximately 8 years) of its operation.

Since AANE are not specifically remunerated for its maintenance activities, such maintenance costs are then recognized and measured in accordance with PSAK 57, Provision, Contingent Liabilities and Contingent Assets, that is, at the present value of the expenditures expected to be required to settle the obligations using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

w. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets including development of immature plantations, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

x. Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a product to a customer.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

x. Revenue Recognition (Continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies, under PSAK 72:

- Revenue is recognized when the customer obtains control of the goods. Export sales are recognized when the control is transferred upon shipping in accordance with the sales term, while domestic sales are recognized when the control is transferred upon delivery of the goods to the customers because by that time the customer can direct the use of the goods and will obtain substantially all of the economic benefits from the goods.
- The Group does not provide shipping and handling services after control of the goods is transferred to the customers.

Service Concession Arrangement

Group recognizes a financial asset arising from a service concession arrangement when it has unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor. Such financial assets are measured at fair value on initial recognition and classified as loan and receivables. Subsequent to initial recognition, the financial assets are measured at amortized cost.

Construction services related to service concession arrangement are recognized as revenue in accordance with PSAK 72 ”Revenue from Contracts with Customers” (previously PSAK 34 “Construction Contracts”) using the percentage of completion method based on the assumption of zero profit margin, considering that the construction cost is approximate to the fair value of construction revenue.

Under the service concession arrangement, AANE received only one consideration for its services. Management is of the opinion that the margin of the overall consideration should then be split into two different activities i.e. (1) financing activities and (2) operation and maintenance activities. AANE employed the residual value method in allocating the margin of the overall consideration into financing, and operation and maintenance activities. The finance income from the financing activities is determined based on prevailing rate of lending for a similar concession arrangement.

Dividend Income

Dividend income from investments is recognized when the shareholders’ rights to receive the payment have been established.

Interest Income

Interest income is recognized on a timely basis, by reference to the outstanding principal and at the applicable effective interest rate.

y. Employee Benefits

The Company and certain subsidiary established defined benefit pension plan covering all the local permanent employees. In addition, the Group also provides post-employment benefits as required under Labor Law in Indonesia. For normal pension scheme, the Group calculates and recognizes the higher of the benefits under the Labor Law and those under such pension plan.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

y. Employee Benefits (Continued)

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earning and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs. Gains or losses arising from actuarial remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

z. Income Tax

The tax currently payable is based on taxable profit to the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax expense is determined based on the taxable income for the period computed using prevailing tax rates.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

z. Income Tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax regulation) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize 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.

aa. Earnings per Share

Basic earnings per share is calculated by dividing net income attributable to the owners of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing net income attributable to the owners of the Company by the weighted average number of shares outstanding which has taken into account all effects of all dilutive potential ordinary shares.

ab. Segment Information

Operating segments are identified based on internal reports on components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

a) That engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);
b) Whose operating results are reviewed regularly by the entity’s chief operating decision maker responsible for resources allocation to the segments and assessment of its performance; and
c) For which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of their performance is specifically focused on the category by industry.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, the Board of Directors are required to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are made based on historical experience and other relevant factors. Actual results may differ from these estimated amounts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the consolidated financial statements, apart from those involving estimates, which are described below.

Key Sources of Estimation Uncertainty

Information about the assumptions and estimation uncertainties that may result in causing a material adjustment to the carrying amounts of assets and liabilities within the following year, are discussed below:

i. Impairment Loss on Loans and Receivables

The Group assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, management makes judgement as to whether there is objective evidence that loss event has occurred (Note 3h on impairment of financial assets). Management also makes judgement as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between the estimated loss and actual loss. The carrying amount of loans and receivables are disclosed in Notes 5, 6, 7, 8, 20 and 44.

ii. Estimated Useful Lives of Bearer Plants and Property, Plant and Equipment

The useful life of each item of the Group's palm oil plantations as well as property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is made based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectation differs from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. Future results of operation could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

The carrying amount of bearer plants and property, plant and equipment are disclosed in Notes 13 and 14.

iii. Biological Assets Valuation

As described in Note 3r, the fair value of FFB biological assets is estimated by reference to the projected harvest quantities and market price of FFB as at the financial position date, net of depreciation, upkeep and harvesting costs and estimated costs to sell. The estimation of fair value of biological assets is highly dependent on the weather, price and the related cost at the time of harvesting. The carrying amount of biological assets is disclosed in Note 11.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

iv. Impairment of Goodwill

Determination of goodwill impairment requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected from the cash-generating unit using an appropriate growth rate and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill is disclosed in the consolidated statement of financial position and Note 18.

v. Allowance for Decline in Value of Inventories

The Group provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will affect the result of the Group's operation.

The carrying value of inventories after the provision of the impairment loss of inventories is disclosed in Note 9.

vi. Realizability of Deferred Tax Assets

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 assets to be utilized. Based on current assessment, management believes that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

The carrying amount of deferred tax assets is disclosed in Note 38.

vii. Employment Benefits

The cost of defined benefit plan and present value of the pension obligation are determined based on actuarial valuation which makes use of various assumptions such as discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. The defined benefit obligation is highly sensitive to changes in the assumptions.

The carrying amount of the obligation is disclosed in Note 26.

viii. Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is calculated based on the available data from binding sales transactions done at an arm's length term of similar assets or observable market price less incremental costs for disposing the asset. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the specific risks to the asset.

ix. Valuation of Financial Instruments

As described in Note 48, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 48 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

5. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
	US$	US$
Cash on hand	278,811	254,502
Bank - third parties		
Rupiah		
PT Bank OCBC NISP Tbk	19,252,564	3,234,362
PT Bank Mandiri (Persero) Tbk	1,665,054	3,502,697
PT Bank CIMB Niaga Tbk	640,402	527,284
PT Bank Syariah Mandiri	254,194	230,081
PT Bank Rakyat Indonesia Tbk	179,071	233,540
PT Bank Negara Indonesia (Persero) Tbk	261,653	225,940
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	47,061	24,929
PT Bank Central Asia Tbk	30,682	30,203
PT Bank UOB Indonesia Tbk	20,460	58,786
U.S. Dollar		
PT Bank OCBC NISP Tbk	2,029,403	2,829,337
PT Bank Mandiri (Persero) Tbk	1,413,099	1,565,962
Credit Suisse Singapore	292,446	1,852
Bank OCBC Singapore	152,820	196,953
J.P. Morgan International Bank Ltd.	40,860	40,742
PT Bank CIMB Niaga Tbk	32,437	737,637
PT Bank UOB Indonesia Tbk	8,952	7,033
PT Bank BTPN Tbk	3,321	1,165
PT Bank Central Asia Tbk	189	308
Time deposits - third parties		
Rupiah		
PT Bank OCBC NISP Tbk	129,652	226,870
PT Bank Mandiri (Persero) Tbk	118,294	116,943
U.S. Dollar		
PT Bank OCBC NISP Tbk	290,000	1,550,000
Credit Suisse Singapore	-	290,000
Total	27,141,425	15,887,126
Interest rate per annum of time deposits		
Rupiah	2.50%-4.15%	2.40%-6.30%
U.S. Dollar	0.17%-0.65%	0.23%-2.45%

As of 31 December 2021 and 2020, all of the Company's, ANJA's, SMM's, ANJAS', PPM's and PMP's bank accounts at PT Bank OCBC NISP Tbk were used as collateral for the bank loan obtained from PT Bank OCBC NISP Tbk (Note 21).

6. INVESTMENTS IN MARKETABLE SECURITIES

The fair value of the investments in money market fund and bonds is based on market value at the end of reporting period.

	31 December 2021 and 2020		
	Acquisition cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	490,209	-	490,209
Bonds	65,000	(65,000)	-
Total	555,209	(65,000)	490,209

All investments in marketable securities are placed with third parties.

7. TRADE ACCOUNTS RECEIVABLE

	31 December 2021	31 December 2020
	US$	US$
Third parties		
Palm oil	2,858,947	870,742
Sago starch	173,579	114,617
Electricity power	61,327	116,987
Others	37,802	34,007
Net	3,131,655	1,136,353

Details of trade accounts receivable based on their currencies are as follows:

	31 December 2021	31 December 2020
	US$	US$
Rupiah	3,131,655	1,136,353

The summary of the aging profile of trade accounts receivable not impaired is as follows:

	31 December 2021	31 December 2020
	US$	US$
Not yet due	203,069	202,585
Overdue < 30 days	1,786,102	894,189
Overdue 31 - 60 days	1,142,484	39,579
Total	3,131,655	1,136,353

Management believes that no allowance for impairment losses on trade accounts receivable is necessary.

8. OTHER RECEIVABLES

	31 December 2021	31 December 2020
	US$	US$
MSOP and ESPP loan (Note 20)	-	2,864,065
Employee receivables	145,134	172,052
Others	490,503	714,650
	635,637	3,750,767
Less: allowance for impairment losses	(238,572)	(241,346)
Total	397,065	3,509,421

Management believes that the allowance for impairment losses as of 31 December 2021 and 2020 of US$ 238,572 and US$ 241,346, respectively are adequate to cover any possible losses from uncollectible other receivables.

9. INVENTORIES

	31 December 2021	31 December 2020
	US$	US$
Palm oil	10,944,378	11,576,081
Sago starch	1,190,820	660,944
Edamame	1,064,585	-
Supplementary materials, spareparts and others	7,677,130	5,876,433
Total	20,876,913	18,113,458
Allowance for decline in value of inventories	(1,884,859)	(981,276)
Net	18,992,054	17,132,182

	2021	2020
	US$	US$
Changes in the allowance for decline in value of inventories:		
Beginning balance	981,276	1,288,435
Addition (reversal)	1,063,785	(177,521)
Write-off	-	(129,638)
Translation adjustments	(160,202)	-
Ending balance	1,884,859	981,276

Management believes that the allowance for decline in value of inventories is adequate.

As of 31 December 2021 and 2020, ANJA's palm oil inventories amounting to US$ 4.5 million were used as collateral for the bank loan obtained from PT Bank OCBC NISP Tbk (Note 21).

Palm oil and sago starch inventories were insured against losses from fire and other risks under a blanket policy amounting to US$ 18.6 million and Rp 29 billion as of 31 December 2021 and US$ 12.9 million and Rp 15 billion as of 31 December 2020. Management believes that the insurance coverage is adequate to cover possible losses to the Group.

10. PREPAYMENTS AND ADVANCES

	31 December 2021	31 December 2020
	US$	US$
Prepayments:		
Insurance	310,175	222,874
Rent	122,741	145,649
Other	52,463	50,066
Value added taxes	19,969,325	23,716,581
Article 4 (2)	6,933	-
Advances	513.474	919,451
Total	20,975,111	25,054,621

11. BIOLOGICAL ASSETS

The following is the carrying value movements of biological assets:

	31 December 2021	31 December 2020
	US$	US$
Fair value		
Beginning balance	3,234,440	3,050,900
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the period (Note 32)	3,801,276	167,568
Translation adjusments	(6,950)	15,972
Ending balance	7,028,766	3,234,440

The fair value of biological assets FFB is estimated by reference to the projected harvest quantities of fruits for one month after the reporting period and market price of FFB as at the financial position date, net of maintenance and harvesting costs and estimated costs to sell. The fair value technique is included in fair value measurement hierarchy level 3. The estimated fair value of biological assets would increase (decrease) if:

- The estimated prices for FFB and were higher (lower);
- The estimated yields per hectare were higher (lower); and
- The estimated maintenance, harvesting and transportation costs were lower (higher).

12. INVESTMENTS IN EQUITY SECURITIES

This account represents the Group’s investments in shares of other investees with ownership interest of less than 20%.

	31 December 2021			
	Acquisition cost	Acquisition cost after impairment	Changes in fair value	Fair value or acquisition cost after impairment
	US$	US$	US$	US$
PT Agro Muko	2,240,108	2,240,108	3,178,578	5,418,686
PT Moon Lion Industries Indonesia	1,026,225	643,164	487,551	1,130,715
Cyprium Australia Pty Ltd. (CYM)	2,911,153	111,913	(106,843)	5,070
Others	41,964	-	-	-
Total	6,219,450	2,995,185	3,559,286	6,554,471

	31 December 2020			
	Acquisition cost	Acquisition cost after impairment	Changes in fair value	Fair value or acquisition cost after impairment
	US$	US$	US$	US$
PT Agro Muko	2,240,108	2,240,108	3,178,578	5,418,686
PT Moon Lion Industries Indonesia	1,026,225	643,164	-	643,164
Cyprium Australia Pty Ltd. (CYM)	2,911,153	111,913	(105,277)	6,636
Others	41,964	-	-	-
Total	6,219,450	2,995,185	3,073,301	6,068,486

12. INVESTMENTS IN EQUITY SECURITIES (Continued)

Due to adoption PSAK 71, Financial Instruments, since 1 January 2020, the Group made an irrevocable election to present changes in the fair value of equity investments that are not held for trading in other comprehensive income. All gains or losses are recognized in other comprehensive income and are not reclassified to the income statement when the investments are disposed of, aside from dividends which are recognized in the income statement when the right to receive payment is established. Equity investments are recorded in non-current assets unless they are expected to be sold within one year.

PT Moon Lion Industries Indonesia

For the years ended 31 December 2021 and 2020, the fair value adjustment of investment in PT Moon Lion Industries Indonesia amounted to US$ 487,551 and nil, respectively, was recognized in other comprehensive income.

Cyprium Australia Pty Ltd.

For the years ended 31 December 2021 and 2020, based on the quoted market price of CYM shares, the (decrease) increase in the fair value of CYM amounted US$ 1,566 and US$ 641, respectively, was recognized in other comprehensive income.

13. BEARER PLANTS

	1 January 2021	Additions	Deductions	Reclassification	Translation adjustments	31 December 2021
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	270,909,737	-	(2,421,125)	68,480,050	(824,292)	336,144,370
Accumulated depreciation	(118,455,971)	(13,662,398)	1,997,752	-	(31,782)	(130,152,399)
	152,453,766	(13,662,398)	(423,373)	68,480,050	(856,074)	205,991,971
Immature plantation - at cost	152,366,868	22,276,558	(304,604)	(68,174,836)	(1,559,849)	104,604,137
	304,820,634					**310,596,108**

	1 January 2020	Additions	Deductions	Reclassification	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	208,013,369	-	(1,423,531)	62,907,957	1,411,942	270,909,737
Accumulated depreciation	(109,329,868)	(10,497,954)	1,423,531	-	(51,680)	(118,455,971)
	98,683,501	(10,497,954)	-	62,907,957	1,360,262	152,453,766
Immature plantation - at cost	173,201,813	32,147,370	(129,987)	(49,875,204)	(2,977,124)	152,366,868
	271,885,314					**304,820,634**

Depreciation expense allocated to cost of revenue for the years ended 31 December 2021 and 2020 amounted to US$ 13,662,398 and US$ 10,497,954, respectively (Note 32).

Borrowing cost capitalized to the acquisition cost of immature plantations for the years ended 31 December 2021 and 2020 amounted to US$ 6,050,892 and US$ 9,265,564, respectively.

As of 31 December 2021, an amount of US$ 255,973 from ANJAS relating to estate infrastructure was reclassified from property, plant and equipment to bearer plants, whereas an amount of US$ 49,241 from PMP and PPM was reclassification from contract liabilities.

As of 31 December 2020, an amount of US$ 12,968,939 from KAL, PPM, and PMP relating to estate infrastructure was reclassified from property, plant and equipment to bearer plants, whereas an amount of US$ 63,814 was reclassification from advance.

13. BEARER PLANTS (Continued)

The area of mature and immature plantations (unaudited) based on location are as follows:

	31 December 2021		
	Mature plantation (hectare)	Immature plantation (hectare)	Total planted area (hectare)
Belitung, Bangka Belitung	11,430	2,931	14,361
Ketapang, West Kalimantan	8,784	799	9,583
Binanga, North Sumatera	7,283	2,232	9,515
Batang Angkola, North Sumatera	7,752	-	7,752
South Sorong, West Papua	5,022	3,085	8,107
Empat Lawang, South Sumatera	-	724	724
Total	40,271	9,771	50,042

	31 December 2020		
	Mature plantation (hectare)	Immature plantation (hectare)	Total planted area (hectare)
Belitung, Bangka Belitung	10,121	4,134	14,255
Ketapang, West Kalimantan	9,180	403	9,583
Binanga, North Sumatera	8,185	1,569	9,754
Batang Angkola, North Sumatera	7,752	-	7,752
South Sorong, West Papua	2,639	5,468	8,107
Empat Lawang, South Sumatera	-	724	724
Total	37,877	12,298	50,175

Management believes that there are no events or changes in circumstances that indicate any impairment on immature plantations and mature plantations as of 31 December 2021 and 2020.

The Group has insurance policies to cover certain business and operation risks with regards to its plantation operational activities (see Note 14).

14. PROPERTY, PLANT AND EQUIPMENT

	1 January 2021	Additions	Deductions	Reclassifications	Translation adjustments	31 December 2021
	US$	US$	US$	US$	US$	US$
Cost						
Direct acquisitions						
Land	78,661,259	-	(81,722)	(146,535)	(218,350)	78,214,652
Buildings, roads and bridges	104,921,814	1,785,783	(74,344)	10,896,663	(509,549)	117,020,367
Machinery and equipment	100,354,497	2,343,421	(465,420)	12,395,699	(555,792)	114,072,405
Computer and communication equipment	886,189	80,895	(23,315)	-	(16,894)	926,875
Office equipment, furniture and fixtures	5,267,333	187,992	(16,249)	345,648	(5,745)	5,778,979
Motor vehicles	8,974,563	628,442	(397,429)	29,216	(53,614)	9,181,178
Construction in progress	23,580,155	9,497,908	(64,287)	(23,734,321)	(303,427)	8,976,028
Total cost	322,645,810	14,524,441	(1,122,766)	(213,630)	(1,663,371)	334,170,484
Accumulated depreciation						
Direct acquisitions						
Buildings, roads and bridges	(39,105,775)	(5,462,474)	73,454	-	95,033	(44,399,762)
Machinery and equipment	(50,720,771)	3,679,960	447,586	-	120,437	(53,832,708)
Computer and communication equipment	(710,274)	(153,692)	22,941	-	273,650	(567,375)
Office equipment, furniture and fixtures	(4,052,201)	(437,917)	15,929	-	(253,510)	(4,727,699)
Motor vehicles	(6,887,457)	(645,532)	354,234	-	35,971	(7,142,784)
Total accumulated depreciation	(101,476,478)	(10,379,575)	914,144	-	271,581	(110,670,328)
Impairment provision	(14,308,330)	-	61,808	-	164,639	(14,081,883)
Net carrying amount	**206,861,002**					**209,418,273**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2020	Additions	Deductions	Reclassifications	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$	US$
Cost						
Direct acquisitions						
Land	78,917,997	95,366	(75,164)	-	(276,940)	78,661,259
Buildings, roads and bridges	88,861,717	563,083	(94,811)	15,554,007	37,818	104,921,814
Machinery and equipment	85,595,558	1,055,776	(346,408)	14,104,590	(55,019)	100,354,497
Computer and communication equipment	816,712	85,435	(6,941)	-	(9,017)	886,189
Office equipment, furniture and fixtures	5,142,412	147,229	(75,581)	67,826	(14,553)	5,267,333
Motor vehicles	9,095,685	90,673	(147,083)	1,310	(66,022)	8,974,563
Construction in progress	56,243,764	12,065,140	-	(42,696,672)	(2,032,077)	23,580,155
Total cost	324,673,845	14,102,702	(745,988)	(12,968,939)	(2,415,810)	322,645,810
Accumulated depreciation						
Direct acquisitions						
Buildings, roads and bridges	(34,289,371)	(4,904,746)	70,570	-	17,772	(39,105,775)
Machinery and equipment	(47,819,125)	(3,288,184)	336,672	-	49,866	(50,720,771)
Computer and communication equipment	(642,088)	(154,776)	6,897	-	79,693	(710,274)
Office equipment, furniture and fixtures	(3,635,695)	(427,632)	74,897	-	(63,771)	(4,052,201)
Motor vehicles	(6,350,142)	(707,071)	147,083	-	22,673	(6,887,457)
Total accumulated depreciation	(92,736,421)	(9,482,409)	636,119	-	106,233	(101,476,478)
Impairment provision	(14,700,165)	-	-	-	391,835	(14,308,330)
Net carrying amount	**217,237,259**					**206,861,002**

During 2021, property, plant and equipment amounted to US$ 255,973 from ANJAS' estate infrastructure was reclassified as bearer plants, property, plant and equipment amounted to US$ 600,804 from GMIT frozen line product was reclassified as inventory, and property, plant and equipment amounted to US$ 162,402 from KAL's land and construction in progress were reclassified as advances for plasma plantations and plasma receivables. Amount of US$ 527,647 and US$ 277,903 were reclassified from advance for property, plant and equipment for PPM and PMP, respectively.

During 2020, there was reclassification from property, plant and equipment to bearer plants amounting of US$ 12,968,939 from KAL, PPM, and PMP, relating to estate infrastructure.

As of 31 December 2021 and 2020, management believes that the fair value of the property, plant and equipment is not significantly different from its net carrying amount, except for land. As of 31 December 2021, the total estimated fair value of land is US$ 416,470,572, (as of 31 December 2021, the carrying amount of these land is US$ 78,214,652). The fair value of these assets is estimated by a qualified appraiser using the market comparison (fair value level 2). The valuation model considers quoted market prices for similar assets when they are available.

Depreciation expense for the years ended 31 December 2021 and 2020 were allocated as follows:

	2021	2020
	US$	US$
Cost of revenue (Note 32)	9,262,830	8,120,084
General and administrative expenses (Note 34)	435,039	452,123
Capitalized to immature plantation	681,706	910,202
Total	10,379,575	9,482,409

Borrowing cost capitalized to the acquisition cost of property, plant and equipment for the years ended 31 December 2021 and 2020 amounted to US$ 388,671 and US$ 644,470, respectively.

ANJA and its subsidiaries own several parcels of land with cultivation rights title (HGU) totaling to 91,212 hectares in Binanga, Ramba, Batang Angkola and Siais (North Sumatera Province), Gantung and Dendang (Bangka and Belitung Province), Laman Satong, Kuala Satong and Kuala Tolak (West Kalimantan Province), Metamani, Kais, North Kokoda and South Aifat (West Papua Province) and land with building use rights title (HGB) covering a total area of 189 hectares in Dendang and Laman Satong. Those HGU and HGB will expire between 2035 and 2091.

GMIT and LSP own several parcels of land with HGB in Jember and Lumajang (East Java) and Sorong (West Papua). This HGB will expire between 2024 and 2042.

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company owns land with HGU totaling to 30,515.75 hectares in Womba, Sorong, West Papua. This HGU will expire in 2050.

As of 31 December 2021, construction in progress represents buildings, roads and bridges under construction as well as machinery and equipment under installation which belong to the subsidiaries. These construction in progress are estimated to be completed between 2022-2023.

Property, plant and equipment, except land, were insured against fire, theft, earthquake, flood and other possible risks for a total coverage of US$ 74,762 thousand and Rp 1,098 billion as of 31 December 2021 and US$ 71,501 thousand and Rp 1,021 billion as of 31 December 2020. Management believes that the insurance coverage is adequate to cover the possible losses on the assets insured.

Cost of fully depreciated property, plant and equipment which were still utilized in operation as of 31 December 2021 and 2020 amounted to US$ 48,050,050 and US$ 46,449,942, respectively.

Certain property, plant and equipment were sold and disposed in the years ended 31 December 2021 and 2020. The reconciliation between gain (loss) on sale and disposal of property, plant and equipment and proceeds from sale of property, plant and equipment are as follows:

	2021	2020
	US$	US$
Proceeds from sale/deduction of property, plant and equipment	620,884	155,272
Net carrying amount of property, plant and equipment sold and disposed	(208,622)	(109,869)
Gain on sale and disposal of property, plant and equipment (Note 37)	412,262	45,403

15. INTANGIBLE ASSETS

	1 January 2021	Additions	Deductions	Reklasifikasi/ *Reclassification*	Translation adjustments	31 December 2021
	US$	US$	US$	US$	US$	US$
Landrights						
Cost	1,092,810	-	(6,009)	-	(5,279)	1,081,522
Accumulated amortization	(213,395)	(16,484)	3,180	-	2,413	(224,286)
	879,415	(16,484)	(2,829)	-	(2,866)	857,236
Software and implementation						
Cost	2,060,546	4,862	-	4,319	(4,684)	2,065,043
Accumulated amortization	(1,755,320)	(276,578)	-	-	3,673	(2,028,225)
	305,226					36,818
	1,184,641					**894,054**

15. INTANGIBLE ASSETS (Continued)

	1 January 2020	Additions	Deductions	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$
Landrights					
Cost	1,075,310	24,470	(1,372)	(5,598)	1,092,810
Accumulated amortization	(186,200)	(29,833)	909	1,729	(213,395)
	889,110				879,415
Software and implementation					
Cost	2,223,242	14,508	(171,262)	(5,942)	2,060,546
Accumulated amortization	(1,554,595)	(373,009)	171,262	1,022	(1,755,320)
	668,647				305,226
	1,557,757				**1,184,641**

Amortization expense for the years ended 31 December 2021 and 2020 were allocated as follows:

	2021	2020
	US$	US$
General and administrative expenses (Note 34)	277,391	374,009
Cost of revenue	15,671	28,833
Total	293,062	402,842

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases office space and machineries. The leases of office space run for a period of 5 years and the leases of machineries run for a period of 2 year. There is an option to renew the lease of office space and machineries after the end of the contract term.

Right-of-use assets

	1 January 2021	Additions	Deductions	Translation adjustments	31 December 2021
	US$	US$	US$	US$	US$
Property					
Cost	1,235,579	143,806	(246,549)	(20,649)	1,112,187
Accumulated depreciation	(321,416)	(296,050)	246,549	4,371	(366,546)
	914,163	(152,224)	-	(16,278)	745,641
Machine					
Cost	433,618	1,167,010	(423,950)	(21,971)	1,154,707
Accumulated depreciation	(200,509)	(274,989)	423,950	260	(51,288)
	233,109	892,021	-	(21,711)	1,103,419
Total, net	**1,147,272**				**1,849,060**

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

	1 January 2020	Adjustment to beginning balance	1 January 2020	Additions	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$	US$
Property						
Cost	-	1,244,534	1,244,534	-	(8,955)	1,235,579
Accumulated depreciation	-	-	-	(250,267)	(71,149)	(321,416)
		1,244,534	1,244,534	(250,267)	(80,104)	914,163
Machine						
Cost	-	5,174	5,174	428,444	-	433,618
Accumulated depreciation	-	-	-	(194,044)	(6,465)	(200,509)
	-	5,174	5,174	234,400	(6,465)	233,109
Total, net	-		1,249,708			1,147,272

Depreciation expense for the years ended 31 December 2021 and 2020 were allocated as follows:

	2021	2020
	US$	US$
General and administrative expenses (Note 34)	571,039	386,518
Capitalized to construction in progress	-	57,793
Total	571,039	444,311

Lease liabilities

Future minimum lease payments for these leases as of 31 December 2021 and 2020 was as follows:

	31 December 2021	31 December 2020
	US$	
Finance lease liabilities are payable as follows:		
2021	-	525,320
2022	1,029,249	324,096
2023	836,335	268,137
2024	265,056	268,137
Total future minimum lease payments	2,130,640	1,385,690
Interest portion of the lease payments	(205,395)	(204,072)
Present value of minimum lease payments	1,925,245	1,181,618
Lease liabilities-current maturities	(897,863)	(430,258)
Lease liabilities-net of current maturities	1,027,382	751,360

	31 December 2021	31 December 2020
	US$	US$
Amount recognized in profit or loss:		
Depreciation of right-of-use assets (Note 34)	571,039	386,518
Interest on lease liabilities (Note 36)	95,825	127,694
Expense relating to short-term leases (Note 34)	423,725	121,489
Total	1,090,589	635,701

Some leases of offices contain extension option exercisabe by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement whether it is reasonably Scertain to exercise the extension options. The Group reassesses this assessment if there is a significant event or significant change in circumstances within its control. The discount rate used in calculating the present value of the lease liabilities is 8.90%-9.25% as of 31 December 2021.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Lease liabilities (Continued)

The following summarizes the component of changes in the liabilities arising from leases:

	31 December 2021	31 December 2020
		US$
Beginning balance	1,181,618	1,635,882
Addition	1,310,816	-
Non-cash changes: interest amortization	95,825	127,694
Cash flows: payment of lease liabilities	(619,075)	(542,553)
Translation adjustments	(43,939)	(39,405)
Ending balance	1,925,245	1,181,618

17. ADVANCES

	31 December 2021	31 December 2020
	US$	US$
Third parties:		
Advances for legal processing of landrights	7,816,876	7,602,055
Advances for palm plantation	2,247,003	2,208,509
Advances for purchase of property, plant and equipment	1,128,514	1,847,926
Other advances	38,686	217,513
Total	11,231,079	11,876,003

Advances for legal processing of landrights represent payments to obtain HGU in Empat lawing estate.

Advances for palm plantation represent down payments paid to third party contractors for land clearing and other activities related to the immature plantation.

18. GOODWILL

Goodwill represents the excess of acquisition cost over the Company's interest in the fair value of the net assets of ANJA and its subsidiaries at the acquisition date.

Management believes that there is no impairment loss on goodwill as of 31 December 2021 and 2020.

Impairment test of goodwill

The recoverable amount of the cash generating unit/CGU was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of CGU.

The key assumptions used in the calculation of the recoverable amount are set out below:

	31 December 2021	31 December 2020
Discount rate	7.30%	4.80%
Terminal value multiple	14	10
Budgeted revenue growth rate (average of next ten years)	6.09%	5.06%

18. GOODWILL

Impairment test of goodwill (Continued)

The discount rate was a post-tax measure estimated based on past experience, and the relevant CGU's weighted average cost of capital.

The terminal value multiple is assumed based on management's experience and understanding of the relevant industry sector and capital market.

Ten years of future cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal industry growth rate for the country in which the CGU operates and the budgeted revenue growth rate (average of next ten years) estimated by management. The budgeted revenue growth rate (average of next ten years) was based on the past experience of the CGU and management's best knowledge of future industry outlook.

19. CLAIMS FOR TAX REFUND

	31 December 2021	31 December 2020
	US$	US$
Claims for tax refund	2,112,078	1,126,174
Overpayment of corporate income tax	3,064,560	4,788,407
Total	5,176,638	5,914,581

Overpayment of corporate income tax

In May, June, and August 2020, the Company, ANJAS, and SMM have received the refund on corporate income tax overpayment for fiscal year 2018 amounting to US$ 268,036, US$ 1,704,583 and US$ 796,496, respectively from the total overpayment amount of US$ 670,172, US$ 1,819,759, and US$ 921,699, respectively.

As of 31 December 2020, overpayment of corporate income tax balance represents corporate income tax overpayments of the Company and KAL for fiscal year 2020, and ANJA, ANJAS, KAL and SMM for fiscal year 2019.

In April 2021, ANJA have received a Notice of Tax Underpayment Assessment for overpayment of corporate income tax for fiscal year 2019 wherein the underpayment amount is US$ 184,126. ANJA partially agree to the correction from the tax office amounted to US$ 914,954 and record it in the consolidated profit or loss. ANJA filed an objection letter for remaining amount of correction amounted to US$ 1,214,112. Up to the date of the issuance of these consolidated financial statements, ANJA has not received the decision on the tax objection for overpayment of corporate income tax fiscal year 2019.

In May 2021, ANJAS and KAL have received the refund on corporate income tax overpayment for fiscal year 2019. ANJAS received US$ 623,821 from the total overpayment amount of US$ 695,149 (the remaining amount was recognized in the current year's consolidated profit or loss), and KAL fully received the total overpayment amounting to Rp 1.3 billion (equivalent to US$ 93 thousand).

As of 31 December 2021, overpayment of corporate income tax balance represents ANJA and SMM's income tax overpayments for fiscal year 2019 and the Company's income tax overpayments for fiscal year 2020 and 2021.

Other claims for tax refund

As of 31 December 2020, claims for tax refund balance represent ANJA's claim on prepaid VAT for fiscal year 2013, and KAL's claim on prepaid VAT for fiscal period February-December 2018 and fiscal period April-May 2020.

19. CLAIMS FOR TAX REFUND

Other claims for tax refund (Continued)

As of 31 December 2021, claims for tax refund balance represent ANJA's claim on prepaid VAT for fiscal year 2013 and 2019, ANJA and SMM's claim on withholding tax for fiscal year 2019, and KAL's claim on prepaid VAT for fiscal year 2019, fiscal period February-December 2018 and fiscal period February-May 2020.

ANJA's claim on prepaid VAT for fiscal year 2013 is in judicial review stage at the Supreme Court. Up to the date of the issuance of these consolidated financial statements, ANJA has not received the decision of this judicial review.

KAL's claim on prepaid VAT for fiscal period February-May 2020 is in objection stage at Directorate General of Taxation, meanwhile the tax objection for fiscal period February-December 2008 was rejected on 22 April 2021, and KAL has filed for a tax appeal to the Tax Court. Up to the date of the issuance of these consolidated financial statements, KAL has not received the decision on the tax objection for fiscal period February-May 2020 and tax appeal on VAT period February-December 2018.

ANJA and KAL's claim on prepaid VAT for fiscal period January-December 2019 is in objection stage at Directorate General of Taxation. Up to the date of the issuance of these consolidated financial statements, ANJA and KAL has not received the decision on the tax objection for prepaid VAT fiscal period January-December 2019.

ANJA and SMM's claim on withholding tax for fiscal year 2019 is in objection stage at Directorate General of Taxation. Up to the date of the issuance of thepse consolidated financial statements, ANJA and SMM has not received the decision on the tax objection for withholding tax fiscal year 2019.

20. OTHER NON-CURRENT ASSETS

	31 December 2021	31 December 2020
	US$	US$
Advances for plasma and partnership plantation projects - net	13,230,817	12,010,641
Plasma receivables - net	6,783,107	8,607,760
MSOP and ESPP loan	1,661,843	-
Others	385,916	383,965
Total	22,061,683	21,002,366

Advances for plasma and partnership plantation projects represent payments made to develop palm oil plantation partnership by SMM, KAL and ANJAS and plasma palm oil plantation by PPM and PMP. Plasma receivables represent all payments made to develop palm oil plasma plantation by KAL, located in Ketapang, West Kalimantan, net of proceeds from loan facility for plasma financing. KAL has commitments on this plasma plantation project (Note 43d).

The Group provided an interest bearing loan to the Group's eligible employees to finance the purchase of the Company's shares through Management Stock Option Program (MSOP) and Employee Stock Purchase Plan (ESPP). The number of new shares issued for the MSOP and the number of treasury shares issued under ESPP are 18,650,000 shares and 15,000,000 shares, respectively. The loan bears interest at 5% per annum until the due date on 15 May 2021 and in May 2021, the loan was extended until 15 May 2026 with interest rate at 3.5% per annum. As of 31 December 2021 and 2020, the balance of MSOP and ESPP loan amounting to Rp 23.7 billion (equivalent to US$ 1.7 million) and Rp 40.4 billion (equivalent to US$ 2.9 million), respectively. As of 31 December 2020, the MSOP and ESPP loan were presented as other receivable in current assets (Note 8).

21. BANK LOANS

	31 December 2021	31 December 2020
	US$	US$
Short-term bank loans		
Rupiah		
PT Bank OCBC NISP Tbk		
Subsidiaries	-	742,999
U.S. Dollar		
PT Bank CIMB Niaga Tbk		
The Company	2,000,000	400,000
PT Bank CIMB Niaga Tbk		
Subsidiaries	-	2,000,000
Total	2,000,000	3,142,999
Long-term bank loans		
Rupiah		
PT Bank OCBC NISP Tbk		
Subsidiaries	90,389,396	94,617,957
PT Bank CIMB Niaga Tbk		
Subsidiaries	2,184,368	7,949,309
U.S. Dollar		
PT Bank OCBC NISP Tbk		
Subsidiaries	70,000,000	84,000,000
PT Bank BTPN Tbk		
Subsidiaries	5,200,000	6,800,000
Total	167,773,764	193,367,266
Less: deferred financing cost	(527,733)	(587,593)
Total	167,246,031	192,779,673
Long-term bank loan current maturities	(12,744,759)	(2,665,668)
Long-term bank loans - net of current maturities	154,501,272	190,114,005
Effective interest rates per annum		
Short-term bank loans		
Rupiah	6.00% - 8.75%	8.75% - 9.75%
U.S. Dollar	2.59% - 2.65%	2.64% - 4.28%
Long-term bank loans		
Rupiah	6.00.% - 8.75%	8.75% - 10.00%
U.S. Dollar	2.58% - 3.50%	2.64% - 3.50%

The following table summarizes the repayment schedule for principal balance of long-term bank loans as of 31 December 2021 and 2020:

	31 December 2021	31 December 2020
	US$	US$
Due in the year:		
Within one year	12,744,759	2,665,668
1 - 5 years	155,029,005	188,255,657
> 5 years	-	2,445,941
Total	167,773,764	193,367,266

21. BANK LOANS (Continued)

PT Bank CIMB Niaga Tbk with the Company, KAL, and ANJA

On 28 July 2015, the Company, KAL, and ANJA entered into a short-term loan agreement with PT Bank CIMB Niaga Tbk for a total facility of US$ 35 million. On 16 October 2019, KAL was no longer the party in the loan agreement. On 20 October 2020, the loan agreement was amended and the total facility is US$ 30 million. The loan facility expire on 28 July 2021 and subsequently was extended until 28 July 2022. The loan bears annual interest rate at 2.5% to 3% above LIBOR for borrowings in U.S. Dollar and 2.25% to 3% above JIBOR for borrowings in Rupiah. The loan facility is secured with corporate guarantee from ANJA, ANJAS and SMM.

On 19 December 2016, ANJA and KAL entered into a long-term loan agreement with PT Bank CIMB Niaga Tbk. On 17 October 2019, the loan agreement was amended and therefore the credit facilities in ANJA and KAL as of 31 December 2021 and 2020 were credit facility of Rp 115 billion. The facility bears floating annual interest rate at 9.5%. This facility is available until the due date of 31 December 2026. In August 2020, the interest rate was reduced to 8.75% p.a. Subsequently in February and June 2021, the interest rate was reduced to 8.5% and 8.0% p.a., respectively.

The credit facilities are guaranteed with the fiduciary of machinery and equipment in KAL's mill and bulking amounting to Rp 390.9 billion, assignment of insurance proceeds of machinery and equipment in KAL's mill and bulking amounting to Rp 390.9 billion and corporate guarantee from ANJA, ANJAS and SMM.

The Company, ANJA and KAL should fulfill certain financial covenants in ANJA's consolidated financial statements which among others maintaining a maximum leverage of 1.5x, interest bearing debt to EBITDA ratio of not more than 6.5x, 5.5x, 4.5x, and 3.5x for financial year 2020, 2021, 2022, and 2023 and afterwards, respectively, interest service coverage ratio of not less than 2x and debt service coverage ratio of not less than 1.25x.

As of 31 December 2021 and 2020, the Company, ANJA and KAL are in compliance with the terms and conditions of the loan agreement.

PT Bank OCBC NISP Tbk (OCBC NISP)

<u>OCBC NISP with the Company, ANJA, PPM, PMP, ANJAS and SMM</u>

On 20 March 2020, the Company, ANJA, PPM, PMP, ANJAS and SMM entered into a loan agreement with OCBC NISP. The loan agreement has been amended several times until 9 March 2021 and therefore the credit facilities were as follows:

- Overdraft credit facility of US$ 5 million with the allocation limit to the Company, ANJA, PMP and PPM of US$ 2 million, US$ 2 million, US$ 0.5 million and US$ 0.5 million, respectively.
- Demand Loan 1 credit facility of US$ 8.62 million or its equivalent in Rupiah.
- Demand Loan 2 credit facility of Rp 55 billion available only in Rupiah.
- Term Loan 1 credit facility of US$ 38 million or its equivalent in Rupiah for ANJA.
- Term Loan 2 credit facility of US$ 27 million or its equivalent in Rupiah for SMM.
- Term Loan 3 credit facility of US$ 22 million or its equivalent in Rupiah for ANJAS.
- Term Loan 4 credit facility of Rp US$ 85 million for PPM and PMP.
- Term Loan 5 credit facility of US$ 52 million or its equivalent in Rupiah for the Company, PPM and PMP.
- Foreign exchange transaction facility of US$ 20 million.
- Combined Trade Facility of US$ 12 million or its equivalent in Rupiah.

21. BANK LOANS (Continued)

OCBC NISP with the Company, ANJA, PPM, PMP, ANJAS and SMM (Continued)

Term Loan facilities bear annual interest rate at LIBOR + 2.5% for the U.S. Dollar withdrawal and 8.0% for the Rupiah withdrawal. Combined Trade Facility and Demand Loan Facility bear annual interest rate at 3.5% for the U.S. Dollar withdrawal and 8.0% for the Rupiah withdrawal.

Effective from 26 August 2020, the loan facilities bear annual interest rate at 3.5% for the new U.S. Dollar withdrawal and annual interest rate at 8.5% for the new Rupiah withdrawal. Effective from 1 July 2021, the interest rate for the Rupiah loan facilities was reduced to 8.0% p.a.

Overdraft, demand loan credit facilities and foreign exchange transaction facility are due on 20 March 2022, while the Term loan credit faciilities are due on 19 March 2025 and can be extended until 19 March 2028.

The loan facilities are guaranteed with:

- Pledges of ANJA's shares in SMM;
- Pledges of ANJA's shares in ANJAS;
- Pledges of the Company's shares in PMP;
- Pledges of the Company's shares in PPM;
- Pledges of ANJA's shares in PMP;
- Pledges of ANJA's shares in PPM;
- Corporate guarantee from ANJA;
- Fiduciary of inventory in the amount of US$ 4.5 million from ANJA;
- Charge over all accounts of the Company, ANJA, SMM, SIAIS, PPM and PMP at OCBC NISP; and;
- Assignment of insurance proceeds of inventory in the amount of US$ 4.5 million from ANJA.

Combined Trade Facilities are guaranteed with fiduciary of account receivable in the amount of US$ 3 million each from ANJA, SMM, ANJAS; and US$ 1.5 million each from PPM and PMP.

The Company, ANJA, PPM, PMP, ANJAS and SMM should fulfill certain financial covenants in the Group's consolidated financial statement which among others maintain debt to equity ratio at a maximum of 1x, debt service coverage ratio of not less than 1.25x and debt to EBITDA ratio of not more than 5.5x, 4.5x and 3.5x for the financial year 2021 until 2023 and afterwards, respectively.

The Company, ANJA, PPM, PMP, ANJAS and SMM should also fulfill certain non-financial covenants which among others maintain the ownership of Tahija family at least at 51%, restrict the Group to incur financial activities in the amounts which equivalent with the loan financing, submit the annual budget plan to the bank for the next accounting year at the latest 30 days after the year end of the current year and submit the loan monitoring report at the latest 60 days after the year end.

As of 31 December 2021 and 2020, the Company, ANJA, PPM, PMP, ANJAS and SMM are in compliance with the terms and conditions of the loan agreement.

OCBC NISP with KAL

On 29 January 2016, KAL entered into loan agreement with OCBC NISP. The loan agreement has been amended several times until 22 September 2020, therefore the credit facilities were as follows :

- Term Loan 2 credit facility of Rp 75 billion. The loan facility will be due on 31 July 2024.
- Term Loan 3 credit facility of US$ 5 million with sub-limit facility Letter of Credit (LC) Sight/Usance of US$ 2.5 million. The loan facility will be due on 31 July 2026.
- Demand Loan facility amounting to US$ 4 million. The loan facility will be due on 31 July 2021.
- Foreign exchange transaction facility of US$ 4.5 million. The loan facility will be due on 31 July 2021.

21. BANK LOANS (Continued)

OCBC NISP with KAL (Continued)

Effective on 10 August 2020, the loan facilities bear annual interest rate at 3.5% for withdrawals denominated in U.S. Dollar and annual interest rate at 8.75% for withdrawals denominated in Rupiah. Effective from 26 February 2021, the interest rate for the loan facilities denominated in Rupiah was reduced to 8.5% p.a. Effective from 1 July 2021, the interest rate for loan facilities denominated in Rupiah was reduced to 8.0% p.a..

Subsequently in October 2021, the loan agreement was amended to be as follows :

- Term Loan 2 credit facility of Rp 25.7 billion. The loan facility will be due on 31 July 2024 with annual interest rate at 8%.
- Demand Loan facility amounting to US$ 4 million. The loan facility will be due on 31 July 2022 with annual interest rate at 3.5% for withdrawals denominated in U.S. Dollar and annual interest rate at 8.0% for the withdrawals denominated in Rupiah.
- Foreign exchange transaction facility of US$ 4.5 million. The loan facility will be due on 31 July 2022.

KAL should fulfill certain financial covenants which among others maintain debt to equity ratio at a maximum of 2x and debt service coverage ratio of not less than 1.25x and current ratio of not less than 1x.

The credit facilities are guaranteed with the fiduciary of machinery and equipment in KAL's mill and bulking amounting to Rp 390.9 billion, assignment of insurance proceeds of machinery and equipment in KAL's mill and bulking amounting to Rp 390.9 billion and corporate guarantee from ANJA, ANJAS and SMM.

As at 31 December 2021, the Company did not meet financial covenant from the banks, specifically current ratio of not less than 1x. KAL has received the waiver approval from the bank in relation to the required current ratio financial covenants as at 31 December 2021.

OCBC NISP with GMIT

Credit facilities Bank OCBC NISP consist of:

- Demand Loan credit facility which will be used for operation of edamame activities with maximum credit facility amounting to Rp 10,500,000,000; bearing interest rate at 8.75% - 9.50% per annum. Loan outstanding as of 31 December 2020 of Rp 10,480,000,000 due in various dates between 8 January 2021 – 14 April 2021. Loan had been fully repaid on 30 May 2021. This facility was closed in May 2021.
- Term Loan B credit facility to finance 80% of capital expenditure for construction factory, freezer and fixtures for frozen process of edamame and other vegetables; maximum credit facility amounting to Rp 62,996,025,902; bearing interest rate at 9.25% - 9.50% per annum (2019: 0.5% below OCBC NISP's Prime Lending Rate per annum). Loan outstanding as of 31 December 2019 of Rp 62,996,025,902, repayable on quarterly basis starting 5 January 2020 until 5 June 2024, but paid off earlier in April 2020. This facility was closed in April 2020.
- Term Loan C credit facility to finance 80% of capital expenditure for construction factory, freezer and fixtures for frozen process of edamame and other vegetables (including retention fee to contractor); maximum credit facility amounting to Rp 7,000,000,000; bearing interest rate at 9.25% - 9.50% per annum (2019: 0.5% below OCBC NISP's Prime Lending Rate per annum). Loan outstanding as of 31 December 2019 of Rp 6,127,506,000, repayable on quarterly basis starting 5 January 2020 until 5 June 2024, but paid off earlier in April 2020. This facility was closed in April 2020.

The credit facility is guaranteed with the corporate guarantee from PT Sahabat Mewah dan Makmur (a related party), and letter of awareness from Asia Frozen Food Corp.

The loan agreement required the Company to maintain a financial ratio which is current ratio of not less than 1x.

21. BANK LOANS (Continued)

PT Bank UOB Indonesia with GMIT

Credit facilities Bank UOB Indonesia consist of :

Uncommitted Revolving Credit Facility (“RCF”), is used for company working capital with a total facility of Rp 10,000,000,000 or other amount approved by the Bank. The loan period is 12 months from the date of signing the credit deed and can be extended upon the agreement of the Parties. The repayment date/tenor is 3 months from the withdrawal date. The current interest rate charged for the facility is JIBOR plus a margin of 2.25% per annum which must be paid by the Debtor to the Bank.

The Uncommitted Invoice Financing (“IF”) facility, which is a sublimit of the RCF Facility, is used to finance the company's working capital needs. Credit Facility Amount: Rp 10,000,000,000 or other amount approved by the Bank. Facility Term is 12 months from the signing date of this Credit Agreement and can be extended upon agreement of the Parties. Repayment Date/Tenor is up to the due date of payment of the principal invoice; until receipt of invoice payment in escrow account; or a maximum of 3 months from the date of withdrawal, whichever is earlier. The interest rate charged is the funding fee or JIBOR plus a margin of 2.00% per annum that must be paid by the debtor to the bank.

Foreign Exchange (“FX”) facilities are used for hedging purposes. Credit Facility Amount: USD 1,000,000 and/or its equivalent in the currency approved by the Bank or other amount approved by the Bank. Facility Term is 12 months from the signing date of this Credit Agreement and can be extended upon agreement of the Parties. Repayment date/tenor is maximum 3 months for Forward transactions.

The outstanding amount of combined RCF Facility, IF Facility and FX Facility from time to time shall not exceed Rp. 10,000,000,000 and USD 1,000,000.

The loan to PT Bank UOB Indonesia had been fully repaid on 2 December 2021.

The credit facilities are guaranteed with the diduciary of PT SMM (related parties).

The loan agreement required the Company to maintain a financial ratio which is current ratio of not less than 1x.

As of 31 December 2021, the Company is in compliance with the terms and condition of the loan agreement.

PT Bank BTPN Tbk with the Company, ANJA, ANJAS and SMM

On 16 March 2020, the Company, ANJA, ANJAS, and SMM entered into loan agreement with PT Bank BTPN Tbk. to obtain the following credit facilities :

- Loan on certificate facility of US$ 8 million with the allocation limit to the Company, ANJA, ANJAS and SMM of US$ 10 thousand, US$ 8 million, US$ 8 million and US$ 8 million, respectively. The credit facility is available until 30 September 2020 and due on 31 March 2025.

- Loan on note facility of US$ 2 million or its equivalent in Rupiah with the allocation limit to the Company, ANJA, ANJAS and SMM of US$ 10 thousand, US$ 2 million, US$ 2 million and US$ 2 million, respectively. The credit facility is available until 31 March 2021 and due in three months after the last utilization date of the facility.

The loan facilities bear annual interest rate at 2.5% above LIBOR for the U.S. Dollar withdrawal and floating annual interest rate at 3.25% above JIBOR for the Rupiah withdrawal.

The Company, ANJA, ANJAS and SMM should fulfill certain financial covenants in ANJA’s consolidated financial statements which among others maintain debt to equity ratio at a maximum of 1.25x and debt service coverage ratio of not less than 1.25x.

The credit facilities are guaranteed with the fiduciary of ANJAS’ present and future crude palm oil, machineries and the infrastructures amounting to Rp 100 billion.

22. TRADE ACCOUNTS PAYABLE

	31 December 2021	31 December 2020
	US$	US$
Third parties		
Palm oil	5,705,634	5,564,956
Sago	221,685	66,103
Other	12,124	30,831
Total	5,939,443	5,661,890

Based on currencies:

	31 December 2021	31 December 2020
	US$	US$
United States Dollar	165,502	-
Rupiah	5,773,941	5,661,890
Total	5,939,443	5,661,890

23. TAXES PAYABLE

	31 December 2021	31 December 2020
	US$	US$
Corporate income tax		
Subsidiaries	8,011,902	2,947,598
Income taxes		
Article 21	519,656	257,608
Article 25	-	67,528
Other taxes	216,662	132,078
Total	8,748,220	3,404,812

24. OTHER PAYABLES

	31 December 2021	31 December 2020
	US$	US$
Contract liabilities	5,872,075	270,176
Payable to third parties	4,979,865	4,642,470
Total	10,851,940	4,912,646

Contract liabilities mainly represent receipt of cash advances from several customers for the sale of crude palm oil whose deliveries will be made based on further instructions from those customers.

All other payable is payable to third parties.

25. ACCRUED EXPENSES

	31 December 2021	31 December 2020
	US$	US$
Salaries, bonuses and allowances	5,299,031	3,326,517
Professional fees	522,429	818,231
Contractor	-	695,807
Fertilizer purchase	418,370	-
Interest	100,522	119,868
Others	1,171,354	1,122,266
Total	7,511,706	6,082,689

26. EMPLOYEE BENEFITS OBLIGATION

Defined Benefit Pension Plan

The Group provides post-employment benefits for their eligible employees in accordance with Labor Law in Indonesia.

The pension fund for the Company's employees is managed by Dana Pensiun Lembaga Keuangan (DPLK) Manulife Indonesia, the deed of establishment of which was approved by the Minister of Finance of the Republic of Indonesia in its decision letter No. KEP-231/KM.17/1994 dated 5 August 1994.

The defined benefit pension plan typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan assets are placed at the state owned banks and in money market.

Interest Risk

A decrease in the bond interest rate will increase the plan liability, however this will be partially offset by an increase in the return on the plan's assets.

Salary Risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of the plan's participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in profit or loss and other comprehensive income in respect of the defined benefit costs are as follows:

	31 December 2021	31 December 2020
	US$	US$
Recognized in profit or loss:		
Current service cost	3,499,355	3,671,375
Past service cost	(5,312,426)	53,264
Severance, curtailment, and settlement cost	3,640,099	1,298,205
Interest cost	1,179,726	1,481,049
Interest income on plan assets	(190,672)	(255,533)
Components of defined benefit costs recognized in profit or loss	2,816,082	6,248,360
Recognized in other comprehensive income:		
Remeasurement on the net defined benefit asset/liability:		
Return on plan assets	21,288	87,373
Actuarial loss/(gains)	(81,189)	930,375
Impact from asset restriction	353,391	-
Components of defined benefit costs recognized in other comprehensive income	293,490	1,017,748
Total	3,109,572	7,266,108

26. EMPLOYEE BENEFITS OBLIGATION (Continued)

Past service cost represents the implementation effect of Law No. 11 Year 2020, “Job Creation” which was issued in November 2020 and Regulation of Government of Indonesia No. 35 Year 2021, “Definite Term Employment Agreement, Outsourcing, Working Time and Break Time and Employment Termination” which was issued in February 2021.

All the expenses for the years ended 31 December 2021 and 2020 amounted to US$ 2,816,082 and US$ 6,248,630 respectively, are recorded as part of personnel expenses and cost of revenue.

The amounts included in the consolidated statement of financial position arising from the Group’s obligation in respect of the defined benefits plan is as follows:

	31 December 2021	31 December 2020
	US$	US$
Present value of defined benefit obligation (PVDBO)	15,614,984	26,552,905
Fair value of plan assets	(2,146,541)	(6,233,219)
Impact of asset restriction	375,878	-
Net liability	13,844,321	20,319,686

Movements in the present value of the defined benefit obligation (PVDBO) were as follows:

	2021	2020
	US$	US$
Opening balance of defined benefit obligation	26,552,905	21,549,023
Current service cost	3,499,355	3,671,375
Past service cost	(5,312,426)	53,264
Interest cost	1,179,726	1,481,049
Benefits paid	(12,863,456)	(992,005)
Effect of settlement on PVDBO	2,977,198	-
Remeasurement on the net defined benefit liability:		
Actuarial losses (gains) arising from changes in financial assumptions	(336,190)	761,695
Actuarial losses from experience adjustments	255,001	105,552
Actuarial losses from demographic assumptions	-	63,200
Foreign exchange differential	(337,129)	(140,248)
Ending balance of defined benefit obligation	15,614,984	26,552,905

Movements in the fair value of the plan assets were as follows:

	2021	2020
	US$	US$
Opening balance of fair value of plan assets	6,233,219	3,833,687
Interest income	190,672	255,533
Remeasurement loss:		
Return on plan assets	(21,288)	(87,373)
Contributions from the employer	8,299,748	2,960,845
Foreign exchange differences on plans	(83,704)	23,723
Benefits paid	(12,472,106)	(753,196)
Ending balance of fair value of plan assets	2,146,541	6,233,219

Cumulative actuarial gain recognized in other comprehensive income are as follows:

	2021	2020
	US$	US$
Cumulative amounts at beginning of year	2,669,866	3,687,614
Actuarial gain (loss) for the year	293,490	(1,017,748)
Cumulative amounts at end of year	2,963,356	2,669,866

26. EMPLOYEE BENEFITS OBLIGATION (Continued)

The major category of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows:

	Expected rate of return		Fair value of plan assets	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	%	%	US$	US$
Investment in money market	7.21%	6.75%	2,146,541	6,233,219
Fair value of plan assets			2,146,541	6,233,219

The fair value of the investments in money market are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

The cost of providing employee benefits is calculated annually by a qualified actuary, Kantor Konsultan Aktuaria Steven & Mourits (2020: PT Dayamandiri Dharmakonsilindo). The actuarial valuation was carried out using the following key assumptions:

	31 December 2021	31 December 2020
Mortality rate	TMI 4 2019	TMI 4 2019
Normal pension age	56-60 years	56-60 years
Salary increment rate per annum	8%	In 2021 is 3%, and then 8% thereafter
Discount rate per annum	6.95% - 7.59%	5.70% - 7.47%

Historical information:	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
	US$	US$	US$	US$	US$
Present value of defined benefit obligation	15,614,984	26,552,905	21,549,023	17,775,220	18,671,471
Experience adjustments	255,001	105,552	83,834	628,584	368,753

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher (lower), the defined benefit obligation would decrease to US$ 14,368,418 (increase to US$ 17,046,321) on 31 December 2021 and would decrease to US$ 24,907,927 (increase to US$ 28,427,026) on 31 December 2020.
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase to US$ 17,200,719 (decrease to US$ 14,220,582) on 31 December 2021 and increase to US$ 28,485,500 (decrease to US$ 24,855,937) on 31 December 2020.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognized in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

26. EMPLOYEE BENEFITS OBLIGATION (Continued)

Defined benefit pension plan of the Company, ANJA, ANJAS, SMM, KAL, PMP, PPM and GMIT are funded through DPLK Manulife Indonesia. There is no minimum funding requirement under the arrangement with DPLK Manulife Indonesia nor is there a minimum funding requirement under the prevailing regulations.

The average duration of the benefit obligation as of 31 December 2021 is 10.37 – 20.13 years (2020: 6.15 - 20.86 years). This number can be analysed from average expected future service of active members: 8.30 – 12.51 years for 2021 and 8.24 - 12.28 years for 2020.

27. CAPITAL STOCK AND TREASURY STOCK

The composition of the Company's shareholders is as follows:

	31 December 2021			
		Percentage of	Total paid-in capital stock	
Name of shareholders	Number of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,370,050,012	41.3366%	137,005,001,200	14,040,188
PT Austindo Kencana Jaya	1,370,050,012	41.3366%	137,005,001,200	14,040,188
Mr. George Santosa Tahija	158,988,351	4.7969%	15,898,835,100	7,545,604
Mr. Sjakon George Tahija	158,891,813	4.7940%	15,889,181,300	7,541,023
Yayasan Tahija	1,500	0.0001%	150,000	73
Public (each below 5%)	256,392,200	7.7358%	25,639,220,000	3,160,015
Total outstanding shares	3,314,373,888	100.0000%	331,437,388,800	46,327,091
Treasury stock	39,801,112	-	3,980,111,200	408,217
Number of shares issued and fully paid	3,354,175,000	100.0000%	335,417,500,000	46,735,308

	31 December 2020			
		Percentage of	Total paid-in capital stock	
Name of shareholders	Number of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,370,050,012	41.3724%	137,005,001,200	14,040,188
PT Austindo Kencana Jaya	1,370,050,012	41.3724%	137,005,001,200	14,040,188
Mr. George Santosa Tahija	158,988,351	4.8011%	15,898,835,100	7,545,604
Mr. Sjakon George Tahija	158,891,813	4.7982%	15,889,181,300	7,541,023
Yayasan Tahija	1,500	0.0001%	150,000	73
Public (each below 5%)	253,523,700	7.6558%	25,352,370,000	3,130,595
Total outstanding shares	3,311,505,388	100.0000%	331,150,538,800	46,297,671
Treasury stock	42,669,612	-	4,266,961,200	437,637
Number of shares issued and fully paid	3,354,175,000	100.0000%	335,417,500,000	46,735,308

As discussed in Note 1c, the Company has acquired 115,651,300 shares of its issued and paid up shares from the shareholders who disagreed with the resolution of the Extraordinary General Meeting of Shareholders held on 22 June 2015 regarding the merger between the Company and PAM. Total acquisition cost of these treasury stock which was paid by the Company on 30 June 2015 amounted to Rp 141,840 million (including other direct acquisition cost of Rp 283 million) or equivalent to US$ 10.6 million. These shares are recorded as part of "treasury stock" in Equity. During 2021, the Company sold its treasury shares to public totaling to 2,868,500 shares. As of 31 December 2021, total treasury stock which were held by the Company was 39,801,112 shares with the value of US$ 3,668,309 at its acquisition cost (2020: 42,669,612 shares with the value of US$ 3,926,668 at its acquisition cost).

As of 31 December 2021, the total Company's public shares owned by the Company's Directors are 11,909,563 shares (2020: 12,779,563 shares).

28. ADDITIONAL PAID IN CAPITAL

	31 December 2021	31 December 2020
	US$	US$
Excess of IPO price over par value	37,643,466	37,643,466
Share issuance costs	(5,496,381)	(5,496,381)
Net excess of IPO proceeds over paid in capital	32,147,085	32,147,085
Management Stock Option Plan exercised	2,179,887	2,179,887
Lapsed Management Stock Option Plan	370,964	370,964
Sale of treasury stock	2,521,340	2,605,608
Subtotal	37,219,276	37,303,544
Differences in value from restructuring transaction between entities under common control:		
Sale of investment in shares of ANJHC	8,024,263	8,024,263
Sale of investment in shares of BKM	1,490,208	1,490,208
Sale of investment in properties	32,592	32,592
Sale of property, plant and equipment	3,569,959	3,569,959
Sale of other assets	(112,689)	(112,689)
Subtotal	13,004,333	13,004,333
Total	50,223,609	50,307,877

The difference in value from restructuring transaction between entities under common control arised from the following transactions:

<u>Sale of investment in shares of ANJHC</u>

On 7 May 2012, the Company transferred 165,837,499 shares or 99.99% ownership in PT Austindo Nusantara Jaya Healthcare (ANJHC) to PT Austindo Nusantara Jaya Husada Cemerlang with the selling price of US$ 20,000,000. The difference between the selling price and the book value of equity transferred of US$ 8,024,263 represents difference in value from restructuring transaction between entities under common control.

<u>Sale of investment in shares of BKM</u>

On 23 July 2012, the Company transferred 27,750 shares in PT Bina Kosala Metropolitan (BKM) to PT Austindo Nusantara Jaya Husada Cemerlang with the selling price of US$ 2,630,886. The difference between the selling price and the book value of equity transferred of US$ 1,490,208 represents the difference in value from restructuring transaction between entities under common control.

<u>Sale of investment properties</u>

On 14 August 2012, the Company sold its investment in land and buildings to PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya with total selling price of US$ 2,606,165. The difference between the selling price and the book value of US$ 994,316 represents the difference in value from restructuring transaction between entities under common control.

On 5 September 2012, the Company sold its investment in properties to PT Austindo Nusantara Jaya Husada Cemerlang with the total selling price of US$ 4,324,371. The difference between the selling price and the book value of (US$ 961,724) represents the difference in value from restructuring transaction between entities under common control.

28. ADDITIONAL PAID IN CAPITAL (Continued)

Sale of property, plant and equipment

On 6 December 2012, the Company sold building, office equipment, furniture and fixtures to PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya with a total selling price of US$ 2,970,834. The difference between the selling price and the book value of US$ 2,392,599 represents the difference in value from restructuring transaction between entities under common control.

On 16 May 2012, GMIT sold its land and building located in Jember to entities under common control, PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya. The difference between the selling price and the book value of those land and building of US$ 1,177,360 was recorded as difference in value from restructuring transaction between entities under common control.

Sale of other assets

On 29 June 2012, the Company sold other assets to Mr. Sjakon George Tahija with a selling price of US$ 42,440. The difference between the selling price and the book value of (US$ 112,689) represents the difference in value from restructuring transaction between entities under common control.

29. DIFFERENCE IN VALUE DUE TO CHANGES IN EQUITY OF SUBSIDIARIES AND OTHER RESERVES

Difference in Value Due to Changes in Equity of Subsidiaries

	31 December 2021	31 December 2020
	US$	US$
Effect of changes in equity resulting from step acquisition of ANJA	29,217,031	29,217,031
Effect of changes in equity resulting from remeasurement of functional currency in SMM	1,860,354	1,860,354
Effect of changes in equity of ANJA from option conversion and purchase of shares from non-controlling interests	(469,794)	(469,794)
Effect of changes in equity from share ownership in GMIT	98,775	98,775
Total	30,706,366	30,706,366

Other Reserves

	31 December 2021	31 December 2020
	US$	US$
Unrealized gain on investments in investments in equity securities		
Beginning balance	2,278,658	2,279,299
Changes in fair value of investments in equity securities	400,643	(641)
Subtotal	2,679,301	2,278,658
Difference in translation of subsidiaries' financial statements in foreign currencies		
Beginning balance	(31,451,668)	(35,753,042)
Difference in translation of subsidiaries' financial statements in foreign currencies	(2,588,605)	4,301,374
Subtotal	(34,040,273)	(31,451,668)
Total	(31,360,972)	(29,173,010)

30. NON-CONTROLLING INTERESTS

	31 December 2021	31 December 2020
	US$	US$
PT Gading Mas Indonesia Teguh	2,520,279	1,859,256
PT Lestari Sagu Papua	131,918	130,537
PT Austindo Aufwind New Energy	5,125	3,331
Total	2,657,322	1,993,124

Summarized financial information in respect to PT Gading Mas Indonesia Teguh and PT Lestari Sagu Papua, subsidiaries that has material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	31 December 2021	31 December 2020
	US$	US$
PT Gading Mas Indonesia Teguh		
Balance at beginning of year	1,859,256	652,243
Addition from capital injection	1,322,222	1,209,000
Share of profit (loss) for the year	(349,039)	(144,644)
Share of other comprehensive income	9	2,271
Translation adjustments	(312,169)	140,386
Total	2,520,279	1,859,256
PT Lestari Sagu Papua		
Balance at beginning of year	130,537	125,091
Share of profit for the year	2,873	7,022
Translation adjustments	(1,492)	(1,576)
Total	131,918	130,537

31 December 2021	PT Lestari Sagu Papua	PT Gading Mas Indonesia Teguh	Other subsidiaries with immaterial non-controlling interests	Total
	US$	US$	US$	US$
Non-controlling interests percentage of ownership	49%	20%		
Current assets	187,334	1,468,710		
Non-current assets	87,282	11,621,217		
Current liabilities	(5,396)	(180,905)		
Non-current liabilities	-	(307,650)		
Net assets attributable to owners of the Company	269,220	12,601,372		
Net assets attributable to non-controlling interests	131,918	2,520,279	5,125	2,657,322
Revenue	13,948	878,719		
Expenses	(8,086)	(2,623,909)		
Profit (loss) for the year	5,862	(1,745,190)		
Total comprehensive income (loss) attributable to owners of the Company	5,862	(1,745,144)		
Total comprehensive income (loss) attributable to non-controlling interests	2,873	(349,029)	1,831	(344,325)
Difference in translation of subsidiaries financial statements in foreign currency	(1,492)	(312,169)	(38)	(313,699)
Total comprehensive income (loss) attributable to non-controlling interests after translation	1,381	(661,198)	1,793	(658,024)
Cash flows from (used in) operating activities	5,880	(1,333,950)		
Cash flows from investing activities	-	(416,726)		
Cash flows from financing activities	-	1,695,797		
Net increase (decrease) in cash and cash equivalents	5,880	(54,879)		

30. NON-CONTROLLING INTERESTS (Continued)

31 December 2020	PT Lestari Sagu Papua	PT Gading Mas Indonesia Teguh	Other subsidiaries with immaterial non-controlling interests	Total
	US$	US$	US$	US$
Non-controlling interests' percentage of ownership	49%	20%		
Current assets	183,564	1,284,931		
Non-current assets	88,297	10,863,755		
Current liabilities	(5,459)	(929,948)		
Non-current liabilities	-	(377,716)		
Capital paid in advance	-	(8,199,746)		
Net assets attributable to owners of the Company	266,402	2,641,276		
Capital paid in advance from non-controlling interests	-	1,331,000		
Net assets attributable to non-controlling interests	130,537	1,859,256	3,331	1,993,124
Revenue	14,330	461,280		
Expenses	-	(1,184,499)		
Profit (loss) for the year	14,330	(723,219)		
Total comprehensive loss attributable to owners of the Company	14,330	(711,863)		
Total comprehensive loss attributable to non-controlling interests	7,022	(142,373)	506	(134,845)
Difference in translation of subsidiaries financial statements in foreign currency	(1,576)	140,386	(8,640)	130,170
Total comprehensive loss attributable to non-controlling interests after translation	5,446	(1,987)	(8,134)	(4,675)
Cash flows from (used in) operating activities	14,062	(566,847)		
Cash flows from investing activities	(161,235)	(777,987)		
Cash flows from financing activities	-	1,335,042		
Net increase (decrease) in cash and cash equivalents	(147,173)	(9,792)		

31. REVENUE

Revenue consists of revenue from sales and service concession revenue.

	2021	2020
	US$	US$
Revenue from sales	266,215,155	163,525,401
Service concession revenue	577,222	574,243
Total	266,792,377	164,099,644

a. Revenue from Sales

	2021	2020
	US$	US$
Crude palm oil (CPO)	235,176,092	145,860,602
Palm kernel (PK)	27,389,350	15,308,410
Palm kernel oil (PKO)	1,455,560	351,398
Fresh fruit bunch (FFB)	-	319,928
Sago starch	1,296,157	1,207,268
Edamame	878,719	461,280
Others	19,277	16,515
Total	266,215,155	163,525,401

The revenue from the sales of CPO and PK includes the sales of physical RSPO certifcates of US$ 916,675 for the year ended 31 December 2021.

b. Service Concession Revenue

	2021	2020
	US$	US$
Service concession revenue	472,797	464,163
Financing revenue from service concession	104,425	110,080
Total	577,222	574,243

32. COST OF REVENUE

Cost of revenue consists of cost of sales and cost of service concession.

	2021	2020
	US$	US$
Cost of sales	165,650,103	123,626,586
Cost of service concession	395,884	383,931
Total	166,045,987	124,010,517

a. Cost of Sales

	2021	2020
	US$	US$
Crude palm oil, palm kernel oil and palm kernel	158,191,051	118,401,744
Sago starch	5,460,845	4,570,653
Edamame	1,986,545	644,943
Others	11,662	9,246
Total	165,650,103	123,626,586

	2021	2020
	US$	US$
Palm oil production costs		
Harvesting expenses	16,171,138	14,137,436
Maintenance costs of mature plantation	20,327,613	17,995,444
Factory overhead and indirect costs	34,072,913	28,707,490
Depreciation of mature plantation (Note 13)	13,662,398	10,497,954
Depreciation of property, plant and equipment (Note 14)	7,921,221	7,090,389
Purchases of FFB	68,913,903	45,197,135
Impairment inventories	(113,637)	80,990
Fair value adjustments on derivative instruments	58,154	(2,846,307)
Realized loss from derivative transaction, net	396,653	3,036,583
Total palm oil production costs	161,410,356	123,897,114
Sago starch production costs		
Tual harvesting costs	761,773	702,304
Sago processing costs	3,738,173	2,623,298
Impairment loss for decline in value of sago inventories	426,154	(388,149)
Depreciation of property, plant and equipment (Note 14)	1,070,604	1,017,498
Total sago starch production costs	5,996,704	3,954,951
Edamame production costs		
Raw material consumption	280,559	410,062
Impairment losses on roperty, plant and equipment	-	20,418
Impairment loss for decline in value of edamame inventories	751,268	-
Edamame processiong costs	1,514,071	201,842
Depreciation of property, plant and equipment (Note 14)	271,005	12,197
Total edamame production costs	2,816,903	644,519
Others	11,662	9,670
Finished goods:		
Beginning of year		
Palm oil	11,576,081	6,218,842
Sago starch	660,944	1,316,194
End of year		
Palm oil	(10,944,378)	(11,576,081)
Sago starch	(1,190,820)	(660,944)
Edamame	(832,903)	-
Others		
Translation adjustments of inventories	(53,170)	(10,111)
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the year (Note 11)	(3,801,276)	(167,568)
Cost of sales	165,650,103	123,626,586

32. COST OF REVENUE (Continued)

a. Cost of Sales (Continued)

The details of suppliers with purchases exceeding 10% of the total consolidated net fresh fruit bunches (FFB) purchases are as follows:

	2021		2020	
Name	Amount	Percentage of net purchases	Amount	Percentage of net purchases
	US$	%	US$	%
Haji Sati Rambe	17,628,383	26	9,137,937	20

b. Cost of Service Concession

For the years ended 31 December 2021 and 2020, this account mainly represents expenses in order to maintain production capacity according to the service concession contract, which amounted to US$ 395,884 and US$ 383,931, respectively.

33. PERSONNEL EXPENSES

This account represents salaries, allowances, bonuses and employee benefit expenses (Note 26).

34. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
	US$	US$
Professional fees	3,327,350	1,585,843
Depreciation of right-of-use assets (Note 16)	571,039	386,518
Depreciation of property, plant and equipment (Note 14)	435,039	452,123
Rent	423,725	121,489
Tax penalty expenses	331,334	507,322
Training, seminars and meeting	303,861	181,768
Amortization of intangible assets (Note 15)	277,391	374,009
Travel and transportation	240,673	505,170
Office expenses	157,156	162,271
Membership and subscription fees	134,226	212,629
Insurance	130,493	169,100
Communication and electricity	126,389	144,496
Repairs and maintenance	93,854	90,489
Custodian fees and bank charges	32,909	49,899
Donation	11,315	17,710
Others	130,184	493,259
Total	6,726,938	5,454,095

35. DIVIDEND INCOME

	2021	2020
	US$	US$
Investments in stocks	278,742	80,098
Money market funds	141	17,079
Total	278,883	97,177

36. FINANCE COSTS, NET

	2021	2020
	US$	US$
Financial income:		
Interest income from time deposit and current accounts	232,012	199,045
Others	381,574	567,311
Total	613,586	766,356
Financial charges:		
Loan interest expense	(4,488,131)	(3,056,057)
Interest expense from lease liabilities (Note 16)	(95,825)	(127,694)
Amortization of financing cost	(148,633)	(142,211)
Total	(4,732,589)	(3,325,962)
Total, net	(4,119,003)	(2,559,606)

37. OTHER INCOME, NET

	2021	2020
	US$	US$
Other income:		
Management service income from plasma and other third parties	477,952	308,073
Gain on sale of property, plant, and equipment	412,262	45,403
Income from shell sales	324,781	589,130
Sales of RSPO certificates (Note 14)	141,372	247,220
Insurance claim	27,574	101,342
Others	388,180	304,572
Total	1,772,121	1,595,740
Other expenses:		
Loss on bearer plants write off	(727,328)	-
Others	(101,915)	(63,552)
Total	(829,243)	(63,552)
Total, net	942,878	1,532,188

Total sales of RSPO certificates for the year ended 31 December 2021 amounts to US$ 1,058,047, which consists of US$ 916,675 through the physical sales (Note 31) and US$ 141,372 through the online trading (palm e-trace).

38. INCOME TAXES

Income tax expense of the Group consists of the following:

	2021	2020
	US$	US$
Current tax	13,476,993	6,686,462
Deferred tax	5,227,716	6,126,330
Total income tax expense of the Group	18,704,709	12,812,792

<u>Current Tax</u>

The reconciliation between consolidated profit before tax per consolidated statements of profit or loss and other comprehensive income and taxable income of the Company is as follows:

	2021	2020
	US$	US$
Consolidated profit before tax	58,386,169	15,023,617
Profit before tax per subsidiaries	(61,847,102)	(17,940,366)
Profit adjustment based on cost method	6,505,147	-
Profit (loss) before tax of the Company	3,044,214	(2,916,749)
Temporary differences:		
Bonus	129,576	307,846
Post-employment benefits	(4,210,656)	269,437
Rental	254	95,369
Depreciation and amortization	208,082	199,095
Subtotal	(3,872,744)	871,747
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Dividend income from subsidiaries	(6,783,893)	-
Interest income	(6,219)	(31,565)
Interest expense	-	25,851
Personnel expenses	1,049,905	844,147
Others	46,427	97,587
Subtotal	(5,693,780)	936,020
Total taxable income of the Company	(6,522,310)	(1,108,982)

	2021	2020
	US$	US$
Adjustment prior year tax - the Company	573	(5,845)
Current income tax expense - subsidiaries		
PT Gading Mas Indonesia Teguh	-	6,395
PT Austindo Nusantara Jaya Agri and subsidiaries	13,476,420	6,685,912
Total income tax expense - current	13,476,993	6,686,462

The Company has submitted its corporate income tax return for fiscal year 2020 in April 2021. As of the issuance date of these consolidated financial statements, the Company has not submitted its corporate income tax return for fiscal year 2021.

38. INCOME TAXES (Continued)

Deferred Tax

As of 31 December 2021 and 2020, the Company had temporary differences from employee benefits obligation, fixed assets, security deposit, investments in equity securities, bonus and right-of-use assets.

The following deferred tax assets of the Group have not been recognized:

	2021	2020
	US$	US$
Tax loss carry forwards	11,812,496	9,060,016
Impairment provision of property, plant and equipment	2,727,021	2,758,728
Allowance for impairment of receivable from service concession arrangement	-	237,894
Allowance for decline in value of inventories	215,673	123,051
Provision for service concession arrangement	108,300	95,643
Bonus accrual	-	2,804
Total	14,863,490	12,278,136

The Group's tax loss carry forwards, which as of 31 December 2021 and 2020 amounting to US$ 74,263,886 and US$ 66,406,849, respectively, will expire between 2022 and 2026 (2020: will expire between 2021 and 2025) if not utilized against future taxable profits. Deferred tax assets are not recognized because it is not probable that future taxable profits will be available against which the Group can utilize the benefits therefrom. Realization of the Company's and subsidiary's deferred tax assets is dependent upon their profitable operations. Management believes that these deferred tax assets below are probable of being realized through offset against taxes due on future taxable income.

The details of deferred tax assets and liabilities of the Group are as follows:

	1 January 2021	Credited (charged) to profit or loss	Adjustment due to change in tax rate	Credited (charged) to other comprehensive income	Other adjustment	Translation adjustments	31 December 2021
	US$	US$		US$	US$	US$	US$
Deferred tax assets							
The Company	840,504	(849,948)	76,114	59,201	-	-	125,871
GMIT	664,872	(598,316)	7,083	(13)	-	(9,424)	64,202
ANJA	3,411,000	(3,821,964)	283,706	(61,248)	914,954	(41,679)	684,769
ANJAP	97,032	(2,525)	9,375	(2,788)	-	(1,104)	99,990
Total	5,013,408	(5,272,753)	376,278	(4,848)	914,954	(52,207)	974,832
Deferred tax liabilities							
The Company	-						-
AANE	(206,404)	179,848	(25,802)	199	-	2,837	(49,322)
ANJA	(221,293)	(495,664)	10,376	(16,125)	-	1,584	(721,122)
Total	(427,697)	(315,816)	(15,426)	(15,926)	-	4,421	(770,444)
Net		(5,588,569)	360,852	(20,774)	914,954		

	1 January 2020	Credited (charged) to profit or loss	Adjustment due to change in tax rate	Credited (charged) to other comprehensive income	Other adjustment	Translation adjustments	31 December 2020
	US$	US$		US$	US$	US$	US$
Deferred tax assets							
The Company	710,361	191,784	(158,791)	97,150	-	-	840,504
GMIT	911,295	(49,856)	(173,027)	(2,839)	-	(20,701)	664,872
ANJA	9,435,956	(4,328,285)	(1,476,851)	95,286	(48,785)	(266,321)	3,411,000
ANJAP	106,539	8,261	(21,399)	5,427	-	(1,796)	97,032
Total	11,164,151	(4,178,096)	(1,830,068)	195,024	(48,785)	(288,818)	5,013,408
Deferred tax liabilities							
AANE	(199,365)	(58,588)	48,230	756	-	2,563	(206,404)
ANJA	(174,222)	(99,734)	(8,074)	20,534	48,785	(8,582)	(221,293)
Total	(373,587)	(158,322)	40,156	21,290	48,785	(6,019)	(427,697)
Net		(4,336,418)	(1,789,912)	216,314	-		

38. INCOME TAXES (Continued)

Deferred Tax (Continued)

A reconciliation between total income tax expense of the Group and the amount computed by applying the prevailing tax rates to profit before tax of the Company is as follows:

	2021 US$	2020 US$
Profit (loss) before tax of the Company	3,044,214	(2,916,749)
Tax expense at prevailing tax rates	(669,727)	641,685
Effect of non-tax deductible expenses (non-taxable income/subject to final tax):		
Dividend income from subsidiaries	1,492,457	-
Interest income	1,368	6,944
Interest expense	-	(5,687)
Personnel expenses	(230,979)	(185,712)
Others	(10,214)	(21,469)
Total	1,252,632	(205,924)
Adjustment due to change in tax rates	78,169	(158,791)
Adjustment tax prior year	(573)	5,845
Fiscal loss for which no tax benefit was recognized	(1,434,908)	(243,977)
Total tax expense	(774,407)	38,838
Tax expense of subsidiaries	(17,930,302)	(12,851,630)
Total tax expense	(18,704,709)	(12,812,792)

39. EARNING PER SHARE

The computation of earning per share attributable to the owners of the Company is based on the following data:

	2021 US$	2020 US$
Income (loss)		
Net income (loss) attributable to owners of the Company	40,025,789	2,347,918
Number of shares		
Weighted average number of ordinary shares outstanding for basic income per share computation	3,312,282,180	3,311,505,388
Weighted average number of ordinary shares outstanding for diluted income per share computation	3,312,282,180	3,311,505,388
Income (loss) per share		
Basic	0.012084	0.000709
Diluted	0.012084	0.000709

As of 31 December 2021 and 2020, the Company has no dilutive potential common shares.

40. CASH DIVIDENDS

In the Annual General Shareholders' Meeting held on 9 June 2021, the shareholders of the Company approved the distribution of cash dividends of Rp 13,247.49 million or Rp 4 (full amount) per share (equivalent to US$ 928,280 or US$ 0.0003 per share) from the unappropriated retained earnings as of 31 December 2020 to the shareholders recorded on the shareholders register on 21 June 2021 (recording date). The dividend was paid to the shareholders on 9 July 2021.

41. DERIVATIVE INSTRUMENTS

a. ANJA entered into forward currency contract facilities with PT Bank OCBC NISP Tbk to minimize foreign exchange exposure. Foreign currency contracts require ANJA, at a future date, to buy and sell U.S. Dollar against Rupiah using the rates agreed at the inception of the contracts. As of 31 December 2021 and 2020, there was no outstanding balance of the facility.

b. As of 31 December 2021, ANJA has CPO commodity swap contracts with several financial institutions for a total notional amount of 500 metric tonnes and strike price at US$ 1,091 – US$ 1,120 per metric tonne. The commodity swap contracts will mature between January until February 2022.

c. On 9 March 2020, the Company, ANJA, SMM entered into a forward currency contract agreement for a total facility of US$ 20 million with PT Bank UOB Indonesia to minimize foreign exchange exposure. As of 31 December 2021, there was no outstanding balance of the facility.

d. On 11 May 2021, GMIT entered into a foreign currency contract agreement for a total facility of US$ 1 million with PT Bank UOB Indonesia for hedging. As of 31 December 2021, there was no outstanding balance of the facility.

e. On 20 October 2020, the Company, ANJA, and KAL entered into a forward currency contract agreement for a total facility of US$ 15 million with PT Bank CIMB Niaga Tbk to minimize foreign exchange exposure. This facility is due on 28 July 2021. On 31 December 2021, there was no outstanding balance of the facility.

42. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of Relationship

- Mr. George Santosa Tahija, Mr. Sjakon George Tahija, Yayasan Tahija, PT Memimpin Dengan Nurani (MDN) and PT Austindo Kencana Jaya (AKJ) are the Company's shareholders.

Transaction with Related Parties

GMIT utilizes land and building in Jember owned by AKJ and MDN as its office, employee housing, training centre and warehouse in accordance with the lend and use agreement dated 17 May 2012. This agreement has been renewed and valid until 17 May 2022. Based on this lend and use agreement, GMIT has no obligation to pay anything to AKJ or MDN, however, GMIT has to bear and pay the Land and Building tax, fire insurance, repair and maintenance, electricity, water, telephone, security and all other maintenance costs related to the land and building during the lend and use period.

43. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

a. On 29 November 2012, Perusahaan Listrik Negara (PLN) and AANE entered into a Power Purchase Agreement (PPA) which is valid for 15 years since the signing date. AANE agreed to sell electricity power to PLN and PLN agreed to purchase the electricity power generated by the power plant built by AANE with a capacity of 1,200 kW in Desa Jangkang, subdistrict Dendang, regency of Belitung Timur. AANE has an agreed price of Rp 975/kWh, adjustable to new price if announced by PLN. AANE will also be responsible in designing, building, providing fund, construction, testing, commissioning and providing interconnection facilities and transaction points to connect the power plant owned by AANE to PLN's electricity system, operating and maintaining the power plant in accordance with standard operating procedures (SOP) as determined and agreed by both parties. Commercial date of operation for the electricity sales from AANE to PLN was 31 December 2013.

   On 18 December 2015, the PPA was amended to increase the electricity production capacity by 600 kW to 1,800 kW. All increase in electricity production from this capacity will continue to be sold to PLN. On 29 January 2016, PLN and AANE have signed the Commercial Operation Date Agreement for the increase of 600 kW electricity capacity.

b. ANJA, ANJAS, PPM and PMP entered into security service agreements with PT Nawakara Perkasa Nusantara to provide security services. The agreements are valid from 9 January 2017 until 21 January 2019. On 18 September 2019, the agreements have been extended until 8 January 2021. On 10 December 2020, the agreement has been extended until 8 April 2021 for ANJA and ANJAS, 21 April 2021 for PPM and PMP. The total fees related to these security services is Rp 25.9 billion per year.

   On 17 June 2021, ANJA, ANJAS, PPM, and PMP entered into a security service agreement with PT G4S Security Services to provide security services. The agreement for ANJA and ANJAs is valid from 8 June 2021 until 8 June 2023, and the agreement for PPM and PMP valid from 21 June 2021 until 21 June 2023. Total fees related to these security services is Rp 20 billion per year.

c. On 7 June 2018, the Company entered into a lease agreement with PT Bahanasemesta Citranusantara for leasing of 1,853.96 square meters office space at Menara BTPN. The office lease period is effective from 1 April 2019 until 31 March 2025. The rental fee will be charged to the Company, SMM, ANJAP, AANE, PPM, PMP and ANJB with certain office lease space. The rental fee is Rp 155,000/sqm for the period until 31 March 2022 and Rp 170,000/sqm for the period until 31 March 2025, and the service charges is Rp 85,000/sqm and should be paid quarterly in advance. The Group has paid Rp 1.4 billion (equivalent to US$ 0.1 million) security deposits, which is recorded as other non-current assets.

d. Based on the Ministry of Agriculture Regulation No. 26 year 2007, KAL has plasma obligation for a minimum 20% of hectares. In July 2014, KAL allocate 2,431 hectares for plasma plantation that are owned by Bina Satong Lestari Cooperative, Laman Mayang Sentosa Cooperative and for cooperative in Desa Kuala Tolak which its establishment is still in process. Management cooperation agreements between KAL and Bina Satong Lestari Cooperative and Laman Mayang Sentosa Cooperative were signed on 19 August 2014, whereas KAL (referred to as the Nucleus) is required to perform the following, among others:

   - Act as business partner to develop the plantation for smallholders based on the mutual agreement between the Nucleus and the Cooperatives.
   - Purchase the fresh fruit bunches (FFB) produced by plasma plantations at prevailing price in West Kalimantan Province.
   - Plasma financing is derived from bank loan made between bank and the Cooperatives.

   The period of the agreement is 30 years.
   Meanwhile, the bank loan agreements between the cooperatives and PT Bank Mandiri (Persero) Tbk (Bank Mandiri) were signed on 22 August 2014. The loan facility was Rp 31.6 billion and Rp 130.3 billion, respectively and guaranteed by KAL. The bank loan period is until 2025, bearing floating interest rate of 10.75% p.a. In February 2021, the loan from Bank Mandiri to Laman Mayang Sentosa Cooperative was fully repaid through the loan facility from PT Bank OCBC NISP Tbk,, as explained below.

43. COMMITMENTS AND CONTINGENCIES (Continued)

On 16 December 2020, Laman Mayang Sentosa Cooperative entered into loan agreement with PT Bank OCBC NISP Tbk. to obtain Term Loan Credit facility amounting to Rp 97.8 billion to refinance its loan from PT Bank Mandiri (Persero) Tbk. The loan is guaranteed by the mortgage on plasma plantation HGU and corporate guarantee from KAL. The loan will be due in 2026, bearing floating interest rate at 8.75% p.a. Effective from 26 July 2021, the interest rate for loan facilities was reduced to 8.25%.

On 14 September 2021, Bina Satong Lestari Cooperative entered into loan agreement with PT Bank OCBC NISP Tbk. to obtain Term Loan Credit facility amounting to Rp 25.0 billion to refinance its loan from PT Bank Mandiri (Persero) Tbk. The loan is guaranteed by the mortgage on plasma plantation HGU and corporate guarantee from KAL. The loan will be due in 2026, bearing floating interest rate at 8.25% p.a.

e. ANJA, ANJAS, KAL and SMM has sales commitments of CPO and PK with several customers, for delivery of CPO in 2022 maximum of 20,000 metric tonnes per month and for delivery of PK in 2022 maximum of 5,200 metric tonnes per month. The average sales price under this sales commitment is subject to variance adjustment calculated based on formula defined in these agreements. These commitments are cancellable with 1 to 3 months notice in advance.

f. SMM entered into cooperation agreements related to development and management of palm oil plantation with Mitra Anugrah Cooperative and Mitra Lestari Cooperative on 30 October 2014 and with Lindong Raya Cooperative, Gunong Nyerundong Cooperative, Sambang Jaya Makmur Cooperative and Tiong Sejahtera Cooperative on 13 April 2018, whereas SMM (referred to as the Nucleus) is required to perform the following, among others:

   - Act as business partner to develop the plantation for small holders based on the mutual agreement between the Nucleus and the Cooperatives (small holders).
   - Purchase the fresh fruit bunches (FFB) produced by plasma plantation at prevailing price in Bangka Belitung Province.
   - Plasma financing is derived from bank loan made between bank and the Cooperatives.

   The period of the agreement is 30 years.

   The bank loan agreements between Mitra Anugrah Cooperative and Mitra Lestari Cooperative and PT Bank CIMB Niaga Tbk were signed on 27 July 2016. The loan facility was Rp 3.7 billion and Rp 3.6 billion, respectively, and guaranteed by SMM. The bank loans' periods are until 2026 for Mitra Anugrah Cooperative and until 2024 for Mitra Lestari Cooperative, bearing floating interest rate of 9.00% p.a. Effective from August 2021, the interest rate for these loan facilities was reduced to 8.50%

   Meanwhile, the bank loan agreements between Sambar Jaya Makmur Cooperative, Gunong Nyerudong Cooperative, Tiong Sejahtera Cooperative, Lindong Raya Cooperative and PT Bank CIMB Niaga Tbk were signed on 18 September 2018. The loan facility was Rp 3.9 billion, Rp 10.3 billion, Rp 3.7 billion and Rp 24.3 billion, respectively, and guaranteed by SMM. The bank loans' periods are until 2026 for Sambar Jaya Makmur Cooperative, Gunong Nyerudong Cooperative and Tiong Sejahtera Cooperative and until 2028 for Lindong Raya Cooperative, bearing floating interest rate of 9.0% p.a. Effective from August 2021, the interest rate for these loan facilities was reduced to 8.5%.

g. In July 2018, ANJAS allocate 158 hectares for plasma plantation that are owned by Tani Binasari Cooperative. Management cooperation agreements between ANJAS and Tani Binasari Cooperative were signed on 12 July 2018, whereas ANJAS (referred to as the Nucleus) is required to perform the following, among others:

   - Act as business partner to develop the plantation for smallholders based on the mutual agreement between the Nucleus and the Cooperatives.
   - Purchase the fresh fruit bunches (FFB) produced by plasma plantations at prevailing price in North Sumatera Province.

43. COMMITMENTS AND CONTINGENCIES (Continued)

In September 2020, ANJAS and Tani Binasari Cooperative signed a "Loan Extinguishment Minutes" stating the termination of the cost of funds in 2020 and agreed to make an allowance at 15% of purchase FFB by ANJAS from Tani Binasari Cooperative for replanting funds in the future.

h. Other than the above commitments, the Group through its various subsidiaries have various contracts to assist the Group to develop its plantations. The contracts will expire throughout 2022. The total significant contracts commitment as of 31 December 2021 is as follows:

	Contract value	Total amount have been paid
	US$	US$
USD	US$ 1.44 million	US$ 0.20 million
IDR	Rp 372.11 billion	Rp 269.84 billion

CONTINGENCIES

As of 31 December 2021, ANJA, KAL, SMM and ANJAS are in the judicial review process relating to the request filed by the tax authorities with the Supreme Court. ANJA, KAL, SMM and ANJAS have not recorded additional tax liabilities in relation to those ongoing judicial review because ANJA, KAL, SMM and ANJAS assessed that ANJA, KAL, SMM and ANJAS have technical ground to support its tax position.

44. SERVICE CONCESSION ARRANGEMENT

Energy Sales Contract (ESC) of AANE (Note 43a) fulfill all characteristics of a concession arrangement and the infrastructure arising from those contracts is controlled by the grantor, therefore, the management treated those contracts as service concession arrangements.

Receivable from Service Concession Arrangement

The movement in the net carrying amount of receivable from service concession arrangement is as follows:

	31 December 2021	31 December 2020
	US$	US$
Balance at beginning of year	843,811	913,460
Repayment	(63,299)	(54,618)
Translation adjustments	(9,889)	(15,031)
Balance at end of year	770,623	843,811
Less:		
Current maturity	(72,253)	(64,228)
Non-current portion	698,370	779,583

AANE has used an implicit interest rate of 13%.

Provision For Service Concession Arrangement

The provision for service concession arrangement represents the present value of minimum contractual obligations from the related service concession arrangement.

44. SERVICE CONCESSION ARRANGEMENT (Continued)

The movement of provision recognized in the consolidated statements of financial position is as follows:

	31 December 2021	31 December 2020
	US$	US$
Balance at beginning of year	434,739	432,737
Provision during the year	129,211	66,561
Realization during the year	(72,511)	(58,567)
Translation adjustment	(4,826)	(5,992)
Balance at end of year	486,613	434,739
Less:		
Current maturity	(34,118)	(67,848)
Non-current portion	452,495	366,891

The discount rate used in calculating the present value of the AANE’s provision is 5.70%-6.82%.

45. SEGMENT INFORMATION

For management reporting purposes, the Group is segmented into 4 segments based on product line, comprising of palm oil, sago, energy and others. These segments form the basis for operation segment reporting of the Group.

The organization of the Group is not entirely grouped by each business segment, therefore the segment information available on the earnings and assets is directly related to the main activity. The Group has no reasonable basis for allocating revenues, expenses and other assets to each segment. The Group’s business segments operate in Indonesia.

Entity wide information

For the years ended 31 December 2021 and 2020, total revenue to external customers by geographical areas are as follows:

	31 December 2021	31 December 2020
	US$	US$
Domestic	202,552,188	76,640,100
Offshore countries	64,240,189	87,459,544
	266,792,377	164,099,644

As of 31 December 2021 and 2020, the total of non-current assets other than financial instruments and deferred tax assets amounted to US$ 544,132,468 and US$ 536,771,389, respectively, and all is located in Indonesia.

45. SEGMENT INFORMATION (Continued)

Below is the operating segment information:

a. Segment Results

	2021						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
Revenue	264,021,002	577,222	1,296,157	897,996	266,792,377	-	266,792,377
Cost of revenue	(158,191,051)	(395,884)	(5,460,845)	(1,998,207)	(166,045,987)	-	(166,045,987)
Gross profit (loss)	105,829,951	181,338	(4,164,688)	(1,100,211)	100,746,390	-	100,746,390
Foreign exchange (loss) gain, net	(461,884)	34	1,069	(2,211)	(462,992)	(2,933)	(465,925)
Selling expenses	(19,941,023)	-	(38,921)	(5,418)	(19,985,362)	-	(19,985,362)
Personnel expense	(6,951,456)	(63,211)	(113,991)	(292,733)	(7,421,391)	-	(7,421,391)
General & Administrative expenses	(7,512,463)	(50,017)	(120,541)	(258,620)	(7,941,641)	2,626,555	(5,315,086)
Others, net	535,648	(2,255)	(1,461)	436,026	967,958	(21,850)	946,108
Operating profit (loss)	71,498,773	65,889	(4,438,533)	(1,223,167)	65,902,962	2,601,772	68,504,734
Finance income (charges), net	(4,044,994)	15,430	14,692	(14,485)	(4,029,357)	(23,570)	(4,052,927)
Segment loss before tax	67,453,779	81,319	(4,423,841)	(1,237,652)	61,873,605	2,578,202	64,451,807
Unallocated income before tax					3,044,214	(9,109,852)	(6,065,638)
Profit before tax					64,917,819	(6,531,650)	58,386,169
Tax expense:							
Segment	(17,499,965)	154,046	6,850	(591,233)	(17,930,302)	-	(17,930,302)
Unallocated					(774,407)	-	(774,407)
Total tax expense					(18,704,709)	-	(18,704,709)
Profit for the year					46,213,110	(6,531,650)	39,681,460
Profit for the year attributable to:							
Owners of the Company					46,557,439	(6,531,650)	40,025,789
Non-controlling interests					(344,329)	-	(344,329)
Profit fot the year					46,213,110	(6,531,650)	39,681,460
Total comprehensive income (loss) for the year attributable to:							
Owners of the Company					44,140,551	(6,531,650)	37,608,901
Non-controling interest:					(658,024)	-	(658,024)
Total comprehensive income (loss)					43,482,527	(6,531,650)	36,950,877

45. SEGMENT INFORMATION (Continued)

a. Segment Results (Continued)

	2020						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
Revenue	161,840,338	574,243	1,207,268	477,795	164,099,644	-	164,099,644
Cost of revenue	(118,401,744)	(383,931)	(4,570,653)	(654,189)	(124,010,517)	-	(124,010,517)
Gross profit (loss)	43,438,594	190,312	(3,363,385)	(176,394)	40,089,127	-	40,089,127
Foreign exchange gain (loss), net	3,270,568	(200)	2,855	2,936	3,276,159	-	3,276,159
Selling expenses	(9,595,408)	-	(23,919)	(23,103)	(9,642,430)	-	(9,642,430)
Personnel expenses	(6,180,088)	(54,051)	(221,369)	(377,343)	(6,832,851)	-	(6,832,851)
General & administrative expenses	(7,021,467)	(62,170)	(526,666)	(201,643)	(7,811,946)	4,086,872	(3,725,074)
Others, net	1,370,649	-	(694)	201,754	1,571,709	(21,127)	1,550,582
Operating profit (loss)	25,282,848	73,891	(4,133,178)	(573,793)	20,649,768	4,065,745	24,715,513
Financial income (charges), net	(2,726,246)	4,297	14,145	4,111	(2,703,693)	237,315	(2,466,378)
Segment loss before tax	22,556,602	78,188	(4,119,033)	(569,682)	17,946,075	4,303,060	22,249,135
Unallocated income before tax					(11,503,506)	4,277,988	(7,225,518)
Profit before tax					6,442,569	8,581,048	15,023,617
Tax expense:							
Segment	(12,598,856)	(10,358)	(13,138)	(229,278)	(12,851,630)	-	(12,851,630)
Unallocated					38,838	-	38,838
Total tax expense					(12,812,792)	-	(12,812,792)
Profit (loss) for the year					(6,370,223)	8,581,048	2,210,825
Profit (loss) for the year attributable to:							
Owners of the company					(6,233,130)	8,581,048	2,347,918
Non-controlling interests					(137,093)	-	(137,093)
Profit (loss) for the year					(6,370,223)	8,581,048	2,210,825
Total comprehensive loss of the year attributable to:							
Owners of the Company					(2,736,079)	8,581,048	5,844,969
Non-controlling interests					(4,675)	-	(4,675)
Total comprehensive loss					(2,740,754)	8,581,048	5,840,294

b. Segment Assets and Liabilities

	31 December 2021						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	599,664,273	1,269,808	14,922,992	13,229,752	629,086,825	(4,429,308)	624,657,517
Unallocated assets					339,866,737	(311,873,892)	27,992,845
Total consolidated assets							652,650,362
LIABILITIES							
Segment liabilities	215,336,677	612,208	1,169,152	501,907	217,619,944	(1,774,078)	215,845,866
Unallocated liabilities					3,546,022	(17,791)	3,528,231
Total consolidated liabilities							219,374,097
Capital expenditure							
Segment	33,258,901	615	1,075,245	2,455,210	36,789,971	-	36,789,971
Unallocated					15,890	-	15,890
Total capital expenditure							36,805,861
Depreciation and amortization							
Segment	22,958,379	2,520	1,109,200	316,549	24,386,648	-	24,386,648
Unallocated					519,426	-	519,426
Total depreciation and amortization							24,906,074

45. SEGMENT INFORMATION (Continued)

b. Segment Assets and Liabilities (Continued)

	31 December 2020						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	575,231,950	1,154,166	14,930,070	12,148,686	603,464,872	761,103	604,225,975
Unallocated assets					340,435,760	(308,517,923)	31,917,837
Total consolidated assets							636,143,812
LIABILITIES							
Segment liabilities	233,049,479	727,023	873,317	1,307,665	235,957,484	(1,072,152)	234,885,332
Unallocated liabilities					5,518,840	(17,715)	5,501,125
Total consolidated liabilities							240,386,457
Capital expenditure							
Segment	45,013,811	374	738,218	960,107	46,712,510	-	46,712,510
Unallocated					4,984	-	4,984
Total capital expenditure							46,717,494
Depreciation and amortization							
Segment	19,101,225	2,619	1,071,124	58,841	20,233,809	-	20,233,809
Unallocated					593,707	-	593,707
Total depreciation and amortization							20,827,516

46. MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN U.S. DOLLARS

As of 31 December 2021 and 2020, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows:

	31 December 2021		31 December 2020	
	Foreign currencies	Equivalent to	Foreign currencies	Equivalent to
		US$		US$
Assets				
Cash and cash equivalents				
Rupiah	326,015,144,048	22,847,792	121,808,466,780	8,635,836
Trade accounts receivable				
Rupiah	44,685,581,303	3,131,655	16,028,259,065	1,136,353
Other receivables				
Rupiah	5,665,720,485	397,065	49,500,383,205	3,509,421
Receivable from service concession arrangement				
Rupiah	10,996,019,587	770,623	11,901,954,155	843,811
Prepayments - Value Added Taxes				
Rupiah	284,942,298,425	19,969,325	334,522,375,005	23,716,581
Claims for tax refund				
Rupiah	30,137,240,982	2,112,078	16,846,208,015	1,194,343
Other non-current assets				
Rupiah	314,407,178,288	22,034,283	295,851,895,430	20,974,966
Total		71,262,821		60,011,311

46. MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN U.S. DOLLARS (Continued)

As of 31 December 2021 and 2020, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows (Continued):

	31 December 2021		31 December 2020	
	Foreign currencies	Equivalent to US$	Foreign currencies	Equivalent to US$
Liabilities				
Short-term bank loans				
Rupiah	-	-	10,480,000,895	742,999
Trade accounts payable				
Rupiah	82,388,364,129	5,773,941	79,860,958,450	5,661,890
Taxes payable				
Rupiah	10,506,521,542	736,318	6,449,003,470	457,214
Long-term bank loans				
Rupiah	1,320,935,039,805	92,573,764	1,446,711,286,930	102,567,266
Other payable				
Rupiah	71,057,693,685	4,979,865	24,295,735,555	1,722,491
Provision for service concession arrangement				
Rupiah	6,943,480,897	486,613	6,131,993,595	434,739
Accrued expenses				
Rupiah	107,184,532,914	7,511,706	38,494,378,650	2,729,130
Lease liabilities				
Rupiah	27,471,320,905	1,925,245	16,666,721,890	1,181,618
Employee benefits obligation				
Rupiah	197,544,616,349	13,844,321	286,609,171,030	20,319,686
Total		127,831,773		135,817,033
Total liabilities, net		(56,568,952)		(75,805,722)

As of 31 December 2021 and 2020, the conversion rates used by the Group were as follows:

	31 December 2021 US$	31 December 2020 US$
Currencies:		
1 Rupiah	0.000070	0.000071
1 Euro	0.886328	0.813907

In relation to the fluctuation of the U.S. Dollar exchange rate against foreign currencies, the Group recorded the foreign exchange (loss) gain, net of (US$ 431,820) and US$ 3,137,837, respectively for the years ended 31 December 2021 and 2020.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital Risk Management

The Group manages capital risk to ensure that they will be able to continue as a going concern, in addition to maximizing shareholders profit through the optimization of the balance of debt and equity.

Management periodically reviews the Group’s capital structure. As part of this review, the Board of Directors considers the cost of capital and related risk.

The Group's capital structure consists of equity attributable to the owners of the Company (consisting of capital stock, additional paid in capital, difference in value due to changes in equity of subsidiaries, management stock option, other comprehensive income, and retained earnings) and debt. The Group is not required to meet certain capital requirements.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital Risk Management (Continued)

The debt to equity ratio as of 31 December 2021 and 2020 were as follows:

	31 December 2021	31 December 2020
	US$	US$
Debts		
Short term bank loans	2,000,000	3,142,999
Long-term bank loan - current maturities	12,744,759	2,665,668
Long-term bank loans - net of current maturities	154,501,272	190,114,005
Lease liabilities - current maturities	897,863	430,258
Lease liabilities - net of current maturities	1,027,382	751,360
Total debt	171,171,276	197,104,290
Equity attributable to the owners of the Company	430,618,943	393,764,231
Debt to equity ratio	39.75%	50.05%

Categories and classes of financial instruments

	Financial assets/ liabilities at amortized cost	Investment in equity securities	Financial assets/ liabilities at fair value through profit or loss (FVTPL)
	US$	US$	US$
31 December 2021			
Current financial assets			
Cash in banks and cash equivalents	26,862,614	-	-
Investment in marketable securities	-	-	490,209
Receivable from service concession arrangement	72,253	-	-
Trade accounts receivable	3,131,655	-	-
Other receivables	397,065	-	-
Non-current financial assets			
Receivable from service concession arrangement	698,370	-	-
Investments in equity securities	-	6,554,471	-
Other non-current assets	22,061,683	-	-
Current financial liabilities			
Short-term bank loans	(2,000,000)	-	-
Trade accounts payable	(5,939,443)	-	-
Derivative payables	-	-	(50,134)
Other payables	(4,979,865)	-	-
Accrued expenses	(7,511,706)	-	-
Long term bank loan – current maturities	(12,744,759)	-	-
Lease liabilities - current maturities	(897,863)	-	-
Provision for service concession arrangement - current maturities	(34,118)	-	-
Non-current financial liabilities			
Long-term bank loans - net of current maturities	(155,029,005)	-	-
Lease liabilities - net of current maturities	(1,027,382)	-	-
Provision for service concession arrangement - net of current maturities	(452,495)	-	-
Total	(137,392,996)	6,554,471	440,075

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

a. Capital Risk Management (Continued)

Categories and classes of financial instruments (Continued)

	Financial assets/ liabilities at amortized cost	Investment in equity securities	Financial assets/ liabilities at fair value through profit or loss (FVTPL)
	US$	US$	US$
31 December 2020			
Current financial assets			
Cash in banks and cash equivalents	15,632,624	-	-
Investment in marketable securities	-	-	490,209
Receivable from service concession arrangement	64,228	-	-
Trade accounts receivable	1,136,353	-	-
Other receivables	3,509,421	-	-
Non-current financial assets			
Receivable from service concession arrangement	779,583	-	-
Investments in equity securities	-	6,068,486	-
Other non-current assets	21,002,366	-	-
Current financial liabilities			
Short-term bank loans	(3,142,999)	-	-
Trade accounts payable	(5,661,890)	-	-
Derivative payables	-	-	(2,037,319)
Other payables	(4,912,646)	-	-
Accrued expenses	(6,082,689)	-	-
Long term bank loan – current maturities	(2,665,668)	-	-
Lease liabilities - current maturities	(430,258)	-	-
Provision for service concession arrangement - current maturities	(67,848)	-	-
Non-current financial liabilities			
Long-term bank loans - net of current maturities	(190,114,005)	-	-
Lease liabilities - net of current maturities	(751,360)	-	-
Provision for service concession arrangement - net of current maturities	(366,891)	-	-
Total	(172,071,679)	6,068,486	(1,547,110)

b. Financial Risk Management Objectives and Policies

The Group's financial risk management objective and policy are implemented to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign currency risk, foreign currency sensitivity, interest rate risk, price risk, credit risk and liquidity risk. The Group operates within defined guidelines that are approved by the Board of Directors.

The Group divides risks into the following categories: market risk, credit risk and liquidity risk. Market risks include foreign exchange rate risk, interest rate risk and price risk. In managing risk, the Group considers priorities based on the probability of the risk will materialize and the scale of potential impacts if the risk occurs.

i. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuates following changes in foreign exchange currency rates.

The majority of the Group transactions are done in United States Dollar (U.S. Dollar) currency, which is also its functional and reporting currency.

The Group has monetary assets and liabilities denominated in currencies other than U.S. Dollar (mostly Rupiah) as disclosed in Note 46. In the event of sharp fluctuations, the operating performance may be affected. However, management mitigates this risk exposure by monitoring the foreign currency rate fluctuation and maintaining the balance between present and future assets and liabilities in foreign currency.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

i. Foreign Currency Risk (Continued)

Foreign currency sensitivity

The following table details the Group's sensitivity to 1%, as well as 5% increase and decrease in U.S. Dollar rate against Rupiah in 31 December 2021 and 2020, respectively 1% (31 December 2020: 5%) increase and decrease represent management's assessment of reasonable possible change in foreign exchange rates after considering the current economic conditions. The sensitivity analysis includes only the outstanding foreign currency denominated monetary assets and liabilities and shows their translation effects at period end for every 1% change in the foreign currency rates of Rupiah at 31 December 2021.

	31 December 2021	
	Impact from Rupiah	
	1%	-1%
	US$	US$
Assets		
Cash and cash equivalents	(228,478)	228,478
Trade accounts receivable	(31,317)	31,317
Other receivable	(3,971)	3,971
Receivable from service concession arrangement	(7,706)	7,706
Prepayments - Value Added Taxes	(199,693)	199,693
Claims for tax refund	(21,121)	21,121
Other non-current assets	(220,343)	220,343
Total *)	(712,629)	712,629
Liabilities		
Trade accounts payable	57,739	(57,739)
Taxes payable	7,363	(7,363)
Long-term bank loans	925,738	(925,738)
Other payable	49,799	(49,799)
Provision for service concession arrangement	4,866	(4,866)
Accrued expenses	75,117	(75,117)
Lease liabilities	19,252	(19,252)
Employee benefits obligation	138,444	(138,444)
Total *)	1,278,318	(1,278,318)
Total assets (liabilities) net	565,689	(565,689)

	31 December 2020	
	Impact from Rupiah	
	5%	-5%
	US$	US$
Assets		
Cash and cash equivalents	(431,792)	431,792
Trade accounts receivable	(56,818)	56,818
Other receivable	(175,471)	175,471
Receivable from service concession arrangement	(42,191)	42,191
Prepayments - Value Added Taxes	(1,185,829)	1,185,829
Claims for tax refund	(59,717)	59,717
Other non-current assets	(1,048,748)	1,048,748
Total *)	(3,000,566)	3,000,566

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

i. Foreign Currency Risk (Continued)

	31 December 2020	
	Impact from Rupiah	
	5%	-5%
	US$	US$
Liabilities		
Short-term bank loans	37,150	(37,150)
Trade accounts payable	283,095	(283,095)
Taxes payable	22,861	(22,861)
Long-term bank loans	5,128,363	(5,128,363)
Other payables	86,125	(86,125)
Accruals	136,457	(136,457)
Lease liabilities	59,081	(59,081)
Provision for service concession arrangement	21,737	(21,737)
Employee benefits obligation	1,015,984	(1,015,984)
Total *)	6,790,853	(6,790,853)
Total assets (liabilities) net	3,790,287	(3,790,287)

*) included the 31 December 2021 translation effect of assets and liabilities amounted to Rp 736.2 billion and Rp 1,529.3 billion (31 December 2020: Rp 572.3 billion and Rp 1,602.2 billion), respectively, from subsidiaries with Rupiah reporting currency.

Other than its impact to monetary assets and liabilities value of each entity within the Group, an increase or decrease of Rupiah to U.S. Dollar currency will also affect the Group's equity as a whole. The impact comes from the difference in net equity translation adjustments of subsidiaries with Rupiah reporting currency when they are consolidated into the Group's consolidated financial statements in U.S. Dollar. This impact is recorded as "Difference in translation of subsidiaries financial statements in foreign currencies" (part of other reserves).

The following table shows impact to other comprehenssive income from the translation adjustments, if the U.S. Dollar increases or decreases by 1% and 5% against Rupiah, respectively for the years ended 31 December 2021 and 2020:

	31 December 2021		31 December 2020	
	1%	-1%	5%	-5%
	US$	US$	US$	US$
Translation adjustments	2,916,184	(2,916,184)	2,956,423	(2,956,423)

ii. Interest Rate Risk

The Group is exposed to the interest rate risk since it has cash and cash equivalents and certain financial assets and financial liabilities with both fixed and floating interest rates.

Interest rate profile

The Group financial instruments that are exposed to fair value interest rate risk (i.e. fixed rate instruments) and cash flow interest rate risk (i.e. floating rate instruments), are as follows:

	Carrying amount	
	31 December 2021	31 December 2020
	US$	US$
Financial assets:		
Floating rate		
Cash in banks	26,324,668	13,448,811
Time deposits	537,946	2,183,813
Investments in marketable securities	490,209	490,209
Total	27,352,823	16,122,833

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

ii. Interest Rate Risk (Continued)

	Carrying amount	
	31 December 2021	31 December 2020
	US$	US$
Fixed rate		
Receivable from service concession arrangement	770,623	843,811
Financial liabilities:		
Floating rate		
Short-term bank loans	2,000,000	3,142,999
Long-term bank loans	167,246,031	192,779,673
Total	169,246,031	195,922,672
Fixed Rate		
Lease liabilities	1,925,245	1,181,618
Provision for service concession arrangement	486,613	434,739
Total	2,411,858	1,616,357

The Group accounts for the fixed interest rate bearing financial instruments using amortized cost method. Therefore, changes in interest rate do not have any impact to profit or loss and equity of the Group.

Sensitivity analysis for floating rate financial instruments

The following cash flows sensitivity analysis has been determined based on the exposure to interest rates for the Group's financial instruments outstanding at the reporting date. This analysis is prepared assuming the amount of financial instruments outstanding at the end of reporting period represents the balance throughout the year, taking into account the movement of the actual principal amount throughout the year. This sensitivity analysis utilizes the assumption of an increase and decrease of 25 basis points on the relevant interest rates with other variables held constant. The 25 basis points increase and decrease represents the management's assessment on rational interest rate changes after considering the current economic conditions.

	31 December 2021	
	+ 25 basis points	- 25 basis points
	US$	US$
Financial assets		
Cash in bank	65,812	(65,812)
Time deposits	1,345	(1,345)
Investments in marketable securities	1,226	(1,226)
Financial liabilities		
Short-term bank loans	(5,000)	5,000
Long-term bank loans	(418,115)	418,115
Total	(354,732)	354,732

	31 December 2020	
	+ 25 basis points	- 25 basis points
	US$	US$
Financial assets		
Cash in bank	33,622	(33,622)
Time deposits	5,460	(5,460)
Investments in marketable securities	1,226	(1,226)
Financial liabilities		
Provision for service concession arrangement	(1,256)	1,256
Lease liabilities	(2,954)	2,954
Short-term bank loans	(7,857)	7,857
Long-term bank loans	(483,418)	483,418
Total	(455,177)	455,177

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

iii. Price Risk

The Group is exposed to price risks arising from investments in marketable securities which are classified as financial assets at FVTPL. Investments in marketable securities is held for trading purposes. To manage price risk arising from investments in marketable securities, the Group diversifies its portfolio. Diversification of the portfolio is performed within the limits set by the Board of Directors.

The Group's investments in marketable securities (consisting of money market funds) is described in Note 6.

The Group faces commodity price risk because crude palm oil ("CPO"), palm kernel oil ("PKO") and palm kernel ("PK") are commodity products traded in the global markets. CPO, PKO and PK prices are generally determined based on an international index as benchmark, which tend to be highly cyclical and subject to significant fluctuations. As a global commodity product, CPO, PKO and PK prices are principally dependent on the supply and demand dynamics of those products in the global export market. The Group has not entered into any CPO, PKO and PK pricing agreements to hedge its exposure to fluctuations in the prices but it may do so in the future. However, in order to minimize the risk, CPO, PKO and PK prices are negotiated with the customers to obtain favorable prices. ANJA and SMM entered into certain derivatives transactions for the purpose of economic hedge against commodity price risk.

iv. Credit Risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligation, resulting in a loss to the Group.

The Group's credit risk is primarily attributed to its cash and cash equivalents, trade receivables and plasma receivables. The Group places its cash and cash equivalents with credit worthy financial institutions. Management believes on its ability to control and maintain minimal exposure on credit risk considering the Group monitor the receivable collection in accordance with the credit terms in the sales agreements.

As for plasma receivables, the Group minimizes the credit risk by entering into legal agreement for sale of fresh fruit bunches by plasma plantations (Notes 43d, f and g).

Trade accounts receivable aging profile is disclosed in Note 7.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Group's exposure to credit risk.

v. Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of its financial assets and liabilities.

The following tables detail the Group's contractual details of financial assets and liabilities based on the remaining maturity profile as of 31 December 2021 and 2020. The tables represent the undiscounted cash flows and carrying amount of financial assets and liabilities based on the earliest required payment date:

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

v. Liquidity Risk (Continued)

	31 December 2021				
	Contractual cash flows				
	Less than 1 year	1 – 5 years	Beyond 5 years	Total	Carrying amount
	US$	US$	US$	US$	US$
Financial assets:					
Cash in banks and cash equivalents	26,862,614	-	-	26,862,614	26,862,614
Investments in marketable securities	490,209	-	-	490,209	490,209
Receivable from service concession arrangement	168,230	841,148	168,230	1,177,608	770,623
Trade accounts receivable	3,131,655	-	-	3,131,655	3,131,655
Other receivables	397,065	-	-	397,065	397,065
Other non-current assets	-	22,061,683	-	22,061,683	22,061,683
Total financial assets	31,049,773	22,902,831	168,230	54,120,834	53,713,849
Financial liabilities:					
Short-term bank loans:					
Rupiah	-	-	-	-	-
U.S. Dollar	2,008,294	-	-	2,008,294	2,000,000
Trade accounts payable	5,939,443	-	-	5,939,443	5,939,443
Derivative payable	50,134	-	-	50,134	50,134
Provision for service concession arrangement	41,610	630,489	168,157	840,256	486,613
Long-term bank loans:					
Rupiah	16,615,484	97,814,159	-	114,429,643	92,573,764
U.S. Dollar	4,755,815	76,567,808	-	81,323,623	75,200,000
Other payables	4,979,865	-	-	4,979,865	4,979,865
Lease liabilities	980,416	1,108,288	-	2,088,704	1,925,245
Accruals	7,511,706	-	-	7,511,706	7,511,706
Total financial liabilities	42,882,767	176,120,744	168,157	219,171,668	190,666,770
Total net liabilities	(11.832.994)	(153.217.913)	73	(165.050.834)	(136.952.921)

	31 December 2020				
	Contractual cash flows				
	Less than 1 year	1 – 5 years	Beyond 5 years	Total	Carrying amount
	US$	US$	US$	US$	US$
Financial assets:					
Cash in banks and cash equivalents	15,632,624	-	-	15,632,624	15,632,624
Investments in marketable securities	490,209	-	-	490,209	490,209
Receivable from service concession arrangement	170,186	850,929	340,372	1,361,487	843,811
Trade accounts receivable	1,136,353	-	-	1,136,353	1,136,353
Other receivables	3,509,421	-	-	3,509,421	3,509,421
Other non-current assets	-	21,002,366	-	21,002,366	21,002,366
Total financial assets	20,938,793	21,853,295	340,372	43,132,460	42,614,784

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

v. Liquidity Risk (Continued)

	31 December 2020				
	Contractual cash flows				
	Less than 1 year	1 – 5 years	Beyond 5 years	Total	Carrying amount
	US$	US$	US$	US$	US$
Financial liabilities:					
Short-term bank loans:					
Rupiah	752,364	-	-	752,364	742,999
U.S. Dollar	2,414,071	-	-	2,414,071	2,400,000
Trade accounts payable	5,661,890	-	-	5,661,890	5,661,890
Derivative payable	2,037,319	-	-	2,037,319	2,037,319
Provision for service concession arrangement	67,848	387,196	47,543	502,587	434,739
Long-term bank loans:					
Rupiah	2,110,070	134,834,988	2,563,355	139,508,413	102,567,266
U.S. Dollar	1,332,405	99,819,597	-	101,152,002	90,800,000
Other payables	4,642,470	-	-	4,642,470	4,642,470
Lease liabilities	525,755	859,937	-	1,385,692	1,181,618
Accruals	6,082,689	-	-	6,082,689	6,082,689
Total financial liabilities	25,626,881	235,901,718	2,610,898	264,139,497	216,550,990
Total net liabilities	(4,688,088)	(214,048,423)	(2,270,526)	(221,007,037)	(173,936,206)

48. FAIR VALUE MEASUREMENTS

Fair value of financial instruments carried at amortized cost

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost approximate their fair values due to their short-term maturities, the insignificant impact of discounting or they carry market rate of interest.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

48. FAIR VALUE MEASUREMENTS (Continued)

Fair value measurement hierarchy of the Group's assets and liabilities

The following tables summarize the carrying amounts and fair values of the assets and liabilities, analyzed among those whose fair value is based on:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value measurements are based on market and net asset value adjusted with price of sales and purchase agreement, net present value and discounted cash flow models, comparison with similar instruments for which market observable price exist, or other valuation models.

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value measurements are based on net present value and discounted cash flow models that include information of projection for which that are no market observable exist such as CPO production, estimated capital expenditures and interest rates used for discount rate estimation.

31 December 2021	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
Financial assets at FVTPL				
Investments in trading securities				
Investments in money market fund	490,209	-	-	490,209
Investment in equity securities				
Other investment	5,070	-	6,549,401	6,554,471
Non-financial assets				
Biological assets	-	-	7,028,766	7,028,766
Total	495,279	-	13,578,167	14,073,446
Financial liability				
Financial liability at FVTPL				
Derivative liability	-	50,134	-	50,134
Total	-	50,134	-	50,134

31 December 2020	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
Financial assets at FVTPL				
Investments in trading securities				
Investments in money market fund	490,209	-	-	490,209
Investment in equity securities				
Other investment	6,636	-	6,061,850	6,068,486
Non-financial assets				
Biological assets	-	-	3,234,440	3,234,440
Total	496,845	-	9,296,290	9,793,135
Financial liability				
Financial liability at FVTPL				
Derivative payable	-	2,037,319	-	2,037,319
Total	-	2,037,319	-	2,037,319

48. FAIR VALUE MEASUREMENTS (Continued)

At 31 December 2020, other investment with carrying amount of USD 5,418,686 were transferred from Level 2 to Level 3 because of the absence of quoted prices for similar assets in the market. To determine the fair value of such instrument, management used a Discounted Cash Flows valuation technique in which certain significant inputs were based on non-observable market data, such as production volume, production cost and interest rate used for discount rate estimation. There were no transfers between Level 1 and 2 during the period and no transfers in either direction in 2021 and 2020.

49. NON-CASH FINANCING AND INVESTING ACTIVITIES

	31 December 2021	31 December 2020
	US$	US$
Non-cash financing and investing activities:		
Acquisitions of property, plant and equipment through:		
Other payables	808,900	1,715,642
Capitalization of amortization of financing cost	-	230,327
Depreciation of right-of-use asset	571,040	57,793
Reclassification from other advances	1,126,540	2,055,413
Addition of bearer plants through:		
Amortization of financing cost	91,682	1,866,390
Capitalization of depreciation of propert, plant and equipment (Note 14)	681,706	910,202
Reclassification from property, plant and equipment	255,973	-
Reclassification from advances	49,241	63,814
Addition of advance through reclassification of property, plant and equipment	146,535	-
Addition of other assets through reclassification of property, plant and equipment	15,867	-
Addition from capital injection in GMIT	1,322,222	-
Addition of deferred financing costs through other payables	150,000	200,000
Addition of right of use asset through lease liabilities	1,362,702	-

The following summarizes the components of change in the liabilities arising from financing activities during the year:

	31 December 2021	31 December 2020
	US$	US$
Beginning balance of short-term and long-term bank loans (Note 21)	195,922,671	190,456,553
Cash flows:		
Proceeds from short-term bank loans	9,028,550	104,583,764
Proceeds from long-term bank loans	7,453,187	175,853,400
Payments of short-term bank loans	(10,199,611)	(101,165,161)
Payments of long-term bank loans	(31,763,090)	(163,355,744)
Payments for deferred financing costs	(232,295)	(342,835)
Non-cash changes:		
Capitalization of amortization of financing cost	91,682	230,327
Amortization of financing cost	148,633	142,211
Foreign exchange differences	(1,203,696)	(10,479,844)
Ending balance of short-term and long-term bank loans (Note 21)	169,246,031	195,922,671

50. SUBSEQUENT EVENT

On 5 January 2022, the Ministry of Environment and Forestry ("MOEF") issued Decree No. SK.01/MENLHK/SETJEN/KUM.1/1/2022 regarding Revocation of Forest Area Concession Permits ("SK 01") which revokes a number of forestry concession licenses, including those under the Approval for Relinquishment of Forestry Area (*Persetujuan Pelepasan Kawasan Hutan*). The Company, PPM and PMP are included in the list of companies which the concession permits are revoked. Notwithstanding the above, SK 01 calls for an official revocation letter to be issued by three directorate generals under the MOEF to give effect to such revocation (the "Official Letter"). The management has submitted a letter to the MOEF and the Ministry of Agrarian and Spatial Affairs / National Land Agency to provide a clarification that the Company, PPM and PMP have obtained land rights (*Hak Guna Usaha*, "HGU") on these three land parcels and have developed oil palm plantation in PPM and PMP as well as the related developments progress in the Company. After the clarification process, it is expected that a final decree will be issued. The Management has assessed that the Company, PPM and PMP have a strong basis to continue holding the HGU on these three land parcels. As of the issuance date of the consolidated financial statements, the management has not obtained any further information or decision, including the Official Letter, regarding this SK 01.

Siddharta Widjaja & Rekan

Registered Public Accountants
33rd Floor Wisma GKBI
28, Jl. Jend. Sudirman
Jakarta 10210
Indonesia
+62 (0) 21 574 2333 / 574 2888

Independent Auditors' Report

No.: 00050/2.1005/AU.1/01/0854-1/1/III/2022

The Shareholders,
Board of Commissioners and Board of Directors
PT Austindo Nusantara Jaya Tbk:

We have audited the accompanying consolidated financial statements of PT Austindo Nusantara Jaya Tbk and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of 31 December 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Siddharta Widjaja & Rekan
Registered Public Accountants

Susanto, S.E., CPA
Public Accountant License No. AP. 0854

16 March 2022

PT AUSTINDO NUSANTARA JAYA Tbk.
BTPN Tower, 40th Floor
Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6
Jakarta 12950
Tel. (62 21) 2965 1777
Fax. (62 21) 2965 1788
www.anj-group.com