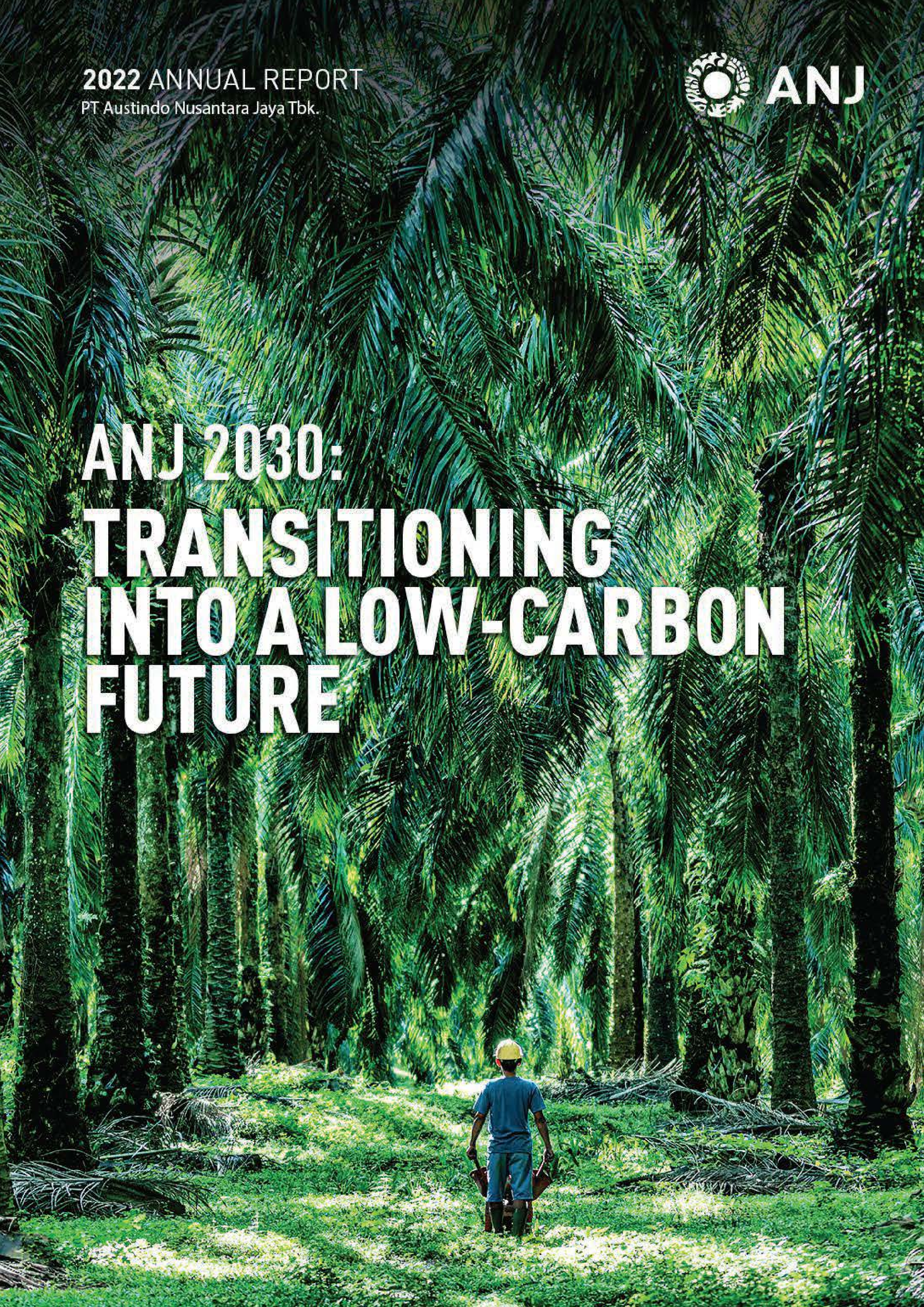
2022 ANNUAL REPORT

PT Austindo Nusantara Jaya Tbk.

ANJ

ANJ 2030: TRANSITIONING INTO A LOW-CARBON FUTURE



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 2022. 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.

ANJ 2030

TRANSITIONING INTO A LOW-CARBON FUTURE

It cannot be ignored that ANJ is an actor in an industry which directly contributes to human-induced climate change. The reality is that our company must deal with this responsibly and transparently, which is why this year we have intensified our efforts towards transitioning into a low carbon future.

Our transition from a high carbon operating model to a low carbon future commenced some years ago. Strong performance in the past year is reassuring evidence that a sustainable business model can be both profitable and successful. As we implement initiatives to mitigate climate change risk and meet emission reduction targets, it has become clear that climate-smart is also business-smart and that operating sustainably is commercially viable.

Transitioning into a low carbon future presents both a significant opportunity and an enormous challenge. Implementing a low carbon operating model, including clean energy technologies, can further catalyze an important emerging trend whilst supporting the transformation of the global energy sector. Simultaneously, the significant capital required to transform the business to be less reliant on non-renewables presents a considerable challenge, amplified by the need to make investments today whose benefits will only materialize in the future. However, we are cognizant that generating and acquiring energy will be a critical limiting factor in our industry in years to come. Seeing the dramatic impact that fossil fuel shortages can have on the global market economy has further justified ANJ's commitment to reducing its reliance on non-renewable energy sources. Not only will such a shift stabilize our production environment, but it will also facilitate significant monetary savings while supporting our journey to Net Zero.

Despite the challenge, ANJ is committed to our ambitious sustainability targets, which will facilitate the journey to Net Zero by 2030. Working incrementally towards this ultimate goal allows the Company to monitor progress and maintain our focus. In 2022, our management team solidified its focus on accelerating our renewable energy initiatives, with the option to build a new biogas facility either in ANJA or KAL and continued efforts to reduce GHG and water-use intensity.

As an industry that produces an essential commodity such as palm oil, we need to ensure that we adopt new business models which do not contribute to transgressing 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 willing to go beyond compliance to reduce our carbon footprint and be part of tackling the current climate crisis.

KEY 2022 PERFORMANCE

FFB PRODUCTION

Total FFB production grew

▲ 0.3%

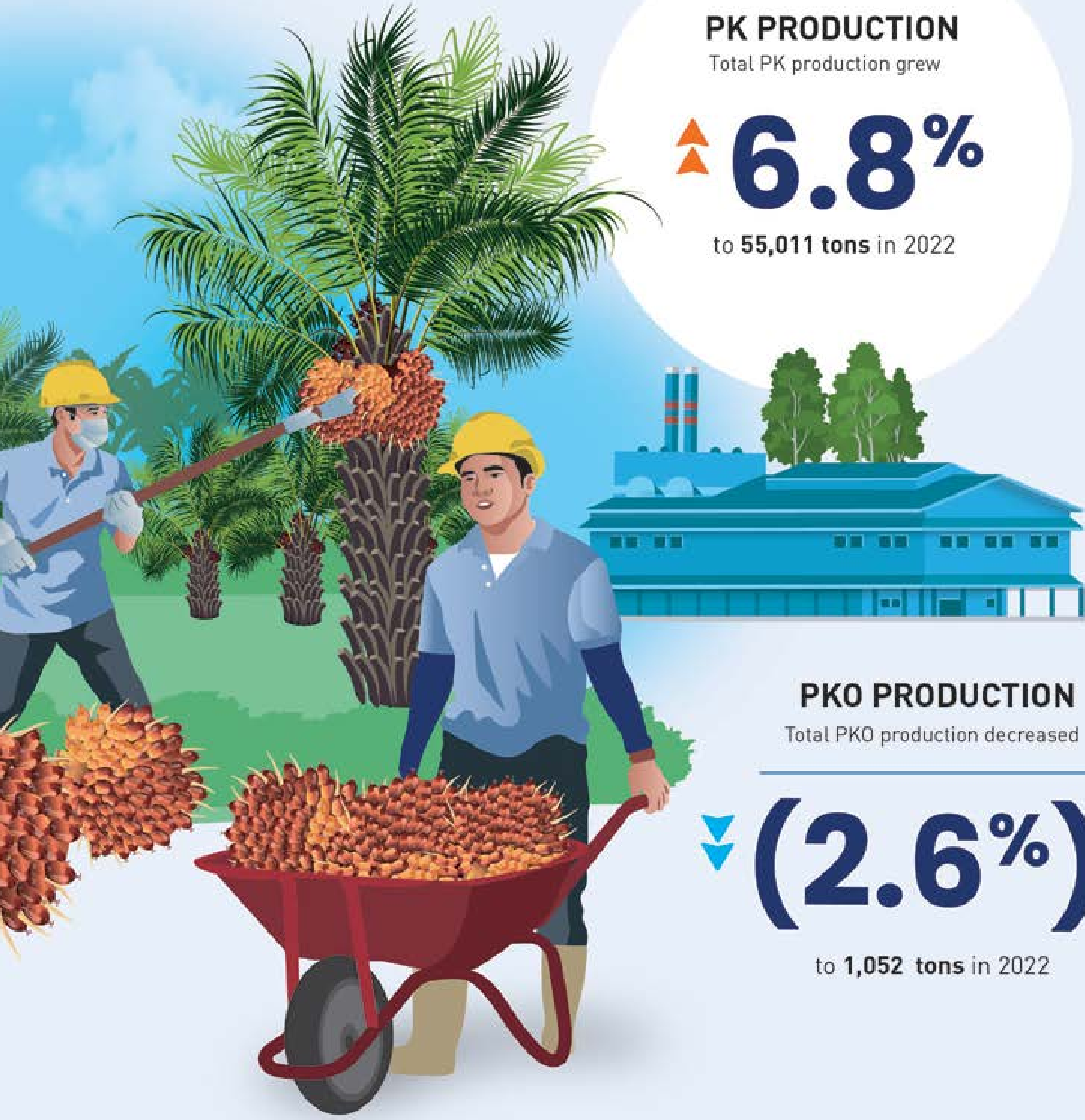
to **840,581 tons** in 2022

CPO PRODUCTION

Total CPO production grew

▲ 5.0%

to **275,769** in 2022



PK PRODUCTION

Total PK production grew

6.8%

to **55,011 tons** in 2022

PKO PRODUCTION

Total PKO production decreased

(2.6%)

to **1,052 tons** in 2022

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MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE

PERFORMANCE **HIGHLIGHTS**

FINANCIAL AND OPERATIONAL HIGHLIGHTS

RESULTS FROM OPERATIONS (USD million)

	2022	2021*	2020*	Variance 2022 vs 2021	
				Amount	%
Total Revenue	**269.2**	267.4	165.4	1.8	0.7%
Palm Oil, Palm Kernel Oil and Palm Kernel	**265.3**	264.5	163.0	0.8	0.3%
Sago starch	**1.6**	1.3	1.2	0.3	22.2%
Service Concession Revenue	**0.6**	0.6	0.6	0.0	0.4%
Others	**1.7**	1.0	0.5	0.7	63.2%
Gross profit	**53.9**	97.9	37.0	(44.0)	(45.0%)
EBITDA	**69.3**	84.0	30.8	(14.7)	(17.5%)
Net income (loss) for the year	**21.2**	36.6	(1.2)	(15.4)	(42.2%)
attributable to the owners of the company	**21.7**	37.0	(0.9)	(15.3)	(41.3%)
attributable to non-controlling interests	**(0.6)**	(0.4)	(0.3)	(0.2)	37.1%
Total Comprehensive Income (Loss)	**6.1**	33.9	2.4	(27.8)	(82.0%)
attributable to owners of the company	**6.9**	34.6	2.6	(27.7)	(80.2%)
attributable to non-controlling interests	**(0.8)**	(0.7)	(0.2)	(0.0)	5.3%
Basic earnings (loss) per share	**0.0065**	0.0112	(0.00027)	(0.0)	(41.6%)

FINANCIAL POSITION AND FINANCIAL RATIOS

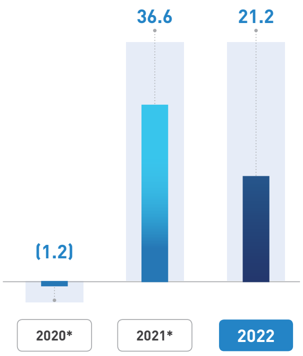
	2022	2021*	2020*	Variance 2022 vs 2021	
				Amount	%
Financial Position (USD million)					
Cash and cash equivalents	**10.8**	27.1	15.9	(16.3)	(60.1%)
Total current assets	**59.1**	77.8	66.2	(18.7)	(24.0%)
Total assets	**602.6**	645.2	631.7	(42.6)	(6.6%)
Bank loans	**134.2**	169.2	195.9	(35.0)	(20.7%)
Total current liabilities	**40.5**	48.8	28.4	(8.3)	(17.0%)
Total liabilities	**178.5**	219.4	240.3	(40.9)	(18.6%)
Total equity	**424.1**	425.9	391.4	(1.7)	(0.4%)
Financial Ratios					
Return on assets (ROA) (%)	**3.5%**	5.7%	(0.2%)	(2.2%)	(38.1%)
Return on equity (ROE) (%)	**5.0%**	8.6%	(0.3%)	(3.6%)	(41.9%)
Gross margin (%)	**20.0%**	36.6%	22.4%	(16.6%)	(45.3%)
EBITDA margin (%)	**25.8%**	31.4%	18.6%	(5.7%)	(18.0%)
Net profit margin (%)	**7.9%**	13.7%	(0.7%)	(5.8%)	(42.6%)
Current ratio	**1.5**	1.6	2.3	(13.3%)	(8.4%)
Liabilities to equity ratio	**0.4**	0.5	0.6	(9.4%)	(18.3%)
Liabilities to assets ratio	**0.3**	0.3	0.4	(4.4%)	(12.9%)
Net debt to equity ratio	**0.3**	0.3	0.5	(4.3%)	(12.8%)
Cash ratio	**0.3**	0.6	0.6	(28.9%)	(51.9%)
% cash to current assets	**18.3%**	34.9%	24.0%	(16.6%)	(47.6%)
Debt to Equity ratio	**0.4**	0.5	0.6	(9.4%)	(18.3%)

PALM OIL PRODUCTION (Tons Unless Specified)

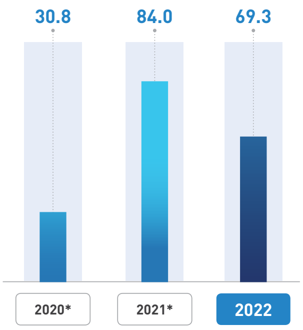
	2022	2021	2020	Variance 2022 vs 2021	
				Amount	%
Total FFB produced from our estates	**840,581**	838,191	785,202	2,390	0.3%
Total FFB bought from third parties	**538,483**	434,123	408,554	104,360	24.0%
Total FFB processed	**1,379,064**	1,272,314	1,193,756	106,750	8.4%
Average FFB yield (tons per hectare)	**19.4**	20.4	20.1	(0.9)	(4.5%)
Total CPO production	**275,769**	262,683	244,485	13,086	5.0%
Total CPO sales	**275,320**	268,289	240,315	7,031	2.6%
Total PK production	**55,011**	51,531	49,286	3,480	6.8%
Total PK sales	**54,996**	51,991	48,660	3,005	5.8%
Total PKO production	**1,052**	1,080	717	(28)	(2.6%)
Total PKO sales	**928**	1,113	700	(185)	(16.6%)
CPO extraction rate (%)	**20.1%**	20.6%	20.5%	(0.6%)	(2.7%)
PK extraction rate (%)	**4.4%**	4.4%	4.2%	0.0%	(0.4%)
PKO extraction rate (%)	**0.9%**	1.0%	1.1%	(0.1%)	(12.9%)
CPO average selling price	**842**	801	581	41	5.1%
PK average selling price	**559**	527	315	33	6.2%
PKO average selling price	**1,081**	1,308	667	(227)	(17.3%)
Cash cost of production	**402**	346	289	56	16.1%

Notes:* The consolidated financial statements for the years ended 2021 and 2020 have been restated due to the adoption of Indonesian Financial Accounting Standard No. 16, " Fixed Assets- Proceeds before Intended Use". The consolidated financial statements for the year ended December 31, 2020 before the restatement have been audited by Siddharta Widjaja & Rekan (a member firm of the KPMG network).

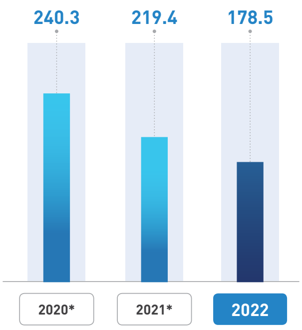
NET INCOME FOR THE YEAR
(USD Million)



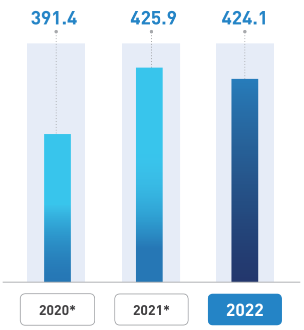
EBITDA
(USD Million)



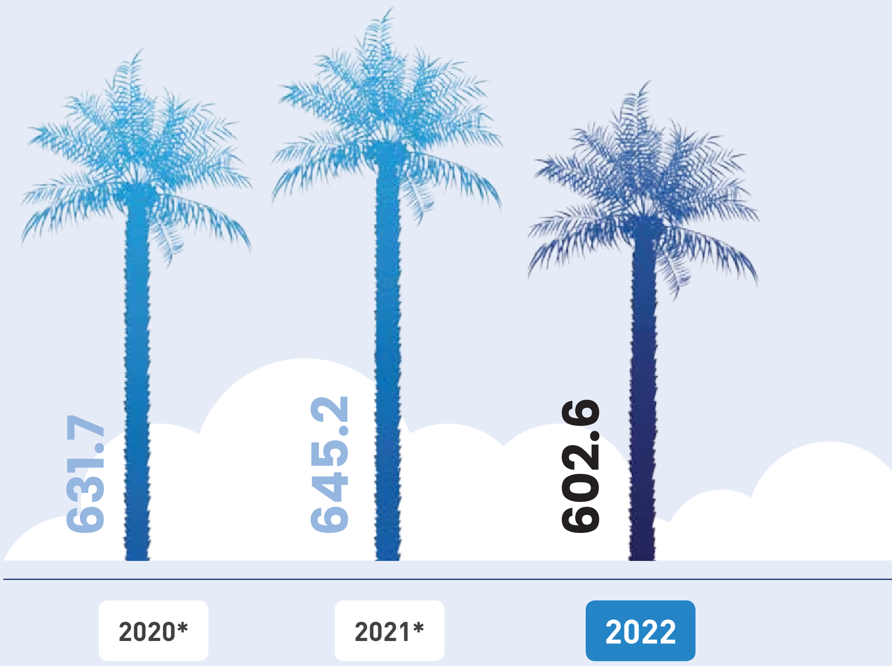
TOTAL LIABILITIES
(USD Million)



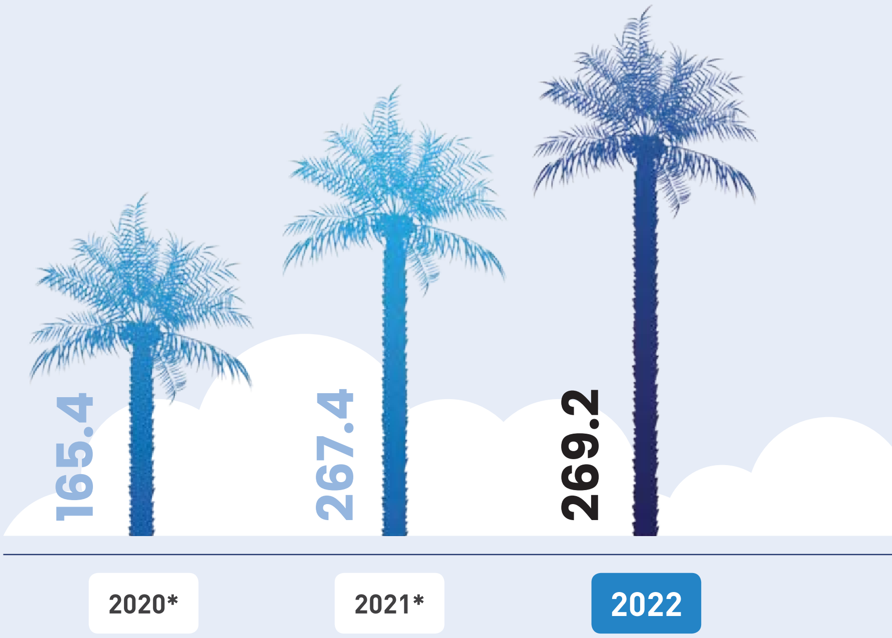
TOTAL EQUITY
(USD Million)



TOTAL ASSETS
(USD Million)



TOTAL REVENUE
(USD Million)



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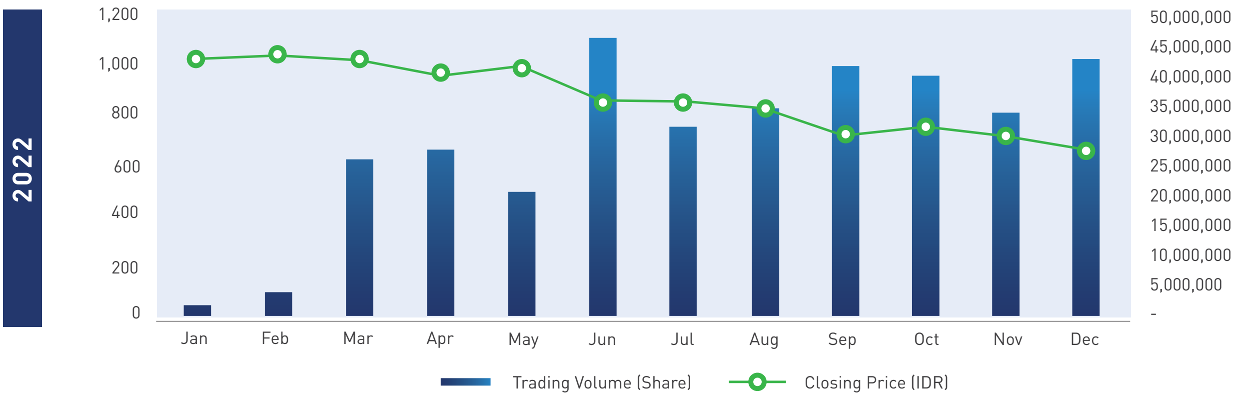
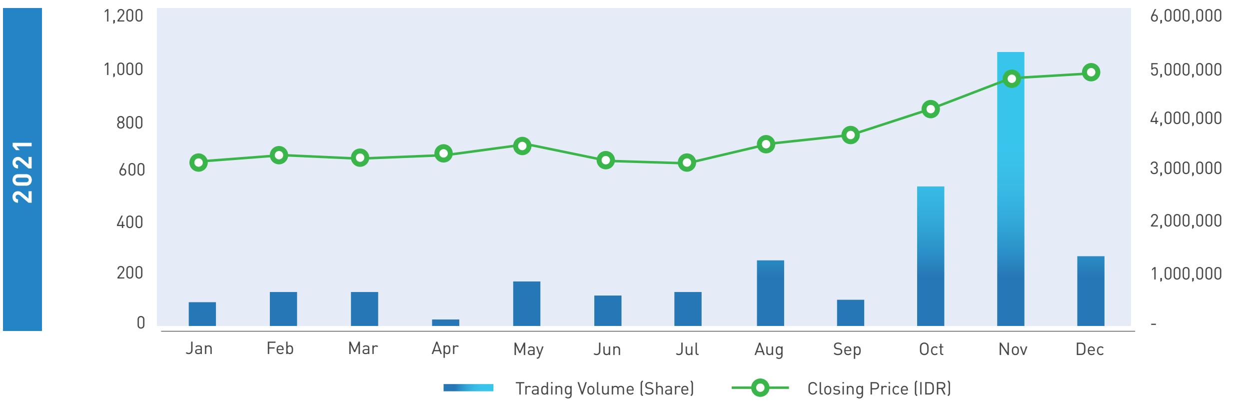
SHARE INFORMATION

ANJ Shares Price Performance 2021 - 2022





ANJ Quarterly Share Price Data 2021 - 2022

Year	Quarter	Open (IDR)	High (IDR)	Low (IDR)	Close (IDR)	Volume (Shares)	Value of Transactions (IDR)	Outstanding (Shares)	Market Capitalization (IDR)
2022	Q1	985	1,140	975	1,020	31,718,500	33,621,610,000	3,354,175,000	3,421,258,500,000
	Q2	1,005	1,040	870	870	94,367,200	92,857,324,800	3,354,175,000	2,918,132,250,000
	Q3	830	890	725	725	107,371,700	87,615,307,200	3,354,175,000	2,431,776,875,000
	Q4	745	780	645	665	116,761,500	82,200,096,000	3,354,175,000	2,230,526,375,000
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

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 2022.

SIGNIFICANT EVENTS 2022

22 MARCH KAL

KAL distributed Certified Palm Oil Sales Premiums to Smallholder Farmers

On March 22, 2022, PT Kayung Agro Lestari (KAL) distributed the premium for sustainable palm oil to partnership farmers. As a revenue premium from RSPO-certified palm products, KAL gave IDR 480,336,648 to the Laman Mayang Sentosa Cooperative, consisting of 624 farmers who are KAL partners and practice sustainable plantation practices.

23 MARCH KAL

KAL held Environmental Sustainability Education for children in collaboration with Pokdarwis

The KAL team, including EHS, Conservation and CID, educates children from early childhood to high school in the Kuala Satong Mangrove Center Village about environmental sustainability. This event is a collaboration with Pokdarwis (a tourism awareness group) to foster an attitude of environmental care in children from an early age through environmental education.

31 MARCH SMM

SMM distributed Certified Palm Oil Sales Premiums to Smallholder Farmers

PT Sahabat Mewah Makmur (SMM) distributed a revenue premium from RSPO-certified palm products worth IDR 157,281,394 to 5 (five) cooperatives in Belitung, including Mitra Lestari Cooperative, Mitra Anugrah Cooperative, Sambar Jaya Makmur Cooperative, Berimpun Sejahtera Cooperative and Lindong Raya Cooperative.

12 APRIL SMM, ANJA, ANJAS AND KAL

PMI awarded ANJ Group for combating COVID-19 with Eco-enzyme

Eco-enzymes have been used in the Company's environment throughout the ANJ Group, including as a COVID-19 disinfectant, organic fertilizer, pest control pesticides for plants in employee housing and cleaning up sewage ponds.

8 JUNE ANJ

ANJ 2022 Annual General Meeting of Shareholders and Public Expose

On June 9, 2022, PT Austindo Nusantara Jaya Tbk. (ANJ) held the Annual General Meeting of Shareholders (AGMS) and an online Public Expose. One of the agendas at the AGMS was to announce the distribution of dividends for IDR 43 per share.

20 JUNE PPM AND PMP

Graduation of 18 preschool students in Kais District

ANJ and Alirena celebrated the graduation of 18 PAUD students from PAUD Lahai Roy in Benawa 1 village and Sion PAUD in Sumano village, Kais District, South Sorong, through the Early Childhood Education (PAUD) program.

10 JUNE KAL

KAL supports Ketapang Regency for the Independent Villages program

The Ketapang Regency Government, KAL, the Development Partners Association (*Perkumpulan Mitra Pembangunan*) and the Tropenbos Indonesia Foundation signed a collaboration agreement for an Independent Villages program at the Ketapang Regent's Office in West Kalimantan. The agreement, which has been in the works since the end of 2019, is a formalization of the Ketapang Regency Government's Focus Village program, which aims to develop and empower the communities of Kuala Tolak Village, Kuala Satong Village and Laman Satong Village so they can become independent villages on their way to becoming stable and leading villages.

9 AUGUST SMM

Graduation of 50 vocational students, a collaboration of SMM and the Ministry of Industry

On August 6, 2022, 50 students celebrated graduation from the D-I equivalent Vocational Education Program. The Vocational Education Program is a result of a partnership between SMM and the Medan Industrial Chemical Technology Education Institute (Pendidikan Teknologi Kimia Industri/PTKI), one of the government-owned higher education institutions overseen by the Ministry of Industry of the Republic of Indonesia (Kemenperin).

15 OCTOBER GMIT

Visit of Jember Regent to GMIT

On October 15, 2022, Ir H Hendy Siswanto, the Regent of Jember Regency, made a visit to PT Gading Mas Indonesia Teguh (GMIT), one of ANJ's subsidiary which produces edamame. The main topic of this meeting was to discuss the synergy between GMIT and regional government for development of edamame as one of main export commodity of Jember.

20 OCTOBER ANJ

ANJ supported Ministry of Villages at the "Sago Activists Training"

To introduce the method of processing sago, the Ministry of Villages, Development of Disadvantaged Regions and Transmigration (Kemendes PDTT) organized the event "Sago Activists Training" at the Center for Training and Empowerment of Village Communities (BBPPMD), East Jakarta. At the event, ANJ and the National Research and Innovation Agency (BRIN) held a cooking demonstration using sago flour, Sapapua.

26 OCTOBER ANJ

ESG Awards 2022

ANJ received the Disclosure Rating award with a Leadership A rating at the "Environment, Social, Governance (ESG) Disclosure Awards 2022" on October 26, 2022. Investor Magazine - Berita Satu Media Holdings (BSMH) organized this event in collaboration with the Bumi Global Karbon Foundation (BGKF). The award recognizes companies that are considered to be committed to disclosing ESG.

27 OCTOBER PPM

PPM held an Emergency Management Training

PT Permata Putera Mandiri (PPM), in collaboration with National Search and Rescue Agency (BASARNAS), held an Emergency Management Training on October 27, 2022. The training aims to socialize awareness of workplace accidents and give comprehensive knowledge regarding emergency management.

4 NOVEMBER ANJ

ANJ received ESG Rating from Sustainalytics

ANJ received an ESG Risk Rating score of 18.3 (low risk), ranking first out of 95 global agricultural companies and 10 out of 601 global food industry companies assessed by Sustainalytics is world's leading independent agency in ESG research and corporate governance. This places ANJ in Sustainalytics' 2023 Top-Rated ESG Companies List for the Food Product Industry.

24 NOVEMBER SMM

ANJ welcomed the visit of the Ministry of Foreign Affairs and representatives from America and Europe to promote Sustainable Palm Oil

SMM welcomed Ambassadors and Diplomats from 9 Americas and European Embassies, including Chile, Belgium, Norway, Peru, Switzerland, Czech Republic, Mexico, the United Kingdom and Colombia on 24 November 2022. The visit was part of the "Dialogue on Indonesian Sustainable Palm Oil in American and European Markets," which was organized by the Directorate General for Multilateral Cooperation in collaboration with the Directorate General for America and Europe from the Ministry of Foreign Affairs as part of an economic diplomacy effort to expand the market for sustainable palm oil commodities.

28 NOVEMBER ANJ

ANJ Group received Best Score from SPOTT

The Sustainability Policy Transparency Toolkit (SPOTT) awarded PT Austindo Nusantara Jaya Tbk. (ANJ) a score of 91.1% in its annual assessment which brings ANJ to 4th place overall and the highest-ranked Indonesian-owned company. The score has increased by 8.2 points since 2021.

6 DECEMBER ANJ

ANJ participated at SDGs Annual Conference 2022

ANJ participated in the panel session "SDGs Festival of Government and Non-Government Collaboration in Supporting the Achievement of SDGs/SDGs" as one of the speakers. This event was part of the 2022 SDGs Annual Conference, which was hosted in a hybrid format by the Ministry of National Development Planning of the Republic of Indonesia and the National Development Planning Agency (Ministry of PPN/Bappenas).

13 DECEMBER ANJ

ANJ achieved Leadership level for CDP assessment

ANJ's first CDP assessment for Climate Change scored an A- , which is a leadership category. ANJ received an A- in the Forest category for its palm oil business unit and a B for its edamame business unit. ANJ also received a B in the Water category for the whole group.

29 DECEMBER SMM, ANJA, KAL AND ANJAS

ANJ Group achieved two Gold PROPER and two Green PROPER from KLHK

ANJ achieved two Gold PROPER, the highest environmental management award from the Ministry of Environment and Forestry (KLHK), through its two subsidiaries PT Sahabat Mewah dan Makmur (SMM) and PT Austindo Nusantara Jaya Agri (ANJA). In addition, other ANJ subsidiaries, PT Austindo Nusantara Jaya Agri Sias (ANJAS) and PT Kayung Agro Lestari (KAL), achieved Green PROPER from KLHK.

MANAGEMENT
REPORT

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 COMMISSIONERS

Dear Shareholders,

2022 was a challenging year. Despite adversity, the strength of our management team and the commitment of our people prevailed, allowing ANJ to continue its journey to becoming an industry leader in sustainable agribusiness.

Following the peak of the COVID-19 pandemic, many assumed that the global situation would improve. Markets would open, demand would increase and people could travel. However, in March 2022, a dramatic change occurred when Russia invaded Ukraine. High commodity prices, supply chain disruptions and limitations on the movement of people sent our industry swinging back to the now familiar situation of global uncertainty and market volatility.

It is thanks to the foresight and thorough strategic planning of our management that ANJ was able to navigate this difficult year largely unscathed. Our investment in the composting and fertigation schemes significantly reduced our cost and reliance on external suppliers, particularly during periods of critical fertilizer shortage. For the products we could not produce through organic means, ANJ rapidly secured a large volume at the start of the year, which saved us from the impact of cost increases in the first semester without impacting production. However, many of our operations still require diesel fuel for machinery and transportation, which placed a substantial economic burden on the Company, especially in the eastern region.

More locally, our operations continued to experience the impacts of severe weather events. Most notably, prolonged periods of heavy rainfall and flooding. This highlights the importance of fast-tracking our infrastructure projects, such as road laterization in Southwest Papua and reinforcing river embankments in ANJAS. Our management team is also acutely aware of the projected intensification and increased frequency of *El Niño* and *La Niña* events. Preparing our operations for these conditions and the impacts of dramatic shifts between the two extremes is becoming an increasingly material topic for ANJ.

Adrianto Machribie

President Commissioner
(Independent)

ANJ started the year of 2022 with a significant hurdle following the issuance of the Ministry of Environment and Forestry Decree No. SK.01/MENLHK/SETJEN/KUM.1/1/2022 ("SK01"), which revoked the approval for the relinquishment of forestry areas within our business units in Southwest Papua (formerly West Papua). Thanks to our sustained demonstration of effective ESG practices, the Indonesian government confirmed that two of our three concessions remain valid. Our management team continues to engage in discussions with various relevant ministries to retain our third concession in Southwest Papua. In addition, several policies introduced by the Indonesian government, resulting in a sudden CPO export ban and volatility in export levy tariffs, posed further restrictions on our operations.

Despite these challenges, our palm oil operations performed well in 2022. CPO prices continued to be favorable during the year, which resulted in a high consolidated revenue during all quarters. However, the heavy rainfall, which caused floods in ANJAS, KAL and PPM, combined with a year of lower fruit yields in certain regions meant that both CPO and PK production was below target, with operations only catching up in the latter stages of 2022.

As for ANJ's other operations, edamame saw significant growth this year and showed great promise to become highly successful. On the other hand, our sago business suffered from poor worker productivity and maintenance of machinery, resulting in a low quality of product and inadequate production rates. We will, therefore, cautiously approach the prospect of pursuing the sago market, which is a pity due to its potential as an alternative carbohydrate source for addressing food insecurity in Indonesia.

In the grand scope of things, amidst hardship and adversity, 2022 has been a success. Ultimately, through our people's hard work, we improved productivity and extraction rates across our palm oil and vegetable operations. Our management decided to devolve specific responsibilities to the operational level, which has seen vast improvements in collaboration and cohesive action towards meeting our targets. This approach has also held units more accountable and we have already observed more focused and committed involvement from our people. The new management teams, which have been placed at several units across Indonesia, have reinvigorated challenged operations and brought new ideas in line with our ethos to innovate for a better future. All the while, our management trainee program continues to search the increasingly competitive graduate market for talented individuals to join our group.

2022 was also the year where we solidified our commitment to achieving Net Zero by 2030 – a bold claim for a company that does not shy away from admitting its role as a player in a polluting industry. Regarding this, our sustainability efforts have received significant recognition, with improvements in our external audits and sustainability reviews, all of which ANJ has decided to disclose publicly in line with our high regard for transparency.

Throughout the year, we continued to pursue our sustainability initiatives to reduce our emissions and consumption and better the lives of those who work for and live around our operations. Our research and development team were also hard at work to find new ways to reduce carbon emissions and repurpose the waste products from our operations. These included optimizing biofertilizers and studying the potential for BioCNG.

While our sustainability efforts have been recognized, ANJ stands firm in its view that achieving is one thing, but exceeding is another. We don't simply strive to be a company recognized for its achievements, but one that puts the journey to those achievements at the core of our mission. We hope to spread our message that achieving sustainability targets is a lifelong endeavour, wherein beyond every target lies a more challenging one.

Advising the Board of Directors

This year, we have changed our approach to governance to be more inclusive and integrated across all levels of the Company. We believe that good management is built on solid relationships and a mutual appreciation of our ambitions. That is why communication between the Board of Commissioners, Board of Directors and other management levels occurs formally and informally.

The Board of Commissioners plays an advisory role and oversees all decision-making by the Board of Directors in formal meetings. But in addition, Commissioners also have the opportunity to provide input and informal feedback to the members of the BoD on other occasions.

Corporate Governance

Good corporate governance is central to the success of our business. This year, while maintaining much of our governance practices and processes, we improved our ASEAN Corporate Governance Scorecard by 12.17 points, achieving an overall score of 99.74. This is an incredible achievement for the Company, as we are now recognized as a level 4 Company, operating at a very good level and adhering to all international standards. Our ESG performance was also rewarded, with two of our estates, ANJA and SMM, achieving the Gold PROPER award in December 2022. This again is a fantastic achievement, particularly as the criteria for Gold PROPER requires the explicit implementation of a novel social innovation project each year.

Our SPOTT, CDP and Sustainalytics scores also improved this year, grading ANJ as low risk in an industry rated medium-high to severe risk. We owe our success in corporate governance to a marked increase in commitments and support by our upper management, which in turn, allowed us to develop more efficient means of reporting and analyzing sustainability. Thus making the process less time-consuming and labor-intensive.

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

Now well-established, the whistleblowing system has continued to grow and gain support from our people. Individuals are now confident in raising complaints and holding others accountable for misconduct. We believe that devolving responsibilities to the operational level in 2022 has helped in this regard, as it brings with it a greater understanding of corporate governance and the 'why' behind our values and commitments.

All complaints were dealt with promptly and thoroughly, reinforcing our view that no misconduct is acceptable. This year there were no significant findings, with the exception of two cases of fraud which saw the terminated employment of the perpetrators.

Analysis of Prospects

As we continue to move past the peak of the COVID-19 pandemic, we are observing a notable shift in the global economy towards pre-pandemic levels. Essential export markets, such as those in Japan, China and India have opened, allowing ANJ to refocus our operations on the demands of international buyers. However, the export levy enforced by the Indonesian government does not appear to be relaxing any time soon. To overcome the issues ANJ faced in focusing our 2022 CPO production on the domestic market, our management must critically assess how we can cater to domestic demand without experiencing a backlog in production and eventual product wastage.

Moving forward, we must remain cognizant of the ongoing conflict in Ukraine, which continues to impact the global supply chain for fossil fuels, inorganic fertilizers and vegetable oils. A potential escalation in the war, not ruling out nuclear warfare and the global recession are both of utmost concern. While ANJ managed to mitigate any major impact of supply shortages in 2022 through our innovative composting and fertigation schemes, we cannot predict how the current situation will unfold and must, therefore, continue to invest in strategies to become less reliant on external providers. This includes fast-tracking our renewable energy production. Our management must also be aware of the dramatic changes in COVID-19 policy in China in the latter stages of 2022, which may have severe implications for global health and market stability.

There is also a potential for a future shift in demand for palm oil from the European market. Observing several governments' response to a reversion to fossil fuels, specifically coal, during a time of fuel shortage, suggests that palm oil may make a comeback as a biofuel, despite current public discourse staging staunch opposition to the product.

As for ANJ's other operations, we have great hope for the future success of our edamame industry. While sago production struggled this year to a point where we have had to critically assess the profitability of the operation, edamame significantly improved production and penetrated new markets. In 2022, we introduced a new team in charge of managing and operating the edamame business, which reinvigorated the process and saw the implementation of innovations. As the global market opened after the pandemic, we were able to export our product once again to Japan – previously our largest international buyer. ANJ also supplies several large domestic buyers, including large chains like Pizza Hut. Our cold storage units have grown in capacity, which has greatly benefitted our edamame production process and may allow us to extend our storage capabilities to other products and suppliers.

While optimizing our individual operations can reap great benefits, as management, we must take a step back to assess how ANJ functions as a whole. The time provided to us through the pandemic was essential to pinpointing our areas for improvement and recognizing our successes. Being committed to the internal and external audit process is also critical to bettering our company while sticking to our values and commitments. Moving forward, we hope to uphold our status as an industry leader in sustainable agribusiness – making sure not to rest on our laurels – while developing strategies to become a more resilient, independent actor in our industry that prioritizes our responsibilities to people, planet and prosperity.

Changes in the Composition of the Board of Commissioners

We are glad to note that, in the year 2022, there have been no changes in the composition of the Board, adding to the continuity and strength of our operations.

While most of ANJ's operations observed great success and progress in 2022, this was no small feat. Across the board, ANJ's people demonstrated dedication to our values and ambitions, without which we would not be a leading actor in the agribusiness industry.

Our proactive approach to addressing risks allowed us to be one step ahead of the game when the financial crisis struck and supply chains collapsed. Our astute geopolitical awareness is also integral to developing strategies to mitigate climate catastrophe.

Moving forward, we hope to solidify our commitments to being an industry leader, paving the way for others to become more resilient, sustainable and independently functioning members of a circular economy. With that, I would like to thank all our people for their continued hard work, 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 **DIRECTORS**

FROM LEFT TO RIGHT:

GEETHA GOVINDAN
Vice President Director

NOPRI PITOY
Director

LUCAS KURNIAWAN
President Director

NAGA WASKITA
Director

ALOYSIUS D'CRUZ
Director

Lucas Kurniawan
President Director

REPORT FROM THE BOARD OF DIRECTORS

Dear Shareholders

This year was one of mixed emotions. While the palm oil sector flourished, we cannot ignore the crisis which gave rise to this condition. The geopolitical situation in Ukraine has impacted the lives of many, affecting those far beyond the borders of a fighting nation. As fertilizer prices sky-rocketed and production in the breadbasket of the world ground to a halt, essential commodities, such as food and cooking oils, became a luxury. Fortunately, ANJ was able to foresee these outcomes amidst highly dynamic and volatile circumstances. With the help of our people, especially those who have brought ANJ's organic fertilizer and drip fertigation innovations to fruition, our company was able to minimize the consequences of this troubling situation and reinforce a proactive, financially conservative approach to developing our operations. With this message, I outline ANJ's successes and areas for improvement, knowing that to remain responsive and resilient in a rapidly changing world, ANJ must invest in sustainable means of achieving both Company and global ambitions.

The Palm Oil Industry in 2022

Throughout the first half of 2022, our company observed favourable CPO prices, driven by a low production output from Indonesia and Malaysia, the ongoing geopolitical crisis in Ukraine and the biodiesel mandates enforced by the Indonesian government. The war in Ukraine has seen a continuing disruption to the supply of energy, seed and vegetable oils and fertilizers. Our management team had long anticipated a crisis of this scale and had the strategic measures to secure much of our fertilizer supply for the first and second quarters of 2022. The success of our composting program was of great importance in combatting this situation, allowing ANJ to continue CPO production without disruption due to fertilizer shortages. We aim to continue to expand our organic fertilizer program in the future, as it has the potential to generate significant monetary savings and facilitate our sustainability ambitions.

While drastic changes in the vegetable oil market saw the CPO price increase rapidly in the first quarter, this brought a high cost. When cooking oils became prohibitively expensive in Indonesia, the national government introduced price limits and in the middle of the year, an export ban. This caused domestic CPO prices to decline steeply while the international market continued to observe high prices due to loss of CPO supply from Indonesia. Furthermore, when the Indonesian government mandated a focus on the domestic market, national refineries did not have the distribution network to fairly supply cooking oil to various types of domestic markets, in particular the traditional markets. In the latter stages of 2022, the domestic production mandate was altered to take the form of a quota, currently sitting at a 6:1 ratio in January 2023 from previously an 8:1 ratio of international to domestic market supply obligation. Despite the government lifting the export ban in August 2022, official statements highlight that the ratio and domestic commitments are to stay.

Throughout the second half of the year, CPO prices fluctuated and failed to stabilize, as our management team had predicted. Poor demand in India and China due to the economic recession and the ongoing lockdowns in China had a significant impact on the market. The higher production value in Malaysia, where companies had struggled with a lack of workforce in the depths of the pandemic, also contributed to price instability. However, ANJ is optimistic that CPO prices will again be favourable in 2023, with continued volatility in the vegetable oil market, due to the prolonged war in Ukraine and weather concerns in South America, promoting the high demand for palm oil.

Strategies

Our strategies are developed through careful planning and integrative decision-making between the Board of Commissioners (BoC) and Board of Directors (BoD). This year, our management have also made a strategic change which devolved specific responsibilities to the operational level. We believe that a bottom-up approach to governance is crucial to understanding the needs and demands of our operational units, which is otherwise difficult to determine in a centralized system, especially since our operations cover such a vast geographical region. Providing our operational units with increased autonomy balanced with continuous support and monitoring from head office also allows us to better understand the cultural influences of our communities and how ANJ can develop in all of our regions in a way that maximizes profit and production while respecting both Planet and People.

In 2022, we established a cross-functional Project Management Office (PMO) to improve our monitoring of strategy implementation and production bottlenecks. This was particularly crucial in a year where our risk assessments highlighted timely completion of strategic projects to be very crucial to manage top risks and realize valuable opportunities. These conclusions were drawn from external factors which have been very dynamic over the past few years, including government policies, global economic conditions, geopolitics and extreme weather events caused by climate change. Such external factors beyond our control will ultimately impact our productivity and profitability as well as the interest of our shareholders, meaning that ANJ must invest in optimizing production and initiatives to reduce our major input costs while achieving our ESG targets and ambitions, among others by reducing our reliance on external supplies such as fossil fuel and inorganic fertilizers.

This year, we finalized our roadmap for working towards our long-term ambitions in the Corporate Strategic Session 2023-2027. This strategy highlights five focus areas for ANJ, which will help us to achieve our growth target and Net Zero aspiration by 2030 as well as mitigate the impact of climate change on our industry:

1. Composting, drip fertigation and biomass feedstock;
2. Completing the infrastructure in Papua;
3. Replanting;
4. Improving sago and vegetable turnaround;
5. Monetizing opportunities in the carbon market.

In addition, we hope to continue our research and development into innovations that address climate change, increase CPO production and reduce our reliance on fluctuating markets, such as those for fossil fuel, which will allow ANJ to become a more sustainable, agile and independent venture.

Challenges in 2022

- The war in Ukraine had a significant and largely unpreventable impact on our industries, especially relating to supply chain disruption, at the start of the year. Thankfully, ANJ had implemented initiatives and systems to minimize our reliance on the volatile global supply chains, especially reliance on fertilizers.
- In early January 2022, we were caught unaware by the issuance of the SK01 decree by the Ministry of Environment and Forestry, which contained a list of revoked concession permits. This included our three concessions in Southwest Papua (formerly West Papua) which are owned by the Company and

through our two subsidiaries, namely PPM and PMP. In June 2022, PPM and PMP obtained a final decree to exclude them from the list, thanks to the constructive discussions with the Ministry of Environment and Forestry as well as with other relevant ministries. Although largely resolved, this issue required intensive involvement from our management team. We continue to engage in discussions with various relevant ministries to retain our third concession in Southwest Papua.
- Extreme weather events resulting from climate change are becoming an increasingly material issue for ANJ and the agribusiness industry in general. High-intensity rainfall dramatically impacted the delivery of FFB to the mills, particularly in PPM and PMP, but also in ANJAS. With projections stating that intense *El Niño* and *La Niña* events will become more frequent than previously predicted, we must find ways to become more resilient to the extremes of weather and the toll that rapid changes in climatic conditions will take on our crops.
- Our Sago operation suffered in 2022, leading management to critically review whether it is still feasible for ANJ to continue to invest in maintaining the business. Poor maintenance of equipment and low worker productivity led to extraction rates and production volumes falling well behind target. What ANJ decides concerning this operation requires much thought as Sago still has the potential to play a key role in addressing food insecurity in Indonesia.
- Incomplete and inadequate infrastructure in Southwest Papua combined with high workers turnover rate continue to be a key limiting factor to our success in the area. ANJ will again focus on addressing these issues in 2023.
- The export ban imposed by the Indonesian government from April to May 2022, which was intended to improve cooking oil supply to the domestic market, led to undue price pressure as the domestic market could not absorb enough of the product intended for international market. The export ban was later lifted and converted into an export quota based on a ratio of the supply to the domestic subsidized cooking oil.

Segment Performance

Palm Oil

Throughout 2022, ANJ's consolidated revenue for CPO production exceeded 2021 figures and budget. The uncharacteristically high CPO and PK prices drove these significant revenue increases. Such significant increases in Company revenue allowed ANJ to proactively reduce our bank loans, which remains a priority for our Group. Despite substantial gains in our financial outcomes, ANJ fell behind in overall CPO and FFB production, observing lower production volumes than budget. The total CPO production at year-end was 275,769 tons: 5% higher than 2021 although 8.8% lower than budget. SMM, ANJAS, KAL and our Southwest Papua estates experienced lower FFB production and ANJ has again proven to be an agile organization as we immediately implemented a measure to increase external FFB purchases to maintain our overall CPO production and profitability. In SMM, the associated resting period following high fruit production in 2021 and the felling of mature areas for replanting reduced overall outputs. This was to be expected and our company feels confident about the estate's rebound in the following year. However, the low production in ANJAS, KAL and the Southwest Papua estates resulted from severe flooding and prolonged periods of heavy rainfall, damaging local infrastructure and the palms' productivity. ANJ expects that ANJAS will be able to rebound in early 2023. Still, the ongoing complications of infrastructure building, specifically the road laterization project, make progress in our Southwest Papua estates uncertain. Increasing capacity in this region will remain a priority in the coming years.

Plasma and partnership cooperatives fared well this year and we are progressing well with 75% of our plasma and smallholders cooperatives having received RSPO/ISPO certification by the end of the year. We are confident that we can achieve our target to have 100% of our plasma and partnership cooperatives to have received RSPO/ISPO certification by the end of 2025.

Sago

2022 continued to be a challenging year for our sago business. Our sago operations experienced breakdown of the front-end equipment and starch drying equipment, which slowed down the production process and decreased the extraction rate. This problem was worsened with low worker productivity creating further limitations to meeting production targets and added to which increased diesel fuel cost resulted in higher operating costs. While our management conducted quarterly reviews of our progress in this segment, plans to increase the extraction rate and production volume, optimize the biomass power plant and reap the benefits of the high sago starch price, we failed to make meaningful progress which led us to replace key members of the production team with new people to independently review the entire process. ANJ will critically assess our involvement in this sector to determine whether our ongoing investment and involvement is sustainable.

Vegetables

Despite improving yields upon last year's figures, our vegetable segment failed to meet 2022 targets due to low germination rates caused by degraded seed quality. ANJ has prioritized our response to these issues to ensure that 2023 sees improved performance in this segment. Our response includes bettering the material quality of raw edamame through upholding agronomic best practices, investing in our seed quality program and strengthening our integrated pest management strategies. We will also look to improve factory efficiency by establishing measurable productivity metrics while supporting the workforce. In saying this, our vegetable segment exported to major buyers, such as Japan, the United States, Malaysia and Taiwan, throughout the year, after passing both customer and surveillance audits without significant findings. We also continued our domestic market penetration, supplying large chains and modern markets in Jakarta and Bali. ANJ hopes to maintain and develop these trading relationships, with promising outcomes of our seed quality program in the final quarter, suggesting improved segment performance going into 2023.

Renewable Energy

Our renewable energy business, AANE, has recorded a net profit for a third consecutive year and surpassed our target of over 9.8 million kWh, thanks to increased efficiency and a significant reduction in shutdowns. The current price agreement with PLN will be continued in 2023 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.

Seeing the dramatic impact that fossil fuel shortages can have on the global market economy has further justified ANJ's commitment to reducing its reliance on non-renewable energy sources. In 2022, our management team solidified its focus on accelerating our renewable energy initiatives, with the option to build a new biogas facility either in ANJA or KAL. We are cognizant that generating and acquiring energy will be a critical limiting factor in our industry in years to come. Not only will reducing our dependency on non-renewable energy stabilize our production environment, but it will also facilitate significant monetary savings while supporting our journey to Net Zero.

People

Over the past few years and because of the pandemic, the management team at ANJ has learned to appreciate the importance of looking inwards. Our strategies must be solid inside and out for us to function as a resilient company. That means focussing on management, strategies and our people.

This year, there were several developments in relation to human resources. These included hiring a new general manager for our sago business, which continues to be the greatest challenge for our company. We expect that a new manager will help ANJ to address some, if not all, of the current limitations to segment success. ANJ has also hired two new general managers for the ANJAS and the Southwest Papua estates. In a similar theme, ANJ acknowledges that we need to strengthen our engineering team across all segments, both to improve local infrastructure and our processing machinery. In 2022, we hired a new senior engineering expert whose responsibilities include reviewing the entire production process and power plant in ANJAP and achieving energy efficiency in all ANJ's palm oil mills. Generating and accessing reliable and sustainable energy sources will be a critical factor in the future and the new engineering expert will contribute significantly to improving efficiencies across the business units. With four senior members joining our group, we expect to see fresh ideas and re-energization of the locations where they are positioned.

In 2022, we continued our search for local talent and new graduates to enter our training programs. The Management Trainee program batch 20 has observed continued success this year with 27 new trainees. Following the tough times of the COVID-19 pandemic, our leaders have witnessed a rise in the bar for graduates, with our program being more competitive than ever. We have also introduced further initiatives to train and absorb the internal workforce, such as the Belajar Bareng project, an audio-visual learning tool to develop basic knowledge and skills needed to work in production and management within our industries.

Developing basic skills is also a core element of our female empowerment schemes, which run throughout our business. This year our management consulted the ANJ gender committee and Values Champions in gender equality to determine the essential components of successful empowerment and child protection schemes. We have worked hard to improve the opportunities for women working for ANJ or living in our communities. We have also invested in improving the quality of childcare available to our workers and systems which proactively mitigate, educate and protect women from domestic violence and prevent child labor.

Our novel HR information system, which went live in November 2022, will also allow us to monitor the gender composition in our workforce across the group and the professional development program for each individual.

Digital Solutions

In a world that is becoming increasingly reliant on digital interfaces, ANJ has prioritized such mechanisms to connect our operations and people across Indonesia. Last year, we introduced our digital traceability platform (eTIS), which has shown great progress this year with the system implemented in ANJA, KAL, SMM and ANJAS enabling achievement of 99% traceable of FFB from third party out-growers, which puts us in an excellent position to achieve our 2025 target of 99% traceability. Digital methods have also penetrated other areas of our operations, such as the PENDAKI biodiversity program, which provides a platform for everyone to play a role in mapping and understanding species trends.

Corporate Governance

This year, our management team prioritized improving corporate governance, placing a specific focus on complying with and exceeding the guidelines set by Sustainalytics. We are glad that our investment reaped great reward, with ANJ seeing vast improvements in our corporate governance scores this year.

In 2022, ANJ requested the Indonesian Institute for Corporate Directorship (IICD) to assess the Company's corporate governance against the ASEAN Corporate Governance Scorecard (ACGS). The outcome was that ANJ achieved a score of 99.74, placing us at level four out of five and landing the Company a position as a top-tier industry leader. We will continue to strive towards the best score in the coming year.

The current management team is very focused and has adapted incredibly well to the trials and tribulations of this year. The relationships that management has developed with the various external stakeholders have significantly benefited ANJ's ambitions in the industry and sustainability. We also appreciate that devolving responsibilities to the operating level has been key to the group's success this year and goes hand-in-hand with an increased awareness of corporate governance. This latter point is further supported by the continued success of our internal audit and whistleblowing systems, both of which are working very effectively and have had no major findings in 2022.

Sustainability

As a company aiming to be a leader in our industry in sustainable development, we are committed to operating transparently. I am happy to announce that 2022 is the second year that ANJ has voluntarily partaken in the ESG rating assessment by Sustainalytics. In the third quarter, we received our Sustainalytics ESG rating, which I am proud to say improved from 26.1 (medium risk) in July 2021 to 18.3 (low risk) in October 2022. Our SPOTT ranking, a sustainability transparency assessment platform, increased by 8.2 percentage points compared to 2021, bringing us to fourth place overall and the highest-ranked Indonesian-based company. To make such an improvement in little more than a year is a feat that would not be possible without the ongoing support of our people and their commitment to our united sustainability ambitions.

Over the past year, we have solidified ANJ's ESG targets, which form a roadmap to Net Zero. In July, as part of a roadshow series, we visited some of our major buyers. We took the opportunity to showcase our ESG journey and highlight successful initiatives such as composting and PENDAKI. We are acutely aware of the carbon intensity of our product. While there is still a long way to go on our journey to Net Zero, our commitment to our current sustainability initiatives gives us confidence that our journey will be fruitful. In 2022, 50-60% of our energy use in our palm oil mills was from renewables. Our composting and inorganic fertilizer initiatives are expected to save us over USD 13.2 million yearly.

Planet and people underpin our ESG journey. Through our Responsible Development projects, we deliver benefits which make a difference to people and the environment. This year we commissioned the University of Indonesia to conduct a macroeconomic study in Southwest Papua. The study found that ANJ's presence reduced the unemployment rate in Maybrat Regency by 5.22% and South Sorong Regency by 5.66% and by 1.07% in Southwest Papua as a whole, whilst reducing poverty levels by 16.6% in South Sorong and 10.1% in Maybrat. We are encouraged by the study's findings, which we have shared with the local and provincial governments. We are committed to making a difference in Southwest Papua, not only with employment and training opportunities but also through our community empowerment programs such as Warung Mama, the savings cooperative, early childhood education and healthcare programs.

PENDAKI continues to go from strength to strength and is a high-profile and popular program across our business units. The program has greatly benefited our spatial and temporal understanding of biodiversity across our estates, enabling us to measure species trends accurately. At the RSPO Roundtable held in December, PENDAKI received the Outstanding Achievement Award for exemplifying that everyone can practise biodiversity monitoring and management with minimal cost on a continuous, long-term basis.

As the year ended, we were delighted and honoured to receive the Gold PROPER award for a third consecutive year for SMM and second consecutive year for ANJA. This award from the Ministry of Environment and Forestry recognizes sustainable environmental practices and social innovation. Engaging our communities in local responsible development projects is vital to their sustainability. Ensuring that local people play an integral role in implementing and maintaining initiatives ensures that our projects are locally sustainable. Importantly, this approach provides communities with a sense of ownership and accountability and the role of local champions is essential to the success of our community programs.

The social innovations for which we received recognition in 2022 were those holistic initiatives, primarily focussing on agriculture, which brought the multiple benefits of climate change resilience, food security and reducing the cost and carbon emissions of farming to the communities at our SMM and ANJA estates. Our light trap solar cell, fertigation and composting schemes were highly successful at both estates. Working closely with the local community at SMM, we established a program where farmers cultivate edamame – a crop previously unknown to the area. Using our sustainable agriculture methods, farmers can now grow a reliable crop with high-nutrient density, which plays a crucial role in our childhood nutrition program in the area.

As we move forward with our journey, we aim to strengthen our ESG commitments, seeing that progress in our initiatives not only benefits people and the planet but allows ANJ to be less reliant on global markets. However, to ensure the success of our initiatives, we must work hard to integrate ESG into our systems. We have witnessed other actors in our industry sacrifice ESG commitments under challenging times. For this reason, ANJ aims to be transparent in our actions, making our targets measurable and auditable. Staying honest about our commitments is something our people value greatly.

ANJ recognizes that its impact on the world scale is relatively small. However, we continue to maximize the positive impact we do have. We strive to go beyond compliance. For example, it is one thing to be RSPO-certified but another to work beyond that recognition to make a meaningful contribution. We hope that these benefits can motivate others to follow our lead. ANJ aims to stand at the forefront of innovation and act as an industry leader, guiding those with whom we share this sector to act responsibly and prioritize sustainable practices for the good of our global community.

Analysis of Prospects

If the past few years have taught us anything, one must always expect the unexpected. This year, our management prioritized developing strategies which are agile and resilient in times of uncertainty. Such approaches emphasize reducing our spending and reliance on external providers through programs such as composting and drip fertigation. To that end, we wish to align our budget with the strategic plan outlined in the Corporate Strategic Session 2023-2027, which highlights the importance of innovations that address climate change and increase CPO productivity, production cost efficiency, organization agility and ESG performance.

Our management has seen from the war in Ukraine and the response of several governments to reopen previously disused coal mines shows that vulnerability in the global supply chain can cause governments to quickly revert back to non-sustainable alternatives. While ANJ is at the forefront of developing a sustainable approach to agribusiness, we must always remain transparent about being a high-risk industry for climate change and biodiversity loss. That being said, the willingness that some governments have demonstrated to re-enter markets once blacklisted by consumers sparks hope that the European market may open up to palm oil as a biofuel due to issues of fossil fuel availability.

Aside from our long-term ambitions, we aim to continue our progress towards our five priorities set at the start of 2022: replanting, composting, completing the infrastructure in Southwest Papua operations to facilitate increased productivity, improving sago turnaround and monetizing our opportunities in the carbon market. As we will not develop our third concession in Southwest Papua for oil palm plantation, we hope to intensify our efforts to launch our carbon-funded conservation project instead, although progress slowed slightly this year due to the SK01 decree. ANJ will continue to trial innovation such as the geotubes and biosolids initiatives we commenced at all five mills towards the end of the year; a project which has shown great promise in initial trials. The process extracts nitrogen from palms to be used as a hydrated organic fertilizer which hopes to bring great financial benefits and improve our palms' productivity.

We are also very optimistic about the future of our edamame operations. The introduction of a new team in 2022 saw a tremendous rise in potential. As the COVID-19 restrictions in Japan begin to lift and ANJ continues to penetrate the domestic market, we believe that in the future we will observe significant growth in our production, particularly with the increased cold storage capabilities, which can also be optimized for other commodities.

Capital Expenditure

Despite a favorable CPO price in 2022, with predictions showing a similar outlook in the future, particularly with a potential shift in attitudes of the European and UK market towards palm oil, this year has clearly demonstrated the importance of conservative investment and expenditure. Therefore, ANJ cautiously focused its spending on the following strategies in 2022:
- Construction of a composting plant in KAL.
- Continuation of the replanting in ANJA and SMM and new planting in SMM.
- Continuation of road laterization and infrastructure construction at PPM and PMP.
- Continuation of flood prevention measures at ANJAS.
- Completion of Phase 2 fire prevention infrastructure at KAL.

For 2023, our planned capital investments include the following:
- Continuation of the replanting in ANJA and SMM and new planting in SMM.
- Completion of the composting plant in KAL and construction of a composting plant at ANJA.
- Construction of a biogas facility for either BioCNG/ bio methane or power plant at ANJA or KAL.
- Enhanced flood prevention and drainage measures at ANJAS.
- Continue laterization in Southwest Papua.
- Phase 3 fire prevention infrastructure in KAL.
- Completion of KAL bulking terminal to support our CPO logistic from West Kalimantan.

Changes in the Composition of the Board of Directors

This year we have seen no changes to the composition of the Board of Directors. We have, however, admitted two of our senior leaders to a directorship in several subsidiaries and hired several senior managers to reinvigorate ongoing initiatives and introduce new ideas.

To close, I would like to take this opportunity to thank all those involved in our operations for their hard work and dedication to our values. 2022 has shown that, even after three years of less than favourable global conditions, ANJ has continued to exceed our expectations and stay committed to our ambitions. Developing such a prosperous business that can remain resilient in times of crisis without sacrificing our values would be impossible without the continued support of our people. It gives me great pleasure to oversee ANJ's outstanding progress. I look forward to a future of continued collaboration that establishes our company as a leading actor in sustainable agribusiness.

On behalf of the Board of Directors

LUCAS KURNIAWAN
President Director

STATEMENT OF RESPONSIBILITY

By the Members of the Board of Directors and the Board of Commissioners for the 2022 Annual Report of PT Austindo Nusantara Jaya Tbk.

Jakarta, April 30, 2023

We, the undersigned, declare that the information contained in the 2022 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

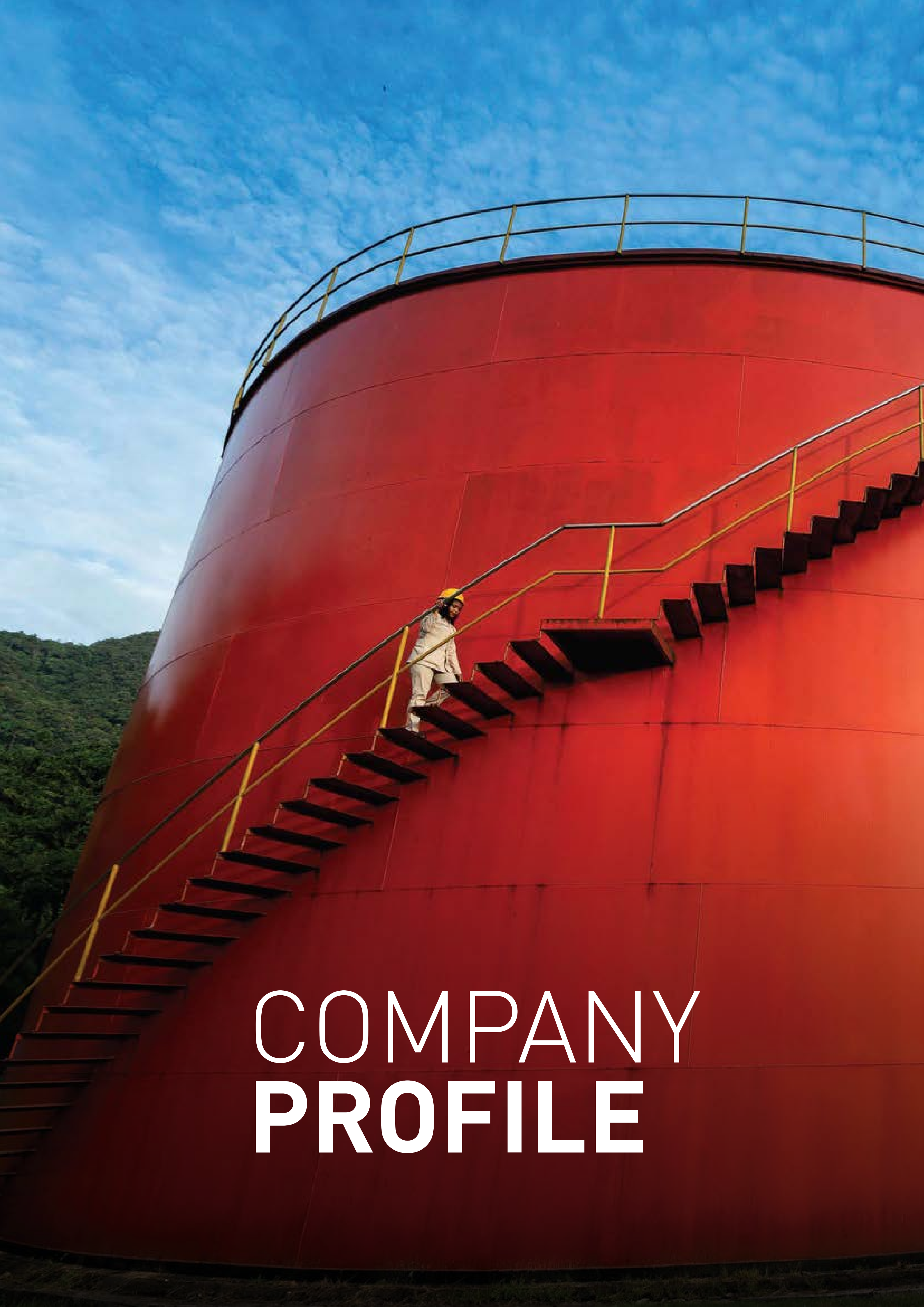
Anastasius Wahyuhadi
Commissioner

Istama Tatang Siddharta
Commissioner

J. Kristiadi
Independent Commissioner

Darwin Cyril Noerhadi
Independent Commissioner

Istini Tatiek Siddharta
Commissioner



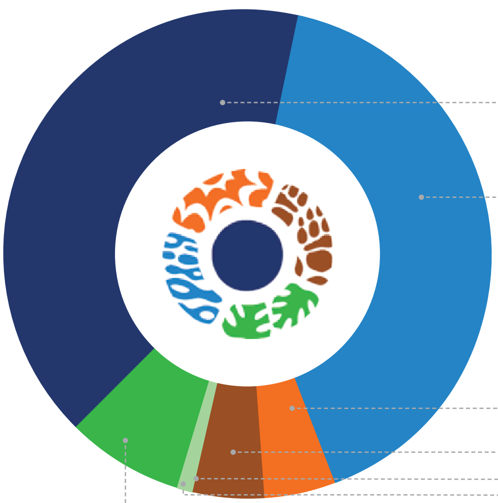
COMPANY **PROFILE**


STORAGE 3
CAPS.3.000 TON
ANJ

ANJ's BUSINESS IDENTITY

COMPANY NAME	**PT Austindo Nusantara Jaya Tbk.**
DOMICILE	JAKARTA
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
DATE OF ESTABLISHMENT	April 16, 1993
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.
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.
COMPANY STATUS	Public company
SHARE CODE	ANJT
LEGAL BASIS OF ESTABLISHMENT	Deed of establishment and amendments: • 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. 144, dated May 15, 2019, Notary Christina Dwi Utami; • Deed No. 74, dated June 9, 2021, Notary Christina Dwi Utami; and • Deed No. 23, dated November 2, 2021, Notary Christina Dwi Utami.

SHARE OWNERSHIP



40.85%
PT Austindo Kencana Jaya

40.85%
PT Memimpin Dengan Nurani

4.74%
George SantosaTahija

4.74%
Sjakon George Tahija

0.00%
Yayasan Tahija

0.62%
Treasury Stock

8.20%
Public

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 five oil palm producing plantations with mature and immature oil palms, served by an on-site processing mill as follow:

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 13,880 hectares oil palm plantation in Ketapang, West Kalimantan, operated by our subsidiary PT Kayung Agro Lestari (KAL).

Southwest Papua Plantation

A 91,210 hectares oil palm plantation in South Sorong and Maybrat Regencies in Southwest Papua Province, operated by the Company and our subsidiaries PT Permata Putera Mandiri (PPM) and PT Putera Manunggal Perkasa (PMP). An area of 9,024 hectares have been developed for oil palm plantations, 81,102 hectares have been set aside for conservation area and the remaining is for infrastructure.

ANJ is a member of the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO). All of our palm producing plantations mentioned above are RSPO and ISPO certified.

We are also planting area of our landbank in South Sumatra:

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.

PLANTED AREA

49,409 Ha

MATURED AREA

42,237 Ha

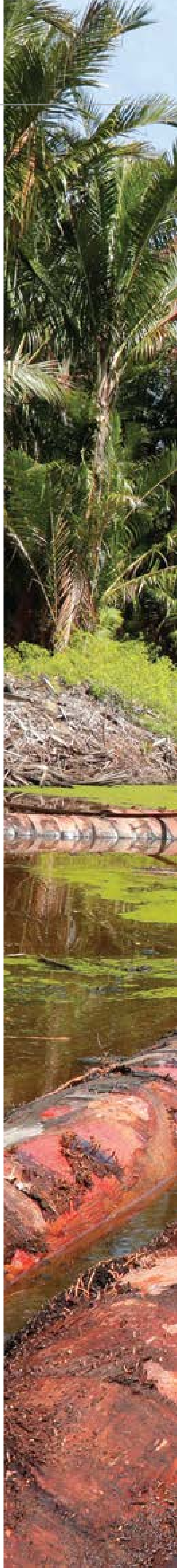
Our development plantations are managed in compliance with RSPO and ISPO standards and we will apply for RSPO and ISPO certifications when they begin operating commercially.

As of December 31, 2022, the Company had a total landbank of more than 150,000 hectares. At that time, approximately one-third of this area or 53,698 hectares, was planted. By the end of 2022 a total of 4,289 hectares of the planted area was allocated to community smallholders under the Indonesian government's Plasma Program.

Mature oil palms cover 42,237 hectares or 85.5%, of the planted area, while 7,172 hectares or 14.5%, comprises immature oil palms. The average age of our nucleus oil palms across all the Group's plantations, as of December 31, 2022, was 12.9 years.

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, Southwest 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

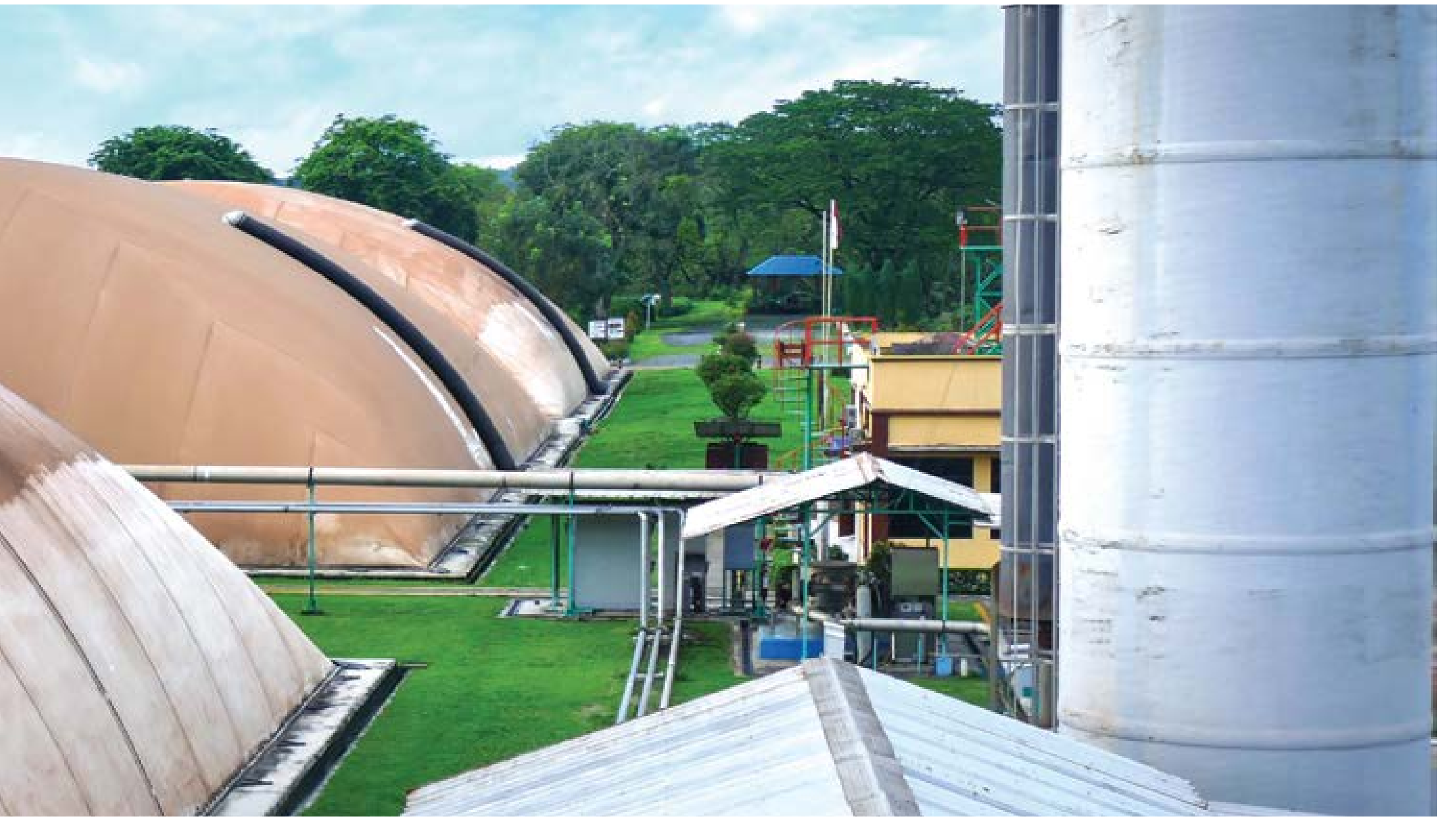
ANJ has operated in the vegetable sector since 2015, when our subsidiary, PT Gading Mas Indonesia Teguh (GMIT), began cultivating edamame, a high-protein, antioxidant-rich legume belonging to the soybean family. We use a cooperation model, providing agronomic inputs, training and field support to local 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 - 2010

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.

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.

2010

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

2012 - 2016

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.

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 Southwest Papua.

2016

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

2017 - 2019

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, PT Simpang Kiri Plantation Indonesia, (b) PT Surya Makmur and PT Bilah Plantindo 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.
- PT Gading Mas Indonesia Teguh initiated the construction of a frozen line facility.
- PT Putera Manunggal Perkasa began the construction of its CPO mill.

2019

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

2020 - 2022

2020

PT Putera Manunggal Perkasa's palm oil mill and kernel crushing plant in Southwest 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
- PT Gading Mas Indonesia Teguh began exporting frozen edamame.

2022

- **PT Kayung Agro Lestari commenced the construction of the composting plant.**
- **ANJ sold 5% shares in PT Agro Muko.**

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.

OUR VISION MISSION & 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

CODE OF CONDUCT AND CORPORATE CULTURE

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.

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
- 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:

- Carry out business of other consultancy management activities.
- Carry out business of wholesale of fruit containing oil.
- Carry out business of wholesale in agricultural products and other living animals.
- Carry out business of wholesale based on fee or contract.
- Carry out business of palm oil plantation.
- Carry out business of crude palm oil industry (Crude Palm Oil/CPO).
- Carry out business of crude palm kernel oil industry (Crude Palm Kernel Oil/CPKO).
- 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, S.H., M.Hum., M.Kn., 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, S.H., M.Hum., M.Kn., Notary in Jakarta, dated November 2, 2021, related to 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

TOTAL PLANTED AREA:

49,409 Ha

TOTAL CONSERVATION AREA:

97,682 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 tons/hour
Conservation Area	1,464* Ha
Plasma	
Landbank	158 Ha
Planted Area	158 Ha
Matured Area	158 Ha

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

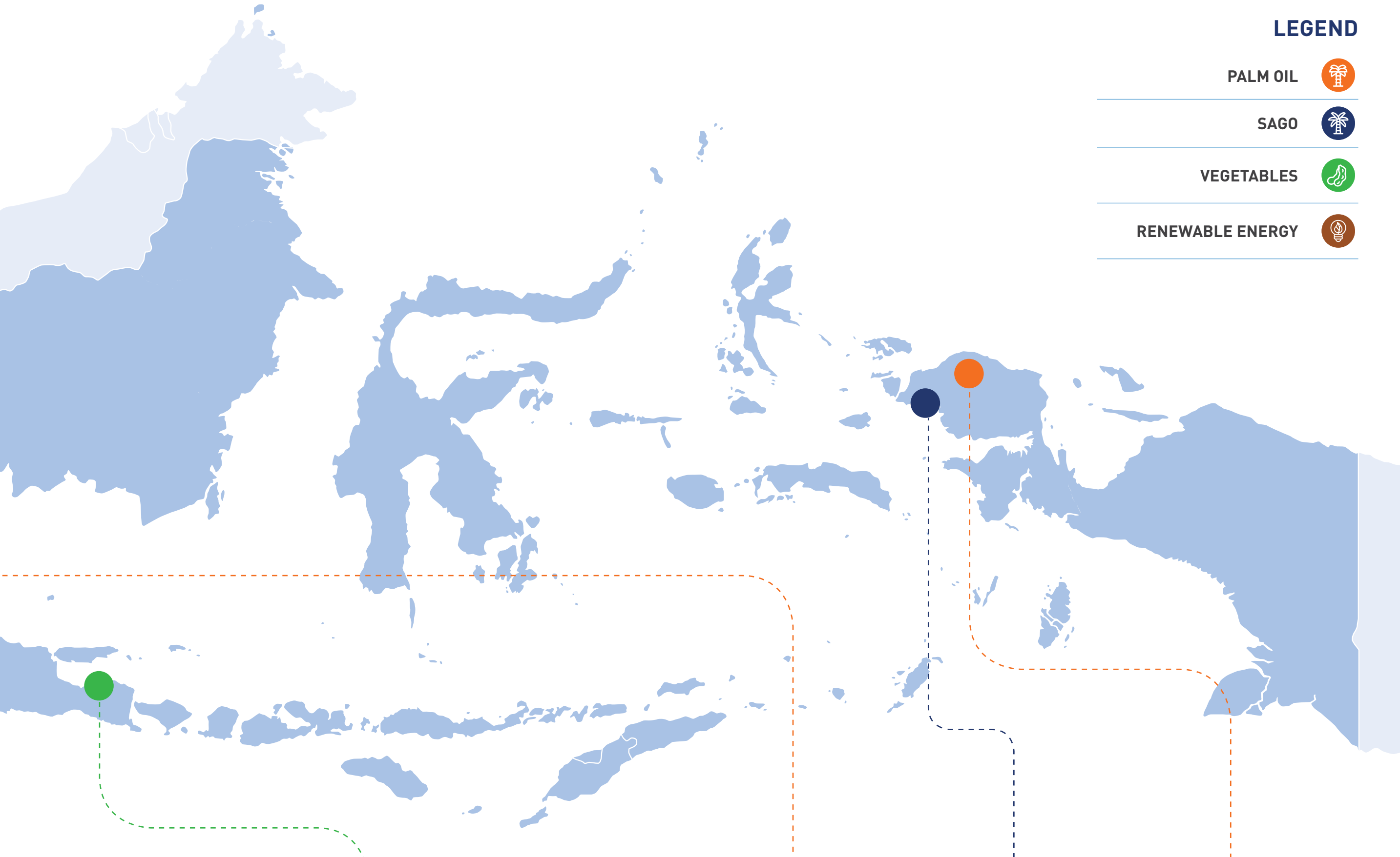
Landbank	9,988 Ha
Planted Area	9,457 Ha
Matured Area	6,849 Ha
Mill Capacity	60 tons/hour
Conservation Area	349 Ha

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

Landbank	12,800 Ha
Planted Area	724 Ha
Matured Area	589 Ha
Mill Capacity	-
Conservation Area	1,373 Ha

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

Nucleus	
Landbank	16,277 Ha
Planted Area	14,303 Ha
Matured Area	11,990 Ha
Mill Capacity	60 tons/hour
Conservation Area	1,360 Ha
Partnership with Smallholder	
Landbank	1,083 Ha
Planted Area	884 Ha
Matured Area	884 Ha



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

Product	Edamame (Fresh and Frozen)
Production Capacity	3 tons/hour

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

Type of Renewable Energy	Biogas
Production Capacity	1.8 MW

PT KAYUNG AGRO LESTARI (KAL)
Ketapang, West Kalimantan

Nucleus	
Landbank	10,920 Ha
Planted Area	9,051 Ha
Matured Area	8,928 Ha
Mill Capacity	90 tons/hour
Conservation Area	3,974** Ha
Plasma	
Landbank	2,960 Ha
Planted Area	2,345 Ha
Matured Area	2,287 Ha

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

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

PT PUTERA MANUNGGAL PERKASA (PMP)
PT PERMATA PUTERA MANDIRI (PPM)
PT AUSTINDO NUSANTARA JAYA TBK. (ANJ)
South Sorong & Maybrat, Southwest Papua

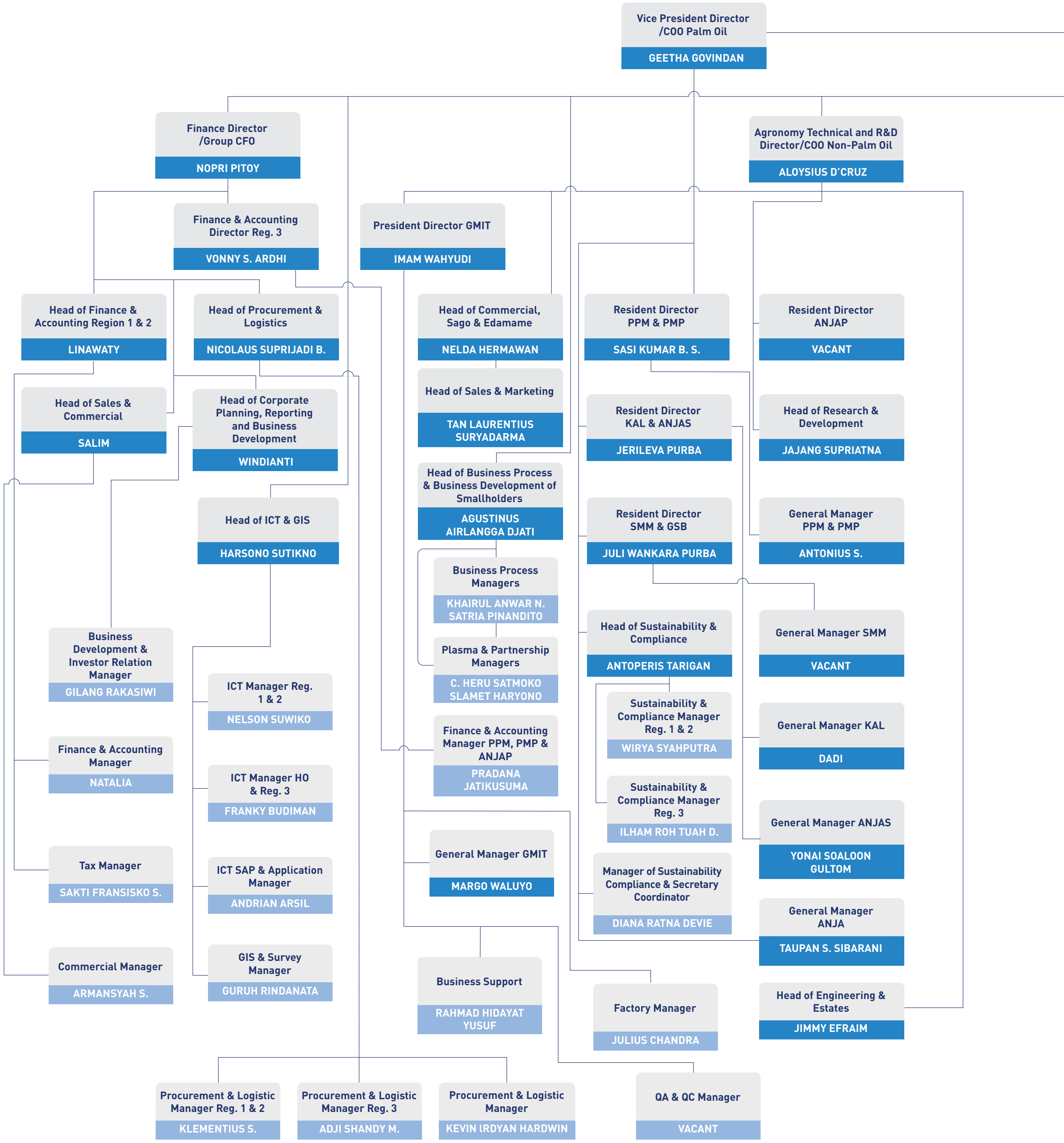
Nucleus	
Landbank	75,947 Ha
Planted Area	8,122 Ha
Matured Area	6,129 Ha
Mill Capacity	45 tons/hour
Conservation Area	81,012 Ha***
Plasma	
Landbank	15,263 Ha
Planted Area	902 Ha
Matured Area	794 Ha

NOTES :

Data as of December 31, 2022

* Includes 288 Ha of conservation area outside ANJAS's HGU
** Includes 2,330.88 Ha of conservation area under KAL's Plantation usiness Permit area but outside KAL's HGU
*** Includes conservation area in plasma landbank

ORGANIZATIONAL STRUCTURE




Board of Commissioners
President Director/CEO
LUCAS KURNIAWAN
Audit Committee
Legal Director & Corporate Secretary
NAGA WASKITA
Sustainability & Corporate Communications Director
NUNIK MAHARANI
HR & CM Director
YOMEIDINAR
Engineering & Security Director
M. FITRIYANSYAH
Head of Conservation
NARDIYONO
Head of Cooperative & CID
ARIANTO WIBOWO
Head of Corporate Communications
ANTON RIZKI
Brand & Markeitng Communication Manager
NITA JANITA EKANIANA
Internal Communication Manager
RIFTYZA GESTANDI
Conservation Manager
PRIYA SWAYANUAR
CID Manager
RAHMAT
Head of Legal
ERWIN SANTOSO
Head of Legal Operation
DAVID KURNIAWAN
Head of Environmental, Health & Safety
INDRA KURNIAWAN
EHS Manager Reg. 1&2
BURHANUDDIN
EHS Manager Reg. 3
SURYA INDRA JAYA
Legal Manager Reg. 1 & 2
GUSTY PRISCILIA
License & Permit Manager Reg. 1 & 2
WELLYNGTON SILALAHI
License & Permit Manager Reg. 3
AGUNG PRAMUDYA
Head of HR Shared Services Region 1, 2 & 3
ADHIKA MANDRA KARUNA
Head of Learning & Development
AGUSTINUS SETYAWAN
Learning & Development Manager
VACANT
Payroll & Personnel Administration Manager
PATRICIA RADJIMAN
Industrial Relations & PD Manager Reg. 1, 2 & 3
ROLI HARNI G.
HR & GA Manager ANJA, KAL & ANJAS
MANGARA HARIANJA
HR Operational Manager
VACANT
HR Manager Reg. 3
VACANT
GA Manager
ELYA KRISNIA
Senior Project Cost Controller
RIMMY JULIANTY B.
Biogas Operation Manager
IPAN SONDALI MANALU
Head of Engineering Operation Reg. 1 & 2
NUR AMALIA AGUS
Head of Project Engineering Palm Oil Reg. 3
CHARLES H. MANALU
Mill Controller PPM, PMP & ANJAP
ANDI BUDI SANTOSO
Mill Controller ANJA & SMM
ANDI GUNAWAN
Mill Controller KAL & ANJAS
BASAR M. LUMBANTORUAN
Head of Security
VACANT
Head of Stakeholder Relations & GA Region 3
GRITJE FONATABA
External Affairs Manager Reg. 1&2
NURWACHID A. JAENUDIN
Manager Security Reg. 3
FIRDAUS ALFREDY B.
Civil & Structure Manager
EDI TJAHJONO
Mechanical & Electrical Manager
ASTRA AGUNG S.
Head of Internal Audit
CHRISTIAN L. SITORUS
Internal Audit Manager
NURMAN HIDAYAT
Internal Audit Manager
RONAL SAMSON R.
Group Head of Mill & Factory
SONNY FRANCIS

PROFILE OF THE BOARD OF COMMISSIONERS

Adrianto Machribie

President Commissioner (Independent)

Indonesian citizen, aged 81. Born in Bandung, 1941.
Domiciled in Jakarta.

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

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

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). Senior Advisor to the Office of the Chairman of parent company Freeport McMoRan Copper & Gold Inc. (2011-present). Commissioner of PT Freeport Indonesia (2018-present). He is also actively engaged in several professional organizations.

George Santosa Tahija

Commissioner

Indonesian citizen, aged 64. Born in Jakarta, 1958.
Domiciled in Jakarta.

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 Supervisory Board (2019-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).
- President Commissioner of PT Melintas Cakrawala Indonesia (2016-present).
- Commissioner of PT Austindo Nusantara Jaya Healthcare (2006-present).

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.

Sjakon George Tahija

Commissioner

Indonesian citizen, aged 70. Born in Jakarta, 1952.
Domiciled in Jakarta.

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) (2012-present).
- Commissioner of PT Austindo Nusantara Jaya Healthcare (2010-present).
- The Chairman of the Board of Trustees of Yayasan Tahija (1990-present).

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 Indonesia (1998-2003) and the President Director of PT ANJ Healthcare (2006-2010).

Anastasius Wahyuhadi

Commissioner

Indonesian citizen, aged 76. Born in Klaten, 1946.
Domiciled in Jakarta.

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).
- Director of PT ANJ HealthCare (2010-present).
- Commissioner of PT Optik KMN (2007-present).

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 and 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) and Trustees and Advisors of several foundations until now.

Istama Tatang Siddharta

Commissioner

Indonesian citizen, aged 64. Born in Jakarta, 1959.
Domiciled in Jakarta.

EDUCATION

Mr. Siddharta holds a Doctorandus 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).

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.

J. Kristiadi

Independent Commissioner

Indonesian citizen, aged 74. Born in Yogyakarta, 1948.
Domiciled in Jakarta.

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).

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). Mr. Kristiadi also serves as an active member of Election Organizer Council (DKPP) (2022-2027).

Darwin Cyril Noerhadi

Independent Commissioner

Indonesian citizen, aged 61. Born in Jakarta, 1961.
Domiciled in Jakarta.

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 (INA), sovereign wealth fund Indonesia (2021-present).
- Commissioner of PT Medikaloka Hermina Tbk. (2017-present).
- President Commissioner of PT Creador Indonesia (January 2020-present).

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).

Istini Tatiek Siddharta

Commissioner

Indonesian citizen, aged 60. Born in Jakarta, 1962.
Domiciled in Jakarta

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).
- Commissioner PT Austindo Nusantara Jaya Healthcare (2007-present).

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 professional association, the Institute of Indonesian Accountants where she chaired the Indonesian Financial Accounting Standards Board from 2000 to 2002. Currently she is on the Consultative Board of Indonesian Accounting Standards and task force team for Comprehensive Corporate Reporting.

PROFILE OF THE BOARD OF DIRECTORS

Lucas Kurniawan

President Director

Indonesian citizen, aged 51. Born in Teluk Betung, Bandar Lampung, 1971. Domiciled in Jakarta.

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).

EXPERIENCES

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 29 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.

Geetha Govindan

Vice President Director

Malaysian citizen, aged 63. Born in Selangor, 1959.
Domiciled in Jakarta.

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 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

- Commissioner of PT Austindo Nusantara Jaya Agri (2022–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).
- Commissioner of PT Permata Putera Mandiri (2022–present).
- Commissioner of PT Putera Manunggal Perkasa (2022–present).
- Commissioner of PT Gading Mas Indonesia Teguh (2015–present).

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 and Commissioner of various ANJ subsidiaries. He has over 31 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.

Naga Waskita

Director and Corporate Secretary

Indonesian citizen, aged 48. Born in Tanjung Pinang, 1974.
Domiciled in Jakarta.

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 Appointment: Deed No. 35 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated May 24, 2017.
- Last Appointment: Deed No. 52 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 8, 2022.

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).

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 Southwest 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 both the domestic and international standards.

Aloysius D'Cruz

Director

Malaysian citizen, aged 73. Born in Johor, 1949. Domiciled in Jakarta.

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

- Commissioner of PT Austindo Nusantara Jaya Agri (2022–present).
- Commissioner of PT Austindo Nusantara Jaya Agri Siais (2022–present).
- Commissioner of PT Sahabat Mewah dan Makmur (2022-present).
- Commissioner of PT Kayung Agro Lestari (2022-present).
- Commissioner of PT Galempa Sejahtera Bersama (2022-present).
- Commissioner of PT Permata Putera Mandiri (2022-present).
- Commissioner of PT Putera Manunggal Perkasa (2022-present).
- President Director of PT ANJ Agri Papua (2017–present).
- Commissioner of PT Gading Mas Indonesia Teguh (2015–present).
- Commissioner of PT Austindo Nusantara Jaya Boga (2022-present).

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 48 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.

Nopri Pitoy

Director

Indonesian citizen, aged 57. Born in Jakarta, 1965. Domiciled in Medan.

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

- Commissioner of PT Austindo Nusantara Jaya Agri (2022–present).
- Commissioner of PT Austindo Nusantara Jaya Agri Siais (2022– present).
- Commissioner of PT Sahabat Mewah dan Makmur (2020–present).
- Commissioner of PT Kayung Agro Lestari (2022–present).
- Commissioner of PT Galempa Sejahtera Bersama (2022–present).
- Commissioner of PT Permata Putera Mandiri (2022-present).
- Commissioner of PT Putera Manunggal Perkasa (2022-present).
- Commissioner of PT ANJ Agri Papua (2022-present).
- Commissioner of PT Austindo Aufwind New Energy (2022-present).
- Commissioner of PT Gading Mas Indonesia Teguh (2022-present).
- Commissioner of PT Austindo Nusantara Jaya Boga (2022-present).

EXPERIENCES

Ms. Nopri has over 21 years of experience in the palm oil industry. She joined ANJ Group in June 2001 and became Head of Finance and Accounting of ANJA in January 2006 and as Director of ANJA in 2011.

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.

PROFILE OF KEY MANAGEMENT

MOHAMMAD FITRIYANSYAH

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

Mr. Fitriyansyah was appointed as President Director of ANJA, PPM and PMP in April 2022 and AANE and LSP in April 2021. Mr. Fitriyansyah was appointed as a Director of KAL, ANJAP and GMIT in January 2018 and a Director of ANJAS, SMM and GSB in April 2021. Mr. Fitriyansyah has more than 31 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 responsible for 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.

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 Human Resources and Change Management. Before joining ANJ, she served for 10 years as Head of Human Resources 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 18 years of experience in Human Resources 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.

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 32 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-founded IComm communication agency. Beyond her corporate experience, she served on the National Board of Indonesia Junior Achievement and was a board member of Indonesia Business Links. She is a member of the Complaint Panel of RSPO. She obtained a Graduate Diploma from the London School of Public Relations. In 2022, she completed the Saïd Business School, University of Oxford Leading Sustainable Corporations Program.

VONNY STEFANI

Director: PPM, PMP, ANJAP, ANJB and LSP

Ms. Stefani 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 more than 26 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 Tarumanagara University with a Bachelor's degree in Accounting.

JERILEVA PURBA

Director: KAL and ANJAS

Mr. Purba was appointed as a Resident Director of KAL in July 2021 and ANJAS in February 2022. He has 27 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 Gadjah Mada University.

JULI WANKARA PURBA

Director: SMM and GSB

Mr. Purba was appointed as a Resident Director of SMM in July 2021 and GSB in February 2022. 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.

IMAM WAHYUDI

President Director: GMIT
Director: AANE

Mr. Wahyudi was appointed as the President Director of GMIT in September 2022 and a Director of AANE in January 2022. He joined ANJ Group in 2008 and started his career in Business Process and Business Development Department. He has 20 years of working experiences, including five years working experience in Astra Group previously. He has experience in Operation Management, Six Sigma Black Belt, Business Development, Project Management, Strategic Planning and Corporate Valuation. He has experience in the automotive industry, oil palm industry, renewable energy and food safety management system. Mr. Imam graduated as Magister of Business Administration (MBA) from Institut Teknologi Bandung (ITB) and a Bachelor's Degree in Industrial Engineering from Institut Teknologi Sepuluh Nopember in Surabaya.

SASI KUMAR B SURENDRAN

Director: PPM and PMP

Mr. Kumar was appointed as a Director of PPM and PMP in January 2022. He has more than 38 years of working experience in the palm oil sector. He joined ANJ Group in 2016 and started his career as Regional Head and Advisor. Prior to joining ANJ, he worked at several well managed plantations like Barlow Boustead, KLK (Libinco), IOI, PT Smart Tbk and PT Indomas. He has expertise in development and establishment of high yielding profitable and sustainable plantations complying with global sustainable and ESG practices in Malaysia, Indonesia and Africa. He graduated from University of Akola, Nagpur, India in 1984 with a Bachelor's Degree in Agriculture.

EMPLOYEE COMPOSITION – ANJ AND SUBSIDIARIES

Employee Composition ANJ and Subsidiaries		2022			2021		
		Male	Female	Total	Male	Female	Total
By Segment	Head Office Jakarta	21	9	30	20	10	**30**
	Palm Oil	7,436	1,273	8,709	7,045	1,321	**8,366**
	Sago	244	14	258	218	12	**230**
	Others	290	271	561	227	165	**392**
	Total	**7,991**	**1,567**	**9,558**	**7,510**	**1,508**	**9,018**
By Position	Director	10	4	14	8	4	**12**
	General Manager	26	4	30	26	4	**30**
	Manager	202	27	229	191	29	**220**
	Staff	293	69	362	292	63	**355**
	Laborers or Workers	7,460	1,463	8,923	6,993	1,408	**8,401**
	Total	**7,991**	**1,567**	**9,558**	**7,510**	**1,508**	**9,018**
By Education	Doctoral's degree	1	1	2	-	1	**1**
	Master's degree	12	7	19	14	9	**23**
	Bachelor's degree	596	136	732	524	123	**647**
	Diploma	122	52	174	116	46	**162**
	Senior/Vocational High School	3,064	483	3,547	2,877	410	**3,287**
	Other	4,196	888	5,084	3,979	919	**4,898**
	Total	**7,991**	**1,567**	**9,558**	**7,510**	**1,508**	**9,018**
By Employment Status	Contract Workers	370	276	646	1,037	226	1,263
	Permanent Workers	7,621	1,291	8,912	6,473	1,282	7,755
	Total	**7,991**	**1,567**	**9,558**	**7,510**	**1,508**	**9,018**
By Age	Over 55	61	17	78	42	9	**51**
	41-55	1,886	539	2,425	1,695	489	**2,184**
	25-40	4,597	832	5,429	4,388	868	**5,256**
	Under 25	1,447	179	1,626	1,385	142	**1,527**
	Total	**7,991**	**1,567**	**9,558**	**7,510**	**1,508**	**9,018**

Training and Competency Development Participation

BY GRADE

	Number of Employee			Total Training Hours			Average Training Hours/Person		
NON-STAFF	8,923	7,460	1,463	36,254	32,775	3,479	4.06	4.39	2.38
STAFF	362	293	69	19,026	15,781	3,245	52.56	53.86	47.03
MANAGER	229	202	27	7,606	7,127	479	33.21	35.28	17.72
GENERAL/REGIONAL MANAGER/GROUP HEAD	30	26	4	1,257	1,192	65	41.88	45.83	16.25
BOARD OF DIRECTORS	14	10	4	235	140	95	16.79	14.00	23.75

	Number of Employee	Total Training Hours	Average Training Hours/Person
GRAND TOTAL	9,558	64,376	6.74

BY GENDER

Number of Employee		Total Training Hours		Average Training Hours/Person	
7,991	1,567	57,014	7,362	7.13	4.70

	Number of Employee	Total Training Hours	Average Training Hours/Person
GRAND TOTAL	9,558	64,376	6.74

Training and Competency Development Expenditure 2022

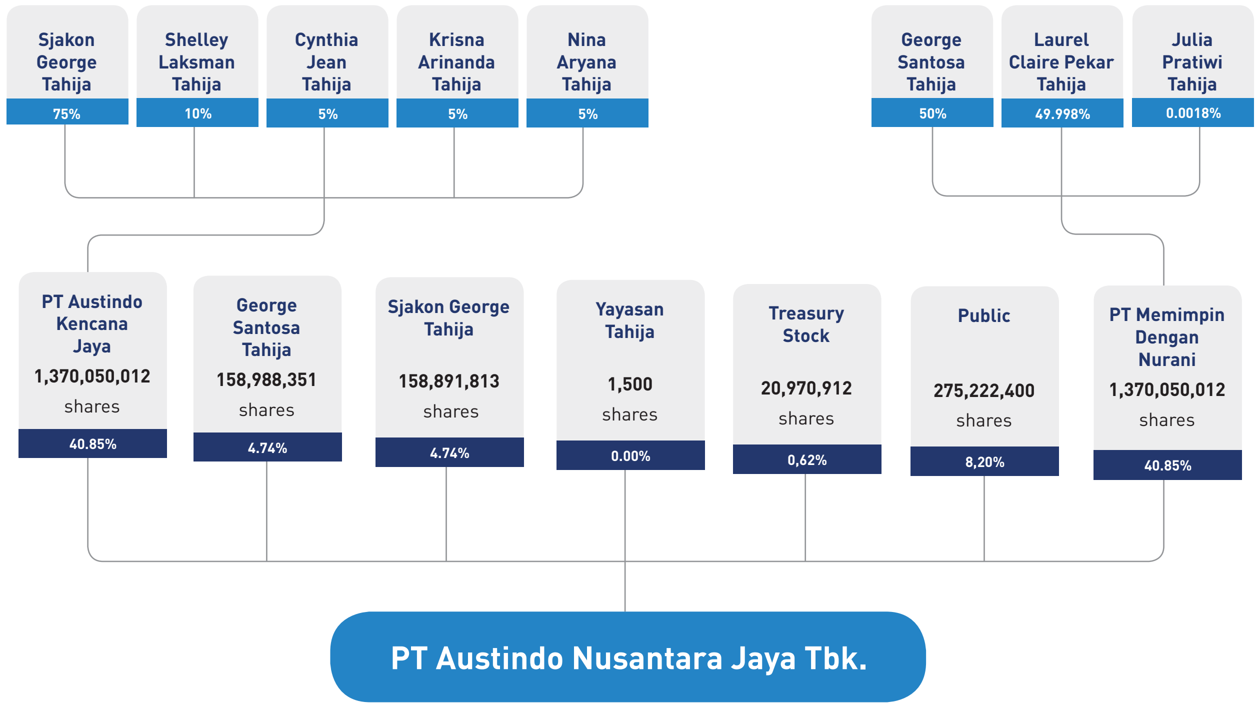
ANJ invested a total of USD 435,773 in training and competency development in 2022.


ANJ
elevating the lives
of people and nature
Training Supervisory S
For Mandor ANJ GROUP
Tahun 2022


kill

SHAREHOLDER INFORMATION

ANJ Majority and Controlling Share Structure as of December 31, 2022



Shareholders Composition as of January 1, 2022 and December 31, 2022

Shareholders	Shares	Percentage	Shares	Percentage
	as of January 1, 2022		as of December 31, 2022	
PT Austindo Kencana Jaya	1,370,050,012	40.85%	1,370,050,012	40.85%
PT Memimpin Dengan Nurani	1,370,050,012	40.85%	1,370,050,012	40.85%
George Santosa Tahija	158,988,351	4.74%	158,988,351	4.74%
Sjakon George Tahija	158,891,813	4.74%	158,891,813	4.74%
Yayasan Tahija	1,500	0.00%	1,500	0.00%
Treasury Stock	39,801,112	1.19%	20,970,912	0.62%
Public <5%	256,392,200	7.64%	275,222,400	8.20%

Share Ownership by Commissioners and Directors as of January 1, 2022 and December 31, 2022

Name	Position	Shares as of January 1, 2022	Percentage as of January 1, 2022	Shares as of December 31, 2022	Percentage as of December 31, 2022
George Santosa Tahija	Commissioner	158,988,351	4.74%	158,988,351	4.74%
Sjakon George Tahija	Commissioner	158,891,813	4.74%	158,891,813	4.74%
Istini Tatiek Siddharta	Commissioner	3,620,000	0.11%	3,620,000	0.11%
Lucas Kurniawan	Director	3,020,000	0.09%	3,020,000	0.09%
Geetha Govindan	Director	3,120,000	0.09%	3,120,000	0.09%
Naga Waskita	Director	3,019,563	0.09%	3,019,563	0.09%
Aloysius D'Cruz	Director	1,600,000	0.05%	1,600,000	0.05%
Nopri Pitoy	Director	1,150,000	0.03%	1,150,000	0.03%

Note:
1. Mr. Sjakon George Tahija has indirect ownerships of the Company's shares through his 75% ownership on PT Austindo Kencana Jaya.
2. Mr. George Santosa Tahija has indirect ownerships of the Company's shares through his 50% ownership on PT Memimpin Dengan Nurani.
3. There is no indirect ownership of the Company's shares by the Directors of Company.

Top 20 Public Shareholders as of December 31, 2022

No.	Name of Shareholders	Shares	Percentage
1	PT. Prudential Life Assurance - REF	82,095,100	2.45%
2	Budi Yasa	24,428,800	0.73%
3	Drs. Lo Kheng Hong	5,110,000	0.15%
4	Sie David Gunawan	4,349,300	0.13%
5	Ir Andreas	3,593,200	0.11%
6	Kosasih Effendy	3,303,900	0.10%
7	Siska Suryati Kurniawan	3,120,800	0.09%
8	Harry Supartan	2,900,000	0.09%
9	DBS Bank Ltd S/A Inclusif Value Fund	2,360,000	0.07%
10	Barclays Capital Securities Ltd Sbl/Pb Account	1,451,200	0.04%
11	OCBC Securities Pte Ltd -Client A/C	1,407,300	0.04%
12	Yohanes	1,358,100	0.04%
13	Arifin	1,300,000	0.04%
14	Dody	1,200,100	0.04%
15	Tatang Hermawan	1,153,500	0.03%
16	Bnym S/A Acadian Core Int Eq Fd-2039925130	1,020,800	0.03%
17	Syenny Chatrine Widjaja	900,000	0.03%
18	Dedi Chandra	835,600	0.02%
19	Tonizar Lumbanbatu	835,000	0.02%
20	Edmond Widjaja	802,800	0.02%

Shareholders Composition by Type of Investor as of December 31, 2022

Type of Investors	Number of Investors	Number of Shares	Shares (%)
DOMESTIC	**4,595**	**3,339,848,063**	**99.57%**
Retail	4,569	494,521,329	14.74%
Insurance	1	82,095,100	2.45%
Corporation	23	2,763,230,034	82.38%
Foundation	1	1,500	0.00%
Mutual Fund	1	100	0.00%
FOREIGN	**30**	**14,326,937**	**0.43%**
Retail	8	1,093,637	0.03%
Corporation	22	13,233,300	0.39%
TOTAL	**4,625**	**3,354,175,000**	**100.00%**

Shareholders Composition by Domicile as of December 31, 2022

Type of Investors	Number of Investors	Number of Shares	Shares (%)
DOMESTIC	**4,595**	**3,339,848,063**	**99.57%**
- Domestic individual	4,569	494,521,329	14.74%
- Domestic limited liability company	26	2,845,326,734	84.83%
FOREIGN	**30**	**14,326,937**	**0.43%**
- Overseas individual	8	1,093,637	0.03%
- Overseas limited liability company	22	13,233,300	0.39%
TOTAL	**4,625**	**3,354,175,000**	**100.00%**

Shareholders Composition By Sub Account Status as of December 31, 2022

No.	Shareholders Status	Domestic/Overseas	Number of Accounts	Number of Shares	Shares (%)
1	Insurance	Domestic	1	82,095,100	2.45%
2	Limited Liability Company	Domestic	25	2,763,231,634	82.38%
3	Individual	Domestic	4,569	494,521,329	14.74%
4	Limited Liability Company	Overseas	22	13,233,300	0.39%
5	Individual	Overseas	8	1,093,637	0.03%
	TOTAL		**4,625**	**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 2022 was IDR 2.2 trillion, with a closing share price of IDR 665.

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) OR CONVERTIBLE BOND

The Company did not have any outstanding bonds, sukuk (sharia bond) or convertible bonds in 2022.

SUSPENSION OF THE COMPANY'S SHARES

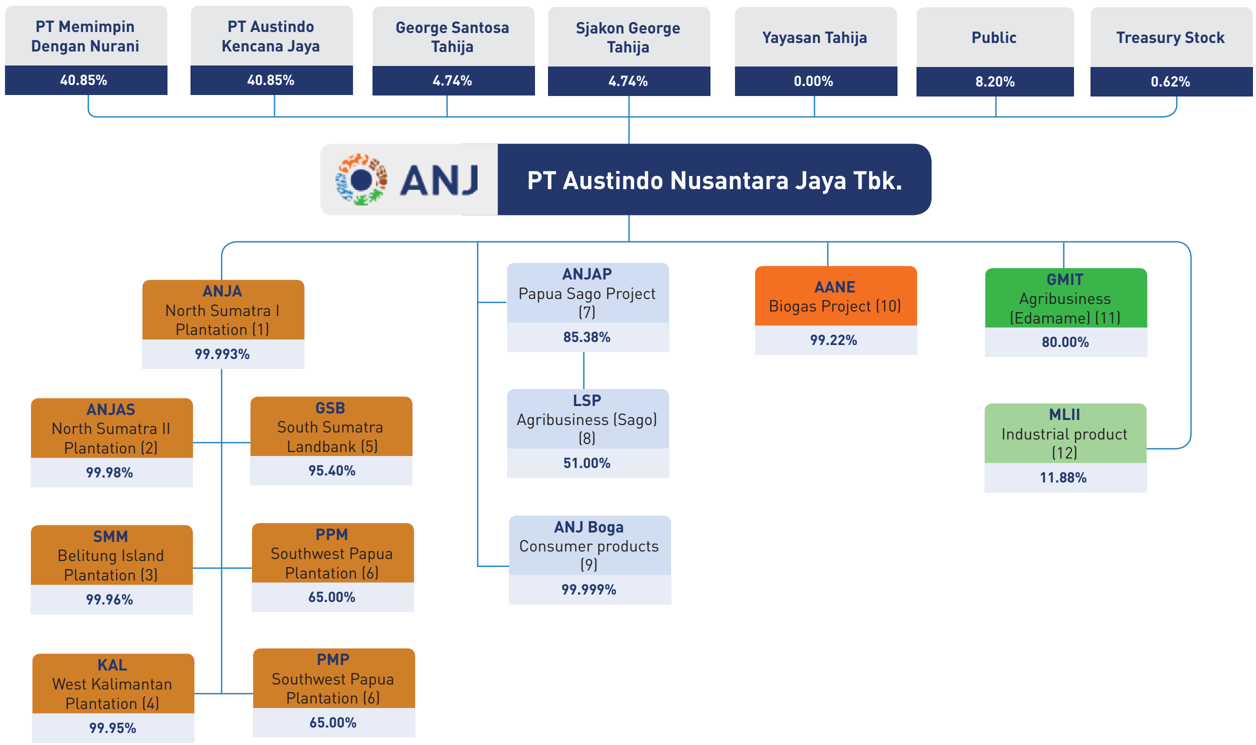
The Company's shares were not suspended during fiscal year 2022.

DIVIDEND PAYMENT FOR THE LAST TWO YEARS

Year	Total Dividend (Rp)	Payment Date	Dividend per Share	Dividend Payout Ratio	Number of Shares
2021	Rp13,247,492,352	July 9, 2021	Rp4	N/A	3,311,873,088*
2022	Rp143,327,775,784	July 8, 2022	Rp43	0.26	3,333,204,088**

* Number of treasury stock as of recording date on June 21, 2021 was 42,301,912 shares
** Number of treasury stock as of recording date on June 20, 2022 was 20,970,912 shares

CORPORATE STRUCTURE



DESCRIPTION

- Palm oil
- Sago
- Vegetables
- Minority investments
- Renewable Energy
- 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 95.40% and ANJ has 4.60%.
6. ANJA has 65.00% and ANJ has 35.00%.
7. ANJ has 85.38% and SMM has 14.62%.
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%.

NOTES :

- 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")
- SP Chemicals Pte, Ltd ("SPC")
- Grand Asia Holding Pte, Ltd. ("GAH")
- Yayasan Tahija ("YT")
- AJI HK Limited ("AJI")
- Aufwind Schmack Asia Holding GmbH ("ASG")

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 9,457 hectares are planted comprising 6,849 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 504,369,402 **COMMERCIALLY OPERATING SINCE:** 1995 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Mohammad Fitriyansyah (PD) • Yomeidinar • Nunik Maharani Maulana **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Geetha Govindan • Aloysius D'Cruz • Nopri Pitoy
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 tons 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 47,618,416 **COMMERCIALLY OPERATING SINCE:** 2009 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Jerileva Purba **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy
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, 14,303 hectares are nucleus planted area consisting of 11,990 hectares of matured oil palms. There are 884 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 67,346,359 **COMMERCIALLY OPERATING SINCE:** 1994 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Juli Wankara Purba **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy

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 13,880 hectares. Planting began in 2010. Currently, 9,583 hectares are planted, consisting of 8,928 hectares of matured oil palms. There are 2,345 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 81,285,776 **COMMERCIALLY OPERATING SINCE:** 2014 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Jerileva Purba **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy
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 included 589 hectares matured area.	**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 9,568,139 **COMMERCIALLY OPERATING SINCE:** 2022 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Geetha Govindan (PD) • Yomeidinar • Nunik Maharani Maulana • Mohammad Fitriyansyah • Juli Wankara Purba **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy
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, Southwest Papua. Planting began in 2014 and 4,246 hectares have now been planted, consisting of 2,838 hectares of matured oil palms.	**BUSINESS ACTIVITY:** Palm Oil Plantation **LOCATION:** South Sorong, Southwest Papua **REGISTERED ADDRESS:** Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**TOTAL ASSETS:** USD 102,016,808 **COMMERCIALLY OPERATING SINCE:** 2020 **GROUP OWNERSHIP:** 99.99%	**DIRECTORS** • Mohammad Fitriyansyah (PD) • Yomeidinar • Nunik Maharani Maulana • Vonny Stefani • Sasi Kumar B Surendan **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Geetha Govindan • Aloysius D'Cruz • Nopri Pitoy

<table>
<tr><th>No</th><th>Subsidiary Companies</th><th colspan="3">Information</th></tr>
<tr><td>7</td><td>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, Southwest Papua. Planting began in 2014 and 3,876 hectares of nucleus area are planted, consisting of 3.291 hectares of matured oil palms. There are 902 hectares of plasma have now been planted. PMP operates a mill with a 45 tons per hour capacity which primarily processes FFB from its own plantation, PPM and plasma.</td><td>BUSINESS ACTIVITY:
Palm Oil Plantation

LOCATION:
South Sorong and Maybrat, Southwest Papua

REGISTERED ADDRESS:
Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950</td><td>TOTAL ASSETS:
USD 129,540,127

COMMERCIALLY OPERATING SINCE:
2020

GROUP OWNERSHIP:
99.99%</td><td>DIRECTORS
• Mohammad Fitriyansyah (PD)
• Yomeidinar
• Nunik Maharani Maulana
• Vonny Stefani
• Sasi Kumar B Surendan

COMMISSIONERS
• George Santosa Tahija (PC)
• Anastasius Wahyuhadi
• Lucas Kurniawan
• Naga Waskita
• Geetha Govindan
• Aloysius D'Cruz
• Nopri Pitoy</td></tr>
<tr><td>8</td><td>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 Southwest 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 tons of dry starch per month, which will eventually be expanded to 2,500 tons per month.</td><td>BUSINESS ACTIVITY:
Agribusiness (Sago)

LOCATION:
South Sorong, Southwest Papua

REGISTERED ADDRESS:
Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950</td><td>TOTAL ASSETS:
USD 13,481,628

COMMERCIALLY OPERATING SINCE:
2017

GROUP OWNERSHIP:
99.99%</td><td>DIRECTORS
• Aloysius D'Cruz (PD)
• Yomeidinar
• Nunik Maharani Maulana
• Mohammad Fitriyansyah
• Vonny Stefani

COMMISSIONERS
• George Santosa Tahija (PC)
• Anastasius Wahyuhadi
• Lucas Kurniawan
• Naga Waskita
• Nopri Pitoy</td></tr>
<tr><td>9</td><td>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.</td><td>BUSINESS ACTIVITY:
Agribusiness (Sago)

LOCATION:
South Sorong, Southwest Papua

REGISTERED ADDRESS:
Menara BTPN, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950</td><td>TOTAL ASSETS:
USD 252,306

COMMERCIALLY OPERATING SINCE:
Pre-operating stage

GROUP OWNERSHIP:
51%</td><td>DIRECTORS
• Mohammad Fitriyansyah (PD)
• Chan Hian Siang
• Vonny Stefani

COMMISSIONERS
• George Santosa Tahija (PC)
• Hendrik Sasmito
• Lucas Kurniawan</td></tr>
</table>

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 1,351,572 **COMMERCIALLY OPERATING SINCE:** 2013 **GROUP OWNERSHIP:** 99.22%	**DIRECTORS** • Mohammad Fitriyansyah (PD) • Yomeidinar • Nunik Maharani Maulana • Imam Wahyudi **COMMISSIONERS** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Nopri Pitoy
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. 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 10,781,271 **COMMERCIALLY OPERATING SINCE:** 2000 **GROUP OWNERSHIP:** 80.00%	**DIRECTORS** • Imam Wahyudi (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 • Nopri Pitoy
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 and edamame product.	**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 114,637 **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 • Aloysius D'Cruz • Nopri Pitoy

AWARDS AND CERTIFICATIONS 2022

COMPANY:
PMP

AWARDS:
Employment Social Security - PARITRANA Award of West Papua Province

DATE:
February 15, 2022

ISSUER:
Social Security Administrator for Employment (BPJS Ketenagakerjaan)

COMPANY:
ANJ

AWARDS:
Indonesia Excellence GCG Awards 2022 "Implementing a Continous Process"

DATE:
February 24, 2022

ISSUER:
Warta Ekonomi

COMPANY:
ANJ

AWARDS:
Corporate Emission Transparent Awards 2022

DATE:
April 22, 2022

ISSUER:
Bumi Global Karbon Foundation and Berita Satu Media Holdings

COMPANY:
ANJ

AWARDS:
Golden Champion in Corporate Social Responsibility Program Category - Bisnis Indonesia Corporate Social Responsibility Award (BISRA)

DATE:
June 29, 2022

ISSUER:
Bisnis Indonesia & Habitat for Humanity Indonesia

COMPANY:
ANJ

AWARDS:
The 1st Indonesia DEI & ESG Awards (IDEAS) 2022

DATE:
August 8, 2022

ISSUER:
PR Indonesia

COMPANY:
ANJ

AWARDS:
"Green Economy" for "Sistem Tanam Sapu Tangan Jarwo" Innovation.

DATE:
August 26, 2022

ISSUER:
IDX Channel

COMPANY:
ANJ

AWARDS:
Award in Internal Process Category on "Responsible Development Program" Innovation

DATE:
August 26, 2022

ISSUER:
IDX Channel

COMPANY:
SMM, KAL, ANJA and ANJAS

AWARDS:
Environmental and Social Innovation Award (ENSIA)

DATE:
September 9, 2022

ISSUER:
Sucofindo

COMPANY:
ANJ

AWARDS:
ESG Disclosure Awards 2022: Leadership Predicate A

DATE:
October 26, 2022

ISSUER:
Investor & Bumi Global Karbon Foundation Magazine

COMPANY:
ANJA

AWARDS:
Outstanding Achievement

DATE:
November 28, 2022

ISSUER:
Roundtable on Sustainable Palm Oil (RSPO)

COMPANY:
GMIT

AWARDS:
Jember Tax Award 2022 Anugerah Pajak Daerah

DATE:
December 28, 2022

ISSUER:
Pemerintah Kabupaten Jember

COMPANY:
SMM and ANJA

AWARDS:
GOLD PROPER

DATE:
December 28, 2022

ISSUER:
Ministry of Environment and Forestry

Certifications 2022

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.

Entity	Certificate	Date/Validity	Issuer
ANJA	RSPO	November 14, 2022, valid until November 13, 2027	SGS Indonesia
	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 2021-2022	Ministry of Environment and Forestry
	SMK3	May 16, 2022, valid until May 15, 2025	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	April 22, 2021, valid until April 22, 2024	Ministry of Labor and Transmigration
	PROPER	Green Rating 2021-2022	Ministry of Environment and Forestry
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, 2022, valid until December 24, 2023	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 2021-2022	Ministry of Environment and Forestry
	SMK3	March 29, 2022, valid until March 29, 2025	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	May 13, 2022, valid until May 13, 2025	Ministry of Labor and Transmigration
	PROPER	Green Rating for year 2021-2022	Ministry of Environment and Forestry

Entity	Certificate	Date/Validity	Issuer
PMP	RSPO	December 23, 2021, valid until December 22, 2026	Mutu International
	RSPO SCCS	December 24, 2021, valid until December 23, 2026	SGS Indonesia
	ISPO	December 17, 2021, valid until December 16, 2026	Mutu International
	SMK3	December 29, 2022, valid until December 29, 2025	Ministry of Labor and Transmigration
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 20, 2022, valid until October 29, 2023	RINA Services S.p.a
	ISO 22000 (Edamame, Mukimame and Okra (frozen)	July 27, 2020, valid until July 27, 2023	MBRIO Certification Body
	Halal Certificate Sertifikat Halal	December 8, 2022, valid until December 8, 2026	Halal Product Assurance Body

Membership in Associations

ANJ actively participates in national and global associations which promote information and improving standards and compliance among producers and other stakeholders.

NO	Name of Association	Scale of Association	Company's Role	Remarks
1	UN Global Compact	Global	Signatory Tier	-
2	Indonesian Public Listed Companies Association (AEI)	National	Participated as Active Member	-
3	Indonesia Palm Oil Producers' Association (GAPKI)	National	Participates in forums to encourage a conducive climate for the palm oil industry, increase capacity for sustainable palm oil, advocate for solutions to problems in the palm oil industry and synergize with the government on related policies.	Head Office, North Sumatra Regional Office and Bangka Belitung (SMM)
4	Association of Large Private Plantations (APBS) Belitung	Regional	Participates in forums to coordinate compliance with government policies, to discuss solutions to industry problems and to share information.	-

NO	Name of Association	Scale of Association	Company's Role	Remarks
5	Indonesian Chamber of Commerce and Industry (KADIN)	National	Participates in fostering the development of the business community and all its stakeholders, with regard to economic policy formulation and implementation throughout Indonesia.	-
6	Indonesia Sago Community (MASSI)	National	Participates in promoting the development of sago as part of the national food security effort.	-
7	Roundtable on Sustainable Palm Oil (RSPO)	Global	Member and participates actively in three working groups: No-deforestation Task Force, Indonesia National Interpretation as well as Complaint Panel.	-
8	Indonesian Grower Caucus	National	Participates as a member to promote sustainable palm oil management and best practices and to share insights of common interests in the industry.	-
9	Palm Oil & NGO (PONGO) Alliance	Global	Founding member; Chair from January-August 2018 and 2019. Participates in forums to encourage improved management of orangutan populations and their habitats within oil palm plantations and within larger multifunctional landscapes in which these plantations are operated.	-
10	Indonesian Sustainable Palm Oil Forum (FoKSBI)	National	Active Participant	

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 and review of the Company's corporate income taxes calculation. There are no other services provided to the Company other than financial statement audit services.

Fee:
- Audit Fee: IDR 936 million
- Non Audit Fee: -

Period of Appointment:
2017-2022

Share Registrar

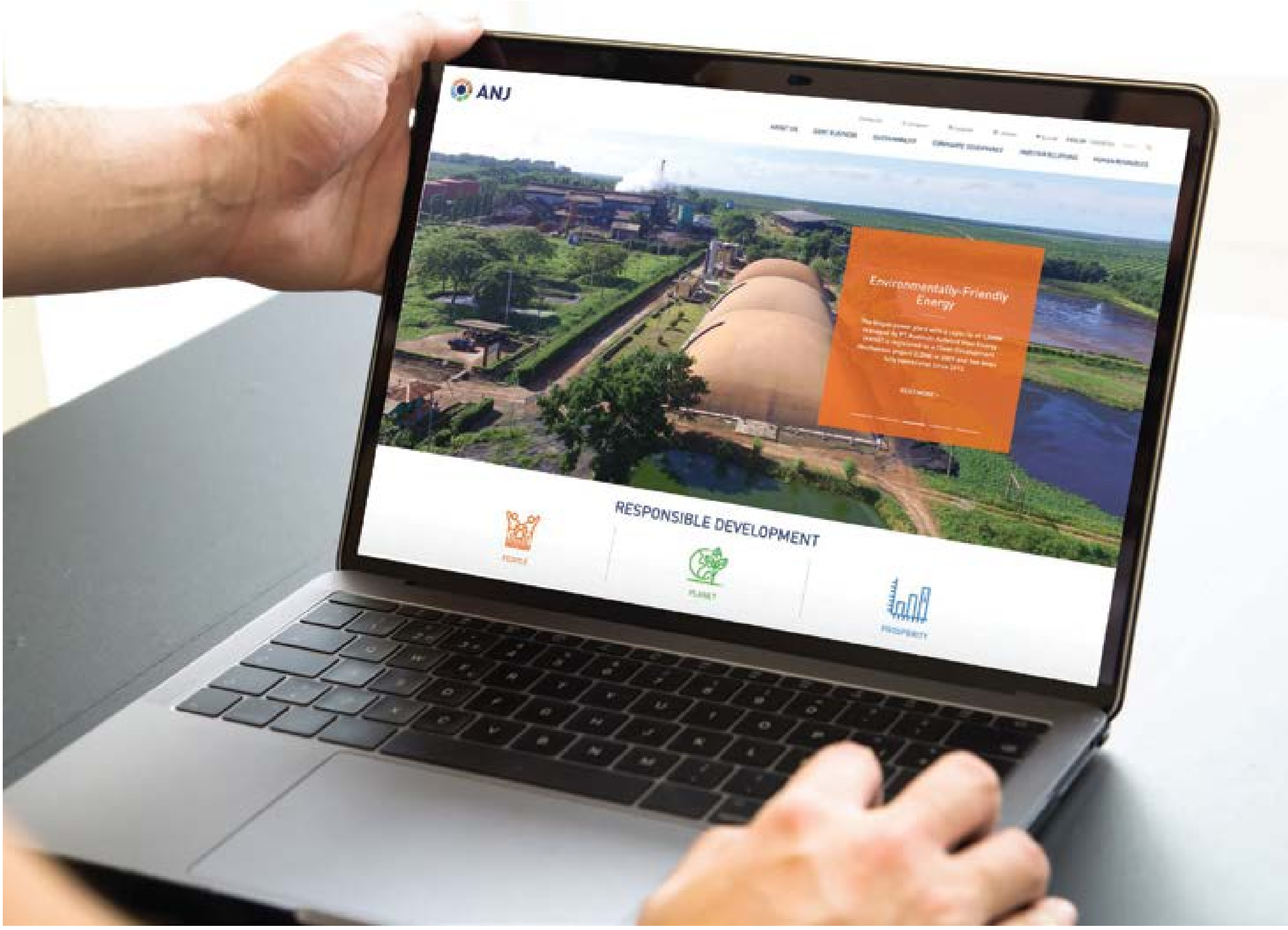
PT Datindo Entrycom
Jl. Hayam Wuruk No. 28, Jakarta 10120, Indonesia
Tel.: (62-21) 3508077

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 44 million

Appointed dates:
2013-2022

INFORMATION ON THE COMPANY WEBSITE



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, invitations and abridged minutes of meeting, 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, CSR and Sustainability Committee as well as Internal Audit Unit.

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

Board of Commissioners

In 2022, no training and development was conducted by the Company for the Board of Commissioners.

Board of Directors

No	Trainings	Participants	Period
1	IDX – GRI – AEI – Deloitte – CEO Meeting 2022	Lucas Kurniawan	February 23, 2022
2	Bain Virtual CEO Forum		March 22, 2022
3	Training Business Ethics and Human Rights – Top Management		March 28, 2022
4	forestsandfinance.org: Publikasi dan Analisis Data Terbaru		April 1, 2022
5	ANJ Investor Communication Training - Plenary Session		April 5, 2022
6	SIIA Haze Outlook x ANJ 2022		April 11, 2022
7	Google's Chief Measurement Strategist - Neil Hoyne		April 20, 2022
8	Bain Deep Dive Session - The Working Future		May 4, 2022
9	*Sosialisasi Ambisi ESG* (Environmental, Social and Governance) ANJ		May 18, 2022
10	Indonesia Water Mandate Working Group (IWMWG) Reinstatement Meeting – IGCN		May 24, 2022
11	Training Integrated Fire Management		May 25, 2022
12	Anti-Corruption Collective Action - Advancing Collective Action against Corruption – IGCN		June 9, 2022
13	CIMB - Outlook 2H22: Dented but Not Derailed		June 23, 2022
14	Bain Deep-Dive Session: Macro-economic context and the New Turbulence		July 5, 2022
15	Examining Material ESG Issues for Sector Analysis – Bloomberg Webinar		July 14, 2022
16	Bain Virtual CEO Forum: Engine 2		August 2, 2022
17	Southeast Asia's Green Economy: Investing Behind New Realities		August 4, 2022
18	Decarbonisation and PAS 2060 Carbon Neutrality		August 18, 2022
19	Bank BTPN Sustainability Seminar - "Pathway to Net Zero Economy"		September 27, 2022
20	IDX - "Carbon Trading: The Journey to Net Zero		September 27, 2022
21	Moody's Webinar: APAC Economic Outlook: Shifting Uncertainties		September 28, 2022
22	UOB Economic Outlook 2023		September 29, 2022
23	IDX – Sustainalytics Capacity Building ESG Series: Part II		November 1, 2022
24	CEO Networking 2022 "Strengthening Economic Growth in Dynamic Conditions"		November 24, 2022
25	Insight Report Launch Event - The Global Biodiversity Framework and What it Means for Business		November 30, 2022
26	CFO Club		December 13, 2022
1	Training Business Ethics and Human Rights - Top Management	Geetha Govindan	March 28, 2022
2	ANJ Investor Communication Training - Plenary Session		April 5, 2022
3	*Seminar Refleksi* P&C INA NI by RSPO		June 27, 2022
4	*Seminar Nasional* Planter Indonesia (SNPI) 2022		October 19, 2022

No	Trainings	Participants	Period
1	HHP, M&A Masterclass Joint ventures: Governance and Exits	Naga Waskita	February 17, 2022
2	ANJ Investor Communication Training - Plenary Session		April 5, 2022
3	AEI, Utilization of the Indonesian General Guidelines for Corporate Governance (PUGKI) 2021 in Sustainable Value Creation		June 8, 2022
1	Training Business Ethics and Human Rights - Top Management	Aloysius D'Cruz	March 28, 2022
2	ANJ Investor Communication Training - Plenary Session		April 5, 2022
1	Palm Oil Internet Seminar (POINTERS) Assessing 2022: Managing Opportunities and Risk	Nopri Pitoy	March 28 - April 1, 2022
2	ANJ Investor Communication Training - Plenary Session		April 5, 2022
3	Indonesian Palm Oil Conference		November 3-4, 2022

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

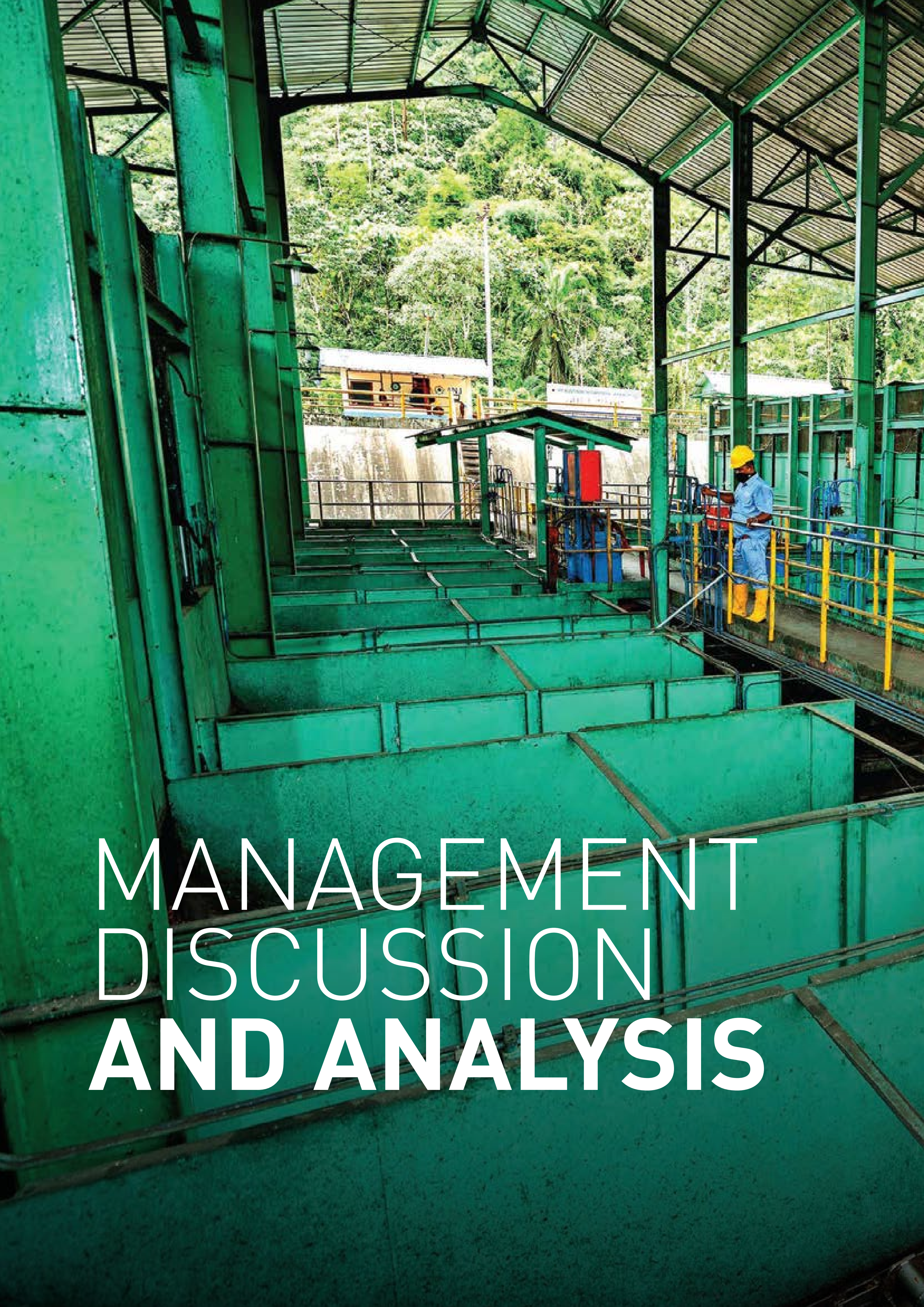
In 2022, no training and development was conducted by the Company for the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility and Sustainability Committee.

Corporate Secretary

No	Trainings	Participants	Period
1	HHP, M&A Masterclass Joint ventures: Governance and Exits	Naga Waskita	February 17, 2022
2	ANJ Investor Communication Training - Plenary Session		April 5, 2022
3	AEI, Utilization of the Indonesian General Guidelines for Corporate Governance (PUGKI) 2021 in Sustainable Value Creation		June 8, 2022

Internal Audit Unit

No	Trainings	Participants	Period
1	Launch of Corruption Perception Index 2021	Christian L Sitorus, Nurman Hidayat	January 25, 2022
2.	Training Business Ethics and Human Rights	Christian L Sitorus, Nurman Hidayat, Ronal Samson R	March 29-31, 2022
3	Training Integrated Management System	Abid Yahya, Nico Bangun Jaya , Nurman Hidayat, Nurwachid, Ronal Samson R	June 24, 2022
4.	Peak Performance for Leader	Christian L Sitorus	July 7, 2022
5	Training GHG Emission Calculation	Abid Yahya, Nurwachid	September 12-16, 2022
6	Maintaining Forensic Audit Quality in the Global and Digital Era	Nurwachid	September 24, 2022
7	Training Cybersecurity Auditing in an Unsecure World	Abid Yahya	September 26-27, 2022
8	Qualified Internal Auditor	Nurman Hidayat	October 17-29, 2022
9	Internal Audit Tools and Techniques	Nico Bangun Jaya	November 7-8, 2022
10	Psychology and Communication in Auditing	David Djantua, Nurwachid	November 21-22, 2022



MANAGEMENT DISCUSSION **AND ANALYSIS**


13
14
15

MACROECONOMIC REVIEW

Global economic growth was affected by several challenging conditions in 2022. The ongoing COVID-19 pandemic has significantly affected the business environment and global economic slowdown since 2020. In the midst of the sign of economic recovery after COVID-19 pandemic, a geopolitical tension between Russia and Ukraine escalated into a global issue which distressed the global economic in 2022. In February 2022, Russia invaded Ukraine, leading to the concern for the supply chain disruption, thus driving the world commodity prices to their highest level and reaching their peak in the first half of 2022.

This significant hike of commodity prices drove for a higher inflation rate and ultimately prompted the central bank in various countries around the world to raise the interest rates. During 2022, The Federal Reserve of United States (The Fed) raised interest rates several times from 0.25% in January 2022 to 4.5% at the end of 2022. The Fed's move to contain the rate of inflations, trigerred interest rate increases by other central banks in other countries, including Indonesia. Bank of Indonesia has raised the interest rate benchmark five times in 2022, from 3.5% in January 2022 to 5.5% in December 2022.

Concerns about a global recession are increasing along with the above conditions. However, amidst these concerns, Indonesia's economic growth continues to grow persistently above 5% in 2022.

INDUSTRY REVIEW

CPO price touched its highest level in the first quarter of 2022, mainly affected by the Russian invasion to Ukraine which is raising the concern of supply disruption, especially the supply of sunflower oil which is a major vegetable oil produced by these two countries.

The increase in the CPO price caused the shortage of CPO supplies and its derivatives products in domestic market. The Indonesian government decided to ban the export of CPO and its derivatives products in April 2022, which finally lifted the ban on May 23, 2022. As a result of the export ban, there was CPO supply overflow in the domestic market which caused a significant decrease in CPO price in the third quarter 2022. Furthermore, the government introduced a new policy namely Domestic Market Obligation (DMO) to maintain the domestic supply of CPO and applies an adjustment to the export levies and export taxes.

The Indonesian government applies the export levy of USD 55 per ton and export tax of USD 3 per ton when CPO price was under USD 680 per ton, then progressively increase to the maximum of USD 240 per ton and USD 288 per ton respectively for export levy and export tax when CPO price touched above USD 1,430 per ton.

Amid the uncertainty from the prolonged war, the global economy recession and the dynamic government policy, the industry outlook in term of supply-demand perspective is still promising. In the perspective of demand, we observed the presence of bullish factors such as the re-opening of China to ease their zero-COVID policy and the B35 implementation in Indonesia starting February 1, 2023. On the other hand, the supply seems stagnant as no projected production increases from Malaysia, the second largest palm oil producing country.

OPERATIONAL REVIEW PER SEGMENT

Our business operates eight plantation estates, five palm oil mills, sago concession and its processing mill, edamame cultivation including processing factory, and a renewable energy power plant in Indonesia. We have a total of 194,650 hectares of landbank, including 53,698 hectares of planted palm oil plantation. Our extensive operations include developing, cultivating and managing palm oil, sago and vegetables, milling fresh fruit bunches (FFB) into CPO, PK and CPKO as well as operating a renewable energy power plant to generate electricity.

Palm Oil

As of the end of 2022, the Company has produced palm oil from 46,360 hectares of matured plantation, consisting of 42,237 hectares of nucleus plantation and 4,123 hectares of plasma and partnership plantations, in North Sumatera, Bangka Belitung, West Kalimantan and Southwest Papua.

Matured Plantations

Our productive plantations area of 42,237 hectares in 2022 was higher than the 40,271 hectares of matured plantation we operated in 2021, mainly due to additional matured area from the Southwest Papua estates. We continuously carry on our replanting program in Belitung Island estate operated by SMM and North Sumatera I estate operated by ANJA, 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, 2022, our average palm oil age was maintained at 12.9 years. The total planted area (nucleus, plasma and partnership) slightly decreased to 53,698 hectares in 2022, from 53,905 hectares in 2021, as a result of the change in land use to a riparian conservation area in the replanted estates.

The Company recorded an increase in Fresh Fruit Bunches (FFB) production of 0.3% in 2022 from 838,191 tons in 2021 to 840,581 tons in 2022. The average FFB yield per hectare decreased from 20.4 tons in 2021 to 19.4 tons in 2022. This decrease was mainly due to additional newly mature declaration in our estates, such as Southwest Papua and South Sumatra estates as well as replanted area in Belitung Island estate. Our newly mature Southwest Papua estates contributed a total FFB production of 112,356 tons, 14.2% higher than 2021 production of 98,343 tons. Our North Sumatera I estates experienced 7% reductions in FFB production, due to the impact of the replanting program. As for North Sumatera II, the decline of 10.5% was due to flood at the beginning of 2022 that disrupted FFB supply to the mill and which also affected harvesting in the plantation. Meanwhile, our Belitung Island and West Kalimantan estates recorded an increase in FFB production of 0.4% and 7.6%, respectively. We also recorded FFB production from our 589 hectares newly mature estate in South Sumatra of 6,594 tons.

Our total FFB production in 2022 is a prove that our yield improvement program can compensate for the decrease in FFB production caused by replanting 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 and continue our support to local independent farmers, we increased the purchasing of FFB from outside suppliers to 538,483 tons in 2022, compared to 434,123 tons in 2021. This was also higher than our budget of 503,873 tons in 2022.

Our CPO production volume increased from 262,683 tons in 2021 to 275,769 tons in 2022, representing a positive variance of 5.0% year-on-year. The CPO productions from all estates increased compared to prior year.

The CPO price extended its rally to the highest level in the first half of 2022 before experiencing a decrease in the third quarter of 2022. Nevertheless, the Company recorded an Average Selling Price (ASP) for CPO of USD 842 per ton in 2022, which was higher than the 2021 ASP of USD 801 per ton. This was a positive variance from our budget assumption of USD 700 per ton.

We produced 55,011 tons of Palm Kernel (PK) in 2022, an increase of 6.8% from 51,531 tons in 2021. This resulted in a higher PK sales volume of 5.8% from 51,991 tons in 2021 to 54,996 tons in 2022. PK sales revenue increased by 12.3%, from USD 27.4 million in 2021 to USD 30.8 million in 2022, mainly due to an increase in the ASP from USD 527 per ton in 2021 to USD 559 per ton in 2022, which was above the budget price of USD 350 per ton.

In 2022, we produced 1,052 tons and sold 928 tons of CPKO from our Kernel Crushing Plant (KCP) in Southwest Papua, with total sales revenue of USD 1.0 million at an ASP of USD 1,081 per ton, 17.3% lower compared to CPKO price of USD 1,308 per ton in 2021.

Our average CPO extraction rate, decreased to 20.1% in 2022 from 20.6% in 2021 while the PK extraction rate remained stable at 4.4% from 2021 to 2022.

Development Plantation

In Empat Lawang, South Sumatera, our subsidiary GSB has a landbank of 12,800 hectares. In 2022, we continued land compensation program 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 2022 was 200.26 hectares making total land compensated to date 4,323.3 hectares. The planted area to date stands at 724 hectares, including 589 hectares of new matured area.

Our third concession in Southwest Papua, operated by the Company, has been set aside for conservation which together with the conservation areas in PMP and PPM will form an integrated conservation landscape. We are waiting for the decision from the Ministry of Environment and Forestry regarding this land concession rights covering an area of 36,506 hectares.

Sago

ANJAP has been pioneering an industrial-scale sago harvesting and processing from approximately 40,000 hectares of natural sago forest in South Sorong, Southwest 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 that has a production capacity of up to 1,250 tons/month and has a growing customer base in the food industry.

In 2022, our extraction rate decreased to 7.0% from 13.0% in 2021. Our starch production decreased by 23.3% from 3,529 tons in 2021 to 2,708 tons in 2022, below our budget of 14,427 tons, mainly due to labor constraints and the damage occurred in the sago dryer namely thermal oil heater (TOH) machine.

Sales volume decreased from 3,167 tons in 2021 to 2,913 tons in 2022, lower than our target of 11,332 tons. We recorded a higher average selling price of IDR 8,088/kg in 2022, an increase of 38.1% compared to ASP 2021 of IDR 5,858/kg, mainly due to the increasing of wheat starch price as the impact of Russia-Ukraine conflict. This drove an increase in sales revenue to USD 1.6 million, up from USD 1.3 million in 2021, which was below our budget of USD 3.6 million.

Vegetables

Our vegetable business, operated by GMIT in Jember, East Java, focuses on growing and processing edamame. As a high-protein soybean with strong antioxidant properties, edamame is recognized as a "superfood".

The edamame business experienced several steps forward during the year. Production increased from 2,038 tons in 2021 to 2,533 tons in 2022, 29.8% below our budget of 3,609 tons. This was due to higher planting size of 429 hectares in 2022 compared to 268 hectares in 2021 and the higher yield by optimizing planting during the "golden period" in March-June. In contrary, production is still behind the budget due to the pest attack and the extreme weather.

GMIT marked its commercial operation for the frozen product in August 2021. We booked USD 1.7 million in revenue from edamame sales in 2022, an increase from USD 1.0 million in 2021. The revenue in 2022 included the sales of frozen edamame of USD 0.8 million following the commercial operation of frozen product in 2021. The increase in sales value is in line with the increase of frozen edamame sales volume of 447 tons in 2022, an increase by 101.4% from 222 tons in 2021. The ASP of fresh edamame decreased from IDR 6,978/kg to IDR 6,352/kg in 2022 whereas the ASP of frozen edamame increased to IDR 25,444/kg from IDR 22,951/kg in 2021, an increase of 10.9%. The decrease in ASP of fresh edamame is due to our production and marketing strategy to process high quality fresh edamame to frozen edamame which can earn better selling price.

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 continue to increase frozen edamame production to meet the export market and prepare 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 the state power company PLN, which distributes it on the national grid.

AANE's electricity generation and sales increased from 9,402,197 kWh in 2021 to 9,899,429 kWh in 2022, representing a positive variance of 5.3% from our budget of 9,401,200 kWh. This was largely attributable to fewer shutdowns during the year, which also contributed to lower maintenance and repair costs.

Service concession remained stable at USD 0.6 million in 2022, mainly because 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, 2022				
Revenue	265.3	1.6	1.7	0.6
Gross Profit (loss)	61.6	(5.8)	(2.2)	0.2
Profit (loss) before tax	44.9	(6.1)	(2.9)	0.1
December 31, 2021*				
Revenue	264.5	1.3	1.0	0.6
Gross Profit (loss)	103.3	(4.2)	(1.4)	0.2
Profit (loss) before tax	64.7	(4.4)	(1.6)	0.1

* Restated due to ealy adopted PSAK 16: " Fixed Assets - Proceeds before Intended Use".

Palm Oil Segment

As our core business, palm oil contributed USD 265.3 million or 98.6% of our total revenue in 2022, generating a gross profit of USD 61.6 million and profit before tax of USD 44.9 million.

Sago Segment

The sago segment contributed USD 1.6 million or 0.6% of our total revenue. This increase was mainly due to the increase in ASP by 38.1% from ASP in 2021. This ASP increase compensated the decrease in sales volume in 2022 due to the decrease in production volume. We expect to reduce the operating losses through production cost efficiency and improvement in the productivity.

Vegetables Segment

Revenue from vegetables sales contributed USD 1.7 million or 0.6% to our total revenue in 2022. We booked a significant increase in frozen edamame revenue of USD 0.7 million, an increase of 63.6% compared to last year.

Renewable Energy Segment

The renewable energy segment contributed USD 0.6 million or 0.2% to our total revenue in 2022. The tariff paid by PLN remained flat, however our renewable energy business started to have a positive financial performance for the past three years.

MARKETING REVIEW

Palm Oil

Entering 2022, we focused on carrying out the marketing of our CPO products in the domestic market to obtain higher profit margin, due to lower transportation cost, and get additional premium price for RSPO certified CPO. We have signed contracts with our domestic business partners to fulfill their demand for CPO, PK and CPKO for one-year term which are renewable before the contracts expire. Our marketing strategy was proven as the right decision when the government of Indonesia banned CPO export in the second quarter 2022. The government issued a number of policies to maintain the adequacy of CPO supplies in domestic, such as export quota ratio to the domestic supply and the application of higher export tax and levy. Those policies did not have any significant impact on our marketing efforts during 2022. However, there were domestic logistic disruptions in the third quarter of 2022 due to the abundant amount of CPO in the country and the difficulty faced by buyers in finding barges and vessels to transport the purchased CPO and the refined CPO.

In order to get a premium value for our CPO price, we certified all of our nucleus plantations with RSPO and ISPO certifications, including our newly matured Southwest Papua estates which received the RSPO certificate with the Identity Preserved category. Meanwhile, 75% of our total plasma and partnership estates received RSPO certification as of December 31, 2022. RSPO and ISPO certifications provide an assurance to our buyers and their downstream supply chain that our CPO, CPKO and palm kernel are sustainable. We are also eligible to charge a quality premium for CPO with a Free Fatty Acid (FFA) content of less than 3.5%.

Sago

We booked a positive sales growth in 2022, although our actual sales did not meet our target. The increase in the price of wheat flour due to disruption to global supply and the impact of extreme weather and geopolitical conflict in Ukraine and Russia, have created a positive sentiment for our selling price of sago starch. In 2022, we focused on selling our product in the domestic

market by expanding our customer base in the domestic food industries. As part of our marketing strategy, we have a team to introduce the innovations of sago starch applications in various foods. We also continued to socialize and approach potential users from the modern food industry as well as household consumers regarding the benefits of sago as an alternative of healthy and sustainable gluten-free source of food.

Going forward, we will also continue to explore the export market as public knowledge and interest regarding the sago starch continue to expand. In order to enter these export markets, we would need to customize the specification of our product to meet specific customer needs in Singapore, Malaysia, China and Japan.

Vegetables

We booked a positive sales growth in 2022, especially sales of frozen edamame which increased by 63.6% year-on-year. We have successfully exported our frozen edamame to Japan, USA and Malaysia through our export purchase agreement with the Asia Foods group. To expand our market for frozen edamame, we are exploring other potential markets such as Singapore, India, Australia and Middle East. This is in line with our marketing strategy, targeting export as the main market for frozen edamame and mukimame.

Meanwhile, our sales in the domestic market also booked a positive growth compared to previous year performance. As of December 31, 2022, we succeeded in fulfilling the demand for edamame in various cities and provinces in Indonesia, such as Greater Jakarta, West Java, Central Java, East Java and Bali. In order to expand the availability of our products in the domestic market, we launched our own brand for frozen edamame, Edashi, to penetrate the modern market. We have collaborated with major retailers, such as AEON and Hypermart. We have also supplied our products to various hotels and well-known restaurants, such as Sushi Tei, Pizza Hut and SaladStop!

BUSINESS PROSPECTS AND STRATEGIES

PALM OIL

Prospects

Global economy recovery after COVID-19 pandemic gives a new hope to all business sectors, including the palm oil sector. The second largest economy, China, eased its zero-COVID policy, creating an opportunity recovery of CPO as China is the second largest palm oil importer behind India. In the midst of a gradually recovering economy and growing demand for vegetable oils, palm oil continues to play a key role in alleviating the tightness in global supply and demand, coupled with supply shortage due to lower planting in the past few years and moratorium on new concession.

Moving forward, adverse weather conditions in South America and ongoing conflict in Ukraine also further strain global vegetable oil supplies, such as soybean oil, rapeseed oil and sunflower oil. Those factors provide a solid base for CPO price to stay high in coming years.

We must also pay more attention to the intention of the Indonesian government to protect its domestic supply to avoid the shortage of cooking oil and to support the biofuel policy, as Indonesia government has increased its biofuel policy from B30 to B35. We expect the biofuel policy in Indonesia to keep going up until the maximum composition of biofuel is achieved.

Strategies

Our management will stay prudent in determining any strategies to uphold. Our main guideline is to integrate ESG strategy into the core strategy. Some of our ESG initiatives have proven to help us in cost efficiency, such as the composting program. We will put more effort to explore other initiatives and agronomic innovation to drive productivity while continuing to prioritize cost control and minimize non-essential capital expenditure to maintain margin of profitability.

In order to improve our age profile and maintain production yields in the coming years, we will continue the replanting program in ANJA and SMM estates. In GSB, we will continue land compensation with a plan to consolidate 3,000 hectares of contiguous area for the HGU process. As the plantation in our Southwest Papua estates will be fully matured next year, we will continue the planned construction of infrastructure, mainly for road lateriting in order to have more efficient logistics and transportation.

SAGO

Prospects

We believe that sago starch has considerable potential as a sustainable alternative of 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 see 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.

Sago starch has an advantageous position as the substitute product for wheat, amid the shortage of wheat supply due to the export restrictions in major producing countries, i.e: Canada, USA and Russia as the impact of extreme climate in northern countries. We see a potential opportunity from this segment in the coming years.

Strategies

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 to ensure sustainable production in the coming years and maintaining the environment. In order to stabilize the production volume to meet the target, we are ready to open second estate area to increase the number of log processed per day. Furthermore, we continue to increase the extraction rate to optimize the current processing technology, not only in order to increase the production volume but will also continue to reduce the cost of production per kilogram. We will also continue our plan to run biomass power plant to reduce fuel cost.

As challenging conditions occurred in 2022, especially with regards to labor issues, we plan to hold manpower restructuring program to maintain worker productivity to stay at a high level. We are also focusing on bringing the machinery and equipment, especially those at the front-end processing, to their optimum performance.

We will continue to campaign for sago starch as one of food source alternatives. A key component of this strategy is developing and promoting innovative applications for sago, both for the industry and for consumer use. We believe, by increasing the consumer understanding of sago, we will also create a wider market share.

VEGETABLES

Prospects

In less than two years, we have succeeded in penetrating the export market for our frozen edamame product to Japan, USA and Malaysia cooperating with Asia Foods as our business partner. We will continue to expand our export market as we see a growing demand in Singapore, India, Middle East and Australia.

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

Strategies

In order to achieve the Company's targets in this segment, we focus on increasing yields through upholding best agronomic practices, investing in our seed quality program and strengthening our integrated pest management strategies. We will also look to improve factory efficiency by establishing measureable productivity metrics while supporting the workforce.

We will continue the production to meet the demands from the 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 flour. We expect to enter a trial stage for edamame flour in the third quarter 2023.

RENEWABLE ENERGY

Prospects

We 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. We are planning a further stage of biomass utilization by developing a BioCNG project to gradually replace the reliance on fossil fuel.

Strategies

Considering the low selling price of the electricity to PLN, we decided to not develop another power plant dedicated solely for commercial purpose in the future. However, we will continue maintaining or improving the profitability of the existing commercial power plant in SMM by optimizing operations and cost efficiency at the power plant.

Furthermore, we saw the impact of fossil fuel shortages affected our cash cost adversely in 2022. We need to mitigate this risk in the coming years by focusing on accelerating our renewable energy initiatives, with the commencement of the BioCNG project at ANJA or KAL as the next project plan.

REVIEW OF FINANCIAL PERFORMANCE

Palm oil contributed 98.6% of the Company's consolidated revenue in 2022. CPO sales volume increased by 2.6% year-on-year, from 268,289 tons in 2021 to 275,320 tons in 2022, in line with the increase in Fresh Fruit Bunch (FFB) processed of 8.4% in 2022 to 1,379,064 tons from 1,272,314 tons in 2021. The Company posted a decline in FFB production caused by several factors, such as the replanting program in North Sumatera I estate and also extreme high rainfall that occurred in the North Sumatera II and Southwest Papua estates which caused flooding that disrupted FFB supplies to the mill and which also affected harvesting in the plantation. FFB purchases from third parties increased by 24% in 2022 in order to maximize mill utilization.

The increase in CPO price in 2022 had an impact on increasing the average CPO selling price by 5.1% from USD 801 per ton in 2021 to USD 842 per ton. Total revenue slightly increased by 0.7% to USD 269.2 million from USD 267.4 million in 2021. However, the significantly lower CPO price at end of 2022 of USD 737 per ton than the price at end of 2021 of USD 932 per ton resulted in a recognition of loss from decline in the fair value of biological assets which drove a lower net income compared to previous year. In addition, the increase in fertilizer and diesel fuel price is another factor which contributed to an increase in our production costs.

The following discussion and analysis of the Company's financial performance in 2022 is based on the Consolidated Financial Statements and Notes to the Financial Statements as of and for the years ended December 31, 2022 and 2021. We restated the December 31, 2021 consolidated financial statements due to the early adoption of Amendment of PSAK 16: "Fixed Assets – Proceeds before Intended Use".

The Consolidated Financial Statements as of and for the years ended December 31, 2022 and 2021 were audited by Siddharta Widjaja & Rekan (Registered Public Accountants) who rendered an unqualified opinion that they fairly present the Company's consolidated financial position, consolidated financial performance and consolidated cash flows.

Consolidated Statements of Financial Position

USD thousand	2022	2021*	Change (%)
Current assets	59,148	77,799	(24.0%)
Non-current assets	543,443	567,408	(4.2%)
Total assets	602,590	645,207	(6.6%)
Current liabilities	40,470	48,778	(17.0%)
Non-current liabilities	138,009	170,573	(19.1%)
Total liabilities	178,479	219,351	(18.6%)
Equity attributable to owners of the Company	422,006	423,438	(0.3%)
Total equity	424,111	425,856	(0.4%)

* Restated due to the early adoption of Amendment of PSAK 16: " Fixed Assets - Proceeds before Intended Use".

Assets

The Company's current assets at end of 2022 stood at USD 59.1 million, a decrease of 24.0% from USD 77.8 million at end of 2021. This was largely attributable to the decrease in Cash and Cash Equivalents by 60.1% from USD 27.1 million in 2021 to USD 10.8 million in 2022 due to early repayment on our bank loans. The significantly lower CPO price at end of 2022 of USD 737 per ton than the price at end of 2021 of USD 932 per ton reduced the fair value of our biological assets to USD 4.1 million in 2022 from USD 7.0 million in 2021.

Non-current assets at the end of 2022 of USD 543.4 million declined by 4.2% from USD 567.4 million in 2021, mainly due to bearer plants decreased by 4.4% from USD 304.8 million in 2021 to USD 291.4 million in 2022 as an impact of the depreciation of Rupiah and assets depreciation in 2022, offset with addition in the immature plantation in Southwest Papua and replanting in North Sumatera I and Belitung estates. The Company also booked a decrease in other investments by USD 5.4 million from the sale of investment in PT Agro Muko.

As a result, total assets decreased by 6.6% from USD 645.2 million at the end of 2021 to USD 602.6 million at the end of 2022.

Liabilities

At the end of 2022, current liabilities stood at USD 40.5 million, down 17.0% from USD 48.8 million at the end of 2021, principally as a result of the decrease on long-term bank loans – current maturities. As of December 31, 2022, total outstanding long-term bank loans – current maturities stood at USD 4.6 million, down 63.9% from USD 12.7 million at the end of 2021. The taxes payable also decreased from USD 8.7 million in 2021 to USD 4.2 million in 2022.

Non-current liabilities were down 19.1% from USD 170.6 million at the end of 2021 to USD 138.0 million at the end of 2022, principally because of the early repayment of long-term bank loans and the decrease in employee benefits obligation. Total outstanding long-term bank loans amounted to USD 125.0 million as of December 31, 2022, a 19.1% decrease compared to USD 154.5 million at the end of 2021. Total liabilities were down 18.6% from USD 219.4 million in 2021 to USD 178.5 million in 2022, largely due to the decrease in non-current liabilities in line with the decrease in outstanding long-term bank loans.

Equity

Total equity stood at USD 424.1 million in 2022, a slight decrease of 0.4% from USD 425.9 million in 2021. 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 in 2022.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

USD thousand except where stated	2022	2021*	Change (%)
Total revenue	269,167	267,384	0.7%
Total cost of revenue	(215,295)	(169,492)	27.0%
Gross profit	53,872	97,892	(45.0%)
Total operating expenses, net	(14,595)	(38,465)	(62.1%)
Operating profit	39,277	59,428	(33.9%)
Total other income (expenses)	(4,769)	(4,119)	15.8%
Income before tax	34,508	55,309	(37.6%)
Net income for the year	21,155	36,587	(42.2%)
Net Income (loss) attributable to non-controlling	(566)	(413)	37.1%
Net income attributable to the owners of the Company to the owners of the Company	21,721	37,000	(41.3%)
Total comprehensive income	6,109	33,897	(82.0%)
EBITDA	69,332	83,988	(17.5%)
EBITDA margin (%)	25.8%	31.4%	(18.0%)

* Restated due to the early adoption of Amendment of PSAK 16: " Fixed Assets - Proceeds before Intended Use".

Revenue

We posted a total revenue of USD 269.2 million in 2022, slightly increase by 0.7% from USD 267.4 million in 2021. This consisted of USD 268.6 million in revenue from sales and USD 0.6 million in revenue from service concessions. Revenue from sales of palm oil accounted for 98.6% of total revenue in 2022, whereas 1.4% was contributed by service concession revenues, sales of edamame and sago starch.

CPO sales revenue decreased by 1.1% from USD 235.2 million in 2021 to USD 232.6 million in 2022 because starting from December 2021 we sell all our CPO to the domestic market and accordingly, we do not charge export levy and export tax in our sales price to the buyers. If export levy and export tax components were excluded from our revenue in 2021, we would have reported an increase of 7.6% in our CPO sales revenue from 2021. This increase was in line with the increase in our CPO ASP by 5.1% from USD 801 per ton in 2021 to USD 842 per ton in 2022. Palm Kernel (PK) sales revenue amounted to USD 30.8 million in 2022, an increase of 12.3% from USD 27.4 million in 2021, as a result of our sales volume increase by 5.8% to 54,996 tons and our average selling price increase by 6.2% to USD 559 per ton from USD 527 per ton in 2021. Our revenue in 2022 also included the sales of PKO of USD 1.0 million, a decrease of 29.0 % from USD 1.5 million in 2021 and the sales of FFB of USD 0.9 million in 2022, an increase from USD 0.4 million in 2021.

Revenue from sales of non-palm oil products increased by 40.5% from USD 2.3 million in 2021 to USD 3.3 million in 2022. This consisted of sales of edamame and sago starch. Our revenue from sales of sago starch increased by 22.2% from USD 1.3 million in 2021 to USD 1.6 million in 2022 contributed from the higher sales price variance. Our revenue from sales of edamame increased by 63.6%, from USD 1.0 million in 2021 to USD 1.7 million in 2022 due to higher fresh and frozen edamame sales volume and a higher selling price than 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 2022 of USD 0.6 million, relatively flat compared to USD 0.6 million in 2021 due to flat selling price to PLN at IDR 975/kWh.

Our revenue in 2022 also included the sales revenue from our subsidiary ANJ Boga which operates a restaurant named Bueno Nasio. This restaurant sells various products from the innovation of application of sago starch and edamame as its main ingredient. We posted a revenue of USD 27.0 thousand in 2022, increased from USD 19.3 thousand in 2021.

Cost of Revenue

The cost of revenue amounted to USD 215.3 million in 2022, an increase of 27.0% from USD 169.5 million in 2021. The main component were costs relating to sales of CPO, PK and PKO, amounting to USD 202.3 million, an increase by 25.8% from USD 160.9 million in 2021. The increase was largely attributable to the higher cost of third-party FFB purchases, due to the higher volume and price in FFB purchase compared to 2021. The FFB purchase from third-party amounted to USD 88.8 million in 2022, an increase by 28.8% from USD 68.9 million in 2021. The increase of cost of revenue was also attributable to higher expenses resulting from decline in FFB fair value of USD 8.2 million in line with a lower CPO price as of December 31, 2022 than the CPO price at the beginning of the year. The Company recorded an increase of upkeep cost by 20.7%, from USD 22.4 million to USD 27.1 million, mainly due to higher fertilizer cost as the impact of higher fertilizer price due to Russia-Ukraine war. Furthermore, the increase in diesel price also contributed on cost of revenue. We spent higher diesel cost totaling to USD 1.3 million in 2022.

In the sago business, our cost of sales increased by 35.1% to USD 7.4 million compared to USD 5.5 million in 2021. The increase was largely attributable to the higher sago processing cost, increase by USD 1.6 million from USD 3.7 million in last year. Meanwhile, our edamame business recorded an increase in cost of sales by 55.2%, from USD 2.5 million in 2021 to USD 3.8 million in 2022. The Company recorded a stable cost of revenue of USD 0.4 million in the service concession business.

Operating (Expense) Income and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 14.6 million, a decrease of 62.1% from USD 38.5 million in 2021 mainly due to lower selling expenses as a result of our decision in December 2021 to sell all of our CPO, PK and CPKO products to the domestic market thus avoiding the imposition of the export tax and levy. The Company recorded the selling expense of USD 0.6 million, a decrease of 97.0% from USD 20.0 million in 2021.

Our personnel expense decreased by 23.5%, from USD 12.3 million in 2021 to USD 9.4 million in 2022, mainly due to the lower performance bonus and the implementation of press release from the Indonesian Institute of Accountants relating to employee benefits obligation "Attributing Benefits to Periods of Service" in April 2022 which provides a lower accrual for employee benefits obligation in 2022 than the former estimates. General and administrative expenses decreased from USD 6.7 million in 2021 to USD 4.9 million in 2022, a decrease of 27.4%, largely due to lower professional fees in 2022.

Included in operating expenses in 2022 is a foreign exchange loss of USD 2.6 million, an increase from the foreign exchange loss of USD 0.4 million in 2021, due to a depreciation of the Rupiah against the US Dollar from IDR 14,269/USD 1 at the of 2021 to IDR 15,731/USD 1 at the end of 2022.

The Company recorded a dividend income of USD 0.6 million, an increase of 129.6% from USD 0.3 million in the last year. The Company also recorded USD 2.3 million as other income, an increase of 214.5% from USD 0.7 million in 2021, largely attributable to the higher income from kernel shell sales.

Our financial charges, which represent interest expenses on our loans, increased by 10.7% to USD 5.2 million in 2022 from interest expenses of USD 4.7 million in 2021 mainly due to additional interest expense recognition from our Southwest Papua estate which previously could be capitalized to the assets. As more of this estate becomes classified as mature, the lower the interest expense that can be capitalized.

Net Profit and Total Comprehensive Income

We posted a net income for the year of USD 21.2 million, a decrease of 42.2% from USD 36.6 million in 2021 following lower gross profit margin in 2022 due to higher cost of revenue as the impact of several factors, mainly due to: 1) loss on decline in fair value of biological assets of USD 8.2 million as a result of lower CPO price at end of 2022 than price at end of 2021, 2) higher production costs mainly from the higher fertilizer and diesel fuel prices totaling to USD 6.6 million, 3) higher depreciation expense of USD 3.3 million or 14.3% compared to last year in line with additions in matured area declaration and 4) a higher net loss from foreign exchange which increased from USD 0.4 million in 2021 to USD 2.6 million in 2022 as Indonesian Rupiah was depreciated against to US Dollar in 2022.

Other comprehensive income in 2022 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 2022 was depreciated by 10.2% against the US dollar. As a result, the Company reported USD 19.6 million loss on the translation of subsidiaries' financial statements in other comprehensive income, a 585.0% increase from loss on the translation of subsidiaries' financial statements of USD 3.0 million in 2021. The remaining in the other comprehensive income is gain on sale of investment in equity securities of USD 81.3 thousand and actuarial gain of USD 1.8 million. Total comprehensive income decreased from USD 33.9 million in 2021 to USD 6.1 million in 2022.

Consolidated Statements of Cash Flows

USD thousand except where stated	2022	2021*	Change (%)
Net cash provided by operating activities	59,995	82,800	(27.5%)
Net cash used in investing activities	(33,180)	(39,952)	(17.0%)
Net cash used in financing activities	(43,136)	(31,594)	36.5%
Net (decrease) increase in cash and cash equivalents	(16,321)	11,254	(245.0%)
Cash and cash equivalents at the beginning of the year	27,141	15,887	70.8%
Cash and cash equivalents at the end of the year	10,821	27,141	(60.1%)

* Restated due to the early adoption of Amendment of PSAK 16: "Fixed Assests - Proceeds before Intended Use".

Net cash provided by operating activities

USD 60.0 million in cash was provided by operating activities in 2022, a decrease from USD 82.8 million in 2021, mainly due to increase in payment to suppliers which is in line with the increase of FFB volume purchases from third parties and higher FFB prices. Cash received from customer increased by 0.8% from USD 271.1 million in 2021 to USD 273.1 million in 2022, in line with the increase in sales revenue.

Net cash used in investing activities

In 2022, a total of USD 33.2 million was used in investing activities mainly for acquisition of plantation assets and property, plant and equipment. Net cash used in investing activities in 2022 decreased from USD 40.0 million in 2021 mainly due to proceeds from sale of our investment in PT Agro Muko of USD 5.5 million and lower additions of bearer plants of USD 1.4 million from USD 18.9 million in 2021 to USD 17.5 million in 2022.

Net cash used in financing activities

Net cash used in financing activities was USD 43.1 million in 2022, an increase of 36.5% compared to the net cash used in financing activities of USD 31.6 million in 2021, mainly due to the repayment of long-term bank loans and payment of cash dividend in 2022.

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 2022 our gross margin decreased by 16.6 percentage points to 20.0%, from 36.6% in 2021, which was attributable to the loss recognition on decline in fair value of biological assets as a result of lower CPO price at end of 2022 than price at end of 2021, higher production costs mainly due to the higher fertilizer and diesel fuel prices and higher depreciation expense as a result of new matured area declaration.

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 25.8% in 2022 a decrease of 5.6 percentage points from 31.4% in 2021, primarily due to the higher production costs as discussed above.

Net Profit Margin

In 2022 our net profit margin was 7.9%, compared to 13.7% in 2021. This represented a net income of USD 21.2 million from a total revenue of USD 269.2 million, compared to a net income of USD 36.6 million from a total revenue of USD 267.4 million in 2021.

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 3.5% in 2022, compared to 5.7% 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 2022 was 5.0%, compared to 8.6% in 2021.

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 1.8 days in 2022, faster than our average receivables turnover in 2021 of 4.3 days. 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 2022, 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 2022 was 1.5x, slightly lower than 1.6x in 2021. This was attributable to the higher decrease in current assets than decrease in current liabilities. The decrease in current assets is mainly due to the decrease in cash and cash equivalents for repayment on our bank loans.

The Cash Ratio is calculated by dividing total cash and cash equivalents by total current liabilities. At the end of 2022, our cash and cash equivalents was 18.3% to the total current assets, compared to 34.9% in 2021, resulting our cash ratio was down to 0.3x in 2022, lower than cash ratio of 0.6x in 2021. Although our cash ratio in 2022 is lower than 0.5x, we believe that we have adequate capacity to meet our current liabilities because a significant portion of our current liabilities represents sales advances from our buyers.

The Debt-to-Equity Ratio reflects our ability to meet our total liabilities. The lower the ratio, the better our ability. In 2022, our total liabilities decreased by 18.6% to USD 178.5 million from USD 219.4 million in 2021, while our total equity decreased by 0.4% to USD 424.1 million from USD 425.9 million in 2021, driving a lower debt-to-equity ratio of 0.4x in 2022 compared to 0.5x in 2021. 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 2022 was 0.29x, compared to 0.33x in 2021, reflecting the decrease in bank loans.

Capital Structure and Capital Structure Policy

Capital Structure

USD thousand except where stated	2022	2021*	Change (%)
Debts			
Short-term bank loans	4,636	2,000	131.8%
Long-term bank loan – current maturities	4,600	12,745	(63.9%)
Long-term bank loan – net of current maturities	125,007	154,501	(19.1%)
Lease liabilities - current maturities	823	898	(8.4%)
Lease liabilities - net of current maturities	264	1,027	(74.3%)
Total debt	135,329	171,171	(20.9%)
Total cash and cash equivalent	10,821	27,141	(60.1%)
Net debt	124,509	144,030	(13.6%)
Equity attributable to the owners of Company	422,006	423,438	(0.3%)
Net debt to equity ratio	0.29	0.33	(12.1%)

* Restated due to the early adoption of Amendment of PSAK 16: "Fixed Assests - Proceeds before Intended Use".

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 2022, 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 Company'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, treasury stock, difference in value due to changes in equity of subsidiaries, other reserves and retained earnings) and debt. The Group is not required to meet any specific capital requirements.

We recorded USD 4.6 million in outstanding short-term bank loans as of December 31, 2022, comprising of USD 4.0 million from PT Bank OCBC NISP and USD 0.6 million from PT Bank UOB Indonesia.

Outstanding long-term bank loans, as of December 31, 2022, amounted to USD 129.6 million from the Company's subsidiaries in Southwest Papua (PPM and PMP), ANJA, ANJAS, KAL and SMM. A total of USD 120.4 million or 96.5% 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 424.1 million as of December 31, 2022.

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 0.29x as of December 31, 2022. However, to fulfill the financing requirements of our oil palm replanting 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 2022, the Group has applied the following 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, 2022:

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

Other than the above amendments, the Indonesian Financial Accounting Standards Board issued a press release "Attributing Benefits to Periods of Service" in April 2022. The Group changed the policy related to the attribution of pension compensation in the service period in accordance with the provisions in PSAK 24 for the general fact pattern of pension programs.

Moreover, the Group also early adopted Amendment to PSAK 16: "Fixed Assets – Proceeds before Intended Use", which requires that proceeds and cost of production from selling products while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management are recognized in profit or loss.

Amendment to PSAK 16 was applied retrospectively. Accordingly the comparative information as of and for the year ending December 31, 2021, as well as the comparative information as of January 1, 2021 (which was derived from financial statements as of December 31, 2020) have been restated.

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 2022

USD thousand except where stated	2022
Total dividend in USD	9,666,022
Net income in thousand USD *	36,587
Dividend per share	IDR 43
Dividend yield	4.3%
Dividend Payout Ratio	0.26
Declaration date	June 8, 2022
Payment date	July 8, 2022

* Restated due to early adopted PSAK 16: "Fixed Assets – Proceeds before Intended Use".

In the Annual General Shareholders' Meeting held on June 8, 2022, the shareholders of the Company approved the distribution of cash dividends of IDR 143,327.8 million or IDR 43 (full amount) per share (equivalent to USD 9,666,022 or USD 0.0029 per share) from the unappropriated retained earnings as of December 31, 2021 to the shareholders recorded on the shareholders register on 20 June 2022 (recording date). The dividend was paid to the shareholders on July 8, 2022.

Dividend Payment 2021

USD thousand except where stated	2021
Total dividend in USD	928,280
Net loss in thousand USD*	(1,189)
Dividend per share	IDR 4
Dividend yield	0.7%
Dividend Payout Ratio	N/A
Declaration date	June 9, 2021
Payment date	July 9, 2021

* Restated due to early adopted PSAK 16: "Fixed Assets – Proceeds before Intended Use".

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 July 9, 2021.

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 2022 but increased its investments in fixed assets and palm plantations.

Divestment

On March 23, 2022, PT Agro Muko repurchased all the shares owned by the Company at a price of USD 5.5 million. The difference between selling price and fair value is recognized as other comprehensive income and is not reclassified to the income statement.

Debt/Capital Restructuring

On June 5, 2022, ANJA and SMM retired 863,500 shares and 500 shares, respectively, from KAL. ANJA and SMM's direct ownership in ANJAS remains at 99.95% and 0.05%, respectively.

On December 6, 2022, ANJA subscribed and paid 203,500 shares to GSB. ANJA's direct ownership in GSB became 95.40%.

On December 6, 2022, SMM subscribed and paid 73,700 shares to ANJAP. SMM's direct ownership in ANJAP became 14.62%.

On December 6, 2022, ANJ and AJI HK Limited subscribed and paid 75,647 shares and 18,912 shares, respectively to GMIT. ANJ and AJI HK Limited's direct ownership in GMIT remains at 80% and 20%, respectively.

On December 7, 2022, ANJA subscribed and paid 196,212,000 shares to PPM. ANJA's direct ownership in PPM became 65%.

On December 7, 2022, ANJA subscribed and paid 237,074,000 shares to PMP. ANJA's direct ownership in PMP became 65%.

On December 7, 2022, the Company subscribed and paid 1,700,000 new shares in ANJB. The Company's direct ownership in ANJB remained at 99.99%.

Changes in Laws and Regulations

There were no change in the laws or regulations that materially affected the Company's business in 2022.

Material Facts about Related-Party Transactions

The Company has a Policy for Affiliated Transactions and Conflict of Interest Transaction, which requires any affiliated transactions to be submitted by the Board of Directors for review by the Audit Committee of the Company. The Audit Committee is required to provide a recommendation to the Board of Commissioners which is based on the recommendation. The Independent Commissioners may decide to approve the proposed affiliated transactions and the other Commissioners may decide to co-approve the proposed affiliated transaction. All of the affiliated transactions have been 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 has very few transactions with related parties; our related-party transactions entered in 2022 were within the ANJ Group. Our related-party transactions as of December 31, 2022 were as follows:

- 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, 2024. 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 600,000 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 1,200,000 per annum to SMM.
- Based on a management and technical services agreement dated August 24, 2022, ANJA charged management fees of USD 960,000 per annum or maximum IDR14.4 billion to KAL.

- The Company charged management fees to subsidiaries, based on a management services agreement, dated December 14, 2015, which was recently amended on March 17, 2022. The management service fee per annum for each subsidiary is as the following:

Subsidiary	Maximum Management Service Fee
ANJA, ANJAS	IDR 8,821.1 million
SMM	IDR 10,981.1 million
KAL	IDR 9,541.1 million
PPM	IDR 1,251.5 million
PMP	IDR 2,871.5 million
ANJAP	IDR 2,733.4 million
AANE	IDR 90 million
GMIT	IDR 582.9 million
ANJB	IDR 18 million

- ANJA entered into a loan agreement with KAL (borrower) on June 24, 2015, for which the most recent amendment was made on February 15, 2022. The current loan facility of USD 25 million equivalent, bears interest at an annual interest rate of 8.25% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + Credit Adjustment Spread (CAS) + 2.25% for borrowing in USD and is valid until December 31, 2022 and will be automatically extended for one year until the facility has been fully paid. As of December 31, 2022, the total outstanding loan was USD 1 million.
- ANJA entered into a loan agreement with SMM (borrower) on July 18, 2022, for USD 15 million which bears interest at an annual interest rate of Term Secured Overnight Financing Rate (SOFR) 1 month + Credit Adjustment Spread (CAS) + 2.25% and is valid until July 17, 2022. As of December 31, 2022, the total outstanding loan was nil.
- On May 19, 2022, ANJA entered into a loan agreement with ANJAS, as the borrower, for USD 15 million which bears interest at an annual interest rate of Term Secured Overnight Financing Rate (SOFR) 1 month + Credit Adjustment Spread (CAS) + 2.25%. This loan facility is valid until May 18, 2023. As of December 31, 2022, the total outstanding loan was nil.
- On August 28, 2020 and as recently amended on March 31, 2021, LSP entered into a loan agreement with PPM as the borrower for IDR 2.35 billion which bears interest at an annual interest rate of 8.25%. This loan facility is valid until August 27, 2023. As of December 31, 2022, the total outstanding loan was IDR 2.35 billion (equivalent to USD 0.15 million).
- On August 28, 2020, which recently amended on June 3, 2022, AANE entered into a loan agreement with PPM as the borrower for IDR 10 billion, which bears interest at an annual interest rate of 8.25%. This loan facility is valid until August 27, 2023. As of December 31, 2022, the total outstanding loan was IDR 6.25 billion (equivalent to USD 0.4 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, which bears interest at an annual interest rate of 8.25% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + Credit Adjustment Spread (CAS) + 2.25% for borrowing in USD. This loan facility is valid until October 27, 2023. As of December 31, 2022 the total outstanding loan was IDR 35.0 billion (equivalent to USD 2.2 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, which bears interest at an annual interest rate of 8.25% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month+ Credit Adjustment Spread (CAS) + 2,25%.for borrowing in USD. This loan facility is valid until October 27, 2023. As of December 31, 2022, the total outstanding loan was nil.
- On October 24, 2022, SMM entered into a loan agreement with ANJ, as the borrower, for USD 10 million, which bears interest at an annual interest rate of Term Secured Overnight Financing Rate (SOFR) 1 month + Credit Adjustment Spread (CAS) + 2,25%. This loan facility is valid until October 27, 2022. As of December 31, 2022, the total outstanding loan was USD 1.2 million.

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

In 2022, 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 2022

Our capital expenditure (capex) in 2022 amounted to USD 36.2 million. Of this, USD 35.2 million was used for developing our palm oil estates (PPM, PMP, ANJA, ANJAS, SMM, KAL, GSB); USD 0.7 million for developing our sago starch (ANJAP); and the remainder for developing our edamame business (GMIT). The capex was mainly financed by the cash flows generated from our operating activities.

Some of our capital expenditures are denominated in US Dollars or affected by the US Dollars exchange rate volatility. 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, in Rupiah, needed for operational expenses for three months.

We have made a number of material capital expenditure work plans for 2023 in support of our growth strategies for our core businesses, including:

- Completion of construction of infrastructures in PPM/PMP for road surfacing (laterite) and buildings to support the operation of 9,010 hectares of planted area;
- Expand the composting plant in ANJA with development and designs based on the experience that we obtained in ANJAS, SMM and KAL;
- Replanting of 1,010 hectares at our Belitung Island Plantation (SMM);
- Replanting of 773 hectares at our North Sumatra I Plantation (ANJA);
- Mitigation of extreme weather, including forest fire prevention infrastructure in KAL and flood prevention in ANJAS;
- Land compensation for targeted areas of 322 hectares and new planting of 500 hectares at our Empat Lawang plantation (GSB).

We anticipate a total capital expenditure of approximately USD 46.5 million in 2023. 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 Realization against Targets

	Target	Realization	% of Achivement
Palm oil production (metric tons)			
FFB production	926,027	840,581	90.8%
FFB purchase	503,873	538,483	106.9%
CPO production	302,451	275,769	91.2%
PK production	57,608	55,011	95.5%
PKO production	1,944	1,052	54.1%
Sago starch production (metric tons)	**14,427**	**2,708**	**18.8%**
Edamame production (metric tons)			
Fresh edamame production	1,878	1,670	88.9%
Frozen edamame production	1,355	731	53.9%
Frozen mukimame production	151	63	41.7%
Okra production	577	0	0.0%
Renewable energy production (kWh)	**9,401,200**	**9,899,429**	**105.3%**
CPO sales (metric tons)	**301,276**	**275,320**	**91.4%**
PK sales (metric tons)	**58,863**	**54,996**	**93.4%**
Revenue (million USD)	**241.4**	**269.2**	**111.5%**
Gross profit (million USD)	**63.9**	**53.9**	**84.3%**
Income before tax (million USD)	**34.9**	**34.5**	**98.9%**
Net profit for the year (million USD)	**21.9**	**21.2**	**96.6%**

Production

The Company produced 840,581 tons of FFB in 2022, a slight increase of 0.3% compared to 2021 and representing a total achievement of 90.8% compared to our target of 926,027 tons. The production realization in 2022 was mainly affected by replanting program in North Sumatera I and Belitung estates and extreme weather conditions that occurred in the North Sumatera II and Southwest Papua estates which caused flooding that disrupted FFB supply to the mill and affected harvesting in the plantation.

Our CPO production in 2022 was 275,769 tons, representing a total achievement of 91.2% compared to our target of 302,451 tons, meanwhile PK production in 2022 was 55,011 tons or an achievement of 95.5% compared to our target of 57,608 tons. This was mainly due to lower FFB production from the nucleus plantations and a lower extraction rate of CPO and PK compared to target.

Sago starch production in 2022 was only 18.8% compared to our full year target, due to lower extraction rates than 2021 caused by the machinery breakdown and labor constraints.

Our fresh edamame production in 2022 was 1,670 tons, representing a total achievement of 88.9% compared to our target of 1,878 tons, whereas frozen edamame and frozen mukimame products achieved 53.9% and 41.7% of our target, respectively. The realization was behind the target mainly due to significant pest and disease attacks which caused us to slow down the planting. Meanwhile, the Company did not produce Okra in 2022, as we focused on addressing pest and disease attacks on edamame plants.

Our renewable energy generated a higher electricity sale as we generated 9,899,429 kWh or a positive variance of 5.3% compared to our target of 9,401,200 kWh.

Sales and Revenues

The Company booked a total revenue of USD 269.2 million in 2022, representing an 11.5% higher than our target of USD 241.4 million, mainly due to a higher CPO ASP.

Profit

The Company posted a net income of USD 21.2 million in 2022, representing a total achievement of 96.6% of our target of USD 21.9 million. This was largely attributable to the higher ASP for CPO, PK and PKO in 2022, offset by higher input cost from fertilizer and fuel, adjustment on biological assets due to lower CPO price at the end of 2022 and the impact of depreciation of Indonesian Rupiah and the adoption of Amendment to PSAK 16: "Fixed Assets – Proceeds before Intended Use".

2023 Company Targets

	2022	2023	Change (%)
	Actual	Target	
Palm oil production (metric tons)			
FFB production	840,581	917,017	9.1%
FFB purchase	538,483	568,492	5.6%
CPO production	275,769	310,657	12.7%
PK production	55,011	62,757	14.1%
PKO production	1,052	1,768	68.1%
Sago starch production (metric tons)	**2,708**	**3,970**	**46.6%**
Edamame production (metric tons)			
Fresh edamame production	1,670	2,040	22.2%
Frozen edamame production	731	2,747	275.9%
Frozen mukimame production	63	94	49.1%
Renewable energy (kWh)	**9,899,429**	**9,113,211**	**(7.9%)**

As most of the Company's revenue is contributed by the palm oil business segment, our revenue is very dependent on CPO and PK price and sales volume. For 2023, the Company has set targets for FFB production of 917,017 tons, 9.1% higher than 2022 realization of 840,581 tons, while CPO production is expected to grow 12.7% to 310,657 tons, compared to 275,769 tons production realization in 2022. In line with FFB and CPO production targets, the Company has also set the target for PK and PKO to grow 14,1% and 68,1% respectively, in 2023.

For the non-palm oil segment, the Company aims for a significant improvement in frozen edamame production a growing demand from the export market and higher planting are expected in the upcoming year. We set the target for frozen edamame production to grow 275.9% compared to realization in 2022, while fresh edamame production is expected to grow 22.2% to 2,040 tons and frozen mukimame increase of 49.1% in 2023. Our sago segment is projected to grow 46.6% with total production of 3,970 tons in 2023.

Subsequent Events

In February 2023, the Company, sold all treasury shares which were held by the Company amounting to 20,970,912 shares.

Other Information

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 ("SK01") which revokes a number of forestry concession licenses, including those under the Approval for Relinquishment of Forestry Area (Persetujuan Pelepasan Kawasan Hutan). SK01, however, calls for a decree to be issued by three Director Generals under the MOEF for an "official" revocation of forestry concession licenses. One of the concessions in Southwest Papua, under the land cultivation right (Hak Guna Usaha, "HGU") which are legally owned directly by the Company was included in the list of concessions permits which were revoked by SK01. On 12 April 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 Indonesian Palm Oil Association regarding the status of HGU under SK01 ("HT 01 Letter"). HT 01 Letter confirms that the HGU of the Company remains valid but at "status quo" until data verification and spatial analysis process have been completed and a decree by the Task Force for Land Use and Investment Affairs is issued. As of the issuance date of this Annual Report, the Company is yet to receive a decision from the Task Force for Land Use and Investment Affairs regarding the status of the Company's HGU.

Going Concern Information

There is still significant potential for the Company to develop its core business of palm oil, especially on our South Sumatra landbank. Our landbanks in North Sumatra, Bangka Belitung, West Kalimantan, South Sumatra and Southwest 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 company 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**

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 Law No. 40/2007 on Limited Liability Companies ("Company Law");
2. Regulations and circular letters issued by OJK;
3. The Articles of Association of the Company;
4. The ASEAN Corporate Governance Scorecard;and
5. The Good Corporate Governance Guidelines issued by the National Governance Policy Committee (KNKG).

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 goals of the GCG implementation assessment are to determine the extent to which GCG practices are being applied and to receive feedback that can be used to improve future performance. The Company evaluates the quality of GCG implementation annually, both individually (self-assessment) and in partnership with third parties, to obtain independent results.

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, the Board of Directors, the Board Committees and the Internal Audit Unit.

To the extent permitted by applicable laws and regulations, 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 the third party to obtain an independent assessment. The assessment are as follows:

A. Self Assessment

Every year, a self-assessment is conducted under the provisions of OJK Regulation No. 21/POJK.04/2015 and OJK Circular Letter No. 32/SEOJK.04/2015 concerning Governance Guidelines for Listed Companies. The Company also conducts an annual self-assessment against the ASEAN Corporate Governance Scorecard criteria. This assesses the application of Good Corporate Governance principles within the Company which includes transparency, accountability, responsibility, independency and fairness in the operational activities of the Company.

Assessment Procedure

The Company perform a comprehensive and structured self-assessment consists of 3 (three) aspects of governance, including:

1. Governance Structure
   The assessment of the governance structure aims for a comprehensive evaluation of the adequacy of the Company's governance structure and infrastructure to ensure outcomes that meet the expectations of stakeholders.

2. Governance Process
   The primary objective of the governance process assessment is to measure the effectiveness of the ongoing governance principles implementation. The adequacy of the Company's governance structure and infrastructure when supported by a good governance process is expected to help the Company achieve results that meet stakeholder expectations.

3. Governance Outcome
   The Company assesses governance results to determine the quality of the Company's outcome. This includes both qualitative and quantitative factors. In addition, the evaluation ensures the governance structure and process have been properly executed resulted to a proper GCG implementation.

Assessment Criteria

There are 10 (ten) governance assessment factors for self-assessment including:

1. Implementation of the duties and responsibilities of the Board of Commissioners.
2. Implementation of the duties and responsibilities of the Board of Directors.
3. Execution and completion of Committee duties.
4. Implementation of internal audit functions.
5. Implementation of external audit functions.
6. Implementation of risk management including internal control system.
7. Provision of funds for related parties and large exposures.
8. Management of conflicts of interest.
9. Transparency, GCG implementation report and internal reporting.
10. The Company's strategic plan.

Parties Conducting the Assessment

The self-assessment involves the Board of Commissioners, the Board of Directors and Executive Officers of the Company, resulting in a comprehensive and well-structured evaluation of the effectiveness and quality of the Company's Governance systems and outcomes.

Assessment Results

OJK Governance Guidelines for Listed Companies: the Company has fulfilled almost all the recommendations, as shown in the matrix on page 191-193 of this Report.

B. External Assessment

1. 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 the financial year of 2017 until 2021.

Assessment Procedure

The assessment is conducted based on a review of publicly available and accessible information in English and Indonesian published by the Company, including Annual Report, website and any announcements or reports of the Company to OJK and IDX. The assessment methodology consists of 2 (two) levels:

1. Level 1: minimum standard items that are expected to be implemented in each ASEAN member countries, including prevailing laws and regulations and OECD principles.
2. Level 2: bonus items reflecting practices beyond minimum standard expectations and penalty items reflecting poor governance practices.

Assessment Criteria

The first level consist 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 consist of bonus items, reflecting practices beyond minimum standard expectations and penalty items reflecting of poor governance practices.

Parties Conducting the Assessment

The ASEAN Corporate Governance Scorecard of the Company is assessed by the Indonesian Institute for Corporate Directorship (IICD).

Assessment Results

The result for the financial year of 2021 is 99.74, an increase from 87.57 of the previous year. This result was verified by the IICD at the Company's request. With this score, it puts ANJ in level four (out of five) which means that ANJ has fully adopted international standards in corporate governance. The Company has also made public the ASEAN Corporate Governance Scorecard's assessment report on the website of the Company.

2. Environment, Social and Governance (ESG) Rating

The term ESG refers to how companies address certain fundamental societal values. It is used mainly, but not exclusively, in capital markets to describe and assess corporate behavior in three core areas: environmental record, social engagement and governance practices. An ESG rating and the data used to calculate it provide investors and executives with a method of evaluating a company's track record. The information is also used by investors to assess a firm's risk exposures as well as its possible future financial performance. As ESG has gained traction among investors, companies increasingly integrate this kind of thinking into their strategic planning, reporting and communications choices and leverage ESG performance as a way of tapping into new markets.

The ESG Risk Ratings measure the degree to which a company's economic value is at risk, driven by ESG factors or, more technically speaking, the magnitude of a company's unmanaged ESG risks. A company's ESG Rating is comprised of a quantitative score and a risk category. The quantitative score represents units of unmanaged ESG risk with lower scores representing less unmanaged risk. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Based on their quantitative scores, companies are grouped into one of five risk categories (negligible, low, medium, high, severe).

Assessment Procedure

The assessment is conducted based on a review of publicly available and accessible information in English and Indonesian published by the Company, including the Annual Report, the website of the Company or website of IDX and any announcements or reports of the Company to OJK and IDX. The Company also may provide comments or feedback on the initial assessment given by ESG rating agency for further preparation of the final report. The ESG Ratings are composed of three building blocks that contribute to a company's overall rating. These building blocks include corporate governance, material ESG issues (MEIs) and idiosyncratic ESG issues.

Assessment Criteria

The ESG rating indicators are as follows:

- Corporate Governance: Board/management quality and integrity; shareholder rights; remuneration; financial reporting; and stakeholder governance;
- Access to Basic Services: Health care services, products to disadvantaged communities or groups;
- Bribery and Corruption: Alleged or actual illicit payments or receipt of such payments;
- Business Ethics: Accounting, taxation, IP, anti-competitive practices; potential human rights violations;
- Community Relations: Community involvement, development and measures to reduce negative impacts on local communities;
- Data Privacy and Security: Data governance; ensuring safe and secure use and maintenance of customers' personally identifiable data;
- Emissions, Effluents and Waste: Emissions and releases from a company's own operations, excluding GHG emissions;
- Carbon – Own Operations: Operational energy use and GHG emissions (scope 1 and 2); parts of Scope 3 emissions, for example, transport and logistics;
- Carbon – Products and Services: Energy efficiency and GHG emissions of services and products during the use phase, excluding carbon risks related to financial services;
- Impact of Products and Services: Environmental or social impacts of products or service;
- Human Rights: Human rights within their own operations; protecting rights; policies on child and forced labor;
- Human Rights – Supply Chain: Human rights in the supply chain, including the handling of conflict minerals, either directly or within subindustries;
- Human Capital: Certain core HR and labor relations practices;
- Land Use and Biodiversity: Impact of operations on land, ecosystems and wildlife;
- Land Use and Biodiversity – Supply Chain: Impact of suppliers' operations on land, ecosystems and wildlife;
- Occupational Health and Safety: Management of workplace hazards; may include HIV/AIDS programs;
- ESG Integration – Financials: ESG integration by financial institutions driven by downside risk considerations or business opportunity;
- Product Governance: Responsibilities *vis-à-vis* clients (quality and/or safety of products and services);
- Resilience: Financial stability and the management of related risks in the financial services industry;
- Resource Use: Risk management of raw material inputs (excluding energy and petroleum-based products); use of recycling/circular economy programs;
- Resource Use – Supply Chain: Risks related to water scarcity and raw material inputs.

Parties Conducting the Assessment

The assessment for ESG rating is conducted by Sustainalytics, a leading global ESG rating firm.

Assessment Results

The Company was assessed by Sustainalytics and has a Low Risk Rating score of 18.3. With this achievement, the Company was ranked in first 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.

CORPORATE GOVERNANCE STRUCTURE

ANJ's corporate governance structure consists of three mutually independent bodies, in accordance with Company Law:

- 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 the four Committees (Audit, Risk Management, Nomination and Remuneration and 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 (www.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. The 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. The 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. The opportunity to raise questions in the GMS;
6. The opportunity to vote on any proposed decision in the GMS; and
7. Receive equal treatment from ANJ.

Shareholders also have additional authority, as follows:

1. Appoint and dismiss members of the Board of Commissioners and the Board of Directors;
2. Evaluate the performance of Board of Commissioners and Board of Directors;
3. Approve the amendments of the Company's Articles of Association;
4. Approve the Annual Report and Sustainability Report;
5. Approve the remuneration of the Board of Commissioners and the Board of Directors;
6. Approve the proposed allocations of the use of the Company's profits including dividend payments; and
7. Approve the acquisition, merger or material transaction of the Company (if any).

The Company does not have a series or class of shares. The Company only has one classification of shares. The Company also does not have (i) agreement between shareholders, (ii) voting stamps, (iii) multiple voting rights, (iv) other agreements that allow certain shareholders to have voting rights over their ownership in the Company.

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 implementation of the AGMS in 2022 of the Company:

GMS in 2022

The Company held its AGMS on June 8, 2022. The AGMS was held at the 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 on June 8, 2022 were as follows:

No	Action	Date	Medium
1.	Notified OJK of the plan to hold the AGMS, with the agenda.	April 18, 2022	IDX website and the Company website
2.	Notified shareholders of the planned AGMS.	April 25, 2022	IDX website, KSEI website and the Company website
3.	Published the notice to shareholders to attend the AGMS, with the detailed agenda.	May 10, 2022	IDX website, KSEI website and the Company website
4.	Held the AGMS.	June 8, 2022	Menara BTPN 40th Floor, Jakarta
5.	Published the summary of the AGMS.	June 9, 2022	IDX website, KSEI website and the Company website
6.	Published the minutes of meeting of the AGMS.	June 24, 2022	IDX website and the Company website

The 2022 AGMS was attended by shareholders and/or their proxies representing 3,230,144,455 shares or 97.01% 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 decisions are 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, 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 shareholder's 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 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 the AGMS of the Company in 2022, namely: (i) Notary 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 2022 and 2021 and their implementation status. There is no resolution of the Company's GMS for 2022 and 2021 that has not been realized by the Company.

Summary of the resolutions of the 2022 AGMS held on June 8, 2022:

	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, 2021, 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, 2021 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, 2021.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the first meeting agenda.		
The Results of the Voting	Agree	3,228,558,855	99.95%
	Disagree	11,700	0.0003%
	Abstain	1,573.900	0.048%
The Resolution of the First Agenda	To approve and ratify the Annual Report of the Company for the year ending on December 31, 2021, 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, 2021, 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, 2021, 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, 2021 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, 2021 were delivered on March 17, 2022 and the annual report for the year ending December 31, 2021 was delivered on May 6, 2022, 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, 2021.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the second meeting agenda.		
The Results of the Voting	Agree	3,228,558,855	99.95%
	Disagree	-	-
	Abstain	1,585,600	0.05%
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, 2021, as follows: a. The Company will distribute cash dividends of Rp43 (forty three 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 June 20, 2022, which is the date to determine the shareholders who are entitled to the cash dividend (cum dividend). 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 8, 2022.		

<table>
<tr><th colspan="4">THE THIRD AGENDA</th></tr>
<tr><td>Agenda</td><td colspan="3">Appointment of an Independent Public Accountant and Public Accounting Firm to carry out audit on the Company for the financial year of 2022 and to approve the honorarium of the Independent Public Accountant and Public Accounting firm so appointed.</td></tr>
<tr><td>Number of Shareholders Who Raised Queries and/or Opinions</td><td colspan="3">There was no question on the third meeting agenda.</td></tr>
<tr><td rowspan="3">The Results of the Voting</td><td>Agree</td><td>3,228,558,855</td><td>99.95%</td></tr>
<tr><td>Disagree</td><td>-</td><td>-</td></tr>
<tr><td>Abstain</td><td>1,585,600</td><td>0.05%</td></tr>
<tr><td>The Resolution of the Third Agenda</td><td colspan="3">1. To approve the appointment of KAP (Public Accountant Office) Siddharta Widjaja & Rekan and Mr. Susanto, S.E, CPA as the Public Accountant from KAP Siddharta Widjaja & Rekan to carry out the audit of the Company for the financial year of 2022.
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.</td></tr>
<tr><td>Implementation Status</td><td colspan="3">Completed.</td></tr>
<tr><th colspan="4">THE FOURTH AGENDA</th></tr>
<tr><td>Agenda</td><td colspan="3">Approval of change and/or reappointment of the members of 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 fourth meeting agenda.</td></tr>
<tr><td rowspan="3">The Results of the Voting</td><td>Agree</td><td>3,228,558,855</td><td>99.95%</td></tr>
<tr><td>Disagree</td><td>-</td><td>-</td></tr>
<tr><td>Abstain</td><td>1,585,600</td><td>0.05%</td></tr>
<tr><td>The Resolution of the Fourth Agenda</td><td colspan="3">1. To approve and reappoint of Mr. Naga Waskita as a Director of the Company effectively as of the closing of this Meeting.
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 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</td></tr>
</table>

	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 Commisioner, Mrs. Istini Tatiek Siddharta as a Commissioner, Mr. Lucas Kurniawan as the President Director, Mr. Geetha Govindan K. Gopalakrishnan as the Vice President Director, Mr. Aloysius D'Cruz as a Director 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 2027. 3. 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. Naga Waskita 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 2022.
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fifth meeting agenda.
The Results of the Voting	Agree 3,228,558,855 99.95% Disagree - - Abstain 1,585,600 0.05%
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 Board of Commissioners of the Company for the financial year of 2022 is the same amount with the previous financial year and/or with a maximum increase of 20% from the previous financial year.
Implementation Status	Completed.

The Board of Directors who attended physically the AGMS on June 8, 2022 was as follows:

- President Director : Lucas Kurniawan
- Vice President Director : Geetha Govindan K. Gopalakrishnan
- Director : Naga Waskita
- Director : Aloysius D'Cruz

The Board of Commissioners who attended physically the AGMS on June 8, 2022 was as follows:

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

The other members of the Board of Commissioners and the Board of Directors attending the AGMS on June 8, 2022 with the electronic facility were as follows:

- Commissioner : Istama Tatang Siddharta
- Commissioner : Istini Tatiek Siddharta
- Director : Nopri Pitoy

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 the 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 Rp4 (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.		

<table>
<tr><th colspan="4">THE THIRD AGENDA</th></tr>
<tr><td>Agenda</td><td colspan="3">Appointment of an independent public accountant to carry out an audit on the Company for the financial year of 2021 and to approve the honorarium of the public accountant so appointed.</td></tr>
<tr><td>Number of Shareholders Who Raised Queries and/or Opinions</td><td colspan="3">There was no question on the third meeting agenda.</td></tr>
<tr><td rowspan="3">The Results of the Voting</td><td>Agree</td><td>3,231,989,251</td><td>100%</td></tr>
<tr><td>Disagree</td><td>-</td><td>-</td></tr>
<tr><td>Abstain</td><td>-</td><td>-</td></tr>
<tr><td>The Resolution of the Third Agenda</td><td colspan="3">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.</td></tr>
<tr><td>Implementation Status</td><td colspan="3">Completed.</td></tr>
<tr><th colspan="4">THE FOURTH AGENDA</th></tr>
<tr><td>Agenda</td><td colspan="3">Approval of change and/or reappointment of the members of the Board of Commissioners and 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 fourth meeting agenda.</td></tr>
<tr><td rowspan="3">The Results of the Voting</td><td>Agree</td><td>3,071,243,951</td><td>95.0264%</td></tr>
<tr><td>Disagree</td><td>-</td><td>-</td></tr>
<tr><td>Abstain</td><td>160,745,300</td><td>4.9735%</td></tr>
<tr><td>The Resolution of the Fourth Agenda</td><td colspan="3">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</td></tr>
</table>

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

The other members of the Board of Commissioners and the Board of Directors attending the AGMS on June 9, 2021 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 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 (Independent) : Adrianto Machribie
- Commissioner : George Santosa Tahija
- Commissioner : Sjakon George Tahija

The other members of the Board of Commissioners and the Board of Directors attending the EGMS on June 9, 2021 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 of 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">

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.
To approve the appointment of Mrs. Istini Tatiek Siddharta as a Commissioner of the Company effectively as of the closing of the Meeting.
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.
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.
To approve the appointment of Mr. Aloysius D'Cruz as a Director of the Company effectively as of the closing of the Meeting.
To approve the appointment of Ms. Nopri Pitoy as a Director of the Company effectively as of the closing of the Meeting.
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 Kunnath 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 Commisioner, 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.
</td></tr>
</table>

	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.		
Implementation Status	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.		
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 and the Board of Directors attending the EGMS on November 2, 2021 with the electronic facility were as follows:

- Commissioner : Istama T. Siddharta
- 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 has the following main duties:

a. To coordinate and ensure that the activities and/or duties and responsibilities of the Board of Commissioners have been carried out in accordance with procedures.
b. To provide proposals for the agenda of the meeting and request a meeting of the Board of Commissioners to be held, if necessary.
c. To lead and chair the meeting of the Board of Commissioners and the GMS.
d. To submit a supervisory report in order to obtain an approval at the Annual GMS on the implementation of the duties and supervision of the Board of Commissioners.
e. To ensure the effectiveness of the implementation of the Board of Commissioners' meetings.
f. To ensure the Board of Commissioners carries out its conducts in accordance with the Board of Commissioners Charter.
g. To lead efforts to fulfill the development of the Board of Commissioners.
h. To perform other duties and responsibilities as determined by the Board of Commissioners from time to time.
i. To conduct a final evaluation of the performance either individually or collectively of the members of the Board of Commissioners and Committees under the Board of Commissioners.

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.anj-group.com.

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 is valid 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 selecting 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. A proposal for the appointment, reappointment or replacement of a member of the Board of Commissioners shall observe the recommendations of the Nomination and Remuneration Committee.
b. The identification and selection of candidates for members of the Board of Commissioners can be carried out from the internal of the Company or external candidates who meet the requirements. If necessary, the Nomination and Remuneration Committee of the Company can use the services of an independent and reputable search firm in the process of selection of the members of the Board of Commissioners.
c. The candidates for members of the Board of Commissioners may also be proposed by 1 (one) shareholder or more representing at least 10% (ten percent) of the total shares with valid voting rights, unless otherwise stipulated by the prevailing laws and regulations.
d. The selection of candidates for members of the Board of Commissioners is carried out by the Nomination and Remuneration Committee. Candidates who meet the requirements are recommended to the Board of Commissioners of the Company to be submitted for approval by the shareholders at the General Meeting of Shareholders.
e. The curriculum vitae of prospective members of the Board of Commissioners who will be appointed must be available on the Company's website for a period of at the latest from the time of the notice of the General Meeting of Shareholders until the holding of the General Meeting of Shareholders.

Independent Commissioners

Number of Independent Commissioners

Three of the Company's eight Commissioners in 2022, 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 six 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. No new Commissioner were appointed in 2022, thus no orientations were held.

Composition of the Board of Commissioners

The current Board members were confirmed pursuant to Notarial Deed No. 52 dated June 8, 2022. 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.01.09-0022363 dated June 16, 2022.

The composition of the Board of Commissioners as of December 31, 2022, 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 58-65 of this Annual Report.

Shareholding of the Board of Commissioners

1. Each member of the Board of Commissioners shall report to the Corporate Secretary of the Company for the ownership and any change (additions or reductions) in ownership of the Company's shares at the latest 3 (three) working days after the change in ownership of the Company's shares in order to be reported to the OJK and the IDX. A shorter or longer period of time may apply if required by the applicable laws and regulations.
2. The provisions above do not apply to the Company's Independent Commissioners who are prohibited from having shares in the Company. The Independent Commissioner is also not entitled to obtain stock options from 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 2022.

Policy on Loans to the Board of Commissioners

The Board of Commissioners and their families can not ask for a loan facility from the Company.

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. The Company will require the quorum and the decisions taking to become two thirds for the Board decision in future.

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, 2022, the Board of Commissioners held seven meetings and four other meetings which were held jointly with the Board of Directors.

Board of Commissioners' Meetings in 2022

Name	Position	1 Jan 11, 2022	2 Feb 9, 2022	3 Apr 13, 2022	4 May 18, 2022	5 Aug 10, 2022	6 Sep 21, 2022	7 Nov 23, 2022	No. of Meetings	Number Attended	Attendance Percentage
Adrianto Machribie	President Commissioner (Independent)	✓	✓	✓	✓	✓	✓	✓	7	7	100%
George Santosa Tahija	Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Sjakon George Tahija	Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Anastasius Wahyuhadi	Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Istama Tatang Siddharta	Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%
J. Kristiadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Darwin Cyril Noerhadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Istini Tatiek Siddharta	Commissioner	✓	✓	✓	✓	✓	✓	✓	7	7	100%

BOC Meeting Agendas 2022

Date	Agenda
January 11, 2022	Forestry Concession Areas.
February 9, 2022	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 13, 2022	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 18, 2022	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, 2022	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 21, 2022	Regulatory Update on Indonesia Carbon Trading.
November 23, 2022	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 2022 are provided on page 96 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 155 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, licensing and permits and environment, health and safety. 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 of 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 Board 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.anj-group.com

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 is valid until the fifth AGMS following his or her appointment and afterwards, he/she 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 who during his/her term:
            1) Does not held 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. A proposal for the appointment, reappointment or replacement of a member of the Board of Directors shall observe the recommendations of the Nomination and Remuneration Committee.
b. The Nomination and Remuneration Committee also identifies the quality of the Board of Directors that is in line with the vision, mission and program strategy of the Company.
c. The identification and selection of candidates for members of the Board of Directors can be carried out internally or external candidates who meet the requirements. The Company may also use the services of an independent and reputable recruitment firm in the process of selection of the members of the Board of Directors.
d. The candidates for members of the Board of Directors may also be proposed by 1 (one) shareholder or more representing at least 10% (ten percent) of the total shares with valid voting rights, unless otherwise stipulated by the prevailing laws and regulations.
e. The selection of candidates for members of the Board of Directors is carried out by the Nomination and Remuneration Committee. Candidates who meet the requirements are recommended to the Board of Directors of the Company to be submitted for approval by the shareholders at the General Meeting of Shareholders.
f. The curriculum vitae of prospective members of the Board of Directors who will be appointed must be available on the Company's website for a period of at the latest from the time of the notice of the General Meeting of Shareholders until the holding of 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. No new Director was appointed in 2022, thus no orientations were held.

Composition of the Board of Directors

The legal basis for the appointment of the current Board, shown below, is Notarial Deed No. 52 dated June 8, 2022. 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.01.09-0022363 dated June 16, 2022.

Board of Directors as of December 31, 2022

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 2022	AGMS 2027
Aloysius D'Cruz	Director	AGMS 2021	AGMS 2026
Nopri Pitoy	Director	AGMS 2021	AGMS 2026

Shareholding of the Board of Directors

1. Each member of the Board of Directors shall report to the Corporate Secretary of the Company for the ownership and any change (additions or reductions) in ownership of the Company's shares at the latest 3 (three) working days after the change in ownership of the Company's shares in order to be reported to the OJK and the IDX. A shorter or longer period of time may apply if required by the applicable laws and regulations.

2. The Company's share ownership by the members of the Board of Directors is aimed as a long-term investment. The member of the the Board of Directors of the Company are bound by the policy regarding stock trading, as regulated in the Company's Code of Ethics.

There are no changes in ownership of the Board of Directors of the Company and share transactions made by the Company's Board of Directors in 2022.

Policy on Loans to the Board of Directors

The Board of Directors and their families can not ask for a loan facility from the Company. However, the Company may provide a loan facility to the Board of Directors at its sole discretion. The loan must be conducted at arm's length basis and at market rates.

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. The Company will require the quorum and the decisions taking to become two third for the Board decision in future. Each Board members 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 2022:

- Meeting A: Combined meetings with the Board of Commissioners, at least once every three months. Four of these meetings were held in 2022.
- 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 2022 there were a total of 22 Board of Directors' meetings.

Meeting A in 2022

Name	Position	1 Feb 9, 2022	2 May 18, 2022	3 Aug 10, 2022	4 Nov 23, 2022	No. of Meetings	Number Attended	Attendance Percentage
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	✓	✓	✓	✓	4	4	100%
Nopri Pitoy	Director	✓	✓	✓	✓	4	4	100%

Joint Board Meeting Agendas 2022

Date	Agenda
February 9, 2022	• Significant Events and Highlights of 2021. • Financial Highlight 2021. • Summary of Responsible Development Project 2021. • Critical Factors and Challenges for 2022.
May 18, 2022	• FFB and CPO Production – Actual and Forecast. • Supply Chain and Commercial Risk Update. • Digital Transformation. • Executive Summary of Operation and Financial Highlights.
August 10, 2022	• Land Issue. • Strategic Meeting 2022. • Executive Summary of Operation and Financial Highlights.
November 23, 2022	• Summary Budget Proposal for the Year 2023. • Sago Project – Business Scenario. • Approval for Budget Proposal Year 2023.

Meeting B in 2022

Name	Position	Number of Meetings	Total Attended	% Attended
Lucas Kurniawan	President Director	22	19	86%
Geetha Govindan	Vice President Director	22	21	95%
Naga Waskita	Director	22	18	82%
Aloysius D'Cruz	Director	22	18	82%
Nopri Pitoy	Director	22	20	91%

Competency Development of the Board of Directors

Details of the training and competency development for the Board of Directors in 2022 are provided in the Company Profile section of this Annual Report page 96-97.

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 is 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. The members of the Board of Commissioners who have expertise or work experience or education in the fields of global economy or business or financial industry;
    b. The members of the Board of Commissioners who have expertise or work experience or education in the fields of the business of the Company; and
    c. The members of the Board of Commissioners 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, shall have at least:
    a. The members of the Board of Directors who have expertise or work experience or education in the fields of management, global economy or business or financial industry;

b. The members of the Board of Directors who have expertise or work experience or education in the fields of the business of the Company;
c. The members of the Board of Directors who have expertise or work experience or education in the fields of accounting and finance; and
d. The members of the Board of Directors 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 for 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 age ranging from 60 to 81 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 the Board of Commissioners is in a fairly productive age ranging from 60-81 years old.
Gender	There is 1 (one) female Director.

PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS AND THE 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 performances 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 2022, 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.

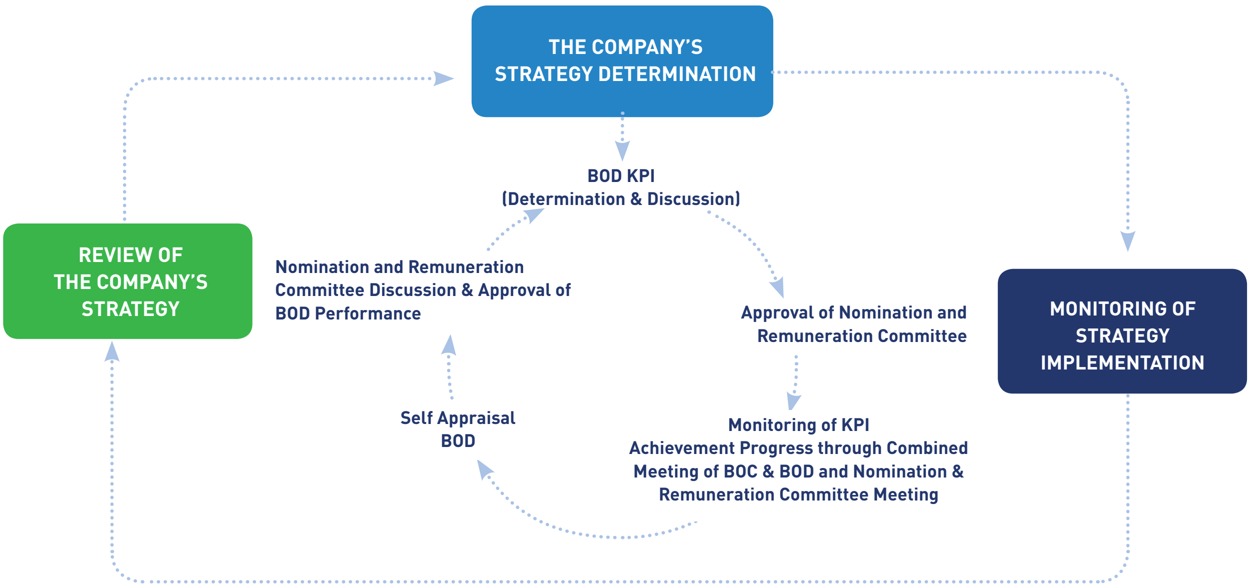
The final evaluation will be presented to the Nomination and Remuneration Committee in the Board of Commissioners meeting. The President Commissioner provides feedbacks or improvements on the assessment of the Board of Commissioners, if deemed necessary.

The assessment criteria shall 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 control;
f. Review of President Director and top management;
g. Standard of Conducts.

Performance Assessment Criteria for the 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 the 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 his/her 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 of 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:

- Effectiveness of the Board of Directors' role
- Effectiveness in the strategy and management implementation
- Implementation of good corporate governance and sustainability principles
- Effectiveness of risk management and internal control implementation
- Achievement of KPI

REMUNERATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

Remuneration Policy

The Company is committed to implementing a competitive, fair, risk-based remuneration system based on standard practices 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 (peer group) and the Company's capabilities.

The Company implements remuneration policies which cover all levels of organization of the Company, including the Board of Commissioners, the Board of Directors and the employees, comprising of both mandatory components and additional benefits, in accordance with the prevailing laws and regulations.

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

Risk-Based Remuneration Policy

The Company implements remuneration strategy that includes reviews of a remuneration policies based on performance, risk and empowerment. The Company executed the policy and procedure of implementing an employee benefit program as a part of its remuneration strategy. The main types of risk outlined in the remuneration policy were adjusted in line with the Company's annual risk profile that takes into consideration market conditions, industry developments, business performance and the financial capacity of the Company. As a result, the main risk profile has an impact on the implementation of variable remuneration.

Performance evaluation is based on Key Performance Indicators (KPI), which are based on the Company's objectives and strategies and take into consideration risk, compliance and good corporate governance. In accordance with this, the Company conducts periodic evaluations and reviews as determined by the business needs and developments in the peer industry.

Review on the Implementation of the Remuneration Policy

The Company conducts regular reviews of the remuneration system and employee welfare. To ensure fair remuneration for all employees, including those in the control unit, the Company conducts performance evaluations and remuneration reviews through the Nomination and Remuneration Committee. The reviews take into account the following:

1. The Company's performance and financial condition;
2. Peer remuneration practices (market competitiveness);
3. Eligibility and suitability of the position;
4. Internal equity;
5. Risk level attached to the position;
6. The Company's long-term strategy.

Remuneration of the Board of Commissioners

Procedure for Determining the Remuneration of the Board of Commissioners

The procedures for determining the remuneration of the Board of Commissioners are as follows:

1. The Nomination and Remuneration Committee reviewed the amount and structure of the compensation received by the Board of Commissioners in the current year;
2. The Nomination and Remuneration Committee conducts discussions regarding the Board of Commissioners' remuneration after taking into account information on the range and remuneration standards in similar industries (peers group) and the Company's capabilities;
3. 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;
4. The Nomination and Remuneration Committee provides recommendations for further discussions at Board of Commissioners' meetings;
5. The Board of Commissioners studies the recommendations of the Nomination and Remuneration Committee and proposes to the GMS; and
6. The GMS determines the remuneration for the Board of Commissioners, to be further implemented by the Board of Directors.

Basis for Determining the Remuneration Amount of the Board of Commissioners

The Company determines the structure, policies and amount of remuneration for each member of the Board of Commissioners after taking into account their duties, performance and responsibilities. In addition, 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, as well as the Company's capabilities.

Remuneration Structure of the Board of Commissioners

The Board of Commissioners' remuneration structure consists of:

1. A fixed monthly honorarium;
2. An annual bonus depending on the performance of the Company and subject to the maximum limit as approved in the AGMS.

There are 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.

Remuneration Amount of the Board of Commissioners

The amount of remuneration received by the members of the Board of Commissioners of the Company in 2022 is amounted to USD 874,103.

Remuneration of the Board of Directors

Procedure for Determining the Remuneration of the Board of Directors

The procedures for determining the remuneration of the Board of Directors:

1. The Nomination and Remuneration Committee reviewed the amount and structure of the compensation received by the Board of Directors in the current year;
2. The Nomination and Remuneration Committee conducts discussions regarding the Board of Directors' remuneration after taking into account information about the remuneration standards in similar industries (peer group), the Company's performance, each director's performance and risk involved in achieving the predetermined KPI, as well as the Company's capabilities;

3. 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;
4. The Nomination and Remuneration Committee provides recommendations for further discussion at the Board of Commissioners' meetings;
5. The Board of Commissioners studies the recommendations of the Nomination and Remuneration Committee and proposes to the GMS; and
6. The GMS determines the remuneration of the Board of Directors by granting authority to the Board of Commissioners to determine the remuneration of the Board of Directors after taking into account the Nomination and Remuneration Committee's recommendations, to be further implemented by the Board of Directors.

Basis for Determining the Remuneration Amount of the Board of Directors

The Company determines the structure, policies and amount of remuneration for each member of the Board of Directors after taking into account their duties, performance and responsibilities. In addition, the Company also takes into account the remuneration applicable in similar industries (peers group), as well as the Company's capabilities.

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.

To embed our commitments within our decision making and execution, the Company has a policy to include 15% of the management performance, including at the board level, to link with the targets of ESG initiatives within our Responsible Development program. Every employee and Board member should contribute to at least one ESG initiative project.

Remuneration Structure of the Board of Directors

Short Term Incentives

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. All Directors are covered by liability insurance.

Long Term Incentives

The Board of Directors of the Company also receives a long-term incentive programs in the form of 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 retain performance or productivity that will impact on improving the Company's performance over the long term. The Company's long-term incentive program can also be provided in the deferred bonus program.

Remuneration Amount of the Board of Directors

The amount of remuneration received by the members of the Board of Directors and key management of the Company in 2022 amounted to USD 5,389,256.

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

The affiliate relationships between members of the Board of Directors, Board of Commissioners and the Controlling Shareholders are 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.

		Board of Commissioners								Board of Directors					Controlling Shareholders	
	Name	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 on 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, 2022

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

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 64 of this Annual Report.

Irawan Soerodjo
Indonesian Citizen, born in Banyuwangi in 1952 (aged 70)

Experience: Mr. Soerodjo was as a Notary Public and Land Deed Officer (PPAT) from 1982 until he 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 Gadjah Mada University (1981), a Masters 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 63)

Experience: Mr. Sitorus started his career as an auditor. In 1986, he joined a local public accounting firm that later became part of Deloitte in Indonesia. From 1995 to 2006, he handled clients in various industries, including energy and resources, manufacturing, constructions, shipping and aviation and media and telecommunication, as an audit partner. From 2006 to 2016, he led the Deloitte Audit Business in Indonesia and became the Lead Client Service Partner for major clients listed on the Indonesia Stock Exchange and State-owned Enterprises.

He has held concurrent positions as an Independent Commissioner and Chairman of the Audit, Risk and Compliance Committee of PT Petrosea Tbk., as a President Commissioner/ 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.

He was a member of the Indonesian Institute of Certified Public Accountants (IAPI) and served as Head of the Capital Market Public Accountant Forum. He is also a member of the Indonesian Institute of Accountants (IAI) and served a member of the Financial Accounting Standard Board.

Education: Mr. Sitorus graduated from the Faculty of Economics at the University of North Sumatera 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 owns 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. Ensuring 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. Assessing the planning, implementation and results of audits carried out by the internal auditors and external auditors to ensuring 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. Providing 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. Providing 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. Providing recommendations on 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 reviews 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 perpetuity.

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 the Internal Audit Unit (IAU) 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 the Internal Audit Unit (IAU).
i. Monitor the external auditor's performance to ensure that the external auditors' complies with applicable professional standards and maintain the external auditor's independence.
j. Provide an 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 seven meetings in 2022. Four meetings with the Internal Audit and three other meetings with the external auditor for the result and reports.

Audit Committee Meetings in 2022

Name	Position	No. of Meetings/No. Attended	% Attendance
Darwin Cyril Noerhadi	Chairman	7/7	100%
Irawan Soerodjo	Member	6/7	85%
Osman Sitorus	Member	7/7	100%

Training and Development for Audit Committee Members

No training or development was provided for Audit Committee in 2022.

Audit Committee Activities in 2022

The Audit Committee reviewed the following in 2022:

a. The implementation of risk management by the Company's Board of Directors;
b. The quarterly financial reports disclosed to the public and the authorities;
c. The performance and independence of the external auditor, Siddharta, Widjaja & Rekan;
d. The Company's compliance with applicable laws and regulations; and
e. 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 changed its name to the 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, 2022

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 58-62 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:

a. Provide recommendations to the Board of Commissioners relating to:
    - the composition of the Board of Directors and the Board of Commissioners;
    - policy and criteria for nominations to both boards; and
    - policy on the performance review for both boards.
b. Assist the Board of Commissioners in conducting performance evaluations of the Board of Directors and Board of Commissioners based on approved benchmarking.
c. Provide recommendations to the Board of Commissioners relating to the capacity development of the Board of Directors and the Board of Commissioners.

d. Propose qualified candidates for the Board of Directors and Board of Commissioners.
e. Review and update the succession plan of the Board of Directors and Board of Commissioners.

Remuneration function:
a. 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.
b. 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 2022.

Nomination and Remuneration Committee Meetings in 2022

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	4/4	100%

Training and Development for Nomination and Remuneration Committee Members

No training or development was provided for the Nomination and Remuneration Committee in 2022.

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 or external candidates. The Company's policy is to promote from within, 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 2022

The Nomination and Remuneration Committee reports its activities to the Board of Commissioners at the quarterly Board of Commissioners' meetings. Its activities in 2022 included the following:

a. Providing input on the performance assessment of the Board of Commissioners and Board of Directors;
b. Reviewing the remuneration system and formula, and giving recommendations on the amount of the remuneration to be paid to the Board of Commissioners and Board of Directors;
c. Reviewing the range of skills and expertise needed for the Boards;
d. Identifying and proposing qualified candidates for positions on the Board of Commissioners and Board of Directors; and
e. 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, 2022

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 58-63 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 eleven meetings in 2022.

Risk Management Committee Meetings in 2022

Member	Position	No. of Meetings/No. Attended	% Attendance
George Santosa Tahija	Chairman	11/11	100%
Adrianto Machribie	Member	11/11	100%
Anastasius Wahyuhadi	Member	11/11	100%
J. Kristiadi	Member	11/11	100%

Training and Development for Risk Management Committee Members

No training or development was provided for the Risk Management Committee in 2022.

Risk Management Committee Activities in 2022

The RMC communicated with management at least once a month, where possible, during 2022, 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, 2022

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 60-65 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 2022.

Corporate Social Responsibility and Sustainability Committee Meetings in 2022

Member	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	4/4	100%

Training and Development for Corporate Social Responsibility and Sustainability Committee Members

No training or development was provided for the CSRS Committee in 2022.

Corporate Social Responsibility and Sustainability Committee Activities in 2022

The CSRS Committee's activities in 2022 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 given to the Committee;
c. Committee procedures, including effectiveness of the Committee meetings;
d. Committee accountability;
e. Standard of conducts.

Evaluation Results in 2022

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 2022.

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 78-80 of this Report.

PT Memimpin Dengan Nurani (MDN)

Established in 2012, MDN is a holding company that has interests in the service provider. MDN engages in the following business activities:

a. Engages in business:
   - Professional, scientific and technical activities; and
   - Real estate.

b. Engages in business:
   - Management consultancy activities; and
   - Real estate.

Board Composition

As of December 31, 2022, 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 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**

PT Austindo Kencana Jaya (AKJ)

AKJ is a holding company that was established in 2012 and has interests in the service provider. AKJ engages in the following business activities:

a. Engages in business:
   - Professional, scientific and technical activities;
   - Real estate; and
   - Human health and social activities.

b. Engages in business:
   - Management consultancy activities;
   - Real estate; and
   - Health support services.

Board Composition

As of December 31, 2022, 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 68 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 2022 are provided on page 97 of this Annual Report.

Corporate Secretary Activities in 2022

The Corporate Secretary's activities in 2022 included the following:

- Ensured full compliance with the prevailing laws and regulations, particularly with the Indonesia Stock Exchange (IDX) and capital market regulations.
- Provided input and recommendations to the Board of Directors in with respect to 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 on June 8, 2022.
- Convened the Annual Public Expose on June 8, 2022.

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 52).

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 2022, the Internal Audit Unit comprises ten 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. Two of them have 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 had also been required to obtain professional certifications for internal audit such as Certified Practitioner of Internal Audit (CPIA). As at December 31, 2022, The Internal Audit Unit has one person who has a professional internal audit certification, namely the Certified Practitioner of Internal Audit (CPIA) and one person who has a professional internal audit certification, namely the Certified Forensic Auditor (CFRa).

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 2022 are provided on page 97 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. Review 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. Test and evaluate 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. Assess the effectiveness of securing asset values and verify the existence of these assets.
g. Assess 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, the Commissioners 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 the appropriate levels of management if there are indications of fraud and system failure.
n. Cooperate 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 2022

The Internal Audit Unit continued to focus on the most serious corporate risks in 2022, completing 57 audit projects, thus meeting the target of 48 projects specified in the work plan. The planned audits included the following:

- Harvesting and road lateriting at PPM and PMP;
- Replanting, upkeep and fertilizer use at ANJA, ANJAS, KAL and SMM;
- Water management and fire management at ANJAS and KAL;
- Biogas plant at AANE;
- Land compensation and harvesting at GSB;
- Edamame at GMIT;
- Mill process at ANJA, ANJAS, KAL, SMM and PMP; and
- Sago harvesting and sago starch production at ANJAP.

Internal Audit Unit Activities by Type

Activity	Planned	Realization
Follow up	1	1
Project Initiatives	11	18
Regular audit	20	20
Audit committee and training	13	11
Whistleblowing System	3	7
Total	**48**	**57**

Internal Audit Focus for 2023

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. Warehouse stocks and fixed assets at ANJA and KAL;
2. Harvesting and fertilizer use at ANJAS, SMM and GSB;
3. Land compensation at GSB;
4. *Kerja Sama Operasi* (KSO) and the implementation of the application of SIGAP at GMIT;
5. Biogas and fire management di AANE and KAL;
6. Mill process at ANJA, ANJAS, KAL and SMM;
7. Composting and CPO bulking projects at KAL;
8. *Yayasan perguruan* and employee cooperative at ANJA and ANJAS;
9. Plasma estate governance and control at KAL; and
10. Legal and permit monitoring at Head Office.

In Region 3, the key audit areas will include:
1. Harvesting and fertilizer use at PPM and PMP;
2. Road laterite at PPM and PMP;
3. Mill process and palm kernel oil process di PMP; and
4. Sago harvesting and sago starch production at ANJAP.

EXTERNAL AUDITOR

The Company's consolidated financial statements for the year ended December 31, 2022, were audited, for the sixth 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.

The auditors appointed by the Company in the last five years are shown below:

External auditors for ANJ's financial statements, 2018-2022

Year	Public Accountants	Signing Partner
2022	Siddharta Widjaja & Rekan	Susanto, S.E., CPA
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., CPA
2018	Siddharta Widjaja & Rekan	Budi Susanto, S.E., 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, 2022 was IDR 936 million.

Other Services Rendered

No other services rendered by Public Accountant in 2022.

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 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 are 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 Values Champions and the whistleblowing system (see page 185 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 Values 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 2022

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 2022, including the following:
- Strengthening the capacity of the internal audit team through training based on Institute of Internal Auditor 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 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 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

Statement of Adequate Risk Management System

The risk management is carried out by the Board of Directors together with, among others, the Internal Audit and Risk Management Committee 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. Both the Board of Commissioners and Board of Directors are commit to ensuring that key risks are properly identified, evaluated, mitigated and effectively managed.

Key Risks to Our Business and Their Mitigation

The key risks assessments by the Company in 2022 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 fluctuated and show 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 dynamic government regulation in palm oil including the biodiesel mandates by the government of Indonesia, Malaysia and Thailand. Factors that may potentially affect uncertainties in CPO price also include the 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. 2022 was becoming the most dynamic year ever in term of the government regulation in palm oil. The CPO price recorded its peak on April, 2022, mainly due to the increase in crude oil and other vegetable oils price as the impact of Russia-Ukraine crisis and also due to tight CPO supply caused by labor shortage in Malaysia, as well as tight supply of other vegetable oils. Then, the Government officially imposed an export ban on crude palm oil (CPO) and some of its derivatives in April 2022 that aims to ensure that CPO products can be prioritized for the availability of bulk cooking oil at IDR 14,000 per litre and resulted into the supply overflow in domestic market. Furthermore, the export ban was lifted in May 2022 and replaced with a new policy namely Domestic Market Obligation (DMO) to maintain the domestic supply of CPO. The Government also applies an adjustment to the export levies and export taxes. Those dynamic changes in government regulation significantly trigerred an uncertainties and volatility in the price.	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 agronomic 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 Material Costs (Fertilizers and Diesel Fuel)

Risk	Mitigation
The most dominant material cost in agriculture is fertilizer and fuel. Fertilizer is required to ensure that plants get the necessary nutrients to grow and produce at an optimal level, while diesel fuel is required for the FFB transportation as well as for electricity in the area not connected by the electricity grid from the palm oil mill biomass turbine. Both the price of fertilizers and diesel fuels are affected by global supply-demand of petrochemicals, which is also high in price fluctuations. There are other factors affecting the price of petrochemicals other than suppy-demand balance: crude oil production quota agreements, discovery of new reserves, global political tension and also regional crisis especially in the producing areas of oil and gas, such as Middle East, Eastern Europe and Russia. In 2022, the price of fertilizers and diesel soared caused by the supply chain disruption of the Ukrainian geopolitical crisis.	We have been embarking on reducing the usage of inorganic fertilizer and diesel fuel. To reduce dependency of 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 to 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 location within the next five years. Our target is to increase renewable energy portfolio to above 60%.

Increases In Labor Costs

Risk	Mitigation
We operate in a labor-intensive industry therefore the government regulations related with labor wages will significantly affect us. Labor costs are a significant component of our total production costs, typically accounting for about 30-40%. Government Regulation No. 36/2021 stipulates that the minimum wage is determined and implemented annually by provincial governments based on the annual living cost conditions of each respective province. The regulation also specifies a measured annual wage increase based on economic growth, inflation, purchasing power parity, employment rate, and median wage sourced from institutions assessed in the field of statistics. The government issued Government Regulation in lieu of Law No. 2 of 2022 which has been ratified into Law No. 6 of 2023 as the replacement of Law No. 11 of 2020 on Job Creation (the Omnibus Law) after the Constitutional Court ordered revisit to the constitutional matters of the Law. In Law No. 6 2023, the government added several articles that allow the government to change the minimum wage setting formula in certain circumstances. These articles create uncertainties that can negatively affect the Company.	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 Southwest Papua and in our Southwest 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.

Fluctuation in Foreign Exchange Rates

Risk	Mitigation
Our financial reporting currency is the US dollar and our sales are primarily affected from the international market in US dollars or Malaysian Ringgit, 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 worth of 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 focusing on 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; and 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 invested in fire prevention and mitigation infrastructure 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, 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 conducted company rebranding in 2015 with a 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 the year 2022. We achieved distinguished results in the disclosures and rating score, as one of the lowest ESG risk among our peers in the palm oil industry. We set ourself an ESG Ambition and Targets as integral part of our business strategy including 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 labor. 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 routinely review our remuneration and benefits programs 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 Southwest 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 Southwest 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 consensus and resolution can be complex and 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 Southwest 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 administrative 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) after 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 Southwest 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, as of 2022 75% of our plasma & partnership have received RSPO certification. We are working to assist more of our plasma and partnership cooperatives with smallholder farmers in gaining RSPO certification.

MATERIAL LITIGATION

In 2022, PT Austindo Nusantara Jaya Agri (ANJA) (the subsidiary of the Company) encountered a litigation case brought by PT Wonorejo Perdana (WNJ) in Padang Sidempuan district court. WNJ claimed that ANJA has planted in their area. In addition to ANJA, another defendant is the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency for issuing the Cultivation Rights (Hak Guna Usaha) on WNJ land to ANJA. While we trust there is no overlap of the HGU of ANJA and WNJ since the border ANJA's HGU has been installed with poles as regulated under the prevailing law and regulation . On March 2, 2023, the District Court of Padang Sidempuan issued a decision which is in favor of WNJ. Following that decision , ANJA has submitted an appeal to the High Court of Medan and currently, it is still pending.

The litigation case mentioned above would not have materially effect to the Company or pose a risk to the continuity of the business of the Company or the Board of Commissioners or Board of Directors.

LAND TITLE CLAIMS

Up to the end of 2022, there were no major outstanding land title claims against the Company.

ADMINISTRATIVE SANCTIONS

The members of the Board of Directors and Board of Commissioners did not receive any administrative sanctions from capital market authorities or other authorities in 2022, other than one administrative sanction from OJK to the Company related to the submission of the Annual Report for the financial year 2019.

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 of an 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 2022.

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 49 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 distinction 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 2022, the Company conducted 10 (ten) socializations or refreshments of the Code to all employees and vendors of the Company. The socializations were conducted in face-to-face meetings, 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 2022

The following Code violations were substantiated in 2022:
1. Fraud and 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 for further processing according to law.
3. Termination of employment.

CORPORATE CULTURE

Values Champions

ANJ aspires to create a corporate culture based on our three core Valuess 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 Values 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 35 Values Champions and 4 Cadres of Values Champions in the Company by the end of 2022.

The Values 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 'Values Guardians', currently Commissioners George Santosa Tahija and Anastasius Wahyuhadi, who may take further action if warranted. Values 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 WBS systems 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 Whistleblowing 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 2022

In 2022, a total of 22 reports were received through the WBS. A total of 12 reports were grievances from stakeholders, and were managed by the relevant departments. Ten (10) cases were followed up by the Internal Audit committee, 5 cases were proven to be violations in 2022, with 2 of them related to Fraud.

Description	2022	2021
Related to Fraud	6	4
Proven	2	3
On Progress	1	-
Not Proven	3	1
Related to Compliance	3	10
Related to Code of Ethics	1	4
Related to Grievance	12	-
Total Report Received	**22**	**18**

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 the 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 sign a so-called Integrity Pact in order to prevent corruption and gratification practices. The policy is as follows:

1. The Company does not tolerate any kind of bribery and corruption, whether it is committed by an employee to another party or the other way around.
2. The employee shall explain, internally and when dealing with third parties, that the Company applies the principles of integrity and zero-tolerance of any form of bribery and corruption and shall not (directly or indirectly) offer, pay, seek or accept payments, gifts or favors with the intention of influencing business improperly.
3. The employee shall immediately notify his/her direct supervisor or through the Whistleblowing System or other reporting means provided by the Company if he/she knows of any potential or occurrence of bribery and corruption.
4. The employee is prohibited, directly or indirectly, from offering or giving bribes or improper advantages (including facilitation payments) to a public officer or other individual or third party, which is intended or gives the impression to influence that party's decision on the Company.
5. The employee is prohibited from, directly or indirectly, soliciting or receiving bribes or other improper advantages from a third party, which may or give an impression to, be intended to influence the Company's decisions about such party.
6. The employee is prohibited from providing facilitation payments to domestic and foreign officers in any form. The facilitation payments to domestic and foreign officers are payments or gifts (whether in the form of money, goods, facilities or other forms) that are given directly or indirectly for the purpose of securing or accelerating the performance of the officer in carrying out his/her duties or functions or administrative government matters, both in Indonesia and overseas.

Training/Socialization

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 2022, the Company conducted ten socializations to the employees and vendors 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.

TAX COMPLIANCE

ANJ fully supports the government's policy of promoting national development through optimizing tax revenue. ANJ has assessed tax compliance across 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. ANJ also has Tax Policy that can be found on our website at https://anj-group.com/en/anj-s-commitment-to-good-corporate-governance.

POLICIES AND GOVERNANCE OF INFORMATION TECHNOLOGY

The implementation of the Company's Information Technology Governance ensures compliance with applicable rules and regulations, while taking into account the need to achieve the Company's business plan. The Company periodically evaluates and improves its Information Technology Governance Policy and Procedure by adopting the best Practices at both national and international levels. The Company's Information Technology Governance can accommodate technological developments and mitigate new risks and threats.

The Governance of Information Technology needs to be improved continuously according to its progress through periodical review. The Company already has policies related to Information Technology Governance including handling information technology issues related to cyber security and disaster recovery. These policies are as follows:
1. Policy for Application of Information Technology Security Configuration Standards and implementation;
2. Policy for Internet Access Use;
3. Policy for Information Security; and
4. Standard Operating Procedure of Information Technology and Communication Emergency Recovery.

INSURANCE

The Company has comprehensive insurance coverage to protect against various risks to our operational assets. In 2022 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 for 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.

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: Partly Fulfilled. All members of the Board of Directors and Board of Commissioners, except Mr. Darwin Cyril Noerhadi.
	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.

Principle	Recommendation	Status
	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.
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.

Principle	Recommendation	Status
	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 2022 which is available on our website at

https://anj-group.com/en/sustainability-report.

CORPORATE SOCIAL **RESPONSIBILITY**

CONSOLIDATED **FINANCIAL STATEMENTS**

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PT AUSTINDO NUSANTARA JAYA Tbk
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

CONTENTS

THE DIRECTORS' STATEMENT OF RESPONSIBILITY
FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
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. Supeno 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, and supplementary information;

2. The consolidated financial statements and supplementary information have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. a. The disclosures we have made in the consolidated financial statements and supplementary information are complete and accurate;

   b. The consolidated financial statements and supplementary information do not contain misleading information, and we have not omitted any information or facts that would be material to the consolidated financial statements and supplementary information;

4. We are responsible for the internal control.

This statement is made truthfully.

28 March 2023

METERAI TEMPEL
38FAKX288342976

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 2022, 31 DECEMBER 2021 AND 1 JANUARY 2021

	Notes	31 December 2022 US$	31 December 2021* US$	1 January 2021* US$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	10,820,724	27,141,425	15,887,126
Investment in marketable securities	6	490,209	490,209	490,209
Receivable from service concession - current	43	74,585	72,253	64,228
Trade accounts receivable	7	1,292,435	3,131,655	1,136,353
Other receivables	8	524,143	397,065	3,509,421
Inventories	9	16,661,133	18,562,882	16,863,143
Biological assets	11	4,067,927	7,028,766	3,234,440
Prepayments and advances	10	25,216,810	20,975,111	25,054,621
TOTAL CURRENT ASSETS		**59,147,966**	**77,799,366**	**66,239,541**
NON-CURRENT ASSETS				
Long-term receivable from service concession arrangement	43	558,880	698,370	779,583
Investments in equity securities	12	4,162,556	6,554,471	6,068,486
Deferred tax assets	37	1,115,132	974,832	5,013,408
Bearer plants	13	291,397,955	304,775,529	301,541,855
Property, plant and equipment	14	206,017,356	208,224,768	206,001,648
Intangible assets	15	1,038,593	894,054	1,184,641
Right of use assets	16	998,565	1,849,060	1,147,272
Advances	17	10,785,839	11,231,079	11,876,003
Goodwill	18	4,967,256	4,967,256	4,967,256
Claims for tax refund	19	5,139,756	5,176,638	5,914,581
Other non-current assets	20	17,260,620	22,061,683	21,002,366
TOTAL NON-CURRENT ASSETS		**543,442,508**	**567,407,740**	**565,497,099**
TOTAL ASSETS		**602,590,474**	**645,207,106**	**631,736,640**

** As restated (See Note 49)*

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 2022, 31 DECEMBER 2021 AND 1 JANUARY 2021

	Notes	31 December 2022 US$	31 December 2021* US$	1 January 2021* US$
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bank loans	21	4,635,687	2,000,000	3,142,999
Trade accounts payable	22	6,317,320	5,939,443	5,661,890
Taxes payable	23	4,213,109	8,748,220	3,404,812
Derivative liabilities	40b	-	50,134	2,037,319
Other payables	24	12,865,634	10,851,940	4,912,646
Accrued expenses	25	6,779,661	7,511,706	6,082,689
Long-term bank loan - current maturities	21	4,600,000	12,744,759	2,665,668
Lease liabilities - current maturities	16	822,607	897,863	430,258
Provision for service concession arrangement - current maturities	43	236,067	34,118	67,848
TOTAL CURRENT LIABILITIES		**40,470,085**	**48,778,183**	**28,406,129**
NON-CURRENT LIABILITIES				
Long-term bank loans - net of current maturities	21	125,006,648	154,501,272	190,114,005
Lease liabilities - net of current maturities	16	264,475	1,027,382	751,360
Provision for service concession arrangement - net of current maturities	43	300,798	452,495	366,891
Deferred tax liabilities	37	781,200	747,259	386,949
Employee benefits obligation	26	11,656,078	13,844,321	20,319,686
Other non-current liabilities		-	-	689
TOTAL NON-CURRENT LIABILITIES		**138,009,199**	**170,572,729**	**211,939,580**
TOTAL LIABILITIES		**178,479,284**	**219,350,912**	**240,345,709**
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 2022, 31 December 2021 and 1 January 2021	27	46,735,308	46,735,308	46,735,308
Additional paid in capital	28	49,890,831	50,223,609	50,307,877
Treasury stock	1c,27	(1,973,591)	(3,668,309)	(3,926,668)
Difference in value due to changes in equity of subsidiaries	29	30,706,366	30,706,366	30,706,366
Other reserves	12,29	(50,768,552)	(31,409,319)	(29,260,447)
Retained earnings				
Appropriated		6,824,453	6,824,453	6,824,453
Unappropriated	49	340,591,048	324,025,465	288,182,789
Equity attributable to the owners of the Company		422,005,863	423,437,573	389,569,678
Non-controlling interests	30	2,105,327	2,418,621	1,821,253
TOTAL EQUITY		**424,111,190**	**425,856,194**	**391,390,931**
TOTAL LIABILITIES AND EQUITY		**602,590,474**	**645,207,106**	**631,736,640**

** As restated (See Note 49)*

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 2022 AND 2021

	Notes	Year ended 31 December 2022 US$	2021* US$
Revenue from sales		268,586,966	266,806,701
Service concession revenue		579,755	577,222
Revenue	31	269,166,721	267,383,923
Cost of revenue	32	(215,294,824)	(169,491,666)
GROSS PROFIT		**53,871,897**	**97,892,257**
Dividend income		640,276	278,883
Foreign exchange loss, net	45	(2,583,039)	(431,820)
Selling expenses		(605,092)	(19,985,362)
Personnel expenses	33	(9,425,138)	(12,318,859)
General and administrative expenses	34	(4,884,338)	(6,726,938)
Other income, net	36	2,262,677	719,548
OPERATING PROFIT		**39,277,243**	**59,427,709**
Finance costs, net	35	(4,769,432)	(4,119,003)
PROFIT BEFORE TAX		**34,507,811**	**55,308,706**
Income tax expense	37	(13,352,523)	(18,721,752)
PROFIT FOR THE YEAR		21,155,288	36,586,954
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Change in fair value of investments in equity securities	12	3,026,771	485,985
Gain on sale of investment in equity securities		81,314	-
Change resulting from actuarial remeasurements of post-employment benefits obligation	26	1,810,514	(293,490)
Income tax on items that will not be reclassified to profit or loss	37	(364,915)	(20,774)
Total		4,553,684	171,721

** As restated (See Note 49)*

See Notes to the Consolidated Financial Statements, which from integral part of these consolidated financial statements.

	Notes	Year ended 31 December 2022 US$	2021* US$
Items that will be reclassified subsequently to profit or loss:			
Foreign exchange differentials from translation of subsidiaries' financial statements		(19,599,894)	(2,861,445)
Total		(19,599,894)	(2,861,445)
OTHER COMPREHENSIVE INCOME, NET OF TAX		**(15,046,210)**	**(2,689,724)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,109,078**	**33,897,230**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		21,721,276	36,999,882
Non-controlling interests	30	(565,988)	(412,928)
		21,155,288	**36,586,954**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		6,872,372	34,622,084
Non-controlling interests	30	(763,294)	(724,854)
		6,109,078	**33,897,230**
EARNING PER SHARE	38		
Basic earning per share		0.0065	0.0112
Diluted earning per share		0.0065	0.0112

** As restated (See Note 49)*

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 2022 AND 2021

	Notes	Capital stock	Additional paid in capital	Treasury stock	Difference in value due to changes in equity of subsidiaries	Other comprehensive income: Revaluation of investment 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 1 January 2021 as previously reported		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
Adjustment in relation to adoption of PSAK 16	2b,49	-	-	-	-	-	(87,437)	-	(4,107,116)	(4,194,553)	(171,871)	(4,366,424)
Balance as of 1 January 2021 after restated		46,735,308	50,307,877	(3,926,668)	30,706,366	2,278,658	(31,539,105)	6,824,453	288,182,789	389,569,678	1,821,253	391,390,931
Changes in equity due to capital paid from non-controlling interests in subsidiary		-	-	-	-	-	-	-	-	-	1,322,222	1,322,222
Sales of treasury stock		-	(84,268)	258,359	-	-	-	-	-	174,091	-	174,091
Profit for the year		-	-	-	-	-	-	-	36,999,882	36,999,882	(412,928)	36,586,954
Other comprehensive income:												
Changes resulting from actuarial remeasurements of post employment benefit obligation, net of tax		-	-	-	-	-	-	-	(293,493)	(293,493)	3	(293,490)
Changes in fair value of investment in available-for-sale financial assets		-	-	-	-	485,985	-	-	-	485,985	-	485,985
Income tax on items that will not be reclassified to profit or loss		-	-	-	-	(85,342)	-	-	64,567	(20,775)	1	(20,774)
Difference in translation of subsidiaries' financial statements in foreign currencies	29	-	-	-	-	-	(2,549,515)	-	-	(2,549,515)	(311,930)	(2,861,445)
Cash dividend	39	-	-	-	-	-	-	-	(928,280)	(928,280)	-	(928,280)
Balance as of 31 December 2021, as restated		**46,735,308**	**50,223,609**	**(3,668,309)**	**30,706,366**	**2,679,301**	**(34,088,620)**	**6,824,453**	**324,025,465**	**423,437,573**	**2,418,621**	**425,856,194**
Balance as of 31 December 2021 after restated		46,735,308	50,223,609	(3,668,309)	30,706,366	2,679,301	(34,088,620)	6,824,453	324,025,465	423,437,573	2,418,621	425,856,194
Changes in equity due to capital paid from non-controlling interests in subsidiary		-	-	-	-	-	-	-	-	-	450,000	450,000
Sales of treasury stock		-	(332,778)	1,694,718	-	-	-	-	-	1,361,940	-	1,361,940
Profit for the year		-	-	-	-	-	-	-	21,721,276	21,721,276	(565,988)	21,155,288
Other comprehensive income:												
Changes resulting from actuarial remeasurements of post employment benefit obligation		-	-	-	-	-	-	-	1,806,880	1,806,880	3,634	1,810,514
Changes in fair value of investments in equity securities		-	-	-	-	3,026,771	-	-	-	3,026,771	-	3,026,771
Income tax on items that will not be reclassified to profit or loss		-	-	-	-	33,398	-	-	(397,514)	(364,116)	(799)	(364,915)
Gain from sale of investment in equity securities	12, 29	-	-	-	-	81,314	-	-	-	81,314	-	81,314
Reclassification from sale of investment in equity securities		-	-	-	-	(3,100,963)	-	-	3,100,963	-	-	-
Difference in translations of subsidiaries' financial statements in foreign currencies	29	-	-	-	-	-	(19,399,753)	-	-	(19,399,753)	(200,141)	(19,599,894)
Cash dividend	39	-	-	-	-	-	-	-	(9,666,022)	(9,666,022)	-	(9,666,022)
Balance as of 31 December 2022		**46,735,308**	**49,890,831**	**(1,973,591)**	**30,706,366**	**2,719,821**	**(53,488,373)**	**6,824,453**	**340,591,048**	**422,005,863**	**2,105,327**	**424,111,190**

See accompanying Notes to the Consolidated Financial Statements, which from integral part of these consolidated financial statements.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2022 AND 2021

	Year ended 31 December	
	2022	2021*
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	273,148,978	271,061,664
Cash received from interest income	265,421	234,945
Cash received from income tax refund	260,682	715,923
Cash received from VAT refund	5,057,283	12,401,746
Payments of employee benefits and contribution to pension fund	(1,235,759)	(8,691,098)
Income taxes paid	(18,536,217)	(7,677,879)
Payments to employees	(44,141,681)	(38,573,694)
Payments to suppliers	(139,513,542)	(111,044,132)
Payments for other operating activities	(15,309,708)	(35,627,250)
Net cash provided by operating activities	**59,995,457**	**82,800,225**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	640,276	278,883
Proceeds from sale/deduction of property, plant and equipment	711,267	620,884
Proceeds from sale investment in equity securities	5,500,000	-
Acquisitions of property, plant and equipment	(16,155,639)	(15,060,607)
Additions of bearer plants	(17,471,540)	(18,892,769)
Additions of advances	(648,668)	(406,998)
Acquisitions of intangible assets	(210,376)	(4,862)
Acquisition of other non-current assets	(5,545,368)	(6,486,457)
Net cash used in investing activities	**(33,180,048)**	**(39,951,926)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for loan interest expenses	(4,933,671)	(4,507,477)
Payment of cash dividends	(9,666,022)	(928,280)
Reissuance of treasury stock	1,361,940	174,091
Lease liabilities payment	(931,730)	(619,075)
Proceeds from short-term bank loans	12,266,355	9,028,550
Payments of short-term bank loans	(9,568,747)	(10,199,611)
Proceeds from long-term bank loans	20,000,000	7,453,187
Payment of long-term bank loans	(51,428,428)	(31,763,090)
Payment for deferred financing costs	(235,807)	(232,295)
Net cash used in financing activities	**(43,136,110)**	**(31,594,000)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(16,320,701)**	**11,254,299**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**27,141,425**	**15,887,126**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**10,820,724**	**27,141,425**

** As restated (See Note 49)*

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 2022 and 2021, the Company and its subsidiaries (the Group) had 8,812 and 7,755 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.

As of 31 December 2022 and 2021, the composition of the Company's Board of Commissioners and Board of Directors are as follows:

	31 December 2022 and 2021
President Commissioner	Mr. Adrianto Machribie Reksohadiprodjo
Commissioners	Mr. George Santosa Tahija
	Mr. Sjakon George Tahija
	Mr. Istama Tatang Siddharta
	Mr. Anastasius Wahyuhadi
	Mr. Josep Kristiadi
	Mr. Darwin Cyril Noerhadi
	Mrs. Istini Tatiek Siddharta
President Director	Mr. Lucas Kurniawan
Vice President Director	Mr. Geetha Govindan Kunnath Gopalakrishnan
Directors	Mr. Naga Waskita
	Mr. Aloysius D'Cruz
	Ms. Nopri Pitoy

Group paid benefits to its key management personnel as follows:

	2022	2021
	US$	US$
Short-term benefits	6,263,360	6,370,679

The members of the Audit Committee as of 31 December 2022 and 2021 were as follows:

	31 December 2022 and 2021
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 2022, 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 was 23 June 2015, which was 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		Total assets before elimination	
			31 December 2022	31 December 2021	31 December 2022	31 December 2021*
			%	%	US$	US$
Direct Subsidiaries						
Renewable Energy						
PT Austindo Aufwind New Energy (AANE)	Belitung, Bangka Belitung	2013	99.22	99.22	1,351,572	1,269,808
Agribusiness						
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga, North Sumatera	1995	99.99	99.99	504,369,402	545,360,468
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	2017	99.99	99.99	13,481,628	14,922,992
PT Gading Mas Indonesia Teguh (GMIT)	Jember	2000	80.00	80.00	10,781,271	11,653,120
Consumer Products						
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	2014	99.99	99.99	114,637	139,825
Indirect Subsidiaries						
Agribusiness						
PT Sahabat Mewah dan Makmur (SMM)	Belitung, Bangka Belitung	1994	99.99	99.99	67,346,359	65,497,835
PT Austindo Nusantara Jaya Agri Siais (ANJAS)	South Angkola, North Sumatera	2009	99.999	99.99	47,618,416	47,495,997
PT Kayung Agro Lestari (KAL)	Ketapang, West Kalimantan	2014	99.99	99.99	81,285,776	82,757,762
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	2022	99.99	99.99	9,568,139	10,110,186
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat, Papua	2020	99.99	99.99	129,540,127	150,979,846
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	2020	99.99	99.99	102,016,808	116,894,317
PT Lestari Sagu Papua (LSP)	South Sorong, Papua	Pre-operating	51.00	51.00	252,306	274,617

** As restated (See Note 49)*

PT ANJ Agri Papua (ANJAP)

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%.

Based on Deed No. 339 of Notary Kartika, S.H., M.Kn. dated 2 December 2022 the shareholders of ANJAP approved the increase of issued and paid up capital from Rp 962,152,000,000 to Rp 1,035,852,000,000 by issuing 73,700 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.01.03-0322023 dated 6 December 2022. The Company's direct ownership in ANJAP decreased from 91.92% to 85.38%.

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. 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%.

Based on Deed No. 340 of Notary Kartika, S.H., M.Kn. dated 2 December 2022, the shareholders of GMIT approved the increase of issued and paid up capital from Rp 254,621,648,000 to Rp 270,034,765,000 by issuing 94,559 new shares, of which 75,647 shares were subscribed and paid by the Company and 18,912 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-AH.01.03-0322060 dated 6 December 2022. The Company's direct ownership in GMIT remains at 80.00%.

PT Austindo Nusantara Jaya Boga (ANJB)

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%.

Based on Deed No. 338 of Notary Kartika, S.H., M.Kn. dated 2 December 2022, the shareholders of ANJB approved the increase of issued and paid up capital from Rp 7,830,000,000 to Rp 9,530,000,000 by issuing 1,700,000 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. 01.03-0322327 dated 7 December 2022. The Company's direct ownership in ANJB is 99.99%.

PT Austindo Nusantara Jaya Agri SIAIS (ANJAS)

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 Kayung Agro Lestari (KAL)

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%.

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 Kayung Agro Lestari (KAL) (Continued)

Based on Deed No. 157 of Notary Kartika, S.H., M.Kn. dated 4 April 2022, the shareholders of KAL approved the decrease of issued and paid up capital from Rp 1,408,285,000,000 to Rp 976,285,000,000 by retiring 863,500 shares owned by ANJA and 500 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-0037609.AH.01.02 dated 5 June 2022. ANJA's direct ownership in KAL remains at 99.95%.

PT Galempa Sejahtera Bersama (GSB)

Based on Deed No. 341 of Notary Kartika S.H., M.Kn., dated 2 December 2022, the shareholders of GSB approved the increase of issued and paid-up share capital from Rp 231,770,000,000 (2,317,770 shares) to Rp 252,120,000,000 (2,521,200 shares). From 203,500 new shares, ANJA subscribed and paid for 100% ownership, whereas the Company will not participate in the capital increase. Thus, the percentage of ownership of new shares issued to ANJA and the Company become 95.40% and 4.60% ownership, respectively. The increase in paid-up share capital was accepted by Ministry of Law and Human Rights of the Republic Of Indonesia in its decision letter No. AHU-AH.01-03-0322053 dated 6 December 2022.

PT Putera Manunggal Perkasa (PMP)

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%.

Based on Deed No.342 of Notary Kartika, S.H., M.Kn. dated 2 December 2022, the shareholders of PMP approved the increase of issued and paid up capital from Rp 1,659,515,000,000 to Rp 1,896,589,000,000 by issuing 237,074,000 new shares, all of which were subscribed and paid by ANJA. 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-AH.01.03-0322777 dated 7 December 2022.

ANJA's direct ownership in PMP increased from 60.00% to 65.00% and Company's direct ownership decreased from 40.00% to 35.00%.

PT Permata Putera Mandiri (PPM)

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 Permata Putera Mandiri (PPM) (Continued)

Based on Deed No. 343 of Notary Kartika, S.H., M.Kn. dated 2 December 2022, the shareholders of PPM approved the increase of issued and paid up capital from Rp 1,373,482,000,000 to Rp 1,569,694,000,000 by issuing 196,212,000 new shares,all of which were subscribed and paid by ANJA. 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-AH.01.03-0322771 dated 7 December 2022. ANJA's direct ownership in PPM increased from 60.00% to 65.00% and Company's direct ownership decreased from 40.00% to 35.00%.

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 AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK")

a. PSAK effective in the current year

In the current year, the Group has applied a number of Amendments to PSAK issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants that are relevant and effective for accounting period beginning on 1 January 2022:

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

Other than the above amendments, the Indonesian Financial Accounting Standards Board issued a press release "Attributing Benefits to Periods of Service" in April 2022. The Group changed the policy related to the attribution of pension compensation in the service period in accordance with the provisions in PSAK 24 for the general fact pattern of pension programs.

b. Early adoption of Amendment to PSAK 16: "Fixed Assets – Proceeds before Intended Use"

The Group early adopted PSAK 16: "Fixed Assets – Proceeds before Intended Use", which requires that proceeds and cost of production from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management to be recognized in profit or loss.

Amendment to PSAK 16 was applied retrospectively. Accordingly the comparative information as of 31 December 2021, the comparative information as of 1 January 2021 (which was derived from financial statements as of 31 December 2020), as well as the comparative information for the year ended 31 December 2021 have been restated.

The impact of the early adoption of PSAK 16 has been disclosed in Note 49.

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 28 March 2023.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Consolidation (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Business Combinations (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial Instruments (Continued)

i. Financial Assets (Continued)

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.

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, provision for service concession arrangement, other payables, 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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial Instruments (Continued)

v. Impairment (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Inventories (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Investment in Associates and Joint Ventures (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Interests in Joint Operations (Continued)

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

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.

Proceeds from the sale of the product when the asset is still during construction during the trial production is recognized in profit or loss including the related production costs.

<u>Land</u>

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Proceeds from sale of the products of bearer plants prior to the palm plantations are considered mature is recognized in profit or loss including with the related cost such as the cost for fertilizing, maintenance, harvesting and transport.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u. Leases (Continued)

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.

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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The following is the 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.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 for 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. Management 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 43.

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 37.

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 47, 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 47 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.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

x. Recoverability of advance for plasma and partnership plantation projects and plasma receivables

The Group uses valuation techniques to determine the recoverability of the advances for plasma and partnership plantation projects and plasma receivables. The key assumptions used by management in assessing the recoverability of the advances for plasma and partnership plantation projects and plasma receivables are selling price of Fresh Fruit Bunch (FFB), total FFB purchased, estate costs (excluding general cost and depreciation), and pre-tax discount rate.

The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the recoverability of the advances for plasma and partnership plantation projects and plasma receivable.

5. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
	US$	US$
Cash on hand	205,807	278,811
Bank - third parties		
Rupiah		
PT Bank OCBC NISP Tbk	5,346,951	19,252,564
PT Bank Mandiri (Persero) Tbk	2,021,514	1,665,054
PT Bank CIMB Niaga Tbk	238,411	640,402
PT Bank Negara Indonesia (Persero) Tbk	254,073	261,653
PT Bank Rakyat Indonesia Tbk	182,624	179,071
PT Bank Syariah Mandiri	168,997	254,194
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	63,923	47,061
PT Bank Central Asia Tbk	15,326	30,682
PT Bank UOB Indonesia Tbk	44,716	20,460
U.S. Dollar		
PT Bank OCBC NISP Tbk	806,492	2,029,403
PT Bank Mandiri (Persero) Tbk	339,032	1,413,099
PT Bank UOB Indonesia Tbk	8,684	8,952
Bank OCBC Singapore	152,050	152,820
PT Bank CIMB Niaga Tbk	86,497	32,437
J.P. Morgan International Bank Ltd.	47,285	40,860
Credit Suisse Singapore	2,406	292,446
PT Bank BTPN Tbk	1,211	3,321
PT Bank Central Asia Tbk	68	189
Time deposits - third parties		
Rupiah		
PT Bank Mandiri (Persero) Tbk	109,266	118,294
PT Bank OCBC NISP Tbk	158,922	129,652
U.S. Dollar		
Credit Suisse Singapore	291,469	-
PT Bank OCBC NISP Tbk	275,000	290,000
Total	10,820,724	27,141,425
Interest rate per annum of time deposits		
Rupiah	2.25% - 3.75%	2.50% - 4.15%
U.S. Dollar	0.25% - 2.80%	0.17% - 0.65%

As of 31 December 2022 and 2021, 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 2022 and 2021		
	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 2022	31 December 2021
	US$	US$
Third parties		
Palm oil	989,938	2,858,947
Sago starch	108,541	173,579
Electricity power	52,714	61,327
Others	160,359	37,802
Total	1,311,552	3,131,655
Less:		
Allowance for impairment losses	(19,117)	-
Net	1,292,435	3,131,655

Details of trade accounts receivable based on their currencies are as follows:

	31 December 2022	31 December 2021
	US$	US$
U.S. Dollar	78,666	-
Rupiah	1,213,769	3,131,655
	1,292,435	3,131,655

The summary of the aging profile of trade accounts receivable is as follows:

	31 December 2022	31 December 2021
	US$	US$
Not yet due	297,845	203,069
Overdue < 30 days	987,376	1,786,102
Overdue 31 - 60 days	7,214	1,142,484
Total	1,292,435	3,131,655

Management believes that no allowance for impairment losses on trade accounts receivable is adequate.

8. OTHER RECEIVABLES

	31 December 2022	31 December 2021
	US$	US$
Employee receivables	167,141	145,134
Farmers receivables	495,628	405,718
Others	77,774	84,785
Total	740,543	635,637
Less: allowance for impairment losses	(216,400)	(238,572)
Total	524,143	397,065

8. OTHER RECEIVABLES (Continued)

Management believes that the allowance for impairment losses as of 31 December 2022 and 2021 of US$ 216,400 and US$ 238,572, respectively are adequate to cover any possible losses from uncollectible other receivables.

9. INVENTORIES

	31 December 2022 US$	31 December 2021* US$	1 January 2021*
Palm oil products	8,352,697	10,620,593	11,492,261
Sago starch	1,452,022	1,190,820	660,944
Edamame	457,223	832,903	-
Supplementary materials, sparepart and others	8,669,268	7,908,812	5,876,433
Total	18,931,210	20,553,128	18,029,638
Allowance for decline in value of inventories	(2,270,077)	(1,990,246)	(1,166,495)
Net	16,661,133	18,562,882	16,863,143
Changes in the allowance for decline in value of inventories:			
Beginning balance	1,990,246	1,166,495	1,288,435
Addition	498,021	986,316	7,698
Write-off	(27,998)	-	(129,638)
Translation adjustments	(190,192)	(162,564)	-
Ending balance	2,270,077	1,990,246	1,166,495

* As restated (See Note 49)

Management believes that the allowance for decline in value of inventories is adequate.

As of 31 December 2022 and 2021, fiduciary of 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 inventories were insured against losses from fire and other risks under a blanket policy amounting to US$ 15.2 million and Rp 74 billion as of 31 December 2022 and US$ 18.6 million and Rp 29 billion as of 31 December 2021. Management believes that the insurance coverage is adequate to cover possible losses to the Group.

10. PREPAYMENTS AND ADVANCES

	31 December 2022 US$	31 December 2021 US$
Prepaid expenses:		
Insurance	289,698	310,175
Rent	113,450	122,741
Other	55,414	52,463
Value added taxes	24,206,465	19,969,325
Tax article 4 (2)	-	6,933
Advances	551,783	513,474
Total	25,216,810	20,975,111

11. BIOLOGICAL ASSETS

The following is the carrying value movements of biological assets:

	31 December 2022	31 December 2021
	US$	US$
Fair value		
Beginning balance	7,028,766	3,234,440
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the year (Note 32)	(2,960,839)	3,801,276
Translation adjusments	-	(6,950)
Ending balance	4,067,927	7,028,766

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 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 2022			
	Acquisition cost	Acquisition cost after impairment	Changes in fair value	Fair value
	US$	US$	US$	US$
PT Moon Lion Industries Indonesia	1,026,225	643,164	3,516,398	4,159,562
Cyprium Australia Pty Ltd.	2,911,153	111,913	(108,919)	2,994
Others	41,964	-	-	-
Total	3,979,342	755,077	3,407,479	4,162,556

	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.	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

12. INVESTMENTS IN EQUITY SECURITIES (Continued)

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 2022 and 2021, fair value adjustment of investment in PT Moon Lion Industries Indonesia amounted to US$ 3,028,487 and US$ 487,551, respectively was recognized in other comprehensive income.

Cyprium Australia Pty Ltd. (CYM)

For the years ended 31 December 2022 and 2021, based on the quoted market price of CYM shares, the decrease in the fair value of CYM amounted to US$ 2,076 and US$ 1,566, respectively, was recognized in other comprehensive income.

PT Agro Muko

On 23 March 2022, PT Agro Muko repurchased all the shares owned by the Company at a price of US$ 5.5 million. The difference between selling price and fair value is recognized in other comprehensive income and are not reclassified to the income statement.

13. BEARER PLANTS

	1 January 2022	Additions	Deductions	Reclassification	Translation adjustments	31 December 2022
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	334,772,371	-	(4,711,294)	45,657,801	(12,560,251)	363,158,627
Accumulated depreciation	(130,112,769)	(15,542,605)	4,709,406	-	1,219,905	(139,726,063)
	204,659,602	(15,542,605)	(1,888)	45,657,801	(11,340,346)	223,432,564
Immature plantation - at cost	100,115,927	17,971,567	(2,879)	(45,026,249)	(5,092,975)	67,965,391
	304,775,529					**291,297,955**

	1 January 2021	Adjustment	Balance as of 1 January 2021 after restated	Additions	Deductions	Reclassification	Translation adjustments	31 December 2021*
	US$			US$	US$	US$	US$	US$
Mature plantation								
Cost	270,909,737	-	270,909,737	-	(2,421,125)	67,108,053	(824,294)	334,772,371
Accumulated depreciation	(118,455,971)	-	(118,455,971)	(13,593,800)	1,997,752	-	(60,750)	(130,112,769)
	152,453,766		154,453,766	(13,593,800)	(423,373)	67,108,053	(885,044)	204,659,602
Immature plantation - at cost	152,366,868	(3,278,779)	149,088,089	19,666,157	(304,604)	(66,802,839)	(1,530,876)	100,115,927
	304,820,634		**301,541,855)**					**304,775,529**

* As restated (See Note 49)

Depreciation expense allocated to cost of revenue for the years ended 31 December 2022 and 2021 (as restated) amounted to US$ 15,542,605 and US$ 13,593,800, respectively (Note 32).

Borrowing cost capitalized to the acquisition cost of immature plantations for the years ended 31 December 2022 and 2021 amounted to US$ 4,228,121 and US$ 6,050,892, respectively.

As of 31 December 2022, an amount of US$ 631,552 from ANJAS and KAL relating to estate infrastructure was reclassified from property, plant and equipment to bearer plants, meanwhile 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.

13. BEARER PLANTS (Continued)

The area of mature and immature plantations (unaudited) based on location are as follows:

	31 December 2022		
	Mature plantation (hectare)	Immature plantation (hectare)	Total planted area (hectare)
Belitung, Bangka Belitung	11,990	2,313	14,303
Ketapang, West Kalimantan	8,928	123	9,051
Binanga, North Sumatera	6,849	2,608	9,457
Batang Angkola, North Sumatera	7,752	-	7,752
South Sorong, West Papua	6,129	1,993	8,122
Empat Lawang, South Sumatera	589	135	724
Total	42,237	7,172	49,409

	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	3,084	8,106
Empat Lawang, South Sumatera	-	724	724
Total	40,271	9,771	50,042

The Group has insurance policies to cover certain business and operation risks with regards to its plantation operational activities (see Note 14).

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 2022 dan 2021.

14. PROPERTY, PLANT AND EQUIPMENT

	1 January 2022	Additions	Deductions	Reclassifications	Translation adjustments	31 December 2022
	US$	US$	US$	US$	US$	US$
Cost						
Direct acquisitions						
Land	78,214,652	-	-	-	(970,537)	77,244,115
Buildings, roads and bridges	116,520,467	2,472,567	(211,221)	3,149,806	(3,585,089)	118,346,530
Machinery and equipment	113,438,310	3,611,567	(4,029,198)	320,113	(4,130,550)	109,210,242
Computer and communication equipment	926,875	82,360	(3,349)	-	(62,786)	943,100
Office equipment, furniture and fixtures	5,741,596	285,741	(25,659)	18,432	(144,176)	5,875,934
Motor vehicles	9,181,178	749,910	(400,001)	377,540	(426,984)	9,481,643
Construction in progress	8,926,237	9,999,207	(58,165)	(4,497,443)	(587,401)	13,782,435
Total cost	332,949,315	17,201,352	(4,727,593)	(631,552)	(9,907,523)	334,883,999
Accumulated depreciation						
Direct acquisitions						
Buildings, roads and bridges	(44,389,874)	(6,014,036)	83,358	-	721,596	(49,598,956)
Machinery and equipment	(53,816,970)	(4,280,235)	2,244,446	-	854,840	(54,997,919)
Computer and communication equipment	(567,375)	(122,346)	3,296	-	104,899	(581,526)
Office equipment, furniture and fixtures	(4,725,661)	(426,172)	25,211	-	44,463	(5,082,159)
Motor vehicles	(7,142,784)	(642,068)	398,052	-	302,793	(7,084,007)
Total accumulated depreciation	(110,642,664)	(11,484,857)	2,754,363	-	2,028,591	(117,344,567)
Impairment provision	(14,081,883)	-	1,379,255		1,180,552	(11,522,076)
Net carrying amount	**208,224,768**					**206,017,356**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2021	Adjustment	Balance as of 1 January 2021 after restated	Additions	Deductions	Reclassifications	Translation adjustments	31 December 2021*
	US$	US$		US$	US$	US$	US$	US$
Cost								
Direct acquisitions								
Land	78,661,259	-	78,661,259	-	(81,721)	(146,535)	(218,351)	78,214,652
Buildings, roads and bridges	104,921,814	-	104,921,814	1,785,783	(74,344)	10,396,763	(509,549)	116,520,467
Machinery and equipment	100,354,497	-	100,354,497	2,343,421	(465,420)	11,761,604	(555,792)	113,438,310
Computer and communication equipment	886,189	-	886,189	80,895	(23,315)	-	(16,894)	926,875
Office equipment, furniture and fixtures	5,267,333	-	5,267,333	187,992	(16,249)	308,266	(5,746)	5,741,596
Motor vehicles	8,974,563	-	8,974,563	628,442	(397,429)	29,216	(53,614)	9,181,178
Construction in progress	23,580,155	(859,354)	22,720,801	9,127,332	(64,287)	(22,562,944)	(294,665)	8,926,237
Total cost	322,645,810	(859,354)	321,786,456	14,153,865	(1,122,765)	(213,630)	(1,654,611)	332,949,315
Accumulated depreciation								
Direct acquisitions								
Buildings, roads and bridges	(39,105,775)	-	(39,105,775)	(5,452,620)	73,454	-	95,067	(44,389,874)
Machinery and equipment	(50,720,771)	-	(50,720,771)	(3,664,268)	447,586	-	120,483	(53,816,970)
Computer and communication equipment	(710,274)	-	(710,274)	(153,692)	22,941	-	273,650	(567,375)
Office equipment, furniture and fixtures	(4,052,201)	-	(4,052,201)	(435,883)	15,929	-	(253,506)	(4,725,661)
Motor vehicles	(6,887,457)	-	(6,887,457)	(645,532)	354,234	-	35,971	(7,142,784)
Total accumulated depreciation	(101,476,478)	-	(101,476,478)	(10,351,995)	914,144	-	271,665	(110,642,664)
Impairment provision	(14,308,330)	-	(14,308,330)	-	61,808	-	164,639	(14,081,883)
Net carrying amount	**206,861,002**		**(206,001,648)**					**208,224,768**

* As restated (See Note 49)

During 2022, property, plant and equipment amounted to US$ 262,666 and US$ 368,886 from ANJAS and KAL's estate infrastructure, respectively, were reclassified as bearer plants. During 2021, property, plant and equipment amounted to US$ 255,973 from ANJAS' estate infrastructure was reclassified as bearer plants, property, plant and equipment amounting to US$ 600,804 from GMIT frozen line product was reclassified as inventory, and property, plant and equipment amounting to US$ 162,402 from KAL's land and construction in progress were reclassified as advances for plasma plantations and plasma receivables. In addition, US$ 527,646 and US$ 277,903 were reclassified from advance for property, plant and equipment for PPM and PMP, respectively.

As of 31 December 2022 and 2021, 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 2022, the total estimated fair value of land is US$ 362,938,105, (as of 31 December 2021, the carrying amount of these land is US$ 77,244,115). 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 2022 and 2021 were allocated as follows:

	2022	2021*
	US$	US$
Cost of revenue (Note 32)	10,662,968	9,235,250
General and administrative expenses (Note 34)	374,757	435,039
Capitalized to immature plantation	447,132	681,706
Total	11,484,857	10,351,995

Borrowing cost capitalized to the acquisition cost of property, plant and equipment for the years ended 31 December 2022 and 2021 amounted to US$ 47,510 and US$ 388,671, 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 2022, 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 2023-2024.

Property, plant and equipment, except land, were insured against fire, theft, earthquake, flood and other possible risks for a total coverage of US$ 72.827 thousand and Rp 1,062 billion as of 31 December 2022 (2021: US$ 74,762 thousand and Rp 1,098 billion). 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 2022 and 2021 amounted to US$ 46,815,563 and US$ 48,050,050, respectively.

Certain property, plant and equipment were sold and disposed in the years ended 31 December 2022 and 2021. The reconciliation between gain on sale and disposal of property, plant and equipment and proceeds from sale of property, plant and equipment are as follows:

	2022	2021
	US$	US$
Proceeds from sale/deduction of property, plant and equipment	711,268	620,884
Net carrying amount of property, plant and equipment sold and disposed	(593,975)	(208,622)
Gain on sale and disposal of property, plant and equipment (Note 36)	117,293	412,262

In March 2022, mini mill asset that have been impaired in KAL amounting to US$ 1.4 million, was sold at Rp 4 billion (equivalent to US$ 278 thousand).

15. INTANGIBLE ASSETS

	1 January 2022	Additions	Deductions	Reklasifikasi/ *Reclassification*	Translation adjustments	31 December 2022
	US$	US$	US$	US$	US$	US$
Landrights						
Cost	1,081,522	-	-	-	(41,496)	1,040,026
Accumulated amortization	(224,286)	(15,769)	-	-	21,708	(218,347)
	857,236	(15,769)	-	-	(19,788)	821,679
Software and implementation						
Cost	2,065,043	210,376	-	-	(25,116)	2,250,303
Accumulated amortization	(2,028,225)	(28,469)	-	-	23,305	(2,033,389)
	36,818					216,914
	894,054					**1,038,593**

15. INTANGIBLE ASSETS (Continued)

	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**

Amortization expense for the years ended 31 December 2022 and 2021 were allocated as follows:

	2022	2021
	US$	US$
General and administrative expenses (Note 34)	29,155	277,391
Cost of revenue	15,083	15,671
Total	44,238	293,062

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 2022	Additions	Deductions	Translation adjustments	31 December 2022
	US$	US$	US$	US$	US$
Property					
Cost	1,112,187	-	-	(11,588)	1,100,599
Accumulated depreciation	(366,546)	(275,961)	-	(25,461)	(667,968)
	745,641	(275,961)	-	(37,049)	432,631
Machine					
Cost	1,154,707	74,016	(10,367)	(18,825)	1,199,531
Accumulated depreciation	(51,288)	(571,073)	10,367	(21,603)	(633,597)
	1,103,419	(497,057)	-	(40,428)	565,934
Total, net	**1,849,060**				**998,565**

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

	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	(152,244)	-	(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**

Depreciation expense for the years ended 31 December 2022 and 2021 were allocated as follows:

	2022	2021
	US$	US$
Cost of revenue	554,091	-
General and administrative expenses (Note 34)	292,943	571,039
Total	847,034	571,039

Lease liabilities

Future minimum lease payments for these leases as of 31 December 2022 and 2021 was as follows:

	31 December 2022	31 December 2021
	US$	US$
Finance lease liabilities are payable as follows:		
2022	-	1,029,249
2023	882,365	836,335
2024	260,866	265,056
2025	17,869	-
2026	2,535	-
Total future minimum lease payments	1,163,635	2,130,640
Interest portion of the lease payments	(76,553)	(205,395)
Present value of minimum lease payments	1,087,082	1,925,245
Lease liabilities-current maturities	(822,607)	(897,863)
Lease liabilities-net of current maturities	264,475	1,027,382

	31 December 2022	31 December 2021
	US$	US$
Amount recognized in profit or loss:		
Depreciation of right-of-use assets	847,034	571,039
Interest on lease liabilities (Note 35)	117,680	95,825
Expense relating to short-term leases (Note 34)	404,048	423,725
Total	1,368,762	1,090,589

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 denominated in Rupiah is 8.90%-9.25% as of 31 December 2022 and 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 2022	31 December 2021
	US$	US$
Beginning balance	1,925,245	1,181,618
Addition	74,016	1,310,816
Non-cash changes: interest amortization	117,680	95,825
Cash flows: payment of lease liabilities	(931,730)	(619,075)
Translation adjustments	(98,128)	(43,939)
Ending balance	1,087,083	1,925,245

17. ADVANCES

	31 December 2022	31 December 2021
	US$	US$
Third parties:		
Advances for legal processing of landrights	7,761,571	7,816,876
Advances for palm plantation	2,242,413	2,247,003
Advances for purchase of property, plant and equipment	761,972	1,128,514
Other advances	19,883	38,686
Total	10,785,839	11,231,079

Advances for legal processing of landrights represent payments to obtain HGU in Empat Lawang 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 2022 and 2021.

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 2022	31 December 2021
Discount rate	10%	7.30%
Terminal value multiple	14	14
Budgeted revenue growth rate	1.38% (*average of next ten years)*	6.09% (*average of next ten years)*

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.

In 2022, five years of future cash flows (2021: ten years) 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 estimated by management. The budgeted revenue growth rate 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 2022	31 December 2021
	US$	US$
Claims for tax refund:		
ANJA:		
VAT fiscal year 2013	588,576	648,881
VAT fiscal year 2019	-	185,159
Witholding income tax 2019	282,779	419,395
SMM:		
Withholding income tax 2019	-	72,369
KAL		
VAT fiscal year 2019	254,144	280,183
VAT period February - December 2018	351,953	388,014
VAT period February - March 2020	38,333	38,333
VAT period April - May 2020	-	79,744
Withholding income tax 2017	113,229	-
Total claims for tax refund	1,629,014	2,112,078
Overpayment corporate income tax:		
The Company:		
Fiscal Year 2020	127,330	127,330
Fiscal year 2021	48,458	48,458
Fiscal year 2022	64,285	-
ANJA:		
Fiscal year 2019	949,370	1,029,986
ANJAS:		
Fiscal year 2022	462,513	-
SMM:		
Fiscal year 2019	1,858,786	1,858,786
Total overpayment of corporate income tax	3,510,742	3,064,560
Total	5,139,756	5,176,638

Overpayment of corporate income tax

In September 2022, ANJA received refund from corporate income tax overpayment fiscal year 2019 amounting to US$ 80,616. As of 31 December 2022, ANJA and SMM's claim on income tax overpayment for fiscal year 2019 is in tax appeal at the Tax Court, while the Company's claim on corporate income tax overpayment for fiscal year 2020 is in tax objection at the Directorate General of Taxation. Up to the date of the issuance of these consolidated financial statements, ANJA, SMM, and the Company have not received any tax decision.

19. CLAIMS FOR TAX REFUND (Continued)

Other claims for tax refund

In July 2022, ANJA received the refund from VAT claim for fiscal period December 2019 amounting to US$ 79,546, while claim from VAT refund in KAL for fiscal period April-May 2020 amounting to US$ 72,815 was approved and utitilzed as a deduction for other tax payment. ANJA and SMM also received the refund on claim for withholding tax fiscal year 2019 amounting to US$ 111,238 and US$ 68,827, respectively. The remaining claims for tax refund ANJA and SMM were recognized in the current year's consolidated profit or loss.

In September 2022, KAL paid for withholding tax underpayment for September-December 2017 amounting to US$ 113,229.

As of 31 December 2022, ANJA's claim on VAT for fiscal year 2013 is in judicial review stage at the Supreme Court. ANJA's claim on withholding tax for fiscal year 2019, KAL's claim on VAT for fiscal year 2019, fiscal period February-December 2018 and fiscal period February-March 2020 are in tax appeal at the Tax Court. KAL's claim on withholding tax for fiscal year 2017 is in objection stage at the Directorate General of Taxation. Up to the date of the issuance of these consolidated financial statements, ANJA and KAL have not received any tax decision.

20. OTHER NON-CURRENT ASSETS

	31 December 2022	31 December 2021
	US$	US$
Advances for plasma and partnership plantation projects - net	11,078,233	13,230,817
Plasma receivables - net	4,335,068	6,783,107
MSOP and ESPP loan	1,450,925	1,661,843
Others	396,394	385,916
Total	17,260,620	22,061,683

Advances for plasma and partnership plantation projects represent payments made to develop plasma palm oil plantation in PPM and PMP. Plasma receivables represent all payments made to develop palm oil plasma and partnership plantation in KAL, SMM and ANJAS, net of proceeds from loan facility for plasma financing. KAL, SMM and ANJAS have commitments on this plasma plantation project (Note 42d, 42f and 42g).

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 2022 and 2021, the balance of MSOP and ESPP loan amounting to Rp 22.8 billion (equivalent to US$ 1,450,925) and Rp 23.7 billion (equivalent to US$ 1,661,843), respectively.

21. BANK LOANS

	31 December 2022	31 December 2021
	US$	US$
Short-term bank loans		
Rupiah		
PT Bank UOB Indonesia		
Subsidiaries	635,687	-
U.S. Dollar		
PT Bank CIMB Niaga Tbk		
The Company	-	2,000,000
PT Bank OCBC NISP Tbk		
Subsidiaries	4,000,000	-
Total	4,635,687	2,000,000
Long-term bank loans		
Rupiah		
PT Bank OCBC NISP Tbk		
Subsidiaries	53,694,298	90,389,396
PT Bank CIMB Niaga Tbk		
Subsidiaries	-	2,184,368
U.S. Dollar		
PT Bank OCBC NISP Tbk		
Subsidiaries	66,681,250	70,000,000
PT Bank BTPN Tbk		
Subsidiaries	3,600,000	5,200,000
PT Bank CIMB Niaga Tbk		
Subsidiaries	6,002,445	-
Total	129,977,993	167,773,764
Less: deferred financing cost	(371,345)	(527,733)
Total	129,606,648	167,246,031
Long-term bank loan current maturities	(4,600,000)	(12,744,759)
Long-term bank loans - net of current maturities	125,006,648	154,501,272
Effective interest rates per annum		
Short-term bank loans		
Rupiah	5.97% - 8.85%	6.00% - 8.75%
U.S. Dollar	2.60% - 6.69%	2.59% - 2.65%
Long-term bank loans		
Rupiah	7.75% - 8.25%	6.00% - 8.75%
U.S. Dollar	2.60% - 7.24%	2.58% - 3.50%

The following table summarizes the repayment schedule for principal balance of long-term bank loans as of 31 December 2022 and 2021:

	31 December 2022	31 December 2021
	US$	US$
Due in the year:		
Within one year	4,600,000	12,744,759
1 - 5 years	125,377,993	155,029,005
Total	129,977,993	167,773,764

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 expired 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 20 September 2022, the loan agreement was extended until 28 July 2023. The loan bears floating annual interest rate as follow:

- For withdrawal 2 weeks tenor:
  a. Secured Overnight Financing Rate (SOFR) + 2.25% p.a. for the withdrawals denominated in U.S. Dollar.
  b. Jakarta Interbank Offerred Rate (JIBOR) 1 month + 2.25% p.a. for the withdrawals denominated in Rupiah.
- For withdrawal 1 month tenor:
  a. Secured Overnight Financing Rate (SOFR) + 2.3% p.a. for the withdrawals denominated in U.S. Dollar.
  b. Jakarta Interbank Offerred Rate (JIBOR) 1 month + 3% p.a. for the withdrawals denominated 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. This facility is available until the due date of 31 December 2026. The facility bears floating annual interest rate at 9.5%. The interest rate was reduced in February 2021, June 2021 and March 2022 to 8.5%, 8.0% and 7.75% p.a., respectively.

On 12 August 2022, the loan agreement was amended by converting the currency of credit facility of Rp 115 billion into US$ 2.15 million with due date 31 December 2026, and provide additional credit facility of US$ 4 million with due date 5 years from first withdrawal date. The facility bears floating annual interest rate on SOFR + 2.3% p.a.

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 5.5x, 4.5x, and 3.5x for financial year 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 2022 and 2021, the Company, ANJA and KAL are in compliance with the terms and conditions of the loan agreement.

21. BANK LOANS (Continued)

PT Bank OCBC NISP Tbk (OCBC NISP)

OCBC NISP with the Company, ANJA, PPM, PMP, ANJAS and SMM

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 12 October 2022 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$ 21 million or its equivalent in Rupiah for ANJA.
- Term Loan 2 credit facility of US$ 26,493,750 million or its equivalent in Rupiah for SMM.
- Term Loan 3 credit facility of US$ 21,587,500 or its equivalent in Rupiah for ANJAS.
- Term Loan 4 credit facility of US$ 44,782,984 or equivalent to Rp 673,424,125,000 for PPM and PMP.
- Term Loan 5 credit facility of US$ 20.5 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.
- Interest Rate Swap Facility with the maximum notional amount US$ 50 million

Loan facilities bear annual interest rate at at Term Secured Overnight Financing Rate (SOFR) + Credit Adjustment Spread (CAS) + 2.25% for the U.S. Dollar withdrawal and 8.25% for the Rupiah withdrawal.

Overdraft, demand loan, combined trade credit facilities and foreign exchange transaction facility are due on 20 March 2023, the Term loan credit faciilities are due on 19 March 2025 and can be extended until 19 March 2028, while Interest Rate Swap facility is due on 9 March 2026.

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, ANJAS, 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 and ANJAS; and US$ 1.5 million each from PPM and PMP.

21. BANK LOANS (Continued)

PT Bank OCBC NISP Tbk (OCBC NISP) (Continued)

OCBC NISP with the Company, ANJA, PPM, PMP, ANJAS and SMM (Continued)

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 at 31 December 2022 and 2021, 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 18 October 2021, therefore the credit facilities were as follows:

- Term Loan 2 credit facility of Rp 25.7 billion. The loan facility will be due on 31 July 2024..
- Demand Loan facility amounting to US$ 4 million. The loan facility will be due on 31 July 2022.
- Foreign exchange transaction facility of US$ 4.5 million. The loan facility will be due on 31 July 2022.

Subsequently in June 2022, the loan agreement was amended to be as follows:

- Term Loan 2 credit facility of Rp 5.7 billion and can be converted into U.S. Dollar at once. The loan facility will be due on 31 July 2024.
- Demand Loan facility amounting to US$ 4 million. The loan facility will be due on 31 July 2023.
- Foreign exchange transaction facility of US$ 4.5 million. The loan facility will be due on 31 July 2023.
- Term Loan 4 credit facility of US$ 16 million. The loan facility will be due on 20 June 2027

The interest rate for loan facilities denominated in Rupiah were change several times with the latest change effective from 1 December 2022 to 8.25% p.a. and loan facilities denominated in U.S. Dollar bear annual interest rate at Term SOFR + CAS + 2.25%.

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 similar collateral to PT Bank CIMB Niaga Tbk. which are valid propotionally (pari passu), which includes 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 2022 and 2021, KAL 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.

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 working capital with a total facility of Rp 10 billion 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 amounting to Rp 10 billion 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 amounting to USD 1 million 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 billion and USD 1 million.

The credit facilities are guaranteed with the corporate guarantee from SMM (related parties).

The loan agreement required GMIT to maintain a financial ratio which is current ratio of not less than 1x.

As of 31 December 2022 and 2021, GMIT is in compliance with the terms and conditions 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 with 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.

- 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 2023 and due in three months after the last utilization date of the facility with annual interest rate at Cost of Fund plus 2.25% p.a. for the U.S. Dollar withdrawal and annual interest rate at 2.25% 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.

As of 31 December 2022 and 2021, the Company, ANJA, ANJAS and SMM are in compliance with the terms and conditions of the loan agreement.

22. TRADE ACCOUNTS PAYABLE

	31 December 2022	31 December 2021
	US$	US$
Third parties		
Palm oil	6,113,786	5,705,634
Sago	120,714	221,685
Other	82,820	12,124
Total	6,317,320	5,939,443

Based on currencies:

	31 December 2022	31 December 2021
	US$	US$
United States Dollar	149,154	165,502
Rupiah	6,168,166	5,773,941
Total	6,317,320	5,939,443

23. TAXES PAYABLE

	31 December 2022	31 December 2021
	US$	US$
Corporate income tax		
Subsidiaries	2,917,525	8,011,902
Income taxes		
Article 21	644,981	519,656
Article 25	457,285	-
Other taxes	193,318	216,662
Total	4,213,109	8,748,220

24. OTHER PAYABLES

	31 December 2022	31 December 2021
	US$	US$
Contract liabilities	7,875,910	5,872,075
Payable to third parties	4,989,724	4,979,865
Total	12,865,634	10,851,940

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 2022	31 December 2021
	US$	US$
Salaries, bonuses and allowances	4,693,599	5,299,031
Professional fees	1,255,196	522,429
Fertilizer purchase	-	418,370
Interest	115,994	100,522
Others	714,872	1,171,354
Total	6,779,661	7,511,706

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.

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 2022	31 December 2021
	US$	US$
Recognized in profit or loss:		
Current service cost	1,729,779	3,499,355
Past service cost	66,103	(5,312,426)
Adjustment due to press release related to PSAK 24 (Note 2a)	(1,211,204)	-
Severance, curtailment, and settlement cost	672,129	3,640,099
Interest cost	937,396	1,179,726
Interest income on plan assets	(101,316)	(190,672)
Components of defined benefit costs recognized in profit or loss	2,092,887	2,816,082
Recognized in other comprehensive income:		
Remeasurement on the net defined benefit asset/liability:		
Return on plan assets	79,694	21,288
Actuarial loss/(gains)	(1,768,855)	(81,189)
Impact from asset restriction	(121,353)	353,391
Components of defined benefit costs recognized in other comprehensive income	(1,810,514)	293,490
Total	282,373	3,109,572

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 2022 and 2021 amounted to US$ 2,092,887 and US$ 2,816,082 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 2022	31 December 2021
	US$	US$
Present value of defined benefit obligation (PVDBO)	12,432,338	15,614,984
Fair value of plan assets	(1,026,194)	(2,146,541)
Impact of asset restriction	249,934	375,878
Net liability	11,656,078	13,844,321

Movements in the present value of the defined benefit obligation (PVDBO) were as follows:

	31 December 2022	31 December 2021
	US$	US$
Opening balance of defined benefit obligation	15,614,984	26,552,905
Current service cost	1,729,779	3,499,355
Past service cost	66,103	(5,312,426)
Interest cost	937,396	1,179,726
Benefits paid	(2,231,958)	(12,863,456)
Adjustment due to press release related to PSAK 24 (Note 2a)	(1,211,204)	-
Provision for termination cost	647,061	-
Effect of settlement on PVDBO	-	2,977,198
Remeasurement on the net defined benefit liability:		
Actuarial (gains) losses arising from change in financial assumptions	(359,899)	(336,190)
Actuarial losses from experience adjustments	(1,408,957)	255,001
Foreign exchange differential	(1,350,967)	(337,129)
Ending balance of defined benefit obligation	12,432,338	15,614,984

Movements in the fair value of the plan assets were as follows:

	31 December 2022	31 December 2021
	US$	US$
Opening balance of fair value of plan assets	2,146,541	6,233,219
Interest income	101,316	190,672
Remeasurement loss:		
Return on plan assets	(79,694)	(21,288)
Contributions from the employer	805,363	8,299,748
Foreign exchange differences on plans	(145,770)	(83,704)
Benefits paid	(1,801,562)	(12,472,106)
Ending balance of fair value of plan assets	1,026,194	2,146,541

Cumulative actuarial gain recognized in other comprehensive income are as follows:

	31 December 2022	31 December 2021
	US$	US$
Cumulative amounts at beginning of year	2,376,376	2,669,866
Actuarial gain (loss) for the year	1,810,514	(293,490)
Cumulative amounts at end of year	4,186,890	2,376,376

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 2022	31 December 2021	31 December 2022	31 December 2021
	%	%	US$	US$
Investment in money market	3.28%	7.21%	1,026,194	2,146,541
Fair value of plan assets			1,026,194	2,146,541

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.

As of 31 December 2022, the cost of providing employee benefits is calculated annually by a qualified actuary, Kantor Konsultan Aktuaria Steven & Mourits. The actuarial valuation was carried out using the following key assumptions:

	31 December 2022	31 December 2021
Mortality rate	TMI 4 2019	TMI 4 2019
Normal pension age	56-60 years	56-60 years
Salary increment rate per annum	8%	8%
Discount rate per annum	7.20% - 7.42%	6.95% - 7.59%

Historical information:	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
	US$	US$	US$	US$	US$
Present value of defined benefit obligation	12,432,339	15,614,984	26,552,905	21,549,023	17,775,220
Experience adjustments	(1,408,957)	255,001	105,552	83,834	628,584

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$ 13,471,721 (increase to US$ 11,512,486) on 31 December 2022 and would decrease to US$ 14,368,418 (increase to US$ 17,046,321) on 31 December 2021.
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase to US$ 13,585,118 (decrease to US$ 11,400,052) on 31 December 2022 and increase to US$ 17,200,719 (decrease to US$ 14,220,582) on 31 December 2021.

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 2022 is 12.17 – 18.37 years (2021: 10.37 – 20.13 years). This number can be analysed from average expected future service of active members is 8.32 – 13.20 years for 2022 (2021:8.30 – 12.51 years).

27. CAPITAL STOCK AND TREASURY STOCK

The composition of the Company's shareholders is as follows:

	31 December 2022			
			Total paid-in capital stock	
Name of shareholders	Number of shares	Percentage of 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%)	275,222,400	8.2570%	27,522,240,000	3,353,146
Total outstanding shares	3,333,204,088	100.0000%	333,320,408,800	46,520,222
Treasury stock	20,970,912	-	2,097,091,200	215,086
Number of shares issued and fully paid	3,354,175,000	100.0000%	335,417,500,000	46,735,308

	31 December 2021			
			Total paid-in capital stock	
Name of shareholders	Number of shares	Percentage of 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

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. As of 31 December 2022, total treasury stock which were held by the Company was 20,970,912 shares with the value of US$ 1,973,591 at its acquisition cost (31 December 2021: 39,801,112 shares with the value of US$ 3,668,309 at its acquisition cost).

As of 31 December 2022 and 2021, the total Company's public shares owned by the Company's Directors are 11,909,563 shares.

28. ADDITIONAL PAID IN CAPITAL

	31 December 2022	31 December 2021
	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	2,188,562	2,521,340
Subtotal	36,886,498	37,219,276
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	49,890,831	50,223,609

The difference in value from restructuring transaction between entities under common control arised from the following transactions:

Sale of investment in shares of ANJHC

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.

Sale of investment in shares of BKM

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.

Sale of investment properties

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 2022	31 December 2021
	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 2022	31 December 2021*
	US$	US$
Unrealized gain on investments in investments in equity securities		
Beginning balance	2,679,301	2,278,658
Changes in fair value of investments in equity securities (Note 12)	3,026,771	485,985
Income tax on change in fair value investment in equity securities	(665,890)	(85,342)
Sale of investments in equity securities:		
Difference between selling price and fair value	81,314	-
Reclassification to retained earnings	(2,401,675)	-
Subtotal	2,719,821	2,679,301
Difference in translation of subsidiaries' financial statements in foreign currencies		
Beginning balance	(34,088,620)	(31,451,668)
Adjustment in relation to adoption of PSAK 16 (Note 2b)	-	(87,437)
Difference in translation of subsidiaries' financial statements in foreign currencies	(19,399,753)	(2,549,515)
Subtotal	(53,488,373)	(34,088,620)
Total	(50,768,552)	(31,409,319)

** As restated (See Note 49)*

Difference between selling price on investment in PT Agro Muko and its acquisition cost, net of tax was reclassified to retained earnings.

30. NON-CONTROLLING INTERESTS

	31 December 2022	31 December 2021*
	US$	US$
PT Gading Mas Indonesia Teguh	1,977,831	2,281,578
PT Lestari Sagu Papua	121,973	131,918
PT Austindo Aufwind New Energy	5,523	5,125
Total	2,105,327	2,418,621

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 2022	31 December 2021*
	US$	US$
PT Gading Mas Indonesia Teguh		
Balance at beginning of year	2,281,578	1,859,256
Addition from capital injection	450,000	1,322,222
Share of profit (loss) for the year	(569,364)	(417,638)
Share of other comprehensive income	2,839	9
Adjustment	-	(171,871)
Translation adjustments	(187,222)	(310,400)
Total	1,977,831	2,281,578
PT Lestari Sagu Papua		
Balance at beginning of year	131,918	130,537
Share of profit for the year	2,450	2,873
Translation adjustments	(12,395)	(1,492)
Total	121,973	131,918

31 December 2022	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	173,135	1,847,830		
Non-current assets	79,171	9,154,131		
Current liabilities	(3,381)	(964,359)		
Non-current liabilities	-	(139,419)		
Net assets attributable to owners of the Company	248,925	9,898,183		
Net assets attributable to non-controlling interests	121,973	1,979,637	3,717	2,105,327
Revenue	12,704	1,680,332		
Expenses	(7,705)	(4,527,154)		
Profit (loss) for the year	4,999	(2,846,822)		
Total comprehensive income (loss) attributable to owners of the Company	4,999	(2,832,625)		
Total comprehensive income (loss) attributable to non-controlling interests	2,450	(566,525)	920	(563,155)
Difference in translation of subsidiaries financial statements in foreign currency	(12,395)	(187,222)	(522)	(200,139)
Total comprehensive income (loss) attributable to non-controlling interests after translation	(9,945)	(753,747)	398	(763,294)
Cash flows from (used in) operating activities	3,388	(2,694,322)		
Cash flows from (used in) investing activities	-	(283,189)		
Cash flows from financing activities	-	2,993,488		
Net increase (decrease) in cash and cash equivalents	3,388	15,977		

** As restated (See Note 49)*

30. NON-CONTROLLING INTERESTS (Continued)

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	10,427,712		
Current liabilities	(5,396)	(180,905)		
Non-current liabilities	-	(307,650)		
Net assets attributable to owners of the Company	269,220	11,407,867		
Net assets attributable to non-controlling interests	131,918	2,281,578	5,125	2,418,621
Revenue	13,948	1,026,994		
Expenses	(8,086)	(3,115,178)		
Profit (loss) for the year	5,862	(2,088,184)		
Total comprehensive income (loss) attributable to owners of the Company	5,862	(2,088,138)		
Total comprehensive income (loss) attributable to non-controlling interests	2,873	(417,629)	1,832	(412,924)
Difference in translation of subsidiaries financial statements in foreign currency	(1,492)	(310,400)	(38)	(311,930)
Total comprehensive income (loss) attributable to non-controlling interests after translation	1,381	(728,029)	1,794	(724,854)
Cash flows from (used in) operating activities	5,880	(1,333,950)		
Cash flows from (used in) investing activities	-	(416,726)		
Cash flows from financing activities	-	1,695,797		
Net increase (decrease) in cash and cash equivalents	5,880	(54,879)		

** As restated (See Note 49)*

31. REVENUE

Revenue consists of revenue from sales and service concession revenue.

	2022	2021*
	US$	US$
Revenue from sales	268,586,966	266,806,701
Service concession revenue	579,755	577,222
Total	269,166,721	267,383,923

a. Revenue from Sales

	2022	2021*
	US$	US$
Crude palm oil (CPO)	232,567,904	235,176,092
Palm kernel (PK)	30,761,600	27,389,350
Palm kernel oil (PKO)	1,033,785	1,455,560
Sago starch	1,584,480	1,296,157
Edamame	1,680,333	1,026,994
Fresh fruit bunch (FFB)	931,861	443,271
Others	27,003	19,277
Total	268,586,966	266,806,701

The revenue from the sales of CPO and PK includes the sales of physical RSPO certifcates of US$ 1,588,679 for the year ended 31 December 2022.

b. Service Concession Revenue

	2022	2021
	US$	US$
Service concession revenue	487,658	472,797
Financing revenue from service concession	92,097	104,425
Total	579,755	577,222

** As restated (See Note 49)*

32. COST OF REVENUE

Cost of revenue consists of cost of sales and cost of service concession.

	2022	2021*
	US$	US$
Cost of sales	214,924,655	169,095,782
Cost of service concession	370,169	395,884
Total	215,294,824	169,491,666

a. Cost of Sales

	2022	2021*
	US$	US$
Crude palm oil, palm kernel oil and palm kernel	202,344,886	160,870,395
Sago starch	7,375,747	5,460,845
Edamame	3,846,173	2,477,814
Fresh fruit bunches	1,343,767	275,066
Others	14,082	11,662
Total	214,924,655	169,095,782

	2022	2021*
	US$	US$
Palm oil production costs		
Harvesting expenses	18,836,520	17,070,129
Maintenance costs of mature plantation	27,098,271	22,444,753
Factory overhead and indirect costs	38,649,958	33,916,452
Depreciation of mature plantation (Note 13)	15,542,605	13,593,800
Depreciation of property, plant and equipment (Note 14)	9,053,771	7,921,221
Purchases of FFB	88,758,284	68,913,903
Impairment inventories	540,239	(191,106)
Fair value adjustments on derivative instruments	13,975	58,154
Realized loss (gain) from derivative transaction, net	138,650	396,653
Total palm oil production costs	198,632,273	164,123,959
Sago starch production costs		
Tual harvesting costs	972,029	761,773
Sago processing costs	5,351,379	3,738,173
Impairment loss for decline in value of sago inventories	396,180	426,154
Depreciation of property, plant and equipment (Note 14)	1,049,565	1,070,604
Total sago starch production costs	7,769,153	5,996,704
Edamame production costs		
Raw material consumption	1,557,295	280,559
Recovery of impairment losses on property, plant and equipment	-	-
(Reversal) addition impairment for decline in value of edamame inventories	(438,398)	751,268
Edamame processing costs	1,852,101	2,032,964
Depreciation of property, plant and equipment (Note 14)	559,632	243,425
Total edamame production costs	3,530,630	3,308,216
Others	13,422	11,662
Finished goods:		
Beginning of year		
Palm oil	10,620,593	11,492,261
Sago starch	1,190,820	660,944
Edamame	832,903	-
End of year		
Palm oil product	(8,352,697)	(10,620,593)
Sago starch	(1,452,022)	(1,190,820)
Edamame	(457,223)	(832,903)
Others	-	-
Translation adjustments of inventories	(364,036)	(52,372)
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the year (Note 11)	2,960,839	(3,801,276)
Cost of sales	214,924,655	169,095,782

** As restated (See Note 49)*

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:

	2022		2021	
Name	Amount	Percentage of net purchases	Amount	Percentage of net purchases
	US$	%	US$	%
Haji Sati Rambe	21,147,881	22	17,628,383	26
Total	21,147,881	22	17,628,383	26

b. Cost of Service Concession

For the years ended 31 December 2022 and 2021, this account mainly represents expenses in order to maintain production capacity according to the service concession contract, which amounted to US$ 370,169 and US$ 395,884, respectively.

33. PERSONNEL EXPENSES

This account represents salaries, allowances, bonuses and employee benefit expenses (Note 26).

34. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
	US$	US$
Professional fees	1,728,830	3,327,350
Travel and transportation	406,261	240,673
Rent	404,048	423,725
Training, seminars and meeting	376,774	303,861
Depreciation of property, plant and equipment (Note 14)	374,757	435,039
Tax penalty expenses	327,448	331,334
Depreciation of right-of-use assets (Note 16)	292,943	571,039
Membership and subscription fees	171,604	134,226
Office expenses	142,887	157,156
Insurance	133,283	130,493
Communication and electricity	112,017	126,389
Repairs and maintenance	73,122	93,854
Custodian fees and bank charges	39,442	32,909
Amortization of intangible assets (Note 15)	29,155	277,391
Donation	5,917	11,315
Others	265,850	130,184
Total	4,884,338	6,726,938

35. FINANCE COSTS, NET

	2022	2021
	US$	US$
Financial income:		
Interest income from time deposit and current account	279,476	232,012
Others	191,997	381,574
Total	471,473	613,586
Financial charges:		
Loan interest expense	(4,949,142)	(4,488,131)
Interest expense from lease liabilities (Note 16)	(117,680)	(95,825)
Amortization of financing cost	(174,083)	(148,633)
Total	(5,240,905)	(4,732,589)
Total, net	(4,769,432)	(4,119,003)

36. OTHER INCOME, NET

	2022	2021*
	US$	US$
Other income:		
Management service income from plasma and other third parties	605,344	477,952
Gain on sale of property, plant, and equipment	117,293	412,262
Income from shell sales	881,543	324,781
Sales of RSPO certificates	196,305	141,372
Insurance claim	-	27,574
Others	465,974	388,180
Total	2,266,459	1,772,121
Other expenses:		
Loss on bearer plants write off	(499)	(727,328)
Others	(3,283)	(325,245)
Total	(3,782)	(1,052,573)
Total, net	2,262,677	719,548

Total sales of RSPO certificates for the year ended 31 December 2022 amounts to US$ 1,784,984 which consists of US$ 1,588,679 through the physical sales (Note 31) and US$ 196,305 through the online trading (palm e-trace).

37. INCOME TAXES

Income tax expense of the Group consists of the following:

	2022	2021*
	US$	US$
Recognized in profit or loss:		
Current tax	13,792,829	13,476,993
Deferred tax	(440,306)	5,244,759
Total income tax expense of the Group	13,352,523	18,721,752

** As restated (See Note 49)*

37. INCOME TAXES (Continued)

Current Tax

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:

	2022	2021*
	US$	US$
Consolidated profit before tax	34,507,811	55,308,706
Less: profit before tax per subsidiaries	(35,999,777)	(58,769,639)
Profit adjustment based on cost method	6,486,021	6,505,147
Profit before tax of the Company	4,994,055	3,044,214
Temporary differences:		
Bonus	(143,431)	129,576
Post-employment benefits	89,248	(4,210,656)
Rental	(65,595)	254
Depreciation and amortization	48,043	208,082
Subtotal	(71,735)	(3,872,744)
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Dividend income from subsidiaries and associates	(7,120,099)	(6,783,893)
Interest income	(31,322)	(6,219)
Donation	54,207	-
Personnel expenses	859,905	1,049,905
Gain on sale of investment	3,259,892	-
Others	30,171	46,427
Subtotal	(2,947,246)	(5,693,780)
Total taxable income (loss) of the Company	1,975,074	(6,522,310)

** As restated (See Note 49)*

	2022	2021
	US$	US$
Adjustment prior year tax - the Company	-	573
Current income tax expense - subsidiaries		
PT Austindo Nusantara Jaya Agri and subsidiaries	13,792,509	13,476,420
PT Lestari Sagu Papua	320	-
Income tax expense - current	13,792,829	13,476,993

The Company has submitted its corporate income tax return for fiscal year 2021 in April 2022. As of the issuance data of these consolidated financial statements, the Company has not submitted its corporate income tax return for fiscal year 2022.

Deferred Tax

As of 31 December 2022 and 2021, the Company had temporary differences from employee benefits obligation, fixed assets, security deposit, investments in equity securities, bonus and right-of-use assets.

37. INCOME TAXES (Continued)

Deferred Tax (Continued)

The following deferred tax assets of the Group have not been recognized:

	2022	2021
	US$	US$
Tax loss carry forwards	15,864,449	11,812,496
Impairment provision of property, plant and equipment	2,473,578	2,727,021
Allowance for decline in value of inventories	369,187	215,673
Provision for service concession arrangement	118,110	108,300
Total	18,825,324	14,863,490

The Group's tax loss carry forwards, which as of 31 December 2022 and 2021 amounting to US$ 82,578,327 and US$ 74,263,886, respectively, will expire between 2023 and 2027 (2021: will expire between 2022 and 2026) 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 2022	Credited (charged) to profit or loss	Credited (charged) to other comprehensive income	Translation adjustments	31 December 2022
	US$	US$	US$	US$	US$
Deferred tax assets					
The Company	125,871	(15,781)	13,762	-	123,852
GMIT	64,202	(19,193)	(4,004)	(4,697)	36,308
ANJA	684,769	486,474	(284,618)	(3,116)	883,509
ANJAP	99,990	(6,834)	(13,514)	(8,179)	71,463
Total	974,832	444,666	(288,374)	(15,992)	1,115,132
Deferred tax liabilities					
AANE	(49,322)	(7,425)	196	4,980	(51,571)
ANJA	(697,937)	3,065	(76,737)	41,980	(729,629)
Total	(747,259)	(4,360)	(76,541)	46,960	(781,200)
Net		440,306	(364,915)		

	1 January 2021	Adjustment	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$	US$	US$
Deferred tax assets									
The Company	840,504	-	840,504	(849,948)	76,114	59,201	-	-	125,871
GMIT	664,872	-	664,872	(598,316)	7,083	(13)	-	(9,424)	64,202
ANJA	3,411,000	-	3,411,000	(3,821,964)	283,706	(61,248)	914,954	(41,679)	684,769
ANJAP	97,032	-	97,032	(2,525)	9,375	(2,788)	-	(1,104)	99,990
Total	5,013,408	-	5,013,408	(5,272,753)	376,278	(4,848)	914,954	(52,207)	974,832
Deferred tax liabilities									
The Company	-	-	-	-	-	-	-	-	-
AANE	(206,404)	-	(206,404)	179,848	(25,802)	199	-	2,837	(49,322)
ANJA	(221,293)	40,748	(180,545)	(512,706)	10,376	(16,125)	-	1,063	(697,937)
Total	(427,697)	40,748	(386,949)	(332,858)	(15,426)	(15,926)	-	3,900	(747,259)
Net				(5,605,611)	360,852	(20,774)	914,954		

** As restated (See Note 49)*

37. 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:

	2022	2021
	US$	US$
Profit before tax of the Company	4,994,055	3,044,214
Tax expense at prevailing tax rates	(1,098,692)	(669,727)
Effect of non-tax deductible expenses (non-taxable income/subject to final tax):		
Dividend income from subsidiaries	1,566,422	1,492,457
Interest income	6,891	1,368
Donation	(11,926)	-
Personnel expenses	(189,179)	(230,979)
Gain on sale of investment	(717,176)	-
Others	(6,638)	(10,214)
Total	648,394	1,252,632
Adjustment due to change in tax rates	-	78,169
Adjustment tax prior year	-	(573)
Recognition of previously unrecognized tax losses	434,517	-
Fiscal loss for which no tax benefit was recognized	-	(1,434,908)
Total tax expense of the Company recognized in profit or loss	(15,781)	(774,407)
Tax expense of subsidiaries	(13,336,742)	(17,947,345)
Total Group's tax expense	(13,352,523)	(18,721,752)

38. EARNING PER SHARE

The computation of earning per share attributable to the owners of the Company is based on the following data:

	2022	2021*
	US$	US$
Income		
Net income attributable to owners of the Company	21,721,276	36,999,882
Number of shares		
Weighted average number of ordinary shares outstanding for basic income per share computation	3,328,875,821	3,312,282,180
Weighted average number of ordinary shares outstanding for diluted income per share computation	3,328,875,821	3,312,282,180
Earning per share		
Basic	0.0065	0.0112
Diluted	0.0065	0.0112

As of 31 December 2022 and 2021, the Company has no dilutive potential common shares.

** As restated (See Note 49)*

39. CASH DIVIDENDS

In the Annual General Shareholders' Meeting held on 8 June 2022, the shareholders of the Company approved the distribution of cash dividends of Rp 143,327.78 million or Rp 43 (full amount) per share (equivalent to US$ 9,666,022 or US$ 0.0029 per share) from the unappropriated retained earnings as of 31 December 2021 to the shareholders recorded on the shareholders register on 20 June 2022 (recording date). The dividend was paid to the shareholders on 8 July 2022.

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.

40. DERIVATIVE INSTRUMENTS

a. The Company, ANJA, SIAIS, SMM, PPM dan PMP 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 2022, there was no outstanding balance of the facility.

b. ANJA and SMM have CPO commodity swap contracts with several financial institution. As of 31 December 2022, there is no outstanding commodity swap contracts.

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 2022, 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 2022, there was no outstanding balance of the facility.

e. On 20 October 2020, the Company, ANJA, dan 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 2023. On 31 December 2022, there was no outstanding balance of the facility.

41. 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 2024. 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.

42. 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. 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 Bina Satong Lestari Cooperative, Laman Mayang Sentosa Cooperative 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.

42. COMMITMENTS AND CONTINGENCIES (Continued)

COMMITMENTS (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 with floating interest rate at 8.75% p.a. effective from 26 November 2022.

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 8.75% p.a. effective from 26 November 2022.

e. ANJA, ANJAS, KAL and SMM has sales commitments of CPO and PK with several customers, for delivery of CPO in 2023 maximum of 20,000 metric tonnes per month and for delivery of PK in 2022 maximum of 8,050 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 8.50% p.a. effective from August 2021.

   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 8.50% p.a. effective from August 2021.

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.

   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.

42. COMMITMENTS AND CONTINGENCIES (Continued)

COMMITMENTS (Continued)

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 2022 is as follows:

	Contract value	Total amount have been paid
IDR	Rp 482.3 billion	Rp 314.7 billion

CONTINGENCIES

As of 31 December 2022, 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.

43. SERVICES CONCESSION ARRANGEMENT

Energy Sales Contract (ESC) of AANE (Note 42a) 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 2022	31 December 2021
	US$	US$
Balance at beginning of year	770,623	843,811
Repayment	(69,333)	(63,299)
Translation adjustments	(67,825)	(9,889)
Balance at end of year	633,465	770,623
Less:		
Current maturity	(74,585)	(72,253)
Non-current portion	558,880	698,370

AANE have 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.

The movement of provision recognized in the consolidated statements of financial position is as follows:

	31 December 2022	31 December 2021
	US$	US$
Balance at beginning of period/year	486,613	434,739
Provision during the period/year	143,679	129,211
Realization during the period/year	(42,674)	(72,511)
Translation adjustment	(50,753)	(4,826)
Balance at end of period/year	536,865	486,613
Less:		
Current maturity	(236,067)	(34,118)
Non-current portion	300,798	452,495

The discount rate used in calculating the present value of the AANE’s provision is 5.50%-6.82%.

44. 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 2022 and 2021, total revenue to external customers by geographical areas are as follows:

	31 December 2022	31 December 2021*
	US$	US$
Domestic	268,289,315	202,995,459
Offshore countries	877,406	64,388,464
	269,166,721	267,383,923

* As restated (See Note 49)

As of 31 December 2022 and 2021 (as restated), the total of non-current assets other than financial instruments and deferred tax assets amounted to US$ 520,345,320 and US$ 537,118,384, respectively, and all is located in Indonesia.

Below is the operating segment information:

a. Segment Results

	31 December 2022						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
Revenue	265,295,150	579,755	1,584,480	1,707,996	269,167,381	(660)	269,166,721
Cost of revenue	(203,689,314)	(370,169)	(7,375,747)	(3,860,254)	(215,295,484)	660	(215,294,824)
Gross profit (loss)	61,605,836	209,586	(5,791,267)	(2,152,258)	53,871,897	-	53,871,897
Foreign exchange (loss) gain, net	(2,416,897)	(19)	1,861	10,201	(2,404,854)	109,516	(2,295,338)
Selling expense	(560,569)	-	(32,607)	(11,916)	(605,092)	-	(605,092)
Personnel expense	(5,396,582)	(57,028)	(74,924)	(357,743)	(5,886,277)	-	(5,886,277)
General & administrative expense	(5,914,274)	(50,138)	(184,706)	(353,979)	(6,503,097)	2,939,006	(3,564,091)
Others, net	2,283,570	(3,822)	995	2,625	2,283,368	(20,690)	2,262,678
Operating profit (loss)	49,601,084	98,579	(6,080,648)	(2,863,070)	40,755,945	3,027,832	43,783,777
Financial income (charges), net	(4,711,281)	27,576	14,256	(35,792)	(4,705,241)	16,514	(4,688,727)
Segment loss before tax	44,889,803	126,155	(6,066,392)	(2,898,862)	36,050,704	3,044,346	39,095,050
Unallocated income before tax					4,994,055	(9,581,294)	(4,587,239)
Profit before tax					41,044,759	(6,536,948)	34,507,811
Tax expense:							
Segment	(13,302,970)	(7,425)	(7,154)	(19,193)	(13,336,742)	-	(13,336,742)
Unallocated					(15,781)	-	(15,781)
Total tax expense					(13,352,523)	-	(13,352,523)
Profit for the year					27,692,236	(6,536,948)	21,155,288
Profit for the year attributable to:							
Owners of the Company							
Non-controlling interest					28,258,224	(6,536,948)	21,721,276
Profit for the year					(565,988)	-	(565,988)
					27,692,236	(6,536,948)	21,155,288
Total comprehensive income (loss) for the year attributable to:							
Owners of the Company					13,409,320	(6,536,948)	6,872,372
Non-controling interest					(763,294)	-	(763,294)
Total comprehensive income (loss)					12,646,026	(6,536,948)	6,109,078

44. SEGMENT INFORMATION (Continued)

a. Segment Results (Continued)

	31 December 2021*						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
Revenue	264,464,273	577,222	1,296,157	1,046,271	267,383,923	-	267,383,923
Cost of revenue	(161,145,461)	(395,884)	(5,460,845)	(2,489,476)	(169,491,666)	-	(169,491,666)
Gross profit (loss)	103,318,812	181,338	(4,164,688)	(1,443,205)	97,892,257	-	97,892,257
Foreign exchange gain (loss), net	(461,884)	34	1,069	(2,211)	(462,992)	(2,933)	(465,925)
Selling expense	(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 expense	(7,512,463)	(50,017)	(120,541)	(258,620)	(7,941,641)	2,626,555	(5,315,086)
Others, net	312,318	(2,255)	(1,461)	436,026	744,628	(21,850)	722,778
Operating profit (loss)	68,764,304	65,889	(4,438,533)	(1,566,161)	62,825,499	2,601,772	65,427,271
Financial income (charges), net	(4,044,994)	15,430	14,692	(14,485)	(4,029,357)	(23,570)	(4,052,927)
Segment loss before tax	64,719,310	81,319	(4,423,841)	(1,580,646)	58,796,142	2,578,202	61,374,344
Unallocated income before tax					3,044,214	(9,109,852)	(6,065,638)
Profit before tax					61,840,356	(6,531,650)	55,308,706
Tax expense:							
Segment	(17,517,008)	154,046	6,850	(591,233)	(17,947,345)	-	(17,947,345)
Unallocated					(774,407)	-	(774,407)
Total tax expense					(18,721,752)	-	(18,721,752)
Profit for the year					43,118,604	(6,531,650)	36,586,954
Profit for the year attributable to:							
Owners of the Company					43,531,532	(6,531,650)	36,999,882
Non-controling interest					(412,928)	-	(412,928)
Profit for the year					43,118,604	(6,531,650)	36,586,954
Total comprehensive income (loss) for the year attributable to:							
Owners of the Company					41,153,734	(6,531,650)	34,622,084
Non-controling interest					(724,854)	-	(724,854)
Total comprehensive income (loss)					40,428,880	(6,531,650)	33,897,230

* As restated (see Note 49)

b. Segment Assets and Liabilities

	31 December 2022						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	546,694,896	1,351,572	13,596,265	11,001,961	572,644,694	(890,115)	571,754,579
Unallocated assets	-	-	-	-	344,231,336	(313,395,441)	30,835,895
Total consolidated assets							602,590,474
LIABILITIES							
Segment liabilities	175,829,221	643,512	1,055,099	1,103,778	178,631,610	(2,550,935)	176,080,675
Unallocated liabilities	-	-	-	-	2,606,647	(208,038)	2,398,609
Total consolidated liabilities							178,479,284
Capital expenditure							
Segment	35,215,976	1,465	673,109	284,667	36,175,217	-	36,175,217
Unallocated	-	-	-	-	42,558	-	42,558
Total capital expenditure							36,217,775
Depreciation and amortization							
Segment	25,919,883	2,494	1,074,183	598,792	27,595,352	-	27,595,352
Unallocated	-	-	-	-	323,382	-	323,382
Total depreciation and amortization							27,918,734

44. SEGMENT INFORMATION (Continued)

b. Segment Assets and Liabilities (Continued)

	31 December 2021*						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	593,414,522	1,269,808	14,922,992	12,036,247	621,643,569	(4,429,308)	617,214,261
Unallocated assets					339,866,737	(311,873,892)	27,992,845
Total consolidated assets							645,207,106
LIABILITIES							
Segment liabilities	215,313,492	612,208	1,169,152	501,907	217,596,759	(1,774,078)	215,822,681
Unallocated liabilities					3,546,022	(17,791)	3,528,231
Total consolidated liabilities							219,350,912
Capital expenditure							
Segment	30,648,500	615	1,075,245	2,084,634	33,808,994	-	33,808,994
Unallocated					15,890	-	15,890
Total capital expenditure							33,824,884
Depreciation and amortization							
Segment	22,889,985	2,520	1,109,200	288,968	24,290,673	-	24,290,673
Unallocated					519,426	-	519,426
Total depreciation and amortization							24,810,099

*As restated (See Note 49)

45. MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN U.S. DOLLARS

As of 31 December 2022 and 2021, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows:

	31 December 2022		31 December 2021	
	Foreign currencies	Equivalent to US$	Foreign currencies	Equivalent to US$
Assets				
Cash and cash equivalents				
Rupiah	138,124,944,330	8,780,430	326,015,144,048	22,847,792
Trade accounts receivable				
Rupiah	19,093,806,328	1,213,769	44,685,581,303	3,131,655
Other receivable	8,245,293,533	524,143	5,665,720,485	397,065
Rupiah				
Receivable from service concession arrangement				
Rupiah	9,965,037,915	633,465	10,996,019,587	770,623
Prepayments - Value Added Taxes				
Rupiah	380,791,900,915	24,206,465	284,942,298,425	19,969,325
Claims for tax refund				
Rupiah	25,626,020,247	1,629,014	30,137,240,982	2,112,078
Other non-current assets				
Rupiah	267,785,891,401	17,022,814	314,407,178,288	22,034,283
Total		54,010,100		71,262,821

45. MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN U.S. DOLLARS (Continued)

As of 31 December 2022 and 2021, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows (Continued):

	31 December 2022		31 December 2021	
	Foreign currencies	Equivalent to US$	Foreign currencies	Equivalent to US$
Liabilities				
Short-term bank loans				
Rupiah	10,000,000,000	635,687	-	-
Trade accounts payable				
Rupiah	97,031,419,346	6,168,166	82,388,364,129	5,773,941
Taxes payable				
Rupiah	13,187,281,569	838,299	10,506,521,542	736,318
Long-term bank loans				
Rupiah	844,665,000,000	53,694,298	1,320,935,039,805	92,573,764
Other payable				
Rupiah	78,493,346,328	4,989,724	71,057,693,685	4,979,865
Provision for service concession arrangement				
Rupiah	8,445,423,315	536,865	6,943,480,897	486,613
Accrued expenses				
Rupiah	98,409,002,935	6,255,737	107,184,532,914	7,511,706
Lease liabilities				
Rupiah	17,100,886,942	1,087,082	27,471,320,905	1,925,245
Employee benefits obligation				
Rupiah	183,361,763,018	11,656,078	197,544,616,349	13,844,321
Total		85,861,936		127,831,773
Total liabilities, net		(31,851,836)		(56,568,952)

As of 31 December 2022 and 2021, the conversion rates used by the Group were as follows:

	31 December 2022	31 December 2021
	US$	US$
Mata Uang:		
1 Rupiah	0,000064	0,000070
1 Euro	1,062425	0,886328

In relation to the fluctuation of the U.S. Dollar exchange rate against foreign currencies, the Group recorded the foreign exchange loss, net of US$ 2,583,039 and US$ 431,820, respectively for the years ended 31 December 2022 and 2021.

46. 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.

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

a. Capital Risk Management (Continued)

The debt to equity ratio as of 31 December 2022 and 31 December 2021 were as follows:

	31 December 2022	31 December 2021*
	US$	US$
Debts		
Short term bank loans	4,635,687	2,000,000
Long-term bank loan current maturities	4,600,000	12,744,759
Long-term bank loans net of current maturities	125,006,648	154,501,272
Lease liabilities current maturities	822,607	897,863
Lease liabilities net of current maturities	264,475	1,027,382
Total debt	135,329,417	171,171,276
Equity attributable to the owners of the Company	422,005,863	423,437,573
Debt to equity ratio	32.07%	40.42%

*As restated (See Note 49)

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 2022			
Current financial assets			
Cash in banks and cash equivalents	10,614,917	-	-
Investment in marketable securities	-	-	490,209
Receivable from service concession arrangement	74,585	-	-
Trade accounts receivable	1,292,435	-	-
Other receivable	524,143	-	-
Non-current financial assets			
Receivable from service concession arrangement	558,880	-	-
Investments in equity securities	-	4,162,556	-
Other non-current assets	17,050,214	-	-
Current financial liabilities			
Short-term bank loans	(4,635,687)	-	-
Trade accounts payable	(6,317,320)	-	-
Other payables	(4,989,724)	-	-
Accrued expenses	(6,779,661)	-	-
Long term bank loan - current maturities	(4,600,000)	-	-
Long term bank loan - current maturities	(822,607)	-	-
Provision for service concession arrangement - current maturities	(236,067)	-	-
Non-current financial liabilities			
Long-term bank loans - net of current maturities	(125,377,993)	-	-
Long-term bank loans - net of current maturities	(264,475)	-	-
Provision for service concession arrangement - net of current maturities	(300,798)	-	-
Total	(124,209,158)	4,162,556	490,209

46. 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 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 receivable	397,065	-	-
Non-current financial assets			
Receivable from service concession arrangement	698,370	-	-
Investments in equity securities	-	6,557,471	-
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)	-	-
Long-term bank loans - 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

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.

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

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.

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 45. 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.

Foreign currency sensitivity

The following table details the Group's sensitivity to 1% and 1% increase and decrease in U.S. Dollar rate against Rupiah in 31 December 2022 and 2021, respectively. 1% 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 year end for every 1% change in the foreign currency rates of Rupiah at 31 December 2022.

	31 December 2022	
	Impact from Rupiah	
	1%	-1%
	US$	US$
Assets		
Cash and cash equivalents	(87,804)	87,804
Trade accounts receivable	(12,138)	12,138
Other receivables	(5,241)	5,241
Receivable from service concession arrangement	(6,335)	6,335
Prepayments – Value Added Taxes	(242,065)	242,065
Claim for tax refund	(16,290)	16,290
Other non-current assets	(170,228)	170,228
Total *)	(540,101)	540,101
Liabilities		
Short term bank loan	6,357	(6,357)
Trade accounts payable	61,682	(61,682)
Taxes payable	8,383	(8,383)
Long-term bank loans	536,943	(536,943)
Other payable	49,897	(49,897)
Provision for service arrangement	5,369	(5,369)
Accrued expenses	62,557	(62,557)
Lease liabilities	10,871	(10,871)
Employee benefits obligation	116,561	(116,561)
Total *)	858,620	(858,620)
Total assets (liabilities) net	318,518	(318,518)

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

i. Foreign Currency Risk (Continued)

Foreign currency sensitivity (Continued)

	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 receivables	(3,971)	3,971
Receivable from service concession arrangement	(7,706)	7,706
Prepayments – Value Added Taxes	(199,693)	199,693
Claim 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 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)

*) included the 31 December 2022 translation effect of assets and liabilities amounted to Rp 435.7 billion and Rp 970.4 billion (31 December 2021: Rp 736.2 billion and Rp 1,529.3 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 comprehensive income from the translation adjustments, if the U.S. Dollar increases or decreases by 1% dan 1% against Rupiah, respectively for the years ended 31 December 2022 and 2021:

	31 December 2022		31 December 2021	
	1%	-1%	1%	-1%
	US$	US$	US$	US$
Translation adjustments	1,964,173	(1,964,173)	2,916,184	(2,916,184)

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.

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

ii. Interest Rate Risk (Continued)

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 2022	31 December 2021
	US$	US$
Financial assets:		
Floating rate		
Cash in banks	9,780,260	26,324,668
Time deposit	834,657	537,946
Investments in marketable securities	490,209	490,209
Total	11,105,126	27,352,823
Fix rate		
Receivable from service concession arrangement	633,465	770,623
Financial liabilities:		
Floating rate		
Short-term bank loans	4,635,687	2,000,000
Long-term bank loans	129,977,993	167,246,031
Total	134,613,680	169,246,031
Fixed rate		
Lease liabilities	1,087,083	1,925,245
Provision for service concession arrangement	536,865	486,613
Total	1,623,948	2,411,858

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 2022	
	+ 25 basis points	- 25 basis points
	US$	US$
Financial assets		
Cash in bank	24,451	(24,451)
Time deposits	2,087	(2,087)
Investments in marketable securities	1,226	(1,226)
Financial liabilities		
Short-term bank loans	(11,589)	11,589
Long-term bank loans	(324,945)	324,945
Total	(308,770)	308,770

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

ii. Interest Rate Risk (Continued)

Interest rate profile

Sensitivity analysis for floating rate financial instruments

	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

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 to the Group (Notes 42d, 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.

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

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 2022 and 2021. The tables represent the undiscounted cash flows and carrying amount of financial assets and liabilities based on the earliest required payment date:

	31 December 2022				
	Contractual Cash Flows				
	Lees 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	10,614,917	-	-	10,614,917	10,614,917
Investments in marketable securities	490,209	-	-	490,209	490,209
Receivable from service concession arrangement	152,595	762,975	-	915,570	633,465
Trade accounts receivable	1,292,435	-	-	1,292,435	1,292,435
Other receivable	524,143	-	-	524,143	524,143
Other non-current assets	-	17,050,214	-	17,050,214	17,050,214
Total financial assets	13,074,299	17,813,189	-	30,887,488	30,605,383
Financial liabilities:					
Short-term bank loans					
Rupiah	643,597	-	-	643,597	635,687
U.S.Dollar	4,261,650	-	-	4,261,650	4,000,000
Trade accounts payable	6,317,320	-	-	6,317,320	6,317,320
Provision for service concession arrangement	247,857	308,213	-	556,070	536,865
Long-term bank loans					
Rupiah	4,479,486	59,169,511	-	63,648,997	53,694,298
U.S.Dollar	10,617,958	76,819,038	-	87,436,996	76,283,695
Other payable	4,989,724	-	-	4,989,724	4,989,724
Lease liabilities	882,365	281,270	-	1,163,635	1,087,082
Accruals	6,779,661	-	-	6,779,661	6,779,661
Total financial liabilities	39,219,618	136,578,032	-	175,797,650	154,324,332
Total net liabilities	(26,145,319)	(118,764,843)	-	(144,910,162)	(123,718,949)

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

v. Liquidity Risk (Continued)

	31 December 2021				
	Contractual Cash Flows				
	Lees 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 receivable	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 payable	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)

47. FAIR VALUE MEASUREMENTS

Fair value of financial instruments cerried at amortized cost

Management considers that the carrying amounts of financial assets and financial liabilities recorded at armortized cost approximate their fair values due to their short-term maturities, the insignificant impact of discounting or they carry market rate of interest.

Valution 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.

47. 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 2022	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	2,994	-	4,159,562	4,162,556
Non-financial assets				
Biological assets	-	-	4,067,927	4,067,927
Total	493,203	-	8,227,489	8,720,692

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

To determine the fair value of financial assets of investments in equity securities at Level 2, 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 2022 and 2021.

48. NON-CASH FINANCING AND INVESTING ACTIVITIES

	31 December 2022	31 December 2021
	US$	US$
Non-cash financing and investing activities:		
Acquisitions of property, plant and equipment through:		
Other payables	1,240,877	808,900
Depreciation of right-of-use asset	-	571,040
Reclassification from other advances	613,736	1,126,540
Addition of bearer plants through:		
Amortization of financing cost	52,895	91,682
Capitalization of depreciation of propert, plant and equipment (Note 14)	447,132	681,706
Reclassification from property, plant and equipment	-	255,973
Reclassification from advances	-	49,241
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
Addition of right of use asset through lease liabilities	93,568	1,362,702

The following summarizes the components of change in the liabilities arising from financing activities during the year:

	31 December 2022	31 December 2021
	US$	US$
Beginning balance of short-term and long-term bank loans (Note 21)	169,246,031	195,922,671
Cash flows:		
Proceeds from short-term bank loans	12,266,355	9,028,550
Proceeds from long-term bank loans	20,000,000	7,453,187
Payments of short-term bank loans	(9,568,747)	(10,199,611)
Payments of long-term bank loans	(51,428,428)	(31,763,090)
Payments for deferred financing costs	(235,807)	(232,295)
Non-cash changes:		
Capitalization of amortization of financing cost	52,895	91,682
Amortization of financing cost	174,083	148,633
Foreign exchange differences	(6,264,047)	(1,203,696)
Ending balance of short-term and long-term bank loans (Note 21)	134,242,335	169,246,031

49. RESTATEMENT

As disclosed in Note 2b, the Group early adopted Amendment to PSAK 16: “Fixed Assets – Proceeds before Intended Use”, which requires recognition of sales from proceeds before intended use, and the Group concurrently recomputed the related cost of inventories. Amendment to the PSAK requires retrospective application, and therefore the Group has restated the comparative information presented in these consolidated financial statements. The following table summarizes the impacts to each of the affected consolidated financial statements line items in the comparative financial information presented in these consolidated financial statements.

31 December 2021	As previously reported	Adjustment	As restated
	US$	US$	US$
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
ASSETS			
CURRENT ASSETS			
Inventory	18,992,054	(429,172)	18,562,882
NON-CURRENT ASSETS			
Bearer plants	310,596,108	(5,820,579)	304,775,529
Property,plant and equipment	209,418,273	(1,193,505)	208,224,768
LIABILITY			
Deferred tax liability	770,444	(23,185)	747,259
EQUITY			
Other reserves	(31,360,972)	(48,347)	(31,409,319)
Retained eamings			
Unappropriated	331,158,488	(7,133,023)	324,025,465
Non-controlling interests	2,657,322	(238,701)	2,418,621

	31 December 2021		
	As previously reported	Adjustment	As restated
	US$	US$	US$
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Sales	266,792,377	591,546	267,383,923
Cost of revenue	(166,045,987)	(3,445,679)	(169,491,666)
Other income, net	942,878	(223,330)	719,548
Income tax epense	(18,704,709)	(17,043)	(18,721,752)
Profit for the year	39,681,460	(3,094,506)	36,586,954
Profit for the year attributable to:			
Owners of the company	40,025,789	(3,025,907)	36,999,882
Non-controlling interest	(344,329)	(68,599)	(412,928)
Total comprehensive in for the year attributable to:			
Owner of the company	37,608,901	(2,986,817)	34,622,084
Non-controlling interests	(658,024)	(66,830)	(724,854)

49. RESTATEMENT (Continued)

	31 December 2021		
	As previously reported	Adjustment	As restated
	US$	US$	US$
CONSOLIDATED STATEMENTS OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	270,470,118	591,546	271,061,664
Payments to suppliers	(107,534,294)	(3,509,838)	(111,044,132)
Payments for other operating activities	(35,564,565)	(62,685)	(35,627,250)
Net cash provided by operating activities	85,781,202	(2,980,977)	82,800,225
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(15,431,183)	370,576	(15,060,607)
Additions of bearer plants	(21,503,170)	2,610,401	(18,892,769)
Net cash used in investing activities	(42,932,903)	2,980,977	(39,951,926)

The consolidated statement of financial position as of 1 January 2021 (which was derived from the consolidated statement of financial position as of 31 December 2020) also reflects restated balances.

	1 January 2021		
	As previously reported	Adjustment	As restated
	US$	US$	US$
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
ASSETS			
CURRENT ASSETS			
Inventory	17,132,182	(269,039)	16,863,143
NON-CURRENT ASSETS			
Bearer plants	304,820,634	(3,278,779)	301,541,855
Property,plant and equipment	206,861,002	(859,354)	206,001,648
LIABILITY			
Deferred tax liability	427,697	(40,748)	386,949
EQUITY			
Other reserves	(29,173,010)	(87,437)	(29,260,447)
Retained eamings			
Unappropriated	292,289,905	(4,107,116)	288,182,789
Non-controlling interests	1,993,124	(171,871)	1,821,253

50. SUPPLEMENTARY INFORMATION

- 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 ("SK01") which revokes a number of forestry concession licenses, including those under the Approval for Relinquishment of Forestry Area (Persetujuan Pelepasan Kawasan Hutan). SK01, however, calls for a decree to be issued by three Director Generals under the MOEF for an "official" revocation of forestry concession licenses ("Official Revocation Decree"). One of concession in West Papua under the land cultivation right (Hak Guna Usaha, "HGU") which are legally owned directly by the Company was included in the list of concession permits which were revoked by SK01, but it has not received an Official Revocation Decree. Subsequently on 12 April 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 *Indonesian Palm* Oil Association regarding the status of HGU under SK01 ("HT 01 Letter"). HT 01 Letter confirms that the HGU of the Company remains valid but at "status quo" until data verification and spatial analysis process have been completed and a decree by the Task Force for Land Use and Investment Affairs is issued. As of the issuance date of this consolidated financial statements, the Company has yet to receive a decision from the Task Force for Land Use and Investment Affairs regarding the status of the Company's HGU.

50. SUPPLEMENTARY INFORMATION (Continued)

- The supplementary information on Appendices 1 to 11 presented the statements of financial position, profit or loss and other comprehensive income, changes in equity, cash flows and other explanatory information of the parent entity only. The parent entity only financial statements, which exclude the balances of the Company's subsidiaries, have been prepared using the accounting policies that are consistent with those applied to the Group's consolidated financial statements, except for investments in subsidiaries, which have been presented at cost.

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
STATEMENTS OF FINANCIAL POSITION
PARENT ENTITY ONLY
31 DECEMBER 2022 AND 2021

	Notes	31 December 2022	2021
		US$	US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		821,250	800,546
Investments in marketable securities		490,209	490,209
Other receivables		1,139,667	1,458,718
Prepayments and advances		68,952	57,554
TOTAL CURRENT ASSETS		2,520,078	2,807,027
NON-CURRENT ASSETS			
Investments in subsidiaries		311,527,677	310,600,641
Investments in equity securities		4,162,556	6,554,472
Advances		2,811,890	1,896,157
Deferred tax assets	2	123,853	125,871
Property and equipment		22,333,812	22,481,321
Right-of-use assets		349,748	505,192
Overpayment of corporate income tax	2	240,072	175,788
Other non-current assets		150,802	138,956
TOTAL NON-CURRENT ASSETS		341,700,410	342,478,398
TOTAL ASSETS		**344,220,488**	**345,285,425**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loan		-	2,000,000
Taxes payable	1	162,291	172,902
Other payables		217,166	26,446
Due from related parties		1,200,000	-
Accruals		636,564	745,859
Lease liabilities-current maturities		181,145	182,126
TOTAL CURRENT LIABILITIES		2,397,166	3,127,333
NON-CURRENT LIABILITIES			
Lease liabilities-net of current Maturities/ **TOTAL NON-CURRENT LIABILITIES**		198,631	418,689
TOTAL LIABILITIES		**2,595,797**	**3,546,022**
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 2022 and 2021		46,735,308	46,735,308
Additional paid in capital		40,719,686	41,052,464
Treasury stock		(1,973,591)	(3,668,309)
Other reserves		3,856,163	3,815,643
Retained earnings			
Appropriated		6,824,453	6,824,453
Unappropriated		245,462,672	246,979,844
TOTAL EQUITY		341,624,691	341,739,403
TOTAL LIABILITIES AND EQUITY		**344,220,488**	**345,285,425**

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
STATEMENTS OF FROFIT OR LOSS AN OTHER COMPREHENSIVE INCOME PARENT ENTITY ONLY
YEARS ENDED 31 DECEMBER 2022 AND 2021

	Notes	31 December 2022 US$	31 December 2021 US$
Dividend income		7,126,297	6,784,034
Revenue from management services	3	3,042,721	2,600,605
Interest income		31,414	6,867
Foreign exchange gain		-	34,101
Other income		-	870
TOTAL REVENUE		10,200,432)	9,426,477
Personnel expenses		(3,537,347)	(4,897,340)
General and administrative expenses		(1,321,761)	(1,411,980)
Finance costs		(59,567)	(72,943)
Foreign exchange loss		(287,702)	-
TOTAL EXPENSES		(5,206,377)	(6,382,263)
PROFIT BEFORE TAX		**4,994,055**	**3,044,214**
Income tax expense	2	(15,781)	(774,407)
PROFIT FOR THE YEAR		**4,978,274**	**2,269,807**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Changes resulting from actuarial remeasurements of employee benefits obligation		89,248	(657,013)
Changes in fair value of investments in equity securities		3,026,771	485,985
Gain on sale of investment in equity securities		81,314	-
Income tax on items that will not be reclassified to profit or loss	2	13,763	59,201
Other comprehensive income net of tax		**3,211,096**	**(111,827)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**8,189,370**	**2,157,980**

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN EQUITY
PARENT ENTITY ONLY
YEARS ENDED 31 DECEMBER 2022 AND 2021

				Other reserves				
						Retained earnings		
	Capital stock	Additional paid in capital	Treasury stock	Unrealized gain (loss) on investments in equity securities	Translation adjustments	Appropriated	Unappropriated	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$
Balance as of 31 December 2020	**46,735,308**	**41,136,732**	**(3,926,668)**	**2,278,658**	**1,136,342**	**6,824,453**	**246,150,787**	**340,335,612**
Sales of treasury stock	-	(84,268)	258,359	-	-	-	-	174,091
Profit for the year	-	-	-	-	-	-	2,269,807	2,269,807
Other comprehensive income:								
Changes in fair value of investments in equity securities	-	-	-	485,985	-	-	-	485,985
Changes resulting from actuarial remeasurements of employee benefits obligation,	-	-	-	-	-	-	(657,013)	(657,013)
Income tax on items that will not be reclassified to profit or loss	-	-	-	(85,342)	-	-	144,543	59,201
Cash dividend	-	-	-	-	-	-	(928,280)	(928,280)
Balance as of 31 December 2021	**46,735,308**	**41,052,464**	**(3,668,309)**	**2,679,301**	**1,136,342**	**6,824,453**	**246,979,844**	**341,739,403**
Sales of treasury stock	-	(332,778)	1,694,718	-	-	-	-	1,361,940
Profit for the year		-	-	-	-	-	4,978,274)	4,978,274
Other comprehensive income:	-							
Changes in fair value of investments in equity securities	-	-	-	3,026,771	-	-	-	3,026,771
Changes resulting from actuarial remeasurements of employee benefits obligation,	-	-	-	-	-	-	89,248	89,248
Gain from sale of investment in equity securities	-	-	-	81,314	-	-	-	81,314
Reclassification from sale of investment in equity securities	-	-	-	(3,100,963)	-	-	3,100,963	-
Income tax on items that will not be reclassified to profit or loss	-	-	-	33,398	-	-	(19,635)	13,763
Cash dividend	-	-	-	-	-	-	(9,666,022)	(9,666,022)
Balance as of 31 December 2022	**46,735,308**	**40,719,686**	**(1,973,591)**	**2,719,821**	**1,136,342**	**6,824,453**	**245,462,672**	**341,624,691**

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
STATEMENTS OF CASH FLOWS
PARENT ENTITY ONLY
YEARS ENDED 31 DECEMBER 2022 AND 2021

	Year ended 31 December	
	2022	**2021**
	US$	**US$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from rendering of services	3,422,518	2,216,435
Payments to employees	(3,580,038)	(3,878,152)
Income taxes paid	(64,284)	(48,458)
Payments of employee benefits	(3,074)	(5,120,432)
Interest received	31,414	6,867
Payments for operating activities	(1,108,319)	(146,710)
Net cash used in operating activities	**(1,301,783)**	**(6,970,450)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	7,126,297	6,784,034
Acquisition of property and equipment	(16,452)	(15,890)
Proceeds from sale of property and equipment	-	490
Proceeds from sale investment in equity securities	5,500,000	-
Acquisitions investments in subsidiaries	(1,876,565)	(2,497,962)
Acquisition of other non-current assets	(26,106)	-
Net cash provided by investing activities	**10,707,174**	**4,270,672**
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale of treasury shares	1,361,940	174,091
Proceeds from short-term bank loan	5,500,000	3,225,000
Payments of short-term bank loan	(7,500,000)	(1,625,000)
Receipt of loan from a subsidiary	1,200,000	-
Payments of interest	(59,567)	(73,237)
Payments of dividends	(9,666,022)	(928,280)
Lease liabilities payment	(221,038)	(155,465)
Net cash (used in) provided by financing activities	**(9,384,687)**	**617,109**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**20,704**	**(2,082,669)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	800,546	2,883,215
CASH AND CASH EQUIVALENTS AT END OF YEAR	821,250	800,546

1. TAXES PAYABLES

	31 December 2022	31 December 2021
	US$	US$
Income tax:		
Article 4 (2)	8,056	8,750
Article 21	123,077	114,813
Article 23/26	3,520	9,591
Value Added Taxes	27,638	39,748
Total	162,291	172,902

2. INCOME TAX

Income tax expense of the Company consist of the followings:

	2022	2021
	US$	US$
Current tax:		
Adjustment to prior years' current income tax	-	573
Deferred tax	15,781	773,834
Income tax expense (benefit) of the Company	15,781	774,407

Pursuant to Law No. 2/2020, the corporate income tax rate is reduced from the previous statutory rate of 25% to 22% for 2020 and 2021, and to 20% for 2022 onwards. In October 2021, Law No. 7/2021 amended the provision of Law No. 2/2020, in that the statutory tax rate of 22% applies for fiscal year 2022 and onwards.

Current tax

The reconciliation between profit before tax of the Company per statements of profit or loss and other comprehensive income and taxable income of the Company is as follows:

	2022	2021
	US$	US$
Profit before tax of the Company	4,994,055	3,044,214
Temporary differences:		
Bonus	(143,431)	129,576
Employee benefits	89,248	(4,210,656)
Depreciation and amortization	48,043	208,082
Rental	(65,595)	254
Subtotal	(71,735)	(3,872,744)

2. INCOME TAX (Continued)

	2022 US$	2021 US$
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Dividend income	(7,120,099)	(6,783,893)
Interest income	(31,322)	(6,219)
Personnel expenses	859,905	1,049,905
Gain on sales of investment	3,259,892	-
Others	84,378	46,427
Subtotal	(2,947,246)	(5,693,780)
Total taxable income (loss) of the Company	1,975,074	(6,522,310)
Tax loss carryforward utilized	(1,975,074)	-
Total income tax expense - current	-	-

Current corporate income tax expense and tax overpayment of the Company are computed as follows:

	2022 US$	2021 US$
Current tax expense - the Company	-	-
Less: prepaid taxes:		
Article 23 - the Company	(64,284)	(48,458)
Corporate income taxes overpayment	(64,284)	(48,458)

<u>Deferred Tax</u>

As of 31 December 2022 and 2021, the Company has temporary differences from employee benefits, fixed assets, security deposit, investments in equity, bonus and right-of-use asset. Realization of the Company'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.

2. INCOME TAX (Continued)

The details of deferred tax assets of the Company are as follows:

	1 January 2022	Credited (charged) to profit or loss	Credited to other comprehensive income	31 December 2022
	US$	US$	US$	US$
Employee benefits obligation	-	19,635	(19,635)	-
Security deposits	27,280	-	-	27,280
Investments in equity securities	(73,705)		33,398	(40,307)
Fixed assets	53,278	10,570	-	63,848
Bonus	97,981	(31,555)	-	66,426
Right-of-use assets	21,037	(14,431)	-	6,606
Total	125,871	(15,781)	13,763	123,853

	1 January 2021	Credited (charged) to profit or loss	Adjustment due to change in tax rate	Credited to other comprehensive income	31 December 2021
	US$	US$	US$	US$	US$
Employee benefits obligation	710,728	(926,036)	70,765	144,543	-
Security deposits	24,800	-	2,480	-	27,280
Investments in equity securities	11,637	-	-	(85,342)	(73,705)
Fixed assets	6,539	45,777	962	-	53,278
Bonus	67,726	30,255	-	-	97,981
Right-of-use assets	19,074	56	1,907	-	21,037
Total	840,504	(849,948)	76,114	59,201	125,871

A reconciliation between income tax expense of the Company and the amount computed by applying the prevailing tax rates to profit before tax of the Company is as follows:

	2022	2021
	US$	US$
Profit before tax of the Company	4,994,055	3,044,214
Tax expense at prevailing tax rates	(1,098,692)	(669,727)

2. INCOME TAX (Continued)

	2022	2021
	US$	US$
Effect of non-tax deductible expenses (non-taxable income/subject to final tax):		
Dividend income	1,566,422	1,492,457
Interest income	6,891	1,368
Personnel expenses	(189,179)	(230,979)
Gain on sale of investment	(717,176)	-
Others	(18,564)	(10,214)
Total	648,394	1,252,632
Effect of change in tax rate	-	78,169
Adjustment to prior years' current income tax expense	-	(573)
Recognition of previously unrecognized tax losses	434,517	-
Current year's unrecognized tax losses	-	(1,434,908)
Income tax expense of the Company	(15,781)	(774,407)

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of relationship

During 2022 and 2021, the following related parties, in which the Company is a shareholder (directly or indirectly), has transactions with the Company:

- PT Austindo Nusantara Jaya Agri (ANJA)
- PT Gading Mas Indonesia Teguh (GMIT)
- PT Sahabat Mewah dan Makmur (SMM)
- PT Austindo Nusantara Jaya Agri Siais (ANJAS)
- PT Kayung Agro Lestari (KAL)
- PT Galempa Sejahtera Bersama (GSB)
- PT ANJ Agri Papua (ANJAP)
- PT Permata Putera Mandiri (PPM)
- PT Putera Manunggal Perkasa (PMP)
- PT Austindo Nusantara Jaya Boga (ANJB)
- PT Austindo Aufwind New Energy (AANE)

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES (Continued)

Transaction with related parties

In the normal course of business, the Company entered into certain transactions with its related parties, including the followings:

- On 14 December 2015, the Company entered into a Management Service Agreement with each of its subsidiaries, to provide the subsidiaries with certain management assistance to support the business operation of the subsidiaries. In return, the subsidiaries shall pay the Company management fee on a monthly basis, as specified in the agreement between the Company and each subsidiary. This agreement was recently amended on 27 September 2021 for the period until 31 December 2021 and will be automatically extended for another one year period. Management fee charged to subsidiaries is amounted to US$ 3,042,721 and US$ 2,600,605 for the years ended 31 December 2022 and 2021, respectively.

- For the years ended 31 December 2022 and 2021, the Company received dividend distributions from the following related parties:

	2022	2021
	US$	US$
PT Austindo Nusantara Jaya Agri	6,484,221	6,499,553
PT Sahabat Mewah dan Makmur	1,801	5,598
	6,486,022	6,505,151

INVESTMENTS IN SUBSIDIARIES

As of 31 December 2022 and 2021, investments in subsidiaries were as follows:

Subsidiaries and associates names	Domicile	Nature of business	Percentage of Company's ownership		Percentage of Company's voting rights	
			2022	2021	2022	2021
			%	%	%	%
Direct Subsidiaries						
PT Austindo Aufwind New Energy (AANE)	Belitung, Bangka Belitung	Renewable energy	99.22	99.22	99.22	99.22
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga/ North Sumatera	Agribusiness	99.99	99.99	99.99	99.99
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	Consumer products	99.99	99.99	99.99	99.99
PT Gading Mas Indonesia Teguh (GMIT)	Jember	Agribusiness	80.00	80.00	80.00	80.00
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	Agribusiness	85.38	91.92	99.99	99.99

INVESTMENTS IN SUBSIDIARIES (Continued)

As of 31 December 2022 and 2021, investments in subsidiaries were as follows: (Continued)

Subsidiaries and associates names	Domicile	Nature of business	Percentage of Company's ownership 2022 %	Percentage of Company's ownership 2021 %	Percentage of Company's voting rights 2022 %	Percentage of Company's voting rights 2021 %
Indirect Subsidiaries						
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	Agribusiness	4.59	5.00	99.99	99.99
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat, Papua	Agribusiness	35.00	40.00	99.99	99.99
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	Agribusiness	35.00	40.00	99.99	99.99
PT Sahabat Mewah dan Makmur (SMM)	Belitung, Bangka Belitung	Agribusiness	0.04	0.04	99.99	99.99
PT Austindo Nusantara Jaya Agri Siais (ANJAS)	South Angkola, North Sumatera	Agribisnis/ Agribusiness	-	-	99.99	99.99
PT Kayung Agro Lestari (KAL)	Ketapang West Kalimantan	Agribusiness	-	-	99.99	99.99
PT Lestari Sagu Papua (LSP)	South Sorong, Papua	Agribusiness	-	-	51.00	51.00

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Independent Auditors' Report

No.: 00086/2.1005/AU.1/01/0854-2/1/III/2023

The Shareholders,
Board of Commissioners and Board of Directors
PT Austindo Nusantara Jaya Tbk:

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the 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 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements paragraph of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2d and Note 49 to the consolidated financial statements which disclose that the comparative information presented as of and for the year ended 31 December 2021 has been restated due to adoption of Amendment to PSAK 16: "Fixed Assets – Proceeds before Intended Use". Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Bearer plants' impairment assessment

Bearer plants fall within the scope of PSAK 16 Property, Plant and Equipment and are held at historical cost less depreciation. PSAK 48 Impairment of Assets requires management perform assessment at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, management is required to estimate the recoverable amount of the assets.

As of 31 December 2022, the bearer plants of two subsidiaries were identified with such indicators and an impairment assessment for those plantations have been carried out by management. The recoverable amount was estimated based on the asset's value in use as the information related to fair value less cost to sell was not available.

The key assumptions used in determining value in use are the average selling price of Crude Palm Oil, Fresh Fruit Bunch (FFB) yield rate, mill and estate costs, and pre-tax discount rate.

Our audit procedures in relation with the bearer plants' impairment assessment include the followings:

- We assessed the reliability of management's projections through the comparison of actual past financial performances against previous forecasted results;
- We assessed the reasonableness of the key assumptions, which were used by management in developing the discounted cash flows projections, by comparing against historical data as well as industry and comparable peers data within the Group; and
- We performed the sensitivity analysis on the discount rate used to evaluate the impact on the impairment assessment.

Impairment assessment of advances for plasma and partnership plantation projects (other non-current assets)

We considered advances for plasma and partnership plantation projects' impairment assessment of a subsidiary as a key audit matter because of the significant judgments and estimates used by management to determine the recoverability of the advances for plasma and partnership plantation projects. The key assumptions used by management in assessing the recoverability of the advances for plasma and partnership plantation projects are selling price of Fresh Fruit Bunch (FFB), total FFB purchased, estate costs (excluding general cost and depreciation), and pre-tax discount rate.

Our audit procedures in relation with advances for plasma partnership plantation include the followings:

- We assessed the reliability of management's projections through the comparison of actual past financial performances against previous forecasted results;
- We assessed the reasonableness of the key assumptions, which were used by management in developing the discounted cash flows projections, by comparing against historical data as well as industry and comparable peers data within the Group; and
- We performed the sensitivity analysis on the discount rate used to evaluate the impact on the impairment assessment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's 2022 annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Group's 2022 annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2022 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions based on the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Siddharta Widjaja & Rekan
Registered Public Accountants

Susanto, S.E., CPA
Public Accountant License No. AP. 0854

28 March 2023

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ANNUAL REPORT

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