



ANJ

2023

ANNUAL REPORT

PT Austindo Nusantara Jaya Tbk.



ANJ 2030:
SAFEGUARDING
VALUES,
SECURING TRUST

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 2023. 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 <https://anj-group.com/en/annual-report>.

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: SAFEGUARDING VALUES, SECURING TRUST

Together with our peers in the agribusiness sector, we have had to adapt to an ever-shifting geopolitical landscape and the undeniable impact of climate change to sustain a responsible and economically viable business. As a result, our targets and processes are constantly evolving to remain relevant in this dynamic system. Yet, amid continuous flux, two things endure – ANJ’s steadfast commitment to its core values and the resulting trust we have earned with our brand.

Our values are our guiding star, the common denominator to our principles, functions and ambitions; and the glue that binds us. This year, we re-emphasized values training and socialization across our business. While our employees are introduced to our values during their induction, we acknowledge that commitment and adherence may diminish over time. Introducing regular value training proved to be successful, with employees assuming greater ownership of and pride in our values. Some employees have even taken their dedication to greater heights by engaging with ANJ’s values champion platform. Here, individuals actively promote adherence and guide conversation around the importance of our values for our business and people. This year we brought our values champions together in a two-day retreat, providing them the opportunity to discuss the core values and develop means to ensure consistent and universal appreciation of our values across our business entities.

We work closely with communities, local governments, vendors and contractors across our operating region; building strong relationships founded on trust is central to our strategy. We are also accountable to our stakeholders and shareholders, who are entitled to expect that ANJ will abide by its commitments and achieve the targets it sets. By exhibiting continued commitment to our values, our people can place trust in our mission, despite the changes they may observe to our structure, systems and processes. Knowing that no matter the economic, social or environmental climate, there will always be a common and steadfast foundation to our work is a comfort that all our people can rely on, especially when all else seems to be in a state of uncertain flux. When our people trust ANJ to perform to the highest standard of corporate governance and responsible development, we receive the necessary support to execute our mission to the best of our ability. Trust is bidirectional and mutually beneficial. By safeguarding and championing our values, we can ensure a long and prosperous future for our business and the people whose lives benefit from its presence.

KEY PERFORMANCE 2023

FFB

Fresh Fruit Bunches



Total FFB Production

881,051

Tons in 2023



Total FFB Yield

20.3

Tons per Hectare in 2023

PK

Palm Kernel



Total PK Production

52,432

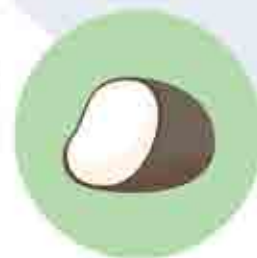
Tons in 2023

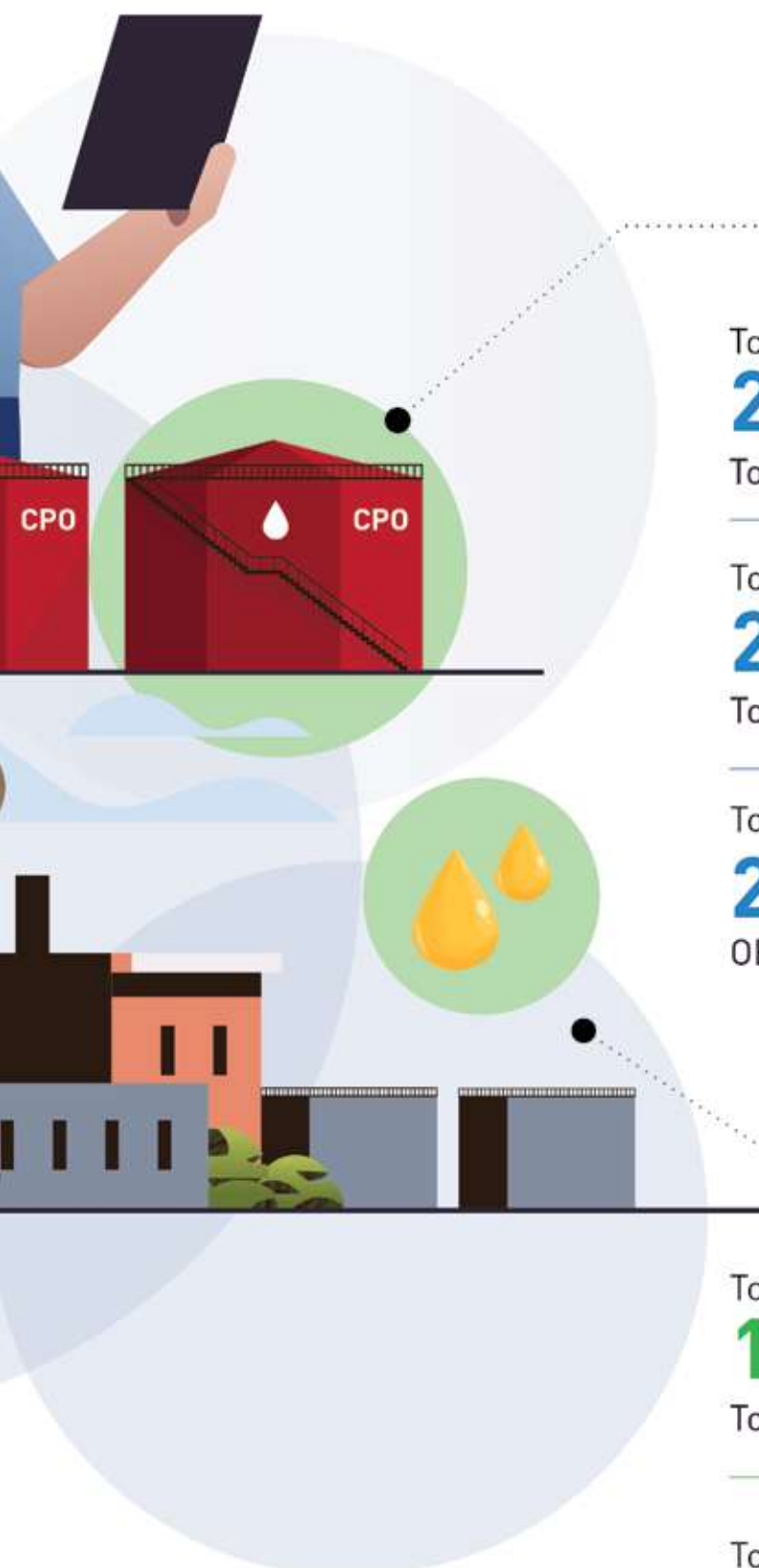


Total PK Sales Volume

52,581

Tons in 2023





CPO

Crude Palm Oil

Total CPO Production

283,659

Tons in 2023



Total CPO Sales Volume

288,941

Tons in 2023



Total Oil Extraction Rate

20.6%

OER in 2023



PKO

Palm Kernel Oil

Total PKO Production

1,459

Tons in 2023



Total PKO Sales Volume

1,049

Tons in 2023



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FINANCIAL AND OPERATIONAL HIGHLIGHTS

RESULTS FROM OPERATIONS (USD million)

	2023	2022	2021	Variance 2023 vs 2022	
				Amount	%
Total Revenue	236.5	269.2	267.4	(32.7)	(12.1%)
Palm Oil, Palm Kernel Oil and Palm Kernel	233.1	265.3	264.5	(32.2)	(12.1%)
Sago starch	0.9	1.6	1.3	(0.7)	(44.2%)
Service Concession Revenue	0.6	0.6	0.6	(0.0)	(0.6%)
Others	1.9	1.7	1.0	0.2	12.5%
Gross profit	31.6	53.9	97.9	(22.3)	(41.4%)
EBITDA	49.1	69.3	84.0	(20.2)	(29.1%)
Net income for the year	1.9	21.2	36.6	(19.3)	(91.0%)
attributable to the owners of the company	2.6	21.7	37.0	(19.1)	(87.9%)
attributable to non-controlling interests	(0.7)	(0.6)	(0.4)	(0.2)	28.0%
Total Comprehensive Income	6.5	6.1	33.9	0.4	5.9%
attributable to owners of the Company	7.1	6.9	34.6	0.3	4.0%
attributable to non-controlling interests	(0.7)	(0.8)	(0.7)	0.1	(11.5%)
Basic earnings per share	0.0008	0.0065	0.0112	(0.0)	(88.0%)

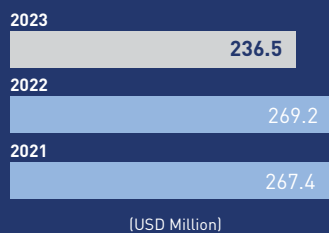
FINANCIAL POSITION AND FINANCIAL RATIOS

	2023	2022	2021	Variance 2023 vs 2022	
				Amount	%
Financial Position (USD million)					
Cash and cash equivalents	5.9	10.8	27.1	(5.0)	(45.9%)
Total current assets	55.0	59.1	77.8	(4.2)	(7.0%)
Total assets	614.1	602.6	645.2	11.5	1.9%
Bank loans	150.9	134.2	169.2	16.7	12.4%
Total current liabilities	52.8	40.5	48.8	12.3	30.4%
Total liabilities	188.7	178.5	219.4	10.3	5.8%
Total equity	425.3	424.1	425.9	1.2	0.3%
Financial Ratios					
Return on assets (ROA) (%)	0.3%	3.5%	5.7%	(3.2%)	(91.2%)
Return on equity (ROE) (%)	0.4%	5.0%	8.6%	(4.5%)	(91.0%)
Gross margin (%)	13.3%	20.0%	36.6%	(6.7%)	(33.3%)
EBITDA margin (%)	20.8%	25.8%	31.4%	(5.0%)	(19.4%)
Net profit margin (%)	0.8%	7.9%	13.7%	(7.1%)	(89.8%)
Current ratio	1.0	1.5	1.6	(0.4)	(28.7%)
Liabilities to equity ratio	0.4	0.4	0.5	0.0	5.5%
Liabilities to assets ratio	0.3	0.3	0.3	0.0	3.8%
Net debt to equity ratio	0.3	0.3	0.3	0.0	17.2%
Cash ratio	0.1	0.3	0.6	(0.2)	(58.5%)
% cash to current assets	10.6%	18.3%	34.9%	(7.6%)	(41.8%)
Debt to Equity ratio	0.4	0.4	0.5	(0.0)	(15.5%)

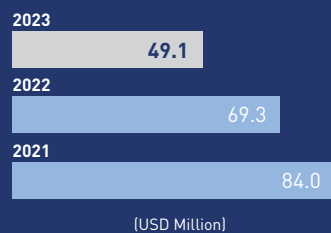
PALM OIL PRODUCTION (Tons Unless Specified)

	2023	2022	2021	Variance 2023 vs 2022	
				Amount	%
Total FFB produced from our estates	881,051	840,581	838,191	40,470	4.8%
Total FFB bought from third parties	503,811	538,483	434,123	[34,672]	[6.4%]
Total FFB processed	1,374,871	1,379,064	1,272,314	[4,193]	[0.3%]
Average FFB yield (tons per hectare)	20.3	19.4	20.4	0.9	4.4%
Total CPO production	283,659	275,769	262,683	7,890	2.9%
Total CPO sales	288,941	275,320	268,289	13,621	4.9%
Total PK production	52,432	55,011	51,531	[2,579]	[4.7%]
Total PK sales	52,581	54,996	51,991	[2,415]	[4.4%]
Total PKO production	1,459	1,052	1,080	407	38.7%
Total PKO sales	1,049	928	1,113	121	13.1%
CPO extraction rate (%)	20.6%	20.1%	20.6%	0.5%	2.7%
PK extraction rate (%)	4.1%	4.4%	4.4%	[0.3%]	[7.0%]
PKO extraction rate (%)	1.0%	0.9%	1.0%	0.1%	8.6%
CPO average selling price	731	842	801	[111]	[13.1%]
PK average selling price	358	559	527	[202]	[36.0%]
PKO average selling price	734	1,081	1,308	[347]	[32.1%]
Cash cost of production	409	402	346	7	1.8%

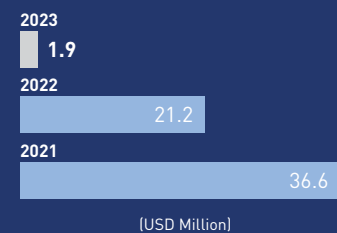
Total Revenue



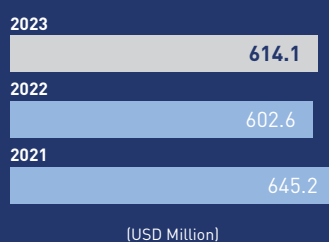
EBITDA



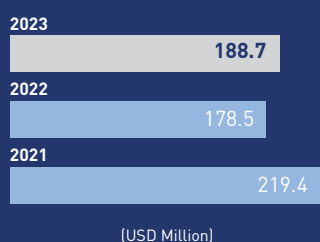
Net Income for the Year



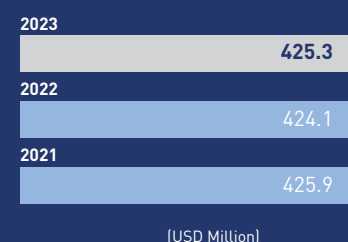
Total Assets



Total Liabilities



Total Equity



SHARE INFORMATION

ANJ SHARES PRICE PERFORMANCE 2022 - 2023



ANJ QUARTERLY SHARE PRICE DATA 2022 - 2023

Year	Quarter	Open (IDR)	High (IDR)	Low (IDR)	Close (IDR)	Volume (Shares)	Value of Transactions (IDR)	Outstanding (Shares)	Market Capitalization (IDR)
2023	Q1	675	785	645	680	210,698,400	152,124,244,800	3,354,175,000	2,280,839,000,000
	Q2	680	720	630	710	132,915,000	90,913,860,000	3,354,175,000	2,381,464,250,000
	Q3	770	965	755	780	270,903,700	226,475,493,200	3,354,175,000	2,616,256,500,000
	Q4	775	775	705	745	72,610,500	53,296,107,000	3,354,175,000	2,498,860,375,000
2022	Q1	990	1,200	915	1,020	31,718,500	33,621,610,000	3,354,175,000	3,421,258,500,000
	Q2	1,025	1,070	840	870	94,367,200	92,857,324,800	3,354,175,000	2,918,132,250,000
	Q3	870	895	715	725	107,371,700	87,615,307,200	3,354,175,000	2,431,776,875,000
	Q4	730	780	640	665	116,761,500	82,200,096,000	3,354,175,000	2,230,526,375,000

CORPORATE ACTION

During financial year 2023, the Company did not take any corporate actions that cause changes to shares in the form of stock split, reverse stock, bonus shares or changes in the nominal value of its shares.

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

Until the end of 2023, the Company has never received sanctions that could affect stock trading activities on the Stock Exchange, both suspension and/or delisting shares. Thus, there is no information related to the impact of suspension and/or delisting of shares that can be presented in this Annual Report.

SIGNIFICANT EVENTS 2023

3 FEBRUARY

KAL



KAL supported a multi-stakeholder's collaboration in developing Desa MAPAN in Ketapang Regency

KAL collaborated with the Regional Government of Ketapang Regency, Tropenbos Indonesia and Ketapang Development Partners (Mitra Pembangunan Ketapang or "MPK") in organizing workshops for the development and empowerment of the communities of Kuala Tolak Village, Kuala Satong Village and Laman Satong Village through Desa Mantap dan Terdepan (MAPAN) program.

22 FEBRUARY

KAL



KAL held a combined parade with Ketapang Regency Government and Police in anticipating the potential of forest and land fire

In anticipating the potential of forest and land fire due to El Niño phenomenon, KAL held a combined parade with Ketapang Regency Government and Police as well as local communities to ensure the readiness of these stakeholders in controlling the forest and land fire. In this parade, all parties also held an inspection of the readiness of their own fire-fighting equipment.

14-15 MARCH

GSB



GSB conducted a training regarding forest and land fire mitigation

GSB conducted a training regarding forest and land fire control in collaboration with the South Sumatra Manggala Agni Team Daop Lahat on 14-15 March 2023. This training was not only dedicated for employees whom served as emergency response team but also educated the farmers group in anticipating forest and fire land.

12 APRIL

SMM



SMM distributed Certified Palm Oil Sales Premiums to Smallholder Farmers

SMM distributed a revenue premium from RSPO-certified palm products worth IDR 340,769,162 to five cooperatives in Belitung, including Mitra Lestari Cooperative, Mitra Anugrah Cooperative, Sambar Jaya Makmur Cooperative, Berimpun Sejahtera Cooperative and Lindong Raya Cooperative.

16 APRIL

ANJA



ANJA realized its commitment to support nearby communities by repairing the bridge between Simangambat and Simpang Bragas districts

As its social responsibility program, ANJA realized its commitment to support nearby communities by repairing the bridge between Simangambat and Simpang Bragas districts. This project costs of IDR 250 million.

14 JUNE

SMM



SMM promotes community empowerment through horticultural commodity cultivation to control inflation

In its dedication to nurturing a productive community, SMM was actively addressing inflation control by empowering the local community through horticultural cultivation. Since 2020, SMM has helped local communities to grow inflation-resistant crops, such as freshwater fish, vegetables, chilies and rice, using a flexible system. This initiative has boosted the regional economy, raised incomes, improved community well-being and helped to control inflation.



7
JUNE
ANJ

ANJ held Annual General Meeting of Shareholders (AGMS) and Public Expose 2023

On June 7, 2023, ANJ held its Annual General Meeting of Shareholders (AGMS) and public expose 2023. At the AGMS, ANJ's shareholders agreed, among other things, to distribute the dividends of IDR 27.8 per share and also the appointment of a new Director, Mr. Mohammad Fitriyansyah.

15 JUNE

PPM



PPM successfully completed the Malanu watershed rehabilitation to biodiversity in North Sorong District

PPM completed the rehabilitation of the watershed area (DAS) covered an area of approximately 13 hectares in Malanu watershed protected forest in North Sorong District. The rehabilitation area has been planted with 19,380 species of Mahogany, Merbau, Linggua, Cempedak, Pinang, Rambutan, Durian and Cashew trees with an average percentage of living plants growing of 94.76%.



30
JUNE
KAL

KAL has completed the construction of a composting facility to reduce greenhouse gas emissions

KAL, has completed the construction of a composting facility on June 2023. This facility is the third in the ANJ, after composting facility in SMM and ANJAS. Composting is a source of natural fertilizer that utilizes solid waste and liquid waste/effluent (POME) from our palm oil processing, making it more environmentally friendly than inorganic fertilizers.

SIGNIFICANT EVENTS 2023

18 JULY

ANJA



ANJA awarded scholarships for outstanding students in Huristak and Simangambat districts

ANJA awarded scholarship assistance to four outstanding students from Huristak and Simangambat districts. The ANJA team selected the scholarship recipients based on specific criteria, including coming from disadvantage backgrounds, residing in proximity to the company and being active undergraduate students.

9 AUGUST

ANJAS



ANJAS held a discussion regarding the preservation of riparian area in Batang Gadis river

ANJAS initiated a multistakeholder discussion forum with the Tapsel Environmental Office regarding the preservation of riparian area in the Batang Gadis River. The purpose of the discussion was to facilitate open dialogue and synergy between ANJAS and local governments, as well as related parties in efforts to preserve the riparian area of the Batang Gadis River.

24 AUGUST

ANJ



ANJ appeared in an episode of the television series EARTH with John Holden

ANJ appeared in an episode of the television series 'EARTH with John Holden'. This episode explained how ANJ Group produces palm oil in a sustainable way and took place in ANJ's subsidiary in Belitung Island, SMM.

31 AUGUST

PMP



PMP won a Business Entity Award in the Most MJKN Download Workers category from BPJS Kesehatan Deputy of Region XII

PMP won an award at the Business Entity Award event as "Winner of the Business Entity Award for the Most MJKN Download Workers at the Large Business Entity Scale Branch Office Level" from BPJS Kesehatan Deputy of Region XII.



4
SEPTEMBER
GMIT

GMIT marked a new milestone by exporting the Premium Edamame to India.

GMIT expanded its edamame export market to India which is a potential market for edamame products. This big step proved the quality of GMIT's products is able to meet the strict requirements of the international market.

11 OCTOBER

PPM



PPM inaugurated a Pratama Health Clinic

PPM inaugurated the Pratama health clinic facility on 11 October 2023. The clinic is proof of the company's commitment in the community health needs, as well as an important step to assist the local government of South Sorong Regency in providing health services for communities from several villages around PPM.

19 OCTOBER

GMIT



GMIT completed the construction of a Rooftop Solar Power Plant (PLTS) System

GMIT collaborated with SUN Energy, have completed the construction of a Rooftop Solar Power Plant (Pembangkit Listrik Tenaga Surya atau "PLTS") which installed on the roof of its factory. The facility is estimated to be able to supply 15% of electricity capacity in the operational area, while being able to reduce carbon emissions by 226 Ton CO₂eq every year.

14 NOVEMBER

ANJAS



ANJAS distributed Certified Palm Oil Sales Premiums to the Binasari Cooperative

ANJAS distributed a revenue premiums from the sale of sustainable certified palm oil to partnership farmers in South Angkola District, South Tapanuli through the Binasari Cooperative with a total premium amount of IDR 126,522,013.

22 DECEMBER

PPM, PMP



PPM and PMP handed over bailouts to Plasma Cooperatives

In 2023, PPM and PMP have completed the plasma scheme with several farmers and handed over the plasma bailouts through Sukka Mandiri Bersama Cooperative and Maju Bersama Sejahtera Papua Cooperative.


22
DECEMBER
SMM, ANJA,
KAL, ANJAS

ANJ Group won Gold PROPER and Green PROPER from KLHK

ANJ Group secured Gold PROPER from the Ministry of Environment and Forestry through its subsidiaries, SMM for the fourth consecutive year and ANJA for the third consecutive year. In addition, ANJAS and KAL secured the Green PROPER for the second time. At this event, our CEO, Lucas Kurniawan, was also awarded a Green Leadership Utama for his outstanding role in leading, formulating and securing the sustainability commitments in our business.



MANAGEMENT REPORT

“

THIS YEAR, OUR STRATEGIES HAVE CENTRED AROUND THREE DOMINANT THEMES: COST-EFFICIENCY, CLIMATE CHANGE RISK, AND THE DEVELOPMENT OF OUR PEOPLE. INVESTING IN THESE FOCUS AREAS ENSURES THAT ANJ CAN GROW AS A COMPANY THAT EMPLOYS PEOPLE WILLING TO FIGHT FOR OUR VALUES, WHO ARE CONSCIOUS OF OUR OPERATIONS' IMPACT ON THE ENVIRONMENT AS WELL AS THE IMPACT THAT THE CHANGING CLIMATE WILL HAVE ON OUR PRODUCTIVITY.”

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Adrianto Machribie

President Commissioner
(Independent)

Report from

THE BOARD OF COMMISSIONERS

Dear Shareholders,

This year presented somewhat fewer challenges when compared to the likes of 2020 and 2021 when the COVID-19 pandemic and conflict in Ukraine had catastrophic effects on the global economy. That is not to say that 2023 was without its testing conditions.

The global economy and ANJ itself are still trying to find its footing after the struggles of the past few years. All the while, new challenges continue to emerge, such as the current El Niño, which we predict will have a significant impact on our operations and supply chains at large. Across ANJ's operating region, we are already feeling the impacts of this extreme weather phenomenon, with some areas, such as the Belitung Island and West Kalimantan plantations, already experiencing moderate-to-severe water deficit, while flooding in Southwest Papua and North Sumatera II rendered vast quantities of FFB as inadequate in quality.

ANJ's vegetable segment (edamame) has been particularly hard-hit by the current climate conditions. The long drought culminated in the third quarter of 2023, affecting major area planting, causing a low harvesting population and impacting productivity. Edamame has a short regeneration period and, therefore, the impacts of unfavourable climatic conditions are felt immediately.

Our oil palm segment will also be impacted by these poor conditions, but due to the nature of the crop, we may only feel these impacts towards the end of 2024 and into 2025.

The extreme weather will also influence global supply chains, with hotter summers in Europe and more frequent and intense flooding in other producing regions resulting in reduced supply and increased prices. An increasing tension between the United States and China has also seen a sustained increase in commodity prices, which was an unexpected turn for our management team who had anticipated growth in China's economy this year. The conflict in Ukraine also continues to influence the supply chain and fertilizer prices are yet to return to pre-conflict levels. We are yet to see what impact the conflict in Middle East will have, but considering the significant political ramifications, they will likely be of a considerable scale.

The turbulence and volatility within the global economic and political sphere is something our company cannot avoid. While ANJ aims to be prepared for all challenges, through careful preparation and analysis of global trends, it is impossible to be ready for the unknown.

Furthermore, with the growing interconnectedness of the world, ANJ's sphere of influence extends far beyond our national or even regional boundaries. An event on the other side of the world can now have as much impact on our operations as one that occurs in a neighbouring country, and this is something that our management team has become acutely aware of.

Closer to home, the domestic situation has been somewhat more predictable. Thankfully, due to the hard work and perseverance of our management team, and the well-earned good reputation of our Company, the issues associated with the Ministry of Environment and Forestry Decree No. SK.01/MENLHK/SETJEN/KUM.1/1/2022 ("SK01") on our Southwest Papua concessions are completely resolved. However, the Company still faces regulatory challenges and government-imposed restrictions, including those on exports and renewable energy use.

Despite these challenges, ANJ once again performed well this year, ultimately achieving higher yields across our segments and a net profit even with CPO prices hitting a record low in the second quarter. Our commitment to improve efficiency through innovation that supports productivity, mitigates risk and promotes our ultimate achievement of Net Zero in 2030 is key to our success. It is with great pleasure that I share with you regarding ANJ's achievements and I hope that this report can demonstrate the importance the Company places upon upholding the values at its core through the dedication and determination of our people.

Assessment of the Board of Directors

The ANJ Board of Directors (BOD), performed outstandingly well in their role in 2023. While we acknowledge that we cannot predict the future, the adherence to the Corporate Strategy 2023-2028 and meticulous planning of the BOD has supported ANJ's successful performance despite unfavourable conditions. The careful analysis of economic, political and climatic trends was promptly and effectively communicated by the BOD to operating sites across ANJ's regions. The constructive information exchange programs implemented by the BOD were pivotal to this success.

To maintain this effective communication network, the BOD hold regular meetings. At the formal, fortnightly meeting, there is always at least one member from the Board of Commissioners (BOC) present, who is free to provide input when necessary. ANJ operates under the requirement that the BOC plays an advisory role to the BOD. Regular BOC meetings provide an opportunity for the President Director of ANJ to inform the BOC of important matters and ensures that the BOC oversee all decision-making by the BOD. This continuous feedback loop enables open communication pathways, which support the rapid and effective sharing of information. Informal communication frameworks are also used, which means that issues can be raised quickly without having to pass through more formal and regulated mechanisms, thus all members can stay up to date on decisions, perceptions, queries and concerns and act accordingly. Finally, ANJ has a strong belief that on-site visits are essential to keep programs on target and generate fresh perspectives. Therefore, certain members of the BOC and all Directors performs regular visits to our operations, wherein team members on the site collect data and assess performance, and present this information to the visiting Commissioners and visiting Directors.

During the annual strategic session, BOD and BOC met to critically review the planning and execution of past and ongoing projects. This transparent process is pivotal to learning from our mistakes and improving future planning processes. The inclusive nature of the review session is fundamental as it allows ANJ's management to obtain input from all relevant functions.

I am glad to report that our Project Management Office (PMO) continued to achieve its function of arranging cross-functional resources, identifying challenges, and escalating issues to the BoD throughout 2023. I see the PMO as demonstrative of ANJ's inclusive, integrated, and dynamic government approach, which allows us to efficiently execute projects across our vast operating region.

Corporate Governance

Good corporate governance has long been a priority for ANJ, but with our increased engagement with ESG and sustainability assessments, our people have become more attuned to the centrality of GCG to successful management. This year, ANJ made the incredible achievement of scoring 100.27 on the ASEAN Corporate Governance Scorecard (ACGS). This places the Company in level 5, which constitutes leadership in corporate governance and is the highest ranking for ACGS. We are incredibly proud of the progress we have made in our corporate governance performance from when we were first assessed by ACGS in 2018 and scored 77.59.

While we are very proud of our corporate governance achievements at the highest level for ACGS, our management has identified several areas where we can still improve. Of course, marginal gains at this level will be hard to come by, but ANJ is determined to use the process of self-reporting and assessment as an opportunity for learning and hope to at the very least maintain our score while continuing to improve our operations.

As part of our efforts to remain relevant in a dynamic industry, as well as address some areas of improvement highlighted in our ACGS assessment, ANJ has focused on reviewing and updating as necessary the Board Charters and Code of Conduct.

In December 2023, our subsidiaries, SMM and ANJA, were awarded the much-respected Gold PROPER awards by the Ministry of Environment and Forestry, securing their fourth and third consecutive wins, respectively. Each year, PROPER nominees must demonstrate novel social or environmental innovation and I am very proud that ANJ has consistently succeeded in this endeavour. Moreover, ANJAS and KAL received the Green PROPER awards for the second time. At the same award ceremony, Lucas Kurniawan, the President Director of ANJ, was honoured with the "Green Leadership Utama" award by the Ministry of Environment and Forestry. This recognition celebrates company leaders for their effective execution of sustainable environmental initiatives. The award, themed "Extraordinary Turnaround," spotlights five significant strides toward sustaining the planet and humanity: addressing Poverty Alleviation, Reducing

Inequalities, Empowering Women, fostering Healthy Food Systems for both humans and ecosystems and transitioning the Energy System for enhanced efficiency and clean energy adoption.

Our ESG credentials were acknowledged again by the SPOTT global transparency initiative for the palm oil sector with our score rising from 91.1% in 2022 to an impressive 93.3% this year, placing us in fifth position globally and first position for the Indonesian companies assessed by SPOTT.

Overall, ANJ's culture of good corporate governance has become stronger and more ingrained within the Company over the past few years. We believe that engaging with reporting platforms has assisted our People in identifying areas of improvement and maintaining practices which lend themselves to ANJ's success. We recognize that there are some areas which ANJ has not addressed but we hope that our clear dedication to promoting good corporate governance and continued development can set an example for other actors within the industry.

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

In 2023, it became evident that the whistleblowing system is now well-ingrained in ANJ culture. Our people see the system as one they can rely on to ensure that they feel safe, supported, and content in their place of work. We believe that giving our people the autonomy to raise issues that they are not comfortable with has the dual purpose of instilling a sense of accountability and responsibility for ensuring that ANJ's values are universally applied and adhered to. Not only does it support the prompt address of misconduct, but it also allows for attention to be drawn to areas where ANJ can improve its performance – an element of the Company's development that we are in constant pursuit of.

This year, the whistleblowing system was used consistently across our operations. All complaints were dealt with promptly and thoroughly. Unfortunately, I must report several serious cases of fraud that were raised through the system. The individuals responsible for this misconduct were rightfully terminated.

Analysis of Prospects

Across our segments, ANJ's operations have benefitted greatly from significant improvements in production efficiency. Addressing critical roadblocks, such as access restrictions in ANJA and poor seed storage facilities in GMIT, has allowed our operations to function as we intended, without falling mercy to avoidable shutdowns and delays.

This year, the FFB production saw an increase of up to 5%, an improvement from last year's figures. We are beyond impressed with this success but do not see it in isolation. With the completion of our replanting programme, we believe that our operations will continue to see great improvements in productivity as areas reach maturity – a prospect that will bring with it indelible benefits for the Company. Likewise, the new seed storage facility for edamame at GMIT has supported great improvement in high germination rates and production quality. This has been particularly beneficial in a year when we have had to scale back planting in the region due to water scarcity and the sensitivity of the edamame plant to extreme climatic conditions.

In light of the current climatic conditions, we will, however, remain cautiously optimistic. As we have seen in previous years, it is all too easy for a booming industry to collapse when global conditions take a turn for the worst. This is why we have made it our mission to invest in those areas of the Company within our control. Many of our current capital expenditure projects are yet to reap rewards, but we believe that investing in more robust and research-backed infrastructure development will result in more sustainable systems that will save money in the long run. An example of this is involving an external consultant in the development of flood prevention mechanisms in ANJAS.

Similarly, investing in improving the quality of life for our People in Southwest Papua through developing healthcare, telecommunications and housing, is a significant capital expenditure at present but will ensure improved worker retention and, ultimately, more efficient production. Furthermore, in 2023 an independent external human rights audit was conducted at one of our operating units in North Sumatra. I am happy to confirm that the results were satisfactory thus demonstrating

that we are tracking well with our ESG targets regarding aspects such as improved working conditions.

Moving forward, our primary strategy for mitigating risks and improving efficiency is to optimize the bottom line of operations. Last year, we spoke about 'looking inwards', and this is something we have taken into full effect in 2023. Developing innovations that are cost-efficient in both improving productivity and mitigating climate risk, is just as important as investing in our people, who are at the core of driving our mission.

Of course, ANJ cannot be complacent and invest only in what exists and what we know works. Evolution involves risk, but it is this risk that brings with it great reward. Therefore, we will continue to seek out new ways to enter the market, be it through novel buyers or additional commodities. Our management will continue with the assessment and external verification of the carbon sequestration potential from our conservation area in Southwest Papua, as it provides carbon emission removal credits to offset part of our carbon emission to achieve our Net Zero carbon emission aspiration. Meanwhile we will wait for the establishment of the regulatory mechanisms relating to the carbon market and will carefully assess the market potential when the regulatory environment allows us to participate in the market.

Changes in the Composition of the Board of Commissioners

In 2023, we saw one of our commissioners, Istama Tatang Siddharta, resign from his position. Valuing the cohesion and successful collaboration within and between our BOC and BOD, it is a priority of ours that we will not add new members to the Board unless we can be assured that they are the best individuals for the position. There are no legal requirements for the minimum number of commissioners on the Board at any one time, and the existing team have been managing well.

I am proud to represent the BOC at ANJ and to present the Company's progress on the Board's behalf. This year has not been without its challenges, but I believe that the integrated and proactive management approach that ANJ applies is critical to the Company's ability to prepare

for the uncertain, adapt to the unexpected, and flourish in unfavourable circumstances, all while promoting an ethical and sustainable approach to development.

While our operating environment may be volatile, I am confident that this report demonstrates ANJ's steadfast commitment to its values. That is why this year's chosen theme, Safeguarding Values, Securing Trust, is accurate and honest. Cultivating and maintaining relationships is integral to our success and I am grateful to all those who support our process. Prioritizing people requires a mutually beneficial business approach and our Responsible Development initiatives are a clear demonstration of success in this regard. The strong support that we have garnered from our People, however, could not have been built without ANJ's transparent championing of values. Moving forward,

I hope to continue demonstrating to our supporters that our mission is unwavering, even in difficult times and in that, I see our future as an industry leader in equitable and sustainable practice.

I believe that ANJ's future is bright, despite the significant risks the Company faces with the rapidly changing climate, volatile global economy and political instability. Through investing in innovation that both improves cost-efficiency and mitigates risk, the Company is set on a path towards sustainable success with minimal setbacks, all while drawing closer to our Net Zero targets. 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)



Lucas Kurniawan

President Director

Report from THE BOARD OF DIRECTORS

Dear Shareholders

This year has been anything but straightforward. Despite overcoming the worst days of COVID-19 and progress in supply chain restoration, ongoing challenges persist, compounded by unforeseen external factors such as the Middle East conflict and the impending effects from the severe El Niño in 2023. Planning for the future remains elusive due to persistent uncertainties, but ANJ is committed to staying one step ahead. While achieving complete future-proofing is impractical, our proactive approach involves monitoring global economic, political, and climatic dynamics to develop risk-mitigation measures. This strategy has enabled continued productivity in adverse conditions. As we transition to a more sustainable future, with our focus set on our 2030 Net Zero horizon, ANJ maintains a positive outlook, emphasizing innovation and resilience in addressing challenges, positioning the Company as a leader in sustainable agriculture.

The Palm Oil Industry in 2023

Amidst ongoing geopolitical instability, domestic market restrictions and extremes of climate, the CPO price was very volatile throughout 2023, dropping in the second quarter to its lowest point since November 2020. Prices increased slightly in the third quarter, driven by a global concern about the impacts of the impending El Niño weather phenomenon but is once again on a downwards trend due to higher output and weak demand, particularly from major importing countries. Remarkably high interest and exchange rates were also a concern for us, with increasing tension between China and the United

States preventing the anticipated growth of China's economy and the rapid depreciation of the Rupiah while the United States Federal Reserve increased its rates several times this year.

The Indonesian domestic levy continued to be dynamic in 2023. The required fulfilment of the domestic market obligation makes it complicated for companies, including ANJ, to export. Fortunately, in 2021, ANJ decided to focus on the domestic market and thankfully the domestic market for our palm oil products grew in 2023. This has been beneficial in terms of profit due to domestic buyers' willingness to pay a premium price for quality and certified sustainable palm oil.

While fertilizer prices are significantly lower than last year, they are yet to return to pre-Ukrainian conflict levels. Once again, this meant that ANJ's composting programs, which have reduced the Company's sole dependency on inorganic fertilizers, were of great importance to our target of optimizing productivity while maintaining cost-efficiency. Fuel prices also remained high throughout the year and while ANJ has observed considerable improvements in its fuel-efficiency, it is not yet feasible to run our operations purely on renewable energy, despite our Net Zero ambitions.

Although the full impacts are yet to be felt, concerns have been raised about the predicted consequences of the ongoing El Niño phenomenon for the palm oil industry and ANJ's productivity in the coming year. Although we have invested heavily in agronomic innovation and climate risk adaptation, these measures cannot

be applied universally. For example, our composting initiative can only cover 34% of ANJ's total planted area, while drip-fertigation is currently confined only to very vulnerable areas, such as in SMM on Belitung Island where there has been no rain for at least three months. Aside from the direct impacts of climatic extremes, such as drought, fires, and flooding, the El Niño conditions are likely to present additional risks, including a reduction in pollinators and an increase in pests, which are already a considerable challenge at KAL. Fortunately, our other estates in Sumatra and Southwest Papua are still experiencing some rain.

Strategies

Strategy development at ANJ is continuous and integrated, enlisting the expertise of the Board of Directors (BOD) and Board of Commissioners (BOC) in a series of collaborative review processes which critically assess ambitions and progress towards our targets. Last year, the Company finalized its roadmap for the period 2023-2028 in our Corporate Strategic Session. This roadmap highlighted five focus areas to support a transition towards Net-Zero by 2030 while improving productivity and efficiency and contributing to climate change mitigation. These are:

1. Composting and renewables;
2. Completing the road infrastructure in Southwest Papua;
3. Replanting;
4. Improving sago turnaround;
5. Monetizing opportunities in the carbon market.

I am pleased to report that we have made good progress towards achieving these targets, with certain projects, such as road laterization in Southwest Papua projecting completion ahead of the 2026 target of 730 km. In 2023 we completed a further 100 km of road laterization, the majority of which importantly included the completion of the main access road. Considering the volatility of the global economic and political landscape, as well as the condition of our climate, our management team works on a year-on-year basis, developing plans that are actionable within a short time period that ultimately support the achievement of our long-term targets.

This year, our strategies have centred around three dominant themes: cost-efficiency, climate change risk, and the development of our people. Investing in these focus areas ensures that ANJ can grow as a company that employs people willing to fight for our values, who are

conscious of our operations' impact on the environment as well as the impact that the changing climate will have on our productivity. To maintain a bottom-up approach in a company that spans a vast geographic region, members of the BOD made regular visits to our subsidiaries throughout 2023. During these visits, Board members met with the management team at the operating site, as well as visit those working in the plantation, to understand the needs of the unit and ensure fulfilment of targets. These visits were particularly important in cases where performance was not meeting expectations, as they allowed the central management team to see, first-hand, where any inefficiencies lay. In addition to site visits, central management, including members from the BOD and BOC, regularly met virtually with subsidiary management to discuss progress against the strategic plan and formulate action plans where required.

At ANJ, our People are at the core of our operations. It is our belief that unless we instil a sense of accountability and responsibility in our employees, the Company will not achieve its ambitious production and sustainability targets.

To support the individual development of our people this year, particularly in upholding our value, we arranged more frequent value training sessions and continued to strengthen cross-functional teamwork on our strategic projects and implementation of our responsible development programs. We anticipate this can foster the appreciation and implementation of best practices across our locations. In addition, we have also reinstated regular rotation of people to different project sites to reinvigorate initiatives and identify novel solutions.

In 2023, ANJ took a more nuanced approach to our climate change adaptation initiatives, acknowledging that the impact of extreme climatic conditions extends beyond the scope of our flood and fire prevention systems. To improve preparedness, ANJ also invested in expanding our natural pest control techniques and combining risk management with improving efficiency through innovations such as also using water in our fire preparedness reservoirs as a source of water for drip-fertigation.

Challenges in 2023

- Due to the current El Niño conditions, several of ANJ's operating sites have been badly affected by extreme weather conditions. At one end of the spectrum, SMM and KAL are in a water-deficit, with SMM seeing

almost no rainfall since mid-2023. In contrast, we experienced two severe floods in ANJAS after the river embankments failed. Considering the rainfall intensity has been higher than usual and the riverbed siltation rates have also been faster than before, ANJ have now sought the help of an external consultant to develop a more robust solution.

- The extreme dry weather has also had a severe impact on edamame production. This, in combination with the lasting impacts of poor storage facilities on seed quality, meant that edamame yields were far lower than budget in 2023.
- High rainfall intensity in Southwest Papua led to waterlogging in parts of the estate which presented access challenges and delays in harvesting of FFB thus necessitating construction of water management infrastructure.
- The CPO price remained volatile and unfavourable throughout 2023, hitting its lowest point since November 2020, in the second quarter. The result was poor financial performance for much of the year, with only a slight upturn in the latter part of 2023, which we hope to see continue, as an upwards trend, into 2024.
- The road access ban in the early part of 2023 at ANJA, implemented by the local government, caused severe limitations on evacuation of CPO to the transit tank thus we had to limit intake of external FFB as our mill was at full capacity. This led to overall lower CPO and PK production for ANJA in 2023.
- Mill efficiency continues to be of concern across our operating sites, most notably in ANJAS where poor supervision and maintenance quality are significantly impacting operations.
- Despite the success of our natural pest control strategies, pests still have a severe impact on production at KAL and GMIT, which saw overall yields and quality fail to meet budget in 2023.
- Due to high worker turnover in Southwest Papua, harvesting and crop management knowledge among the estate workers is lacking. This has resulted in some premature harvesting of FFB and inadequate pruning, which reduces overall palm productivity and yields.
- We continue to face challenges with a lack of adherence to Company policies relating to health and safety and good conduct, at our estates. Particularly among our contractors. ANJ sees it a priority to safeguard the wellbeing of all its people and will need to develop more robust policy implementation strategies.

Performance versus Budget Target

ANJ booked a 12.1% decrease in consolidated revenue to USD 236.5 million, compared to USD 269.2 million in 2022 and 8.4% lower than our target of USD 258.1 million. The year saw volatility in the CPO price, which started the year at USD 905.2 per ton and slowly dropped to USD 796.0 per ton by year end, a noticeable drop from the high prices of 2022. This resulted in average selling price of USD 731/ton in 2023, 4.5% higher than our budget assumption of USD 700/ton.

In our main segment, palm oil, production volumes for CPO, FFB, PK and PKO were all higher than 2022, but all were below budget target. CPO volumes were 8.7% below budget forecast and overall FFB volumes were -6.8% against budget forecast. Our own FFB production achievement 3.9% below the budget but fared better than the third party FFB purchase, which was 11.3% below the budget. The total CPO production volume at year-end was 283,659 tons, 2.9% up from 2022 figures, although 8.7% lower than budget. PK production volume was 52,432 tons, slipping 4.7% compared to the 2022 achievement and 16.5% below budget target. Meanwhile, PKO production volume expanded to 1,459 tons, a significant increase from the 2022 achievement of 1,052 tons. However, it was 17.5% below our budget assumption.

In our other business segments, the vegetables segment (GMIT) fared poorly in 2023, although volumes of 2,860 tons were up 327 tons compared to 2022. Edamame production in 2023 was 45% below budget assumption largely due to the impact of drought conditions. These conditions had a knock-on effect for the resulting edamame semi-finished product which was 79.9% below budget forecast. Sago (ANJAP) also fared poorly producing 1,896 tons of sago starch which was 52.2% below budget target, with overall volumes also being lower than 2022 by 30.0%. AANE, our renewable energy business, surpassed budget forecast by 12.1%, and surpassed 2022 electricity production figures.

The Group booked a net profit of USD 1.9 million, compared to a net profit of USD 21.2 million in 2022. This decrease was due to the lower ASPs, combined with the higher depreciation and interest expenses. In addition, estate operating costs rose at our newly mature area in the Southwest Papua estate and from the replanting

areas in ANJA and SMM. Meanwhile, production from these newly mature areas will only reach optimum levels over the next two to three years. Our consolidated financial performance results were below our net income target of USD 4.2 million. Consolidated EBITDA decreased from USD 69.3 million in 2022 to USD 49.1 million in 2023, below our target of USD 56.4 million.

Segment Performance

Palm Oil

Overall, production volumes within the palm oil segment in 2023 were slightly up on last year despite some operational restrictions which posed a considerable challenge to some of our operating sites. Of note was the roadblock imposed by the local government at ANJA, which restricted access to the mill for external FFB and caused a significant reduction in productivity in the first quarter. Thankfully, the roadblock was lifted in April 2023 and we were able to resume operations and address the deficit.

Overall, FFB production from our own estates saw a 4.8% increase from the 2022 figures, with SMM and GSB consistently performing the best. The 724 hectares of young mature palms in GSB were integral for this success, with FFB production in the estate seeing an increase of 51.5% overall for 2023. Meanwhile, FFB production at SMM was up 16.0% over 2022 volumes – a figure we hope to build upon with our major replanting efforts at the estate.

Improved mill efficiency was an additional contributor to ANJ's CPO production volume success in 2023. Considering the current upwards trend, supported by agronomic innovation, road laterization in Southwest Papua, and maturation of our current replanting areas, we anticipate that ANJ's CPO production will hit a milestone achievement in 2025.

Unfortunately, we experienced some setbacks in production at our estates at ANJAS and Southwest Papua. The former struggled with flood due to a high-rainfall intensity and mill efficiency issues due largely to poor supervision and maintenance quality. While the completion of road laterization in the latter contributed to higher productivity, high rainfall intensity and premature harvesting resulted in low-quality FFB reaching the mill.

In 2023, ANJ excelled in traceability, certification and plasma development, achieving 100% traceability, surpassing targets by almost two years. The RSPO

certification for smallholders, commanding higher premiums, outpaced expectations. Despite initial hesitancy, ANJ's plasma scheme in Southwest Papua saw the majority of smallholders signing agreements and receiving upfront payment. ANJ ensured Identity Preserved certification for certified plasma cooperatives in the region. By September 30, 2023, an additional 716 ha were allocated to Southwest Papua's plasma cooperatives, underscoring ANJ's commitment to local development and community support.

Thankfully, the Ministry of Environment and Forestry Decree No.SK.01/MENLHK/SETJEN/KUM.1/1/2022 ("SK01"), is fully resolved and ANJT has now been released from the areas included in the decree. ANJ's good track record of preserving the environment and supporting the local communities was a contributing factor in the government's decision to release the area and after the months of hard work and dedicated collaboration of our management team, we are glad that this issue is now resolved. The successful resolution of SK01 has enabled us to self-declare a total of 81,011.99 hectares of land for biodiversity and forest conservation.

Vegetables

ANJ's vegetable segment faced challenges in 2023 due to ongoing and anticipated future impacts of El Niño on edamame yields. Edamame, with its short regeneration period and high water demand, becomes particularly vulnerable during prolonged droughts, setting it apart from other segments like palm oil, where climate extremes may only affect yields in the subsequent year. In response to these challenges, our management decided to curtail edamame planting for 2023, focusing on areas with direct water access. Outcomes varied, with some regions maintaining productivity at 8-10 tons per hectare, while others saw a significant decline to as little as 2 tons per hectare. This decision has financial implications for local communities and farmers connected to this segment through GMIT's responsible development programs. ANJ is exploring alternative crops such as okra, green beans and corn, and explore the market potential for these commodities.

Despite challenges, there was a positive development with edamame's market penetration improving in 2023, with established buyers placing repeat orders, a resilient domestic market and new buyers, including India, entering the export chain. Sales revenue reached USD 1.9 million in 2023, a substantial 12.2% improvement from last year, though still below budget due to productivity issues linked to drought, pests, and poor seed quality. To address these concerns and enhance future productivity,

GMIT initiated a seed breeding program and established a state-of-the-art seed storage facility. This facility ensures the longevity of high-quality seeds for up to a year, a considerable improvement over prior storage methods susceptible to uncontrollable variables like humidity. Despite productivity challenges in this year's crop, GMIT's strategic initiatives aim to fortify seed quality and overall crop resilience for the future.

This year, solar panels were successfully installed on the factory roof at GMIT in East Java, reducing greenhouse gas emissions at the estate by 19%. However, regulatory limitations in Indonesia require restricting renewables to 15% of total energy consumption at each operating entity, ensuring continued financial contributions to the national electricity producer, PLN. Unfortunately, solar cells are not suitable in a palm oil context. A more fitting solution is biofuels, including biogas, which ANJ continues to explore. The transition demands careful planning and will take several years to develop, particularly in Southwest Papua.

Sago

ANJ's sago business has shown operational improvement from the previous year, somewhat dispelling concerns about its viability amid poor productivity and minimal financial returns. In 2023, the sago segment grappled with challenges such as poor staff retention and repeated machinery failure, rooted in the rural nature of the sago estates. Nevertheless, our teams successfully implemented front-end processing improvements at the mill with minimum capital expenditure investments, significantly reducing machine failure rates and downtime. Despite these strides, the production volume remains well below budget. Consequently, ANJ's 2024 focus involves optimizing estate function, requiring investments in efficient log transportation and exploring cost-effective energy sources to reduce reliance on expensive diesel fuel, exacerbated by poor accessibility in sago operations.

Renewable Energy

In an ideal world, ANJ envisions operating entirely on renewable energy, a goal emphasized by the continuous investments in climate-mitigation strategies. The Company recognizes the profound impact of persistent fossil fuel usage on the planet, prompting ANJ's research and development teams to consistently seek alternatives.

Our renewable energy business, AANE, has achieved a net profit for a fourth consecutive year, surpassing budget target to reach 10.2 million kWh by year-end

through heightened efficiency and reduced shutdowns. The current price agreement with PLN will continue in 2024 without changes.

People

ANJ places a great emphasis on upholding its values and commitments to responsible development, which means that our people are heavily involved in the processes behind our planning and hold a deep understanding and appreciation for why we do what we do. Yet, the nature of our expansive operations leads to inevitable staff onboarding and movement. Maintaining core values is paramount, prompting ANJ to heavily invest in value training and internal integrity support.

Regrettably, 2022 witnessed a high rate of misconduct and a lack of appreciation for our values. Addressing this, 2023 prioritized reinforcing ANJ values through intensified values workshops across the Group for new hires. A values-sharing-session was also conducted for ANJ leaders at the annual strategic session. The Company also organized a retreat in Belitung for our values champions, the second retreat after the first one in 2016. The objective was to refresh these dedicated champions on ANJ values, offering moral support and necessary training to effectively perform their role as a values champion and inspire colleagues to respect ANJ's values and mission as fervently as our champions do.

Worker retention in Southwest Papua has made operations challenging. Management has worked hard in finding long-term solutions to this problem. Spending long periods away from family in remote locations is understandably difficult. This year we continued investment in developing the appropriate infrastructure to facilitate staff staying in contact with or bringing their young families to live with them as part of our efforts to improve worker retention. Not only have these investments benefitted our staff, but construction of facilities such as the Telkomsel (a national GSM network provider) tower has allowed ANJ to improve inter- and intra-Company communications. ANJ's Management Trainee program progressed into 2023 with Batch 21. However, acknowledging increasing premature trainee drop-out rates since the program's inception, our management critically evaluated it during the strategic session. The conclusion was that the program remains relevant but necessitates restructuring to address the retention issue. This year, we revamped our approach to trainee selection and posting. We broadened the entry criteria beyond academic achievements, placing

a heightened emphasis on the individual's character, providing a more insightful assessment of their suitability for a role. Tailoring our selection to align with the Company's needs has become a priority, recognizing that trainees are more likely to complete the program if they perceive their unique skills as essential to ANJ's growth.

Digital Solutions

The potential for digital solutions to enhance lives and businesses becomes ever more apparent in 2023. Investing in digital solutions has played a big role in improving Company efficiency and is something we hope to continue developing in the future. ANJ's digital systems are developed to promote data-sharing and improve connectivity throughout our vast operating region. They also support the involvement of all our people in our projects, rather than relying on a small group of specialists to complete mammoth tasks.

Our most notable digital solutions are the eTIS digital traceability platform, the PENDAKI Champion application as a new and innovative component of the PENDAKI program, the digitization of cultivation at GMIT, and our new Human Resources system, which will be fully implemented in 2024. Our flagship electronic Traceability Information System (eTIS) has been part of ANJ's programs for several years and is now used in 100% of our Region 1 (Sumatra) and Region 2 (Belitung Island and Kalimantan) oil palm operations and can be downloaded as an application on the Google Play store. This system makes traceability information accessible to everyone and promotes ANJ's commitment to transparency.

Similarly, with the introduction of the PENDAKI Champion application in September 2023, we are now in a stronger position to strengthen the statistical quality of the species observation data thus enabling ANJ's conservation staff to continuously track species populations and diversity across our estates against time-bound biodiversity targets.

Finally, our new Human Resources Information System (HRIS) has seen processes, which were previously recorded by hand and managed through the time-consuming review of physical documents, converted to fast and efficient digital systems. HRIS has centralized all Human Resources data within ANJ to allow all our people to quickly access this information via their smartphones. This centralization of data has streamlined ANJ's recruitment and succession planning, assisted

in monitoring and assigning training and tasks to our staff, and ensured the more honest, robust, transparent reporting of hours, pay and performance.

Corporate Governance

As a company that prioritizes People, promoting good corporate governance comes as a natural foundation of our strategies. I am glad to report that this year, ANJ was awarded level 5 (Leadership in Corporate Governance) in the ASEAN Corporate Governance Scorecard (ACGS) assessment, the highest level for the award. ANJ's ACGS score has improved dramatically since 2018, when we received 77.59 point. This year, ANJ received 100.27.

On 2023, November 27, for the first time, ANJ proudly secured the third-place position in the esteemed 2022 Annual Report Award (ARA) within the 'Non-Financial Go Public Company' category. Awarded by the deputy chair of the National Committee for Governance Policy and the Chair of the ARA 2022 Organizing Committee, the award celebrates companies that demonstrate outstanding information disclosure and good governance practices. This accolade underscores ANJ's commitment to exemplary corporate governance, emphasizing our dedication to transparent and comprehensive reporting. The rigorous evaluation process by the awarding body scrutinizes annual reports based on compliance with relevant regulations and guidelines, placing particular emphasis on content relevance and presentation clarity.

Despite limited room for further improvement, our management are determined to continue pursuing ever-greater corporate governance heights. 2023 marks the first year that the Board Charters have been updated since 2013, which is significant for ANJ and a testament to our heightened emphasis on corporate governance. To identify and enact necessary changes to various standard operating procedures, we evaluated the outcomes of the ACGS, which highlighted several areas in which we can improve, including the turnaround time of financial statements, and the increased presence of all members BOD and BOC at the annual general meeting. I recognize that it will be challenging to improve upon such a high score, which is why I have stipulated ANJ's priority as maintaining our current excellent standards while we integrate our enhanced corporate governance systems.

Sustainability

ANJ guides its process of sustainable development on the principles of the United Nations Sustainable Development Goals. This year, the United Nations Global Compact selected ANJ for the Forward Faster Initiative, which is a call for companies to fast track their achievement of a specific SDG. In light of ANJ's existing emissions reductions targets and initiatives, the Company chose to focus on achieving Net Zero. ANJ remains committed to renewable energy and emissions reduction targets. ANJ aims to increase the renewable energy portfolio to over 60% by 2025, reinforcing its dedication to sustainable, science-backed practices. However, sustainable development encompasses far more than reducing carbon emissions. ANJ recognizes the full spectrum of sustainability, from the environment to the people who rely on it. We believe that our sustainability journey holds each component of sustainability to an equally high regard, which I maintain is showcased through our commitment to going above and beyond the minimum requirement for sustainability success.

Our sustainability projects, termed responsible development projects at ANJ, span the three pillars of sustainable development: People, Prosperity and Planet. While there are too many projects to state in this short message, there are several that I wish to highlight, which truly demonstrate the breadth and significance of ANJ's impact. This year, we saw great improvement to our community healthcare programs, with all our clinics, including those in Southwest Papua, becoming BPJS-certified. Our teams have made a concerted effort to improve the quantity and quality of healthcare services in our operating regions, particularly those which suffer with poor existing healthcare infrastructure. Our healthcare services extend beyond clinical treatment to assessing the disease burden in our operating regions and addressing the most prevalent diseases through community health campaigns, with the hope of instilling a sustainable culture of good health practices.

Our successful community development programs continued to thrive this year and we have seen that in well-established programs, such as Sawah Apung, people are taking ownership and feel more comfortable with taking on the program without ANJ's assistance. This is a great step forward, as with all our community development program, ANJ's ultimate goal is to leave behind a project which becomes engrained in the community and lives on long after ANJ have left the area. We also introduced several new projects this year, which

are already proving successful. In KAL, we introduced the community silvofishery program at the Mangrove Centre in Desa Kuala Satong.

To close the year, in December 2023, our subsidiaries, SMM and ANJA, were awarded the Gold PROPER award from the Ministry of Environment and Forestry, securing their fourth and third consecutive wins, respectively. Each year, PROPER nominees must demonstrate novel social or environmental innovation, and we are immensely proud that ANJ has consistently succeeded in this endeavor. The current awards were for the joint fishery and farming initiative, Mina Padi, at SMM, while ANJA expanded its chicken and fish farming. Moreover, ANJAS and KAL received the Green PROPER award for the second time. The continual attainment of the Gold PROPER award since 2021 underscores ANJ's unwavering dedication to upholding rigorous environmental standards and driving sustainable community development initiatives, thereby setting a benchmark in the industry.

While ANJ's sustainability journey is not driven by a quest for awards and recognition, I take pride in announcing several accolades that solidify our position as a leading advocate for sustainability in the Indonesian agribusiness industry. Throughout the year, ANJ's commitment to sustainability and responsible development received commendations from national and regional governments. Awards in Sorong and West Kalimantan recognized our good governance, local workforce development, and exceptional dedication to sustainability and conservation.

In June, we were honored with the Platinum Plus award for Corporate Carbon Emission Transparency from 'Berita Satu & Bumi Global Karbon Foundation.' In November, following a one-year hiatus, ANJ achieved the 'Platinum Rank' in the Asian Sustainability Reporting Rating (ASRRAT) 2023. The IDX Channel Anugerah Inovasi Indonesia 2023 bestowed a special sustainability award for our Electronic Traceability Innovation System (eTIS). GMIT and KAL also received appreciation in this category for the application of straw mulch at GMIT and KAL's Action in Sustainability (KLASI) innovation.

Furthermore, both KAL and SMM earned recognition from 'Indonesia Green and Sustainable Companies 2023' for outstanding performance in conserving natural resources from SWA Magazine. Rather than resting on our laurels, ANJ views these accolades as a means to elevate our profile and guide others in the industry toward achieving our collective sustainability goals.

The Company experienced notable progress in its SPOTT score, a global benchmark for transparency in the palm oil sector, increasing from 91.1% in 2022 to an impressive 93.3%. This achievement solidified ANJ's fifth-place global ranking, a slight dip from the previous year due to the remarkable progress of our industry peers. In March 2024 Sustainalytics issued ANJ's ESG rating based on our 2023 performance. Against our 2022 rating we maintained our leading position at the first rank in the global Agriculture sub-industry and have improved our position to the third in the global food industry with a score of 15.4 from the tenth with a score 18.3 in 2022. Our ESG score for 2023 placed us in the Low Risk category for a second year. ANJ's established track record and reputation in sustainability and ESG performance fortify its resilience against unforeseen risks and garner support from local governments and communities. We remain optimistic that our ongoing contributions to sustainability will evolve positively in the future, and we eagerly anticipate collaborative efforts with all stakeholders involved.

Analysis of Prospects

Planning for an uncertain future remains a perpetual challenge. While understanding global economic, political, and climatic trends is crucial, the reality is that creating infallible plans is unattainable. ANJ recognizes the importance of adaptability, emphasizing the development of mechanisms supporting resilient operations.

As ANJ grows as a business, our management reflects on progress and industry positioning. This introspection guides our identification of areas for improvement and ensures the translation of current successes into ongoing progress. Operating responsibly within our core areas, our targets extend beyond business prospects to encompass sustainable practices benefiting both people and the environment. ANJ's Net Zero 2030 strategy focuses on efficiency, climate risk mitigation and adaptation and the realization of responsible development ambitions.

Our management team has identified cost-efficiency as an area of focus for the Company, especially in Southwest Papua. Cost- and energy-efficiency go hand-in-hand, which means that many of our strategies that aim to decrease Company spending on fuel and equipment will also reduce our reliance on non-renewable energy

sources and exposure to the volatility of global supply chains. Our operations in Southwest Papua are the Company's biggest concern, in relation to efficiency. Being very remote, equipment and fuel are significantly more expensive in this region than in any other. Our research and development team are working hard to find and develop more efficient alternatives to support growth in this potentially lucrative area of operations. Aside from cost- and energy-efficiency in Southwest Papua, ANJ is also hoping to improve mill efficiency across our segments in this area to achieve our long-term target of 6 tonnes of CPO per hectare.

In addition to our long-term targets, we will continue to develop our flood and fire prevention infrastructure across our operating region, the success of which we anticipate will be tested in the ongoing El Niño conditions. We also hope to continue our very successful replanting scheme and expand our existing agronomic innovations, such as drip-fertigation and application of straw mulch for which ANJ received awards in 2023. We currently have four agronomic innovations for which we have patents that we are excited to implement in the new year. Other plans for the upcoming year include investing more in the infrastructure at our estates in Southwest Papua to support our workers bringing their young families to live with them on-site, which will hopefully further improve worker retention and entice new staff to join our operations.

ANJ's management believe that engaging with the carbon market holds great prospects for the Company, but without a regulation allowing the trading of carbon credit from a land cultivation right title (Hak Guna Usaha) and with imbalance between supply and demand due to prohibition to sell carbon credit to overseas, we must wait until the appropriate mechanisms are put in place to make this a smart financial investment.

Capital Expenditure

Recognizing the imperative for ANJ to invest in projects addressing climate change risks and minimizing environmental impact, management has diligently examined our capital expenditure to enhance efficiency. Consequently, ANJ has strategically prioritized spending on the following strategies in 2023:

- Completing the construction of the GSM network transmitter (BTS) towers at PMP, in collaboration with Telkomsel, to support worker retention and Company communications.

- Completing the installation of the solar cell array at GMIT.
- Continued development of the flood prevention infrastructure at ANJAS.
- Continued road laterization of the remaining 300 km at PMP and PPM, with a targeted completion deadline of 2025.
- Expanding the drip fertigation program to new locations, including KAL, and maintaining successful applications of the program in SMM and ANJA.
- Continued development of the fire prevention infrastructure at KAL.
- Continued replanting at SMM and ANJA.
- Peat emissions analysis at ANJAS to determine carbon sensitivity and baseline emissions.

Our planned capital investments in 2024 include:

- Installing a new, more energy- and cost-efficient boiler at the Southwest Papua mill.
- Building the infrastructure to accommodate staff bringing their young families to live with them on-site at PMP.
- Investing in the carbon trading project once the Indonesian government has issued regulations allowing us to trade carbon credit from HGU land title and provided that the appropriate mechanisms for foreign.
- Developing agronomic innovations which ANJ currently have patents for.
- Developing flood-prevention infrastructure at ANJAS based on the appropriate feasibility study from independent experts.

Changes in the Composition of the Board of Directors

In 2023, Fitriyansyah was appointed as the Director of Engineering and Security, marking a change in the BOD. Aligned with our commitment to representing the diversity of our operating region and understanding unique challenges at each site, management actively promotes the movement of directors across subsidiaries. This approach not only fosters individual development but also encourages the exchange of innovative ideas and revitalization of existing programs. In 2023, the retirement of the resident director of our Southwest Papua estates and our Human Resources director prompted active efforts to find suitable replacements.

In conclusion, I extend my gratitude to all involved in our operations for their hard work and dedication to our values. This year prompted careful reflection on our values and future goals, considering the present and future limitations and challenges. Achieving efficiency in production while actively preserving and supporting the environments and communities where we operate demands a nuanced approach led by effective management. The dedication of our people has enabled our success in challenging times, and I take pride in showcasing ANJ as a company that overcomes challenges and exceeds expectations in this report. It brings me great pleasure to witness ANJ's outstanding progress, and I anticipate a future of continued collaboration, establishing our company as a leading force 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 2023 Annual Report of PT Austindo Nusantara Jaya Tbk.**

Jakarta, April 30, 2024

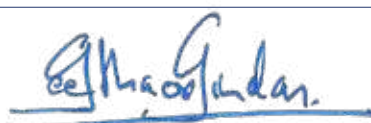
We, the undersigned, declare that the information contained in the 2023 Annual Report of PT Austindo Nusantara Jaya Tbk. is complete and we are responsible for the accuracy of the report's content.

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

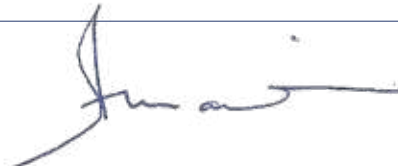


Nopri Pitoy
Director



Mohammad Fitriyansyah
Director

BOARD OF COMMISSIONERS



Adrianto Machribie
President Commissioner (Independent)



George Santosa Tahija
Commissioner



Sjakon George Tahija
Commissioner



Anastasius Wahyuhadi
Commissioner



J. Kristiadi
Independent Commissioner



Darwin Cyril Noerhadi
Independent Commissioner



Istini Tatiek Siddharta
Commissioner

COMPANY PROFILE

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ANJ'S BUSINESS IDENTITY

COMPANY NAME	PT Austindo Nusantara Jaya Tbk.
COMPANY STATUS	Public Company
SHARE CODE	ANJT
DOMICILE	Jakarta
OFFICE ADDRESS	<p>BTPN Tower, 40th Floor Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6 Jakarta 12950</p> <p>☎ (62-21) 2965 1777 📠 (62-21) 2965 1788</p>
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 Mill Effluent (POME)
LEGAL BASIS	<p>Deed of Establishment and amendments:</p> <ul style="list-style-type: none"> • Deed No. 72, dated April 16, 1993, Notary Sutjipto; • Deed No. 54, dated July 16, 1998, Notary Esther Mercia Sulaiman; • Deed No. 161, dated January 17, 2013, Notary Irawan Soerodjo; • Deed No. 270, dated June 22, 2015, Notary Irawan Soerodjo; • Deed No. 61, dated May 14, 2018, Notary Irawan Soerodjo; • Deed No. 143, dated May 15, 2019, Notary Christina Dwi Utami; • Deed No. 144, dated May 15, 2019, Notary Christina Dwi Utami; • Deed No. 74, dated June 9, 2021, Notary Christina Dwi Utami; • Deed No. 23, dated November 2, 2021, Notary Christina Dwi Utami.



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[anjgroup.id](https://www.anjgroup.id)



Austindo Nusantara Jaya

SHARE OWNERSHIP



40.85%

PT Austindo Kencana Jaya



40.85%

PT Memimpin Dengan Nurani



8.83%

Public



4.74%

George Santosa Tahija



4.74%

Sjakon George Tahija



0.00%

Yayasan Tahija



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, and has interests in agribusiness, financial services, healthcare and renewable energy. On July 16, 1998, the Company changed its name to PT Austindo Nusantara Jaya (ANJ) pursuant to 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 expanding into new agribusinesses based on other food crops. The second pillar 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 its shares with a ticker of ANJT.



Palm Oil

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

North Sumatra I Plantation

A 9,988 hectares oil palm plantation in Binanga, North Sumatra, operated by our subsidiary ANJA.

North Sumatra II Plantation

A 9,412 hectares oil palm plantation in Padang Sidempuan, North Sumatra, operated by our subsidiary ANJAS.

Belitung Island Plantation

A 17,360 hectares oil palm plantation in Belitung Island in Bangka Belitung, operated by our subsidiary SMM.

West Kalimantan Plantation

A 13,880 hectares oil palm plantation in Ketapang, West Kalimantan, operated by our subsidiary KAL.

Southwest Papua Plantation


A 91,210 hectares landbank in South Sorong and Maybrat Regencies in Southwest Papua Province, operated by the Company and our subsidiaries PPM and PMP. An area of 9,024 hectares have been developed for oil palm plantations, meanwhile 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.

South Sumatra Landbank

We are also planting areas of our landbanks of 12,800 hectares in Empat Lawang, South Sumatra. This landbank is operated by our subsidiary GSB and commenced planting parts of the landbank in 2013.

Our development plantations are managed in compliance with RSPO and ISPO standards and we will apply for RSPO and ISPO certification when they started producing crude palm oil.



As of December 31, 2023, the Company had a total landbank of 154,650 hectares. At that time, approximately one-third of this area or 53,521 hectares, was planted. Pursuant to the Indonesian Government's regulation, the Company has allocated a total of 5,005 hectares of this planted area to community smallholders as of the end of 2023.

Mature nucleus oil palms cover 43,400 hectares or 89.5%, of the planted area, while 5,116 hectares or 10.5%, comprises immature oil palms. The average age of our nucleus oil palms across all the Group's plantations, as of December 31, 2023, was 13.0 years.

56.4% of our landbank is allocated for fulfilling a range of voluntary environmental and social commitments, which encompasses biodiversity conservation, riverine buffers, and the protection of areas with historical or cultural significance. 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.

Our landbank also covers 12,800 hectares land in South Sumatra which is ready to be planted when the land compensation process is completed. As of 31 December 2023, total land compensated was 4,555 hectares, of which 724 hectares have planted and contains matured oil palms.

The remaining portion of our landbank is designated for infrastructure needs, including roads, housing, and amenities for our employees, while a smaller fraction of this land is deemed unplanted due to unsuitable topography.



PLANTED AREA

48,516 Ha

MATURED AREA

43,400 Ha



Sago

ANJ operates a sago harvesting and processing operation in South Sorong, Southwest Papua, through our subsidiary, 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, 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, and in 2023 we also began field trials for green beans, which we sold to domestic market.

In 2017, ANJ entered into a joint venture with AJI HK Limited to facilitate GMIT's market expansion into the Asia Pacific region. In August 2021, GMIT commenced commercial operations of its frozen products. By end of 2023, GMIT has sold its frozen products to domestic market and export to Japan, Southeast Asia countries, India and Middle East.



Renewable Energy

AANE, a subsidiary of the Company, has been licensed as an Independent Power Producer (IPP) since 2013 and began operating commercially on 31 December 2013. 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.



**1993-
2006**



**2010-
2015**

A BRIEF HISTORY OF THE ANJ GROUP

1993

ANJ was established.

2000

- PT Austindo Agro Nusantara and PT Austindo Nusantara Resources were merged into the Company.
- ANJ acquired ANJA (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 SMM.

2004

ANJ acquired ANJAS (formerly PT Ondop Perkasa Makmur).

2005

ANJ acquired KAL.

2006

ANJ became full owner of ANJA.

2010

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

2012

- ANJ divested its healthcare and financial services interests to concentrate on agribusiness, food and renewable energy.
- ANJ acquired GSB.

2013

- ANJ acquired PPM and PMP.
- ANJ's shares were listed for the first time on the Indonesia Stock Exchange (IDX).
- AANE 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.
- ANJAP completed the construction of its sago starch mill in Southwest Papua.



2016- 2018

2016

KAL's palm oil mill in West Kalimantan began operating.

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 in (a) PT Aceh Timur Indonesia (ATI), PT Simpang Kiri Plantation Indonesia (SKPI), (b) PT Surya Makmur (SM) and PT Bilah Plantindo (BP), which all is part of MP Evans Group was sold.
- AJI HK Limited acquired a 20% stake in ANJ subsidiary, GMIT.
- ANJ sold a 10.87% stake in PT Agro Muko to SIPEV NV, retaining 5% of the shares.

2018

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

2019- 2022

2019

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

2020

PMP's palm oil mill and kernel crushing plant in Southwest Papua began operating.

2021

- PMP and PPM obtained RSPO and ISPO certification.
- KAL increased the mill capacity from 45 tons per hour to 90 tons per hour.
- GMIT began exporting frozen edamame.

2022

ANJ sold 5% shares in PT Agro Muko.

2023

KAL completed the construction of its composting plant.

OUR LOGO ANJ

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.

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.

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.

OUR VISION, MISSION AND CORPORATE VALUES

VISION

To become a world-class agribusiness based food company that elevates the lives of 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**



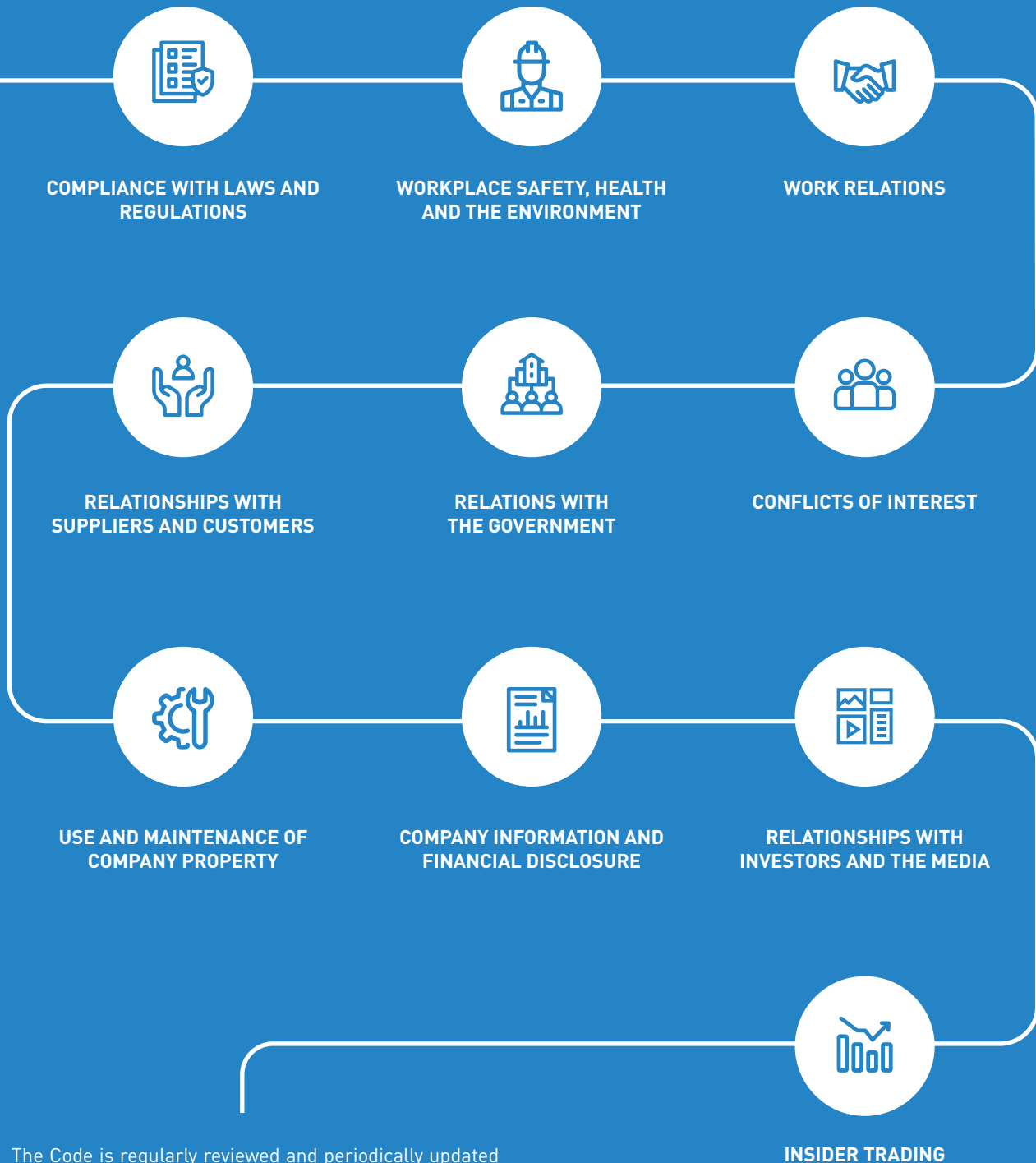
CODE OF CONDUCT AND CORPORATE CULTURE



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:



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:

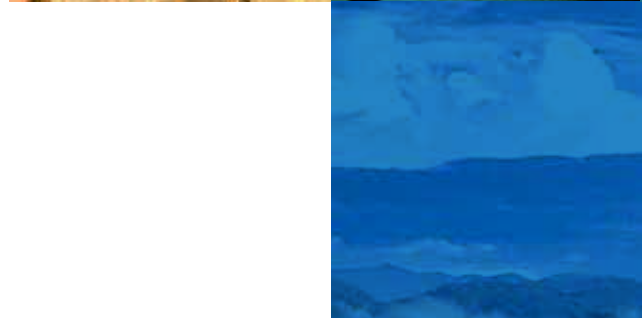
- Carry out business of other consultancy management activities.
- Carry out business of wholesale of fruit containing oil.
- Carry out business of wholesale in agricultural products and other living animals.
- Carry out business of wholesale based on fee or contract.
- Carry out business of palm oil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

Supporting Business Activities:

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

Articles of Association

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







CORE BUSINESS SITE MAP

1

**PT AUSTINDO NUSANTARA JAYA AGRI
SIAIS (RSPO Certified)**
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

2

**PT AUSTINDO NUSANTARA JAYA AGRI
(RSPO Certified)**
Binanga, North Sumatra

Landbank	9,988 Ha
Planted Area	9,297 Ha
Matured Area	6,683 Ha
Mill Capacity	60 tons/hour
Conservation Area	391 Ha

3

**PT SAHABAT MEWAH DAN MAKMUR
(RSPO Certified)**
Belitung, Bangka Belitung

Nucleus

Landbank	16,277 Ha
Planted Area	14,285 Ha
Matured Area	11,906 Ha
Mill Capacity	60 tons/hour
Conservation Area	1,381 Ha

Partnership with Smallholder

Landbank	1,083 Ha
Planted Area	884 Ha
Matured Area	884 Ha

4

PT GALEMPA SEJAHTERA BERSAMA
Empat Lawang, South Sumatra

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

5

**PT KAYUNG AGRO LESTARI
(RSPO Certified)**
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

6

PT ANJ AGRI PAPUA
South Sorong, Southwest Papua

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

TOTAL PLANTED AREA:

48,516 Ha

TOTAL CONSERVATION AREA:

97,745 Ha



LEGEND

PALM OIL SAGO VEGETABLES RENEWABLE ENERGY 

NOTES :

Data as of December 31, 2023

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

7

**PT PUTERA MANUNGGAL PERKASA (RSPO Certified),
PT PERMATA PUTERA MANDIRI (RSPO Certified), PT AUSTINDO NUSANTARA JAYA TBK.**
South Sorong & Maybrat, Southwest Papua

Nucleus	
Landbank	75,947 Ha
Planted Area	7,407 Ha
Matured Area	7,407 Ha
Mill Capacity	45 tons/hour
Conservation Area	81,012 Ha***

Plasma

Landbank	15,263 Ha
Planted Area	1,618 Ha
Matured Area	1,618 Ha

8

PT GADING MAS INDONESIA TEGUH
Jember, East Java

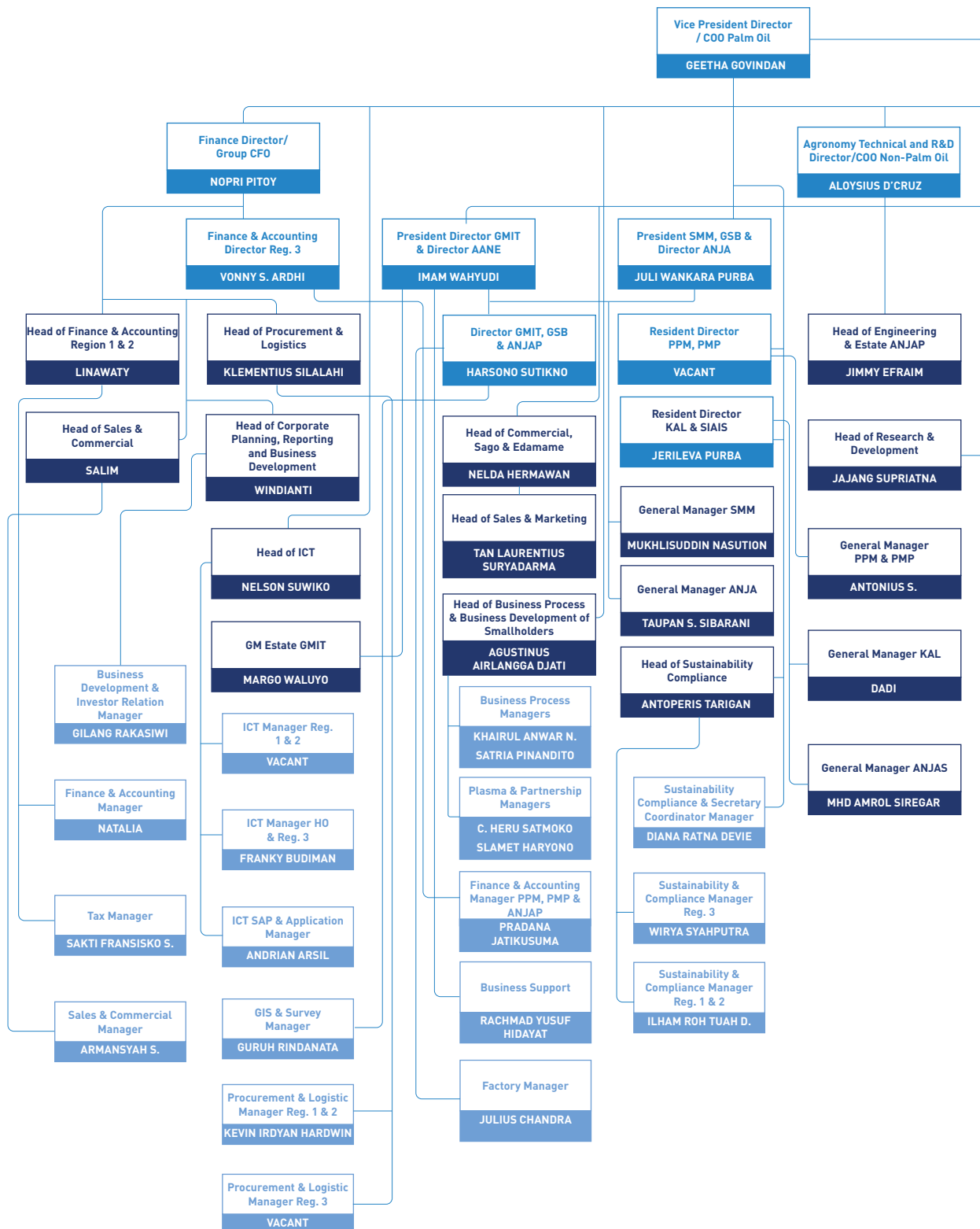
Product	Edamame (Fresh and Frozen)
Production Capacity	3 tons/hour

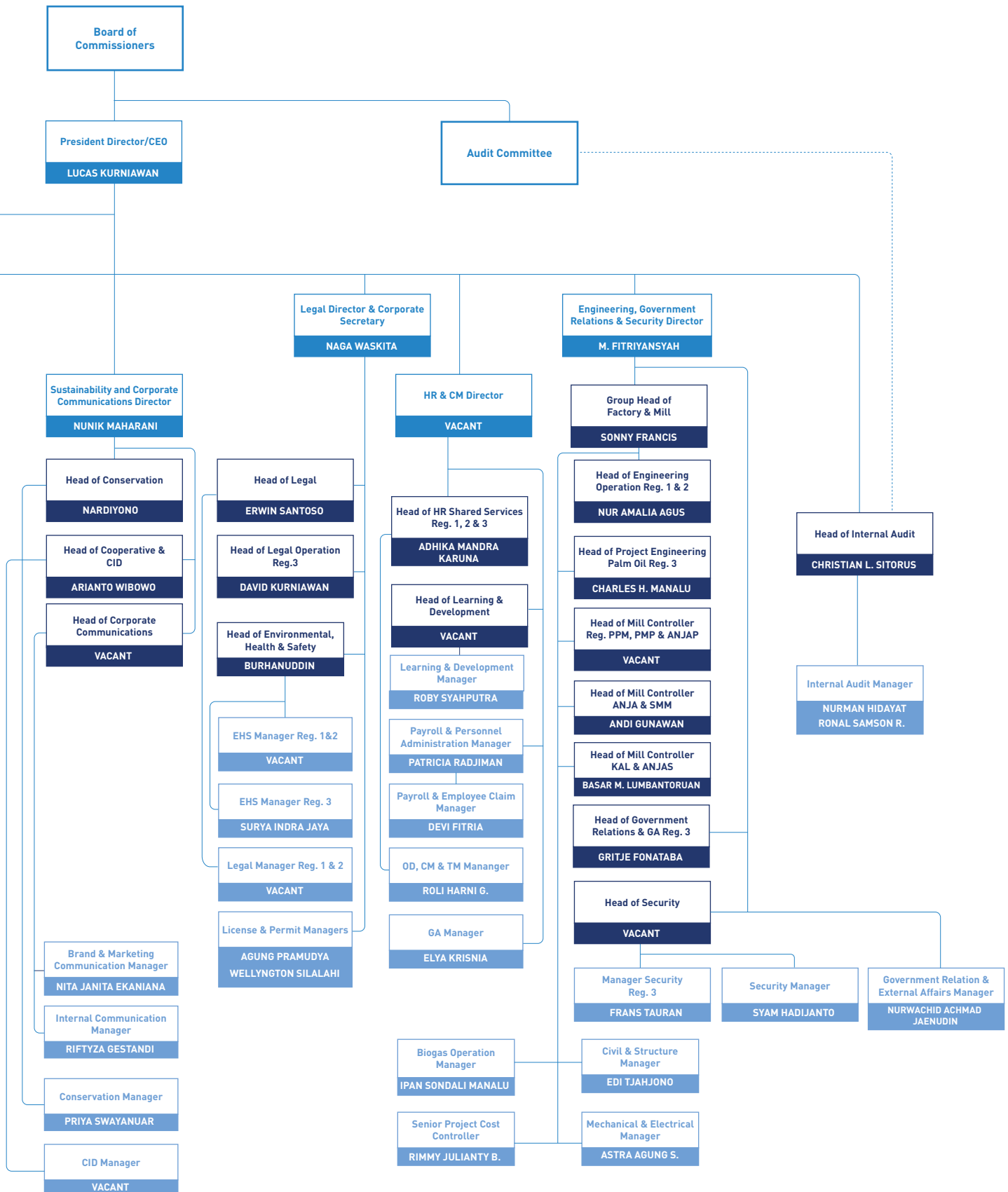
9

PT AUSTINDO AUFWIND NEW ENERGY
Belitung, Bangka Belitung

Type of Renewable Energy	Biogas
Production Capacity	1.8 MW

ORGANIZATIONAL STRUCTURE





CHANGES IN THE COMPOSITION OF MEMBERS OF BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

The Annual General Meeting of Shareholders (AGMS) held on June 7, 2023, approved to change the Company's Board of Commissioners and Board of Directors Composition by approving the resignation of Istama Tatang Siddharta from his position as a Commissioner and appointing Mohammad Fitriyansyah as a Director of the Company.

Below is the composition of Board of Commissioners and Board of Directors after the AGMS on June 7, 2023:

BOARD OF COMMISSIONERS

Adrianto Machribie

President Commissioner (Independent)

J. Kristiadi

Independent Commissioner

George Santosa Tahija

Commissioner

Darwin Cyril Noerhadi

Independent Commissioner

Sjakon George Tahija

Commissioner

Istini Tatiek Siddharta

Commissioner

Anastasius Wahyuhadi

Commissioner

BOARD OF DIRECTORS

Lucas Kurniawan

President Director

Aloysius D'Cruz

Director

Geetha Govindan

Vice President Director

Nopri Pitoy

Director

Naga Waskita

Director

Mohammad Fitriyansyah

Director



PROFILE OF **THE BOARD OF COMMISSIONERS**

THE BOARD OF COMMISSIONERS

FROM LEFT TO RIGHT:

DARWIN CYRIL NOERHADI
Independent Commissioner

J. KRISTIADI
Independent Commissioner

ANASTASIUS WAHYUHADI
Commissioner

ISTINI TATIEK SIDDHARTA
Commissioner

SJAKON GEORGE TAHIJA
Commissioner

ADRIANTO MACHRIBIE
President Commissioner (Independent)

GEORGE SANTOSA TAHIJA
Commissioner





Adrianto Machribie

President Commissioner (Independent)

Indonesian citizen, aged 82.

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).

BASIS OF APPOINTMENT

Mr. Machribie was first appointed as President Commissioner of the Company based on deed No. 32 of Esther Mercia Sulaiman S.H, Notary in Jakarta, dated September 24, 2003.

The most recent appointment of Mr. Machribie as the President Commissioner of the Company is based on 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

Currently, he also serves as:

- 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. Prior to joining the Company, 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). Then, he was appointed as Commissioner of PT Freeport Indonesia (2006-2011), Non-Executive Director Intrepid Mines Ltd. (2011-2015) and the President Director of PT Media Televisi Indonesia (Metro TV) (2011-2017). He is also actively engaged in several professional organizations.

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.



George Santosa Tahija

Commissioner

Indonesian citizen, aged 65.

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).

BASIS OF APPOINTMENT

Mr. Tahija was first appointed as Commissioner of the Company based on Deed No. 72 of Mala Mukti, S.H., L.L.M, Notary in Jakarta, dated December 14, 2012.

The most recent appointment of Mr. Tahija as Commissioner of the Company is based on 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

Currently, he also serves as:

- President Commissioner of PT Austindo Nusantara Jaya Agri (2005-present).
- President Commissioner of PT Sahabat Mewah dan Makmur (2005-present).
- President Commissioner of PT Austindo Nusantara Jaya Agri Siaia (2006-present).
- Commissioner of PT Austindo Nusantara Jaya Healthcare (2006-present).
- President Commissioner of PT Kayung Agro Lestari (2008-present).
- President Commissioner of PT Gading Mas Indonesia Teguh (2008-present).
- President Commissioner of PT ANJ Agri Papua (2011-present).
- President Commissioner of PT Lestari Sagu Papua (2011-present).
- 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).
- President Commissioner of PT Permata Putera Mandiri (2013-present).
- President Commissioner of PT Putera Manunggal Perkasa (2013-present).
- President Commissioner of PT Austindo Aufwind New Energy (2013-present).
- President Commissioner of PT Austindo Nusantara Jaya Boga (2013-present).
- President Commissioner of PT Galempa Sejahtera Bersama (2015-present).
- President Commissioner of PT Melintas Cakrawala Indonesia (2016-present).
- Chairman of the Tahija Foundation Supervisory Board (2019-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. As of Februari 10, 2023, Mr. Tahija also serves as a member of Supervisory Board of Indonesian Business Council (IBC).

Mr. Tahija was the 2021 Abbott Award recipient from the Darden School, University of Virginia. In 2023, he received Oak Leaf Awards from The Nature Conservancy (TNC), a nonprofit organization based in Arlington, Virginia, USA. This award recognizes trustees and volunteers who embody the Conservancy's values and whose accomplishments advance TNC's missions.

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.



Sjakon George Tahija

Commissioner

Indonesian citizen, aged 71.
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.

BASIS OF APPOINTMENT

Dr. Tahija was first appointed as Commissioner of the Company is based on Deed No. 72 of Sutjipto S.H, Notary in Jakarta, dated April 16, 1993.

The most recent appointment of Dr. Tahija as Commissioner of the Company based on 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

Currently, he also serves as:

- The Chairman of the Board of Trustees of Yayasan Tahija (1990-present).
- Commissioner of PT Austindo Nusantara Jaya Healthcare (2010-present).
- President Director of PT Austindo Kencana Jaya (majority shareholder of the Company) (2012-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 (1998-2003) and the President Director of PT ANJ Healthcare (2006-2010).

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.



Anastasius Wahyuhadi

Commissioner

Indonesian citizen, aged 77.

Born in Klaten, 1946. Domiciled in Jakarta.

EDUCATION

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

BASIS OF APPOINTMENT

Mr. Wahyuhadi was first appointed as Commissioner of the Company is based on Deed No. 49 of Esther Mercia Sulaiman S.H, Notary in Jakarta, dated January 19, 2006.

The most recent appointment of Mr. Wahyuhadi as a Commissioner of the Company based on 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

Currently, he also serves as:

- Commissioner of PT Sahabat Mewah dan Makmur (2003-present).
- Commissioner of PT Austindo Nusantara Jaya Agri (2006-present).
- Commissioner of PT Optik KMN (2007-present).
- Commissioner of PT Austindo Nusantara Jaya Agri Siais (2008-present).
- Commissioner of PT Kayung Agro Lestari (2008-present).
- Commissioner of PT Gading Mas Indonesia Teguh (2008-present).
- Director of PT Austindo Nusantara Jaya Healthcare (2010-present).
- Commissioner of PT ANJ Agri Papua (2011-present).
- Commissioner of PT Permata Putera Mandiri (2013-present).
- Commissioner of PT Putera Manunggal Perkasa (2013-present).
- Commissioner of PT Austindo Aufwind New Energy (2013-present).
- Commissioner of PT Austindo Nusantara Jaya Boga (2013-present).
- Commissioner of PT Galempa Sejahtera Bersama (2015-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 dan Legal Director & Corporate Secretary of PT Rothmans of Pall Mall Indonesia (previously known as PT Faroka SA) (1983-1994), the Director of PT Anwar Sierad Group (1994-1997), the President Commissioner of PT Asuransi Indrapura (1998-2012).

He is also actively engaged in philanthropic work, serving as Chairman of the Board of Management of the Tahija Foundation (2003-2018) and Trustees and Advisors of several foundations until now.

AFFILIATIONS

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



J. Kristiadi

Independent Commissioner

Indonesian citizen, aged 75.
Born in Yogyakarta, 1948. Domiciled in Jakarta.

EDUCATION

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

BASIS OF APPOINTMENT

Mr. Kristiadi was first appointed as Commissioner of the Company based on Deed No. 2 of Esther Mercia Sulaiman S.H, Notary in Jakarta, dated March 5, 2012.

The most recent appointment of Mr. Kristiadi as Independent Commissioner of the Company is based on 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

Currently, he also serves as 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 guest lecturer in several government institutions from 2002 to 2020 period, such as at Sespati/Sespimti (Sekolah Kepemimpinan Tinggi Kepolisian), PTIK (Perguruan Tinggi Ilmu Kepolisian), Sesko, TNI, State Administration Institute and Lemhanas, with varying time durations.

He was also serving as 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.

Mr. Kristiadi 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) for the 2022-2027 period.

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.



Darwin Cyril Noerhadi

Independent Commissioner

Indonesian citizen, aged 62.

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).

BASIS OF APPOINTMENT

Dr. Noerhadi was first appointed as Independent Commissioner of the Company based on Deed No. 144 of Dr. Irawan Soerodjo S.H., M.Si, Notary in Jakarta, dated February 20, 2017.

The most recent appointment of Dr. Noerhadi as Independent Commissioner of the Company is based on 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

Currently, he also serves as:

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

EXPERIENCE

Dr. Noerhadi was appointed as an Independent Commissioner of the Company in 2017. Dr. Noerhadi has 30 years of experience in financial industry. Prior to joining the Company, 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).

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.



Istini Tatiek Siddharta

Commissioner

Indonesian citizen, aged 61.

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).

BASIS OF APPOINTMENT

The first and the most recent appointment of Mrs. Siddharta as Commissioner of the Company are based on 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

Currently, she also serves as:

- Commissioner PT Austindo Nusantara Jaya Healthcare (2007-present).
- Commissioner PT Memimpin Dengan Nurani (2016-present).
- Commissioner PT Austindo Kencana Jaya (2016-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 of the Company (2012-2015) and the ANJ 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 Indonesia Chartered Accountants where she chaired the Indonesian Financial Accounting Standards Board from 2000 to 2002. Currently she is the Chairperson of Sustainability Standards Board.

AFFILIATIONS

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





PROFILE OF **THE BOARD OF DIRECTORS**

THE BOARD OF **DIRECTORS**

FROM LEFT TO RIGHT:

MOHAMMAD FITRIYANSYAH
Director

ALOYSIUS D'CRUZ
Director

LUCAS KURNIAWAN
President Director

NAGA WASKITA
Director

GEETHA GOVINDAN
Vice President Director

NOPRI PITOI
Director





Lucas Kurniawan

President Director

Indonesian citizen, aged 52.

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.

BASIS OF APPOINTMENT

The first and the most recent appointment of Mr. Kurniawan as the President Director of the Company are based on 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

Currently, he also serves as:

- 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 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 ANJ Agri Papua (2020-present).
- Commissioner of PT Lestari Sagu Papua (2019-present).

EXPERIENCE

Mr. Kurniawan was appointed as President Director in November 2021. He joined the Company in November 2014 as the Group Finance Director.

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

Mr. Kurniawan has more than 30 years of experience in finance and accounting. Since 2016, he led the Company's digital transformation which has placed the Company at the forefront of technology implementation in the industry.

Mr. Kurniawan is a member of the Institute of Indonesia Chartered Accountants and the Indonesian Institute of Certified Public Accountants. In November 2023, he was appointed as a member of Sustainability Standards Supervisory Board of the Institute of Indonesia Chartered Accountants for the period from 2023 to 2027.

AFFILIATIONS

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



Geetha Govindan

Vice President Director

Malaysian citizen, aged 64.
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 completed a course "Health Effects of Climate Change" from Harvard University in 2020.

BASIS OF APPOINTMENT

The first and the most recent appointment of Mr. Govindan as the Vice President Director of the Company are based on 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

Currently, he also serves as:

- President Director of PT Austindo Nusantara Jaya Agri Siais (2013– present).
- President Director of PT Kayung Agro Lestari (2013–present).
- Commissioner of PT Gading Mas Indonesia Teguh (2015–present).
- Commissioner of PT Permata Putera Mandiri (2022–present).
- Commissioner of PT Putera Manunggal Perkasa (2022–present).
- Commissioner of PT Austindo Nusantara Jaya Agri (2022–present).
- Commissioner of PT Sahabat Mewah dan Makmur (2023–present).
- Commissioner of PT Galempa Sejahtera Bersama (2023–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 Commissioners of various ANJ subsidiaries.

Mr. Govindan has over 32 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.

AFFILIATIONS

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



Naga Waskita

Director and Corporate Secretary

Indonesian citizen, aged 49.

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].

BASIS OF APPOINTMENT

Mr. Waskita was first appointed as Director of the Company is based on deed No. 35 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated May 24, 2017.

The most recent appointment of Mr. Waskita as Director of the Company based on 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

Currently, he also serves as:

- 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 the Company, Mr. Waskita was a corporate lawyer at the law firm Mochtar Karuwin Komar, where he specialized in banking and finance (1997–2012).

Mr. Waskita was in charge of 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.

AFFILIATIONS

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



Aloysius D'Cruz

Director

Malaysian citizen, aged 74.
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).

BASIS OF APPOINTMENT

The first and most recent appointment of Mr. D'Cruz as Director of the Company are based on 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

Currently, he also serves as:

- Commissioner of PT Gading Mas Indonesia Teguh (2015-present).
- President Director of PT ANJ Agri Papua (2017-present).
- 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).
- Commissioner of PT Austindo Nusantara Jaya Boga (2022-present).

EXPERIENCE

Prior to holding his current position, 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 50 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.

AFFILIATIONS

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



Nopri Pitoy

Director

Indonesian citizen, aged 58.

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.

BASIS OF APPOINTMENT

The first and most recent appointment of Ms. Nopri as Director of the Company are based on 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

Currently, she also serves as:

- Commissioner of PT Austindo Nusantara Jaya Agri (2022-present).
- Commissioner of PT Austindo Nusantara Jaya 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).

EXPERIENCE

Ms. Nopri has over 22 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.

AFFILIATIONS

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



Mohammad Fitriyansyah

Director

Indonesian citizen, aged 57.
Born in Palembang, 1966. Domiciled in Jakarta.

EDUCATION

Mr. Fitriyansyah holds a Bachelor's degree in Civil Engineering from University of Indonesia, Jakarta in 1990.

BASIS OF APPOINTMENT

The first and most recent appointment of Mr. Fitriyansyah was appointed as Director of the Company are based on Deed No. 63 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 7, 2023.

POSITION TENURE

June 2023-present.

CONCURRENT POSITIONS

Currently, he also serves as:

- Director of PT Kayung Agro Lestari (2018-present).
- Director of PT ANJ Agri Papua (2018-present).
- Director of PT Gading Mas Indonesia Teguh (2018-present).
- Director of PT Austindo Nusantara Jaya Agri Siais (2021-present).
- Director of PT Sahabat Mewah dan Makmur (2021-present).
- Director of PT Galempa Sejahtera Bersama (2021-present).
- President Director of PT Austindo Aufwind New Energy (2021-present).
- President Director of PT Lestari Sagu Papua (2021-present).
- President Director of PT Austindo Nusantara Jaya Agri (2022-present).
- President Director of PT Permata Putera Mandiri (2022-present).
- President Director of PT Putera Manunggal Perkasa (2022-present).

EXPERIENCE

Mr. Fitriyansyah has more than 30 years of experience in Engineering, Procurement and Construction Management in infrastructure projects (roads and bridges), power plant, power distribution and oil & gas plant.

He began his career as a Civil Engineer at PT Rekayasa Industri involved in design and construction of fertilizer and oil & gas plant (1990-1994) and then worked at PT Balfour Beatty Sakti Indonesia (1994-2008) dealing with project management of power and distribution plants.

In 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.

AFFILIATIONS

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



PROFILE OF KEY MANAGERS



NUNIK MAHARANI

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, she 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 33 years of working experience in communications to external affairs, Mrs. Maharani has handled a broad remit covering community and government relations, and sustainability communications. Prior to joining the Company, she has held senior management positions in mining as well as oil and gas multi-national companies, namely the Rio Tinto group, Unocal Indonesia, Chevron IndoAsia, Newmont and Ephindo. She was Director and Senior Partner at Kiroyan Partners before co-founding IComm communication agency. Beyond her corporate experience, she served on the National Board of Indonesia Junior Achievement (2006-2015), and is a board member of Indonesia Business Links (2006-2021). She was an active member of PONGO Alliance and was a member of the Complaint Panel of RSPO until 2023. She currently serves as a member of Sustainability Division at GAPKI.

Mrs. Maharani obtained a Graduate Diploma from the London School of Public Relations in 2002, as well as a Diploma in Project Management from Interlink Technology Services Pty Ltd in 2021. In 2022, she completed Leading Sustainable Corporations Program the Said Business School, University of Oxford.



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 27 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, initially leading Risk Management Division and later she was appointed as 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 in 1996.



JULI WANKARA PURBA

President Director: SMM and GSB

Mr. Purba was appointed as the President Director of SMM and GSB and a Director of ANJA in March 2023. 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 2009 to 2011 in Tebas Regency, West Kalimantan. He also worked in Asian Agri Group for 12 years (1997-2009).

He holds a Bachelor's degree in North Sumatra University majoring in Agriculture in 1996.



JERILEVA PURBA

Director: KAL and ANJAS

Mr. Jerileva Purba was appointed as a Resident Director of KAL in July 2021 and ANJAS in February 2022. He has 28 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 at KAL.

Prior to joining ANJ, he worked at PT Asiatic Persada (CDC-Pacrim) and PT Cargill Indonesia. He holds a Bachelor's degree in Agriculture, from the North Sumatra University and a Master's degree in Business Administration from the Gadjah Mada University.



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.

His working experiences spanning over 21 years, including 5 years working experiences in Astra Group previously. He has expertise 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. Wahyudi graduated as Magister of Business Administration (MBA) from Institut Teknologi Bandung (ITB) in 2012 and a Bachelor's Degree in Industrial Engineering from Institut Teknologi Sepuluh Nopember (ITS Surabaya) in 2003.



HARSONO SUTIKNO

Director: GMIT, GSB and ANJAP

Mr. Sutikno was appointed as Director of GMIT and GSB in January 2023 and subsequently appointed as Director of ANJAP in May 2023. He joined ANJ Group in 2013 and started his career as the General Manager of ICT. Prior to joining ANJ Group, Mr. Sutikno was an IT Manager at PT Black Platinum Energy Ltd. (2012–2013). He began his career as an IT Officer at Merck Sharp & Dohme (2000–2006) and then worked at PT APL Indonesia (2006–2007) as a Senior IT Specialist. From 2007 to 2012, he worked at Marathon Oil Company, a multinational oil and gas company based in Houston, Texas as an IT Superintendent.













He has more than 23 years of expertise in ICT and GIS, with a focus on infrastructure, software and digital transformation implementation.

He holds a Bachelor's degree in Information Technology majoring Information System from Bina Nusantara University in 2000 with a Magna Cum Laude predicate.

EMPLOYEE COMPOSITION – ANJ AND SUBSIDIARIES

Employee Composition ANJ and Subsidiaries		2023			2022		
		Male	Female	Total	Male	Female	Total
BY SEGMENT	Head Office Jakarta	20	9	29	21	9	30
	Palm Oil	7,770	1,267	9,037	7,436	1,273	8,709
	Sago	185	17	202	244	14	258
	Others	362	313	675	290	271	561
	Total	8,337	1,606	9,943	7,991	1,567	9,558
BY POSITION	Director	9	3	12	10	4	14
	General Manager (GM)	25	4	29	26	4	30
	Manager	203	25	228	202	27	229
	Staff	313	77	390	293	69	362
	Laborers or Workers	7,787	1,497	9,284	7,460	1,463	8,923
	Total	8,337	1,606	9,943	7,991	1,567	9,558
BY EDUCATION	Doctoral's degree	-	-	-	1	1	2
	Master's degree	12	7	19	12	7	19
	Bachelor's degree	652	168	820	596	136	732
	Diploma	122	48	170	122	52	174
	Senior/Vocational High School	3,038	565	3,603	3,064	483	3,547
	Other	4,513	818	5,331	4,196	888	5,084
	Total	8,337	1,606	9,943	7,991	1,567	9,558
BY EMPLOYMENT STATUS	Contract Workers	362	309	671	370	276	646
	Permanent Workers	7,975	1,297	9,272	7,621	1,291	8,912
	Total	8,337	1,606	9,943	7,991	1,567	9,558
BY AGE	Over 55	86	14	100	61	17	78
	41-55	2,137	628	2,765	1,886	539	2,425
	25-40	4,767	795	5,562	4,597	832	5,429
	Under 25	1,347	169	1,516	1,447	179	1,626
	Total	8,337	1,606	9,943	7,991	1,567	9,558

Training and Competency Development Participation

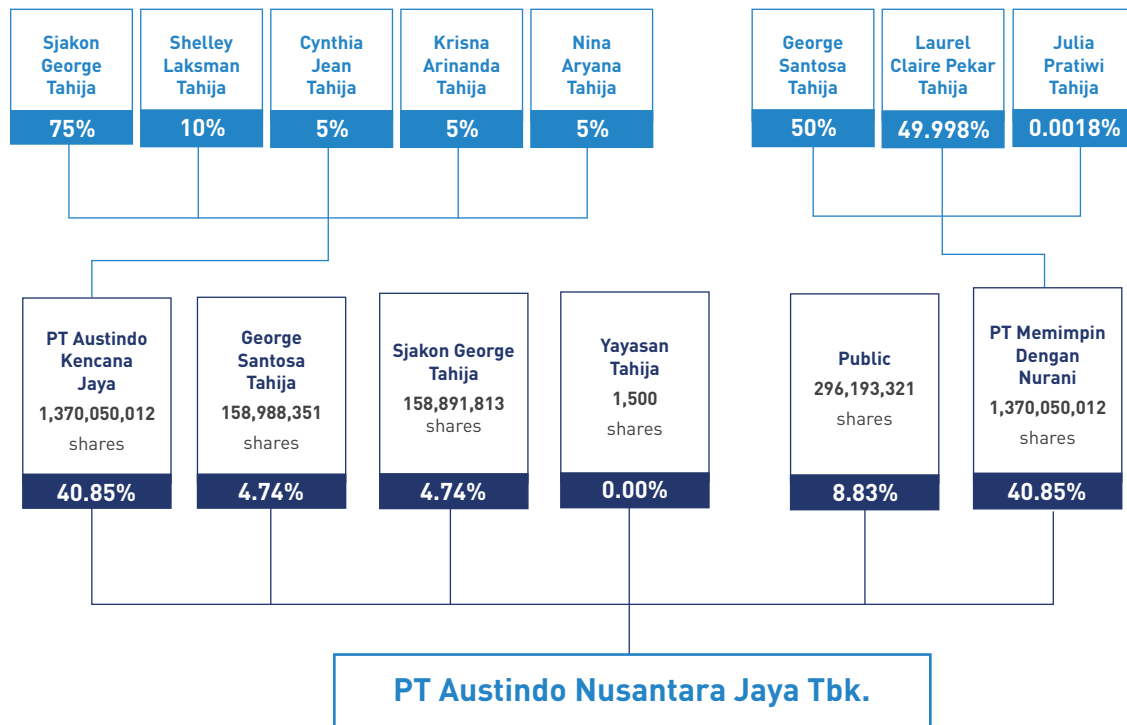
		Number of Employee	Total Training Hours	Average Training Hours/Person
BY GRADE				
Non-Staff		9,284	20,727	2.23
	 Male	7,787	16,416	2.11
	 Female	1,497	4,312	2.88
Staff		390	23,794	61.01
	 Male	313	20,716	66.19
	 Female	77	3,078	39.97
Manager		228	3,136	13.75
	 Male	203	2,925	14.41
	 Female	25	211	8.42
General Manager/Regional Manager Group Head/Head		29	819	28.22
	 Male	25	704	28.14
	 Female	4	115	28.75
Board of Directors		12	380	31.67
	 Male	9	200	22.22
	 Female	3	180	60.00
Grand Total		9,943	48,855	4.91
BY GENDER				
	 Male	8,337	40,960	4.91
	 Female	1,606	7,895	4.92
Grand Total		9,943	48,855	4.91

Training and Competency Development Expenditure 2023

ANJ invested a total of USD 457,785 in training and competency development in 2023.

SHAREHOLDERS INFORMATION

ANJ Majority and Controlling Share Structure as of December 31, 2023



Shareholders Composition as of January 1, 2023 and December 31, 2023

Shareholders	Shares	Percentage	Shares	Percentage
	As of January 1, 2023		As of December 31, 2023	
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	20,970,912	0.63%	-	-
Public <5%	275,222,400	8.20%	296,193,312	8.83%

Share Ownership by Commissioners and Directors as of December 31, 2023

Name	Position	Shares	Percentage	Shares	Percentage
		As of January 1, 2023		As of December 31, 2023	
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%
Mohammad Fitriyansyah	Director	1,200,000	0.04%	1,200,000	0.04%

Note:

1. Sjakon George Tahija has indirect ownerships of the Company's shares through his 75% ownership on PT Austindo Kencana Jaya.
2. 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, 2023

No.	Name of Investor	December 31, 2023	% Ownership
1	Drs. Lo Kheng Hong	33,426,200	1.00%
2	Budi Yasa	24,428,800	0.73%
3	Djap Tet Fa	6,841,900	0.20%
4	Roy Tjokrowidjoyo	4,900,000	0.15%
5	Hellen Wahyudi	4,800,000	0.14%
6	Kwiyono	4,370,000	0.13%
7	Siska Suryati Kurniawan	3,960,100	0.12%
8	Kosasih Effendy	3,488,000	0.10%
9	DBS Bank Ltd S/A Inclusif Value Fund	2,658,000	0.08%
10	Hendra Jaya Mba	2,635,800	0.08%
11	Harry Supartan	2,500,000	0.07%
12	Ir Andreas	2,483,100	0.07%
13	Sophia Cendana	1,838,000	0.05%
14	Dra Medya Lengkey S.	1,698,100	0.05%
15	Sitta Karina Satyakarma	1,600,000	0.05%
16	Joan Merri Tandiar	1,522,300	0.05%
17	Joeli	1,499,100	0.04%
18	Isya Yusrilyahya	1,452,200	0.04%
19	Hardy	1,412,500	0.04%
20	OCBC Securities Pte Ltd -Client A/C	1,407,300	0.04%

Shareholders Composition by Type of Investor as of December 31, 2023

Type of Investors	Number of Investors	Number of Shares	Shares (%)
DOMESTIC	6,354	3,339,231,263	99.6%
Retail	6,337	284,936,229	8.5%
Corporation	15	3,054,293,434	91.1%
Foundation	1	1,500	0.0%
Mutual Fund	1	100	0.0%
FOREIGN	30	14,943,737	0.4%
Retail	17	7,093,237	0.2%
Corporation	13	7,850,500	0.2%
TOTAL	6,384	3,354,175,000	100.0%

Shareholders Composition by Domicile as of December 31, 2023

Type of Investors	Number of Accounts	Number of Shares	Shares (%)
DOMESTIC	6,354	3,339,231,263	99.6%
- Domestic individual	6,337	284,936,229	8.5%
- Domestic limited company	17	3,054,295,034	91.1%
FOREIGN	30	14,943,737	0.4%
- Overseas individual	17	7,093,237	0.2%
- Overseas limited company	13	7,850,500	0.2%
TOTAL	6,384	3,354,175,000	100.0%

Shareholders Composition by Sub Account Status as of December 31, 2023

No.	Shareholder Status	Domestic/Overseas	Number of Accounts	Number of Shares	Shares (%)
1	Limited Liability Company	Domestic	17	3,054,296,534	91.1%
2	Individual	Domestic	6,337	284,936,229	8.5%
3	Limited Liability Company	Overseas	13	7,850,500	0.2%
4	Individual	Overseas	17	7,093,237	0.2%
TOTAL			6,384	3,354,175,000	100.0%

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 2023 was IDR 2.5 trillion, with a closing share price of IDR 745.

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

BOND, SUKUK (SHARIA BOND) AND CONVERTIBLE BOND

The Company did not have any outstanding bonds, sukuk (sharia bond) or convertible bonds in 2023.










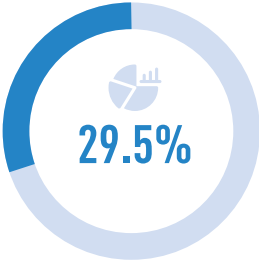




SUSPENSION OF THE COMPANY'S SHARES

Until the end of 2023, the Company has never received sanctions that could affect stock trading activities on the Indonesian Stock Exchange, both suspension and/or delisting shares. Thus, there is no information related to the impact of suspension and/or delisting of shares that can be presented in this Annual Report.

CORPORATE ACTION

During financial year 2023, the Company did not take any corporate actions that cause changes to shares in the form of stock split, reverse stock, bonus shares or changes in the nominal value of its shares.

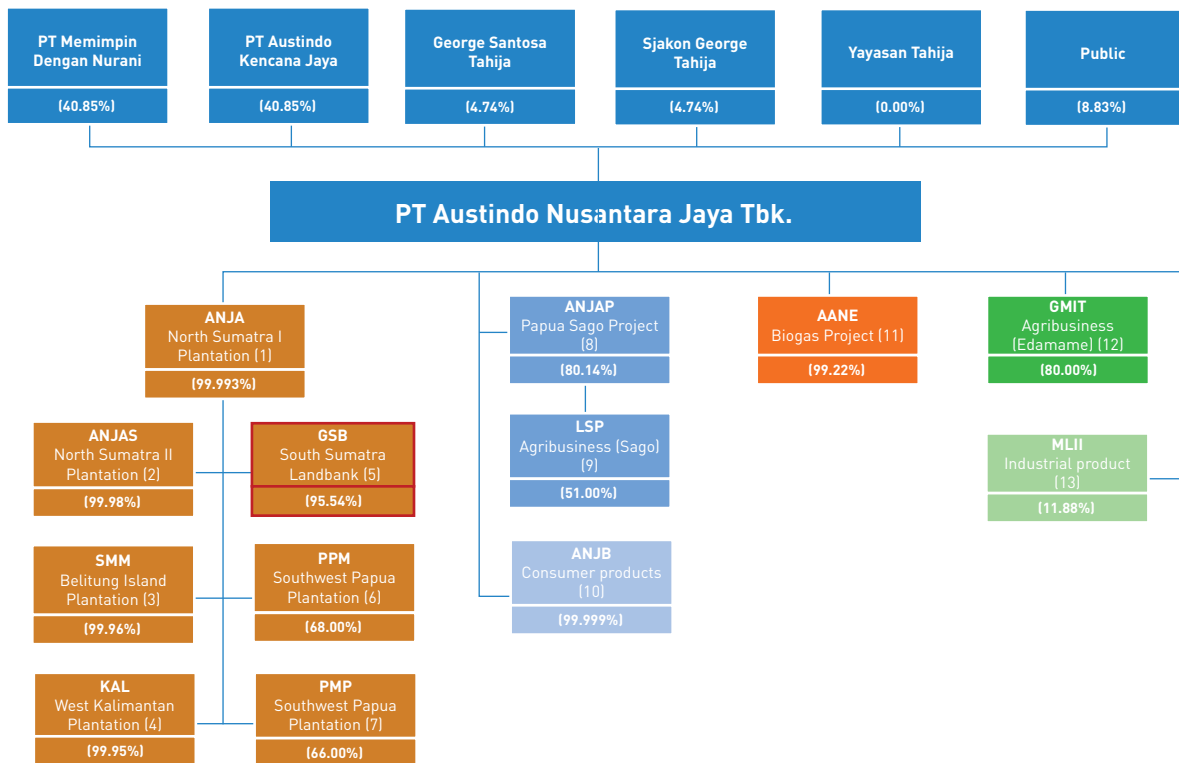
DIVIDEND PAYMENT FOR THE LAST THREE YEARS

2023	2022	2021
 <p>TOTAL DIVIDEND IDR 93,246,065,000</p>	 <p>TOTAL DIVIDEND IDR 143,327,775,784</p>	 <p>TOTAL DIVIDEND IDR 13,247,492,352</p>
 <p>PAYMENT DATE JULY 7, 2023</p>	 <p>PAYMENT DATE JULY 8, 2022</p>	 <p>PAYMENT DATE JULY 9, 2021</p>
 <p>DIVIDEND PER SHARE IDR 27.8</p>	 <p>DIVIDEND PER SHARE IDR 43</p>	 <p>DIVIDEND PER SHARE IDR 4</p>
<p>DIVIDEND PAYOUT RATIO</p>  <p>29.5%</p>	<p>DIVIDEND PAYOUT RATIO</p>  <p>26.4%</p>	<p>DIVIDEND PAYOUT RATIO</p>  <p>N/A</p>
 <p>NUMBER OF SHARES 3,354,175,000</p>	 <p>NUMBER OF SHARES 3,333,204,088**</p>	 <p>NUMBER OF SHARES 3,311,873,088*</p>

* 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	■ Others
■ Developing palm oil plantation	■ Renewable Energy	
■ Minority investments	■ Vegetables	

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 95.54% and ANJ has 4.46%.
6. ANJA has 68.00% and ANJ has 32.00%.
7. ANJA has 66.00% and ANJ has 34.00%.
8. ANJ has 80.14% and SMM has 19.86%.
9. ANJAP has 51.00%, SPC has 40.00% and GAH has 9%.
10. ANJ has 99.999% and YT has 0.001%.
11. ANJ has 99.22% and ASG has 0.78%.
12. ANJ has 80.00% and AJI has 20%.
13. ANJ has 11.88%.

INITIALS :

- 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	<p>PT AUSTINDO NUSANTARA JAYA AGRI (ANJA)</p> <p>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 9,297 hectares are planted comprising 6,683 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.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: Binanga, North Sumatra</p> <p>REGISTERED ADDRESS: Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra</p>	<p>TOTAL ASSETS: USD 521,313,722</p> <p>COMMERCIALY OPERATING SINCE: 1995</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Mohammad Fitriyansyah (PD) • Nunik Maharani • Juli Wankara Purba <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Geetha Govindan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy
2	<p>PT AUSTINDO NUSANTARA JAYA AGRI SIAIS (ANJAS)</p> <p>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.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: Padang Sidempuan, North Sumatra</p> <p>REGISTERED ADDRESS: Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra</p>	<p>TOTAL ASSETS: USD 47,162,032</p> <p>COMMERCIALY OPERATING SINCE: 2009</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Geetha Govindan (PD) • Nunik Maharani • Mohammad Fitriyansyah • Jerileva Purba <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy
3	<p>PT SAHABAT MEWAH DAN MAKMUR (SMM)</p> <p>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, 14,285 hectares are nucleus planted area consisting of 11,906 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.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: Belitung, Bangka Belitung</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 73,347,848</p> <p>COMMERCIALY OPERATING SINCE: 1994</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Juli Wankara Purba (PD) • Nunik Maharani • Mohammad Fitriyansyah <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy • Geetha Govindan

NO.	SUBSIDIARY COMPANIES	INFORMATION			
4	<p>PT KAYUNG AGRO LESTARI (KAL)</p> <p>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, 9,051 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.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: Ketapang, West Kalimantan</p> <p>REGISTERED ADDRESS: Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra</p>	<p>TOTAL ASSETS: USD 83,107,019</p> <p>COMMERCIALLY OPERATING SINCE: 2014</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none">• Geetha Govindan (PD)• Nunik Maharani• Mohammad Fitriyansyah• Jerileva Purba <p>COMMISSIONERS:</p> <ul style="list-style-type: none">• George Santosa Tahija (PC)• Anastasius Wahyuhadi• Lucas Kurniawan• Naga Waskita• Aloysius D'Cruz• Nopri Pitoy	
5	<p>PT GALEMPA SEJAHTERA BERSAMA (GSB)</p> <p>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 and contains matured oil palm.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: Empat Lawang, South Sumatra</p> <p>REGISTERED ADDRESS: Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra</p>	<p>TOTAL ASSETS: USD 10,359,139</p> <p>COMMERCIALLY OPERATING SINCE: 2022</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none">• Juli Wankara Purba (PD)• Nunik Maharani• Mohammad Fitriyansyah• Harsono Sutikno <p>COMMISSIONERS:</p> <ul style="list-style-type: none">• George Santosa Tahija (PC)• Anastasius Wahyuhadi• Lucas Kurniawan• Naga Waskita• Aloysius D'Cruz• Nopri Pitoy• Geetha Govindan	
6	<p>PT PERMATA PUTERA MANDIRI (PPM)</p> <p>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 3,530 hectares have now been planted and matured. There are 716 planted hectares of plasma, consisting of matured oil palms.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: South Sorong, Southwest Papua</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 100,220,105</p> <p>COMMERCIALLY OPERATING SINCE: 2020</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none">• Mohammad Fitriyansyah (PD)• Nunik Maharani• Vonny Stefani <p>COMMISSIONERS:</p> <ul style="list-style-type: none">• George Santosa Tahija (PC)• Anastasius Wahyuhadi• Lucas Kurniawan• Geetha Govindan• Naga Waskita• Aloysius D'Cruz• Nopri Pitoy	

NO.	SUBSIDIARY COMPANIES	INFORMATION		
7	<p>PT PUTERA MANUNGGAL PERKASA (PMP)</p> <p>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 and consist 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.</p>	<p>BUSINESS ACTIVITY: Palm Oil Plantation</p> <p>LOCATION: South Sorong and Maybrat, Southwest Papua</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 127,202,129</p> <p>COMMERCIALY OPERATING SINCE: 2020</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Mohammad Fitriyansyah (PD) • Nunik Maharani • Vonny Stefani <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Geetha Govindan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy
8	<p>PT ANJ AGRI PAPUA (ANJAP)</p> <p>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.</p>	<p>BUSINESS ACTIVITY: Agribusiness (Sago)</p> <p>LOCATION: South Sorong, Southwest Papua</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 13,249,921</p> <p>COMMERCIALY OPERATING SINCE: 2017</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Aloysius D'Cruz (PD) • Nunik Maharani • Mohammad Fitriyansyah • Vonny Stefani • Harsono Sutikno <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Nopri Pitoy
9	<p>PT LESTARI SAGU PAPUA (LSP)</p> <p>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.</p>	<p>BUSINESS ACTIVITY: Agribusiness (Sago)</p> <p>LOCATION: South Sorong, Southwest Papua</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 262,580</p> <p>COMMERCIALY OPERATING SINCE: Pre-operating stage</p> <p>GROUP OWNERSHIP: 51%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Mohammad Fitriyansyah (PD) • Chan Hian Siang • Vonny Stefani <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Hendrik Sasmito • Lucas Kurniawan

NO.	SUBSIDIARY COMPANIES	INFORMATION		
10	<p>PT AUSTINDO AUFWIND NEW ENERGY (AANE)</p> <p>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.</p>	<p>BUSINESS ACTIVITY: Renewable Energy (Biogas)</p> <p>LOCATION: Belitung, Bangka Belitung</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 1,383,250</p> <p>COMMERCIALY OPERATING SINCE: 2013</p> <p>GROUP OWNERSHIP: 99.22%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Mohammad Fitriyansyah (PD) • Nunik Maharani • Imam Wahyudi <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Nopri Pitoy
11	<p>PT GADING MAS INDONESIA TEGUH (GMIT)</p> <p>PT Gading Mas Indonesia Teguh (GMIT) was originally established as PT Gading Mas Indonesian Tobacco in March 1970 to process tobacco purchased from individual farmers. ANJ began to exit the tobacco business in 2012, since then GMIT has focused on higher-value vegetable products such as edamame and okra. Its name was changed to PT Gading Mas Indonesia Teguh in March 2015. In 2017, a joint venture was established with AJI HK Limited, which owns a 20% stake in GMIT.</p>	<p>BUSINESS ACTIVITY: Agribusiness (Horticulture)</p> <p>LOCATION: Jember, East Java</p> <p>REGISTERED ADDRESS: Jl. Gajah Mada No. 254, Jember, East Java</p>	<p>TOTAL ASSETS: USD 11,045,784</p> <p>COMMERCIALY OPERATING SINCE: 2000</p> <p>GROUP OWNERSHIP: 80.00%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Imam Wahyudi (PD) • Mohammad Fitriyansyah • Nunik Maharani • Harsono Sutikno <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Geetha Govindan • Aloysius D'Cruz • Seika Lin • Naga Waskita • Nopri Pitoy
12	<p>PT AUSTINDO NUSANTARA JAYA BOGA (ANJB)</p> <p>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.</p>	<p>BUSINESS ACTIVITY: Consumer Products</p> <p>LOCATION: Jakarta</p> <p>REGISTERED ADDRESS: Menara BTPN, 40th Floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta</p>	<p>TOTAL ASSETS: USD 115,230</p> <p>COMMERCIALY OPERATING SINCE: 2014</p> <p>GROUP OWNERSHIP: 99.99%</p>	<p>DIRECTORS:</p> <ul style="list-style-type: none"> • Nunik Maharani (PD) • Vonny Stefani <p>COMMISSIONERS:</p> <ul style="list-style-type: none"> • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Lucas Kurniawan • Naga Waskita • Aloysius D'Cruz • Nopri Pitoy

AWARDS AND CERTIFICATIONS 2023



COMPANY:
KAL, SMM

AWARDS:
Indonesia Green & Sustainable Companies 2023

DATE:
May 11, 2023

ISSUER:
SWA

COMPANY:
ANJ

AWARDS:
CSR Awards 2023 - Responsible Development Project

DATE:
May 30, 2023

ISSUER:
Investor Daily – B Universe

COMPANY:
ANJ

AWARDS:
Corporate Emission Transparent Awards 2023

DATE:
June 27, 2023

ISSUER:
Berita Satu Media Holding & Bumi Global Karbon Foundation



COMPANY:
ANJ

AWARDS:
Indonesia Digital Ecosystem Summit (IDES) 2023

DATE:
November 9, 2023

ISSUER:
SWA

COMPANY:
ANJ

AWARDS:
Annual Report Award

DATE:
November 27, 2023

ISSUER:
National Committee on Corporate Governance



COMPANY:
ANJ

AWARDS:
Indonesia DEI & ESG Awards
(IDEAS) 2023

DATE:
August 7, 2023

ISSUER:
PR Indonesia

COMPANY:
ANJA, KAL, GMIT

AWARDS:
IDX Channel Anugerah Inovasi
Indonesia 2023

DATE:
September 20, 2023

ISSUER:
IDX Channel

COMPANY:
ANJ

AWARDS:
Asia Sustainability Reporting
Rating (ASRRAT) 2023

DATE:
November 6, 2023

ISSUER:
National Centre for Corporate
Reporting (NCCR)



COMPANY:
SMM, ANJA

AWARDS:
GOLD PROPER

DATE:
December 22, 2023

ISSUER:
Ministry of Environment and
Forestry

COMPANY:
KAL, SIAIS

AWARDS:
GREEN PROPER

DATE:
December 22, 2023

ISSUER:
Ministry of Environment and
Forestry

Certifications 2023

Estate	Certificate	Date/Validity	Issuer
ANJA	RSP0	November 14, 2022, valid until November 13, 2027	SGS Indonesia
	ISPO	November 25, 2021, valid until November 24, 2026	TUV Nord Indonesia
	ISO 14001	August 1, 2023, valid until July 6, 2026	TUV Nord Indonesia
	ISO 45001	August 1, 2023, valid until June 15, 2026	TUV Nord Indonesia
	PROPER	Gold Rating for year 2022 – 2023	Ministry of Environment and Forestry
	SMK3	June 9, 2023, valid until June 9, 2026	Ministry of Labor and Transmigration
ANJAS	RSP0	November 7, 2019, valid until September 24, 2024	Mutu International
	ISPO	September 4, 2020, valid until September 3, 2025	Mutu International
	ISO 14001	November 20, 2023, valid until November 11, 2026	TUV Nord Indonesia
	ISO 45001	November 20, 2023, valid until November 10, 2026	TUV Nord Indonesia
	SMK3	April 22, 2021, valid until April 22, 2024	Ministry of Labor and Transmigration
	PROPER	Green Rating 2022 – 2023	Ministry of Environment and Forestry
SMM	RSP0	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, 2023, valid until December 24, 2024	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 2022 – 2023	Ministry of Environment and Forestry
KAL	SMK3	June 9, 2023, valid until June 9, 2026	Ministry of Labor and Transmigration
	RSP0	November 11, 2019, valid until November 10, 2024	Mutu International
	ISPO	July 25, 2023, valid until July 26, 2028	Mutu International
	ISPO	August 4, 2023, valid until August 3, 2028	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
PMP	SMK3	May 13, 2022, valid until May 13, 2025	Ministry of Labor and Transmigration
	PROPER	Green Rating for year 2022 – 2023	Ministry of Environment and Forestry
	RSP0	December 23, 2021, valid until December 22, 2026	Mutu International
	RSP0 SCCS	December 24, 2021, valid until December 23, 2026	SGS Indonesia
	ISPO	December 17, 2021, valid until December 16, 2026	Mutu International
	ISO 14001	February 2, 2023, valid until February 1, 2026	TUV Rheinland
PPM	SMK3	December 29, 2022, valid until December 29, 2025	Ministry of Labor and Transmigration
	RSP0	December 23, 2021, valid until December 22, 2026	Mutu International
AANE	ISPO	December 3, 2021, valid until December 2, 2026	Mutu International
	SMK3	June 30, 2021, valid until June 30, 2024	Ministry of Labor and Transmigration
GMIT	Brand Reputation through Compliance (BRC)	November 11, 2023, valid until October 29, 2024	RINA Services S.p.a
	ISO 22000 (Edamame, Mukimame and Okra (frozen))	July 13, 2023, valid until July 27, 2026	MBRIO Certification Body
	SMK3	December 8, 2023, valid until December 8, 2026	Ministry of Labor and Transmigration
	Halal Certificate	December 8, 2022, valid until December 8, 2026	Halal Product Assurance Body

Description of Our Certification



RSP0

RSP0 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.



ISCC

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



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.



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.



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.

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 and Bangka Belitung Regional Offices
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.	-
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 two working groups: No-deforestation Task Force and Indonesia National Interpretation.	-
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	Indonesian Sustainable Palm Oil Forum (FoKSBI)	National	Active Participant	-

CAPITAL MARKET SUPPORTING INSTITUTIONS & PROFESSIONALS



EXTERNAL AUDITOR

Siddharta Widjaja & Rekan, Registered Public Accountants

35th Floor, Jakarta Mori Tower
40-41, Jl. Jend. Sudirman, Jakarta 10210, Indonesia
Tel.: (62-21)574 2333
Fax (62-21)574 1777

Service(s) provided:

Auditing of the Company's financial statements including the appropriateness of the accounting policies used, and the reasonableness of accounting estimates and related disclosure made by management and evaluation of the presentation of Company's financial statements. There are no other services provided to the Company other than financial statement audit services.

Fee:

- Audit Fee 2023: IDR 4.7 billion
- Non Audit Fee 2023: -

Period of Appointment:

2017-2023

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 2023:

IDR 40,000,000

Period of appointment:

2013-2023

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



Profiles of the Board of Commissioners and Board of Directors



The Company's annual reports/financial statements dating from 2010 and full year and quarterly (interim) financial statements dating from 2013



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 2023, no training and development was conducted by the Company for the Board of Commissioners.

Board of Directors

No	Trainings	Participants	Period
1	Mandiri Sekuritas – M&A and Capital Markets Outlook 2023: Seizing Opportunities Amidst Market and Uncertainties	Lucas Kurniawan	January 23, 2023
2	Global Deep Dive 1 - Business & Human Rights Accelerator		February 7, 2023
3	OCBC NISP Business Forum		March 21, 2023
4	Retreat Value Champion		March 27, 2023 - March 28, 2023
5	EU Carbon Border Adjustment Mechanism: What it means for businesses in Asia Pacific and their decarbonization Journey		March 29, 2023
6	BKPM Investment Webinar: Achieving Investment Targets 2023		March 29, 2023
7	The Importance of ESG and Countering Negative Campaigns in the CPO Sector		April 4, 2023
8	Local Peer-to-Peer Learning Session 3: Prioritizing Potential Impacts based on Severity and Likelihood		April 18, 2023
9	2023 International Seminar on Carbon Neutrality and Energy Policy by Korea Chamber of Commerce and Industry		May 3, 2023
10	Peer-to-Peer Learning Session 4 : BHR Accelerator		May 17, 2023
11	Business and Human Rights Accelerator: Global Deep Dive 6		June 26, 2023
12	Leadership training: "Winning the Game" held by NBO Consulting		July 14, 2023
13	Introducing the first ISSB™ Standards: Understanding what they mean for global companies		July 20, 2023 - July 21, 2023
14	Launch of 2023 CDP Global Forest Report: "Beyond Climate and into Nature: Developing Strategies Towards Environmental Stewardship"		August 2, 2023
15	Climate Ambition Accelerator: Regional peer sharing on SBTi journey		August 16, 2023
16	IAI - Setting the Landscape for IFRS S1 and S2: Path for Adoption and Implementation		October 3, 2023
17	Financial Times Commodities Asia Summit 2023		November 14, 2023 - November 15, 2023
18	Indonesia Rewards Webinar 2023 by Korn Ferry		December 12, 2023
19	Kompartemen Akuntan Sektor Bisnis (KASB) Inauguration Seminar: "Challenging & Benefits in Adopting IFRS S1 & S2"		December 22, 2023
1	6th Annual World Plantation Management	Geetha Govindan	May 24, 2023 - May 25, 2023
2	Leadership Training: "Winning The Game" held by NBO Consulting		July 14, 2023
3	19th Indonesian Palm Oil Conference and 2024 Price Outlook "Enhancing Resiliency Amid Market Uncertainty"		November 1, 2023 - November 3, 2023
4	RSPO Conference		November 20, 2023 - November 22, 2023

No	Trainings	Participants	Period
1	Coaching Clinic 3 SDG 16 Business Framework: Inspiring Transformational Governance	Naga Waskita	April 4, 2023
2	Leadership Training: "Winning The Game" held by NBO Consulting		July 14, 2023
3	Professional Directorship Program by IICD		October 24, 2023 - October 26, 2023
4	HHP Law Firm Seminar: The Impact of MoF 66/2023 on Benefits-in-Kind		December 6, 2023
1	Leadership Training: "Winning The Game" held by NBO Consulting	Aloysius D'Cruz	July 14, 2023
1	Palm & Lauric Oils Conference and Price Outlook 2023	Nopri Pitoy	March 6, 2023 - March 8, 2023
2	Leadership Training: "Winning The Game" held by NBO Consulting		July 14, 2023
3	19th Indonesian Palm Oil Conference and 2024 Price Outlook "Enhancing Resiliency Amid Market Uncertainty"		November 1, 2023 - November 3, 2023
1	OCBC NISP Business Forum	Mohammad Fitriyansyah	March 21, 2023
2	BKPM Investment Webinar: Achieving Investment Targets 2023		March 29, 2023
3	Leadership Training: "Winning The Game" held by NBO Consulting		July 14, 2023

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

In 2023, no training and development was conducted by the Company for the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee as well as Corporate Social Responsibility and Sustainability Committee.

Corporate Secretary

No	Trainings	Participants	Period
1	Coaching Clinic 3 SDG 16 Business Framework: Inspiring Transformational Governance	Naga Waskita	April 4, 2023
2	Leadership Training: "Winning The Game" held by NBO Consulting		July 14, 2023
3	Professional Directorship Program by IICD		October 24, 2023 - October 26, 2023
4	HHP Law Firm Seminar: The Impact of MoF 66/2023 on Benefits-in-Kind		December 6, 2023

Internal Audit Unit

No	Trainings	Participants	Period
1	Internal Audit Trends and Challenges	Nurman Hidayat	January 20 , 2023
2	Business with Intergrity and Anti-Corruption	Nurman Hidayat	February 9, 2023
3	Capital Market	<ul style="list-style-type: none"> • Christian L. Sitorus • Nurman Hidayat • Ronal Samson R. 	April 6, 2023 & April 10, 2023
4	Internal Audit Transformation	Nurman Hidayat	May 9, 2023
5	Strategic Planning Framework and Tools	<ul style="list-style-type: none"> • Christian L. Sitorus • Nurman Hidayat • Ronal Samson R. 	June 15, 2023
6	Integrated Risk Based Internal Auditing	Vicky Dano Ilhami	June 22, 2023 - June 23, 2023
7	Leadership Training: "Winning The Game" held by NBO Consulting	Christian L. Sitorus	July 14, 2023
8	Internal Audit for New Internal Auditor	Hamid Al Barkah	August 10, 2023 - August 11, 2023
9	Integrated Brevet A&B Applied Tax	Nico Bangun Jaya	August 26, 2023 - January 6, 2024
10	Advance QIA Certification	Nurman Hidayat	September 18, 2023 - October 2, 2023
11	Integrated Management System RSPO, ISPO, & ISCC	<ul style="list-style-type: none"> • Oloan Benny Pardede • Hardiyanto Silaban • Vicky Dano Ilhami • Hamid al barkah • Nico Bangun Jaya • Nurman Hidayat • Ronal Samson R. 	October 9, 2023
12	Enterprise Risk Management	Nurwachid	October 11, 2023 - October 12, 2023
13	Tools & Techniques III Audit Manager	Ronal Samson R.	October 23, 2023 - October 25, 2023
14	Certified Practitioner of Internal Auditor (CPIA)	David Djantua	October 30, 2023 - November 10, 2023
15	CPIA Certification	Nurwachid	November 27, 2023 - November 29, 2023
16	Managerial QIA Certification	Christian L. Sitorus	December 4, 2023 - December 13, 2023
17	ANJ Value Workshop	<ul style="list-style-type: none"> • Oloan Benny Pardede • Hardiyanto Silaban 	December 5, 2023





MANAGEMENT DISCUSSION AND ANALYSIS

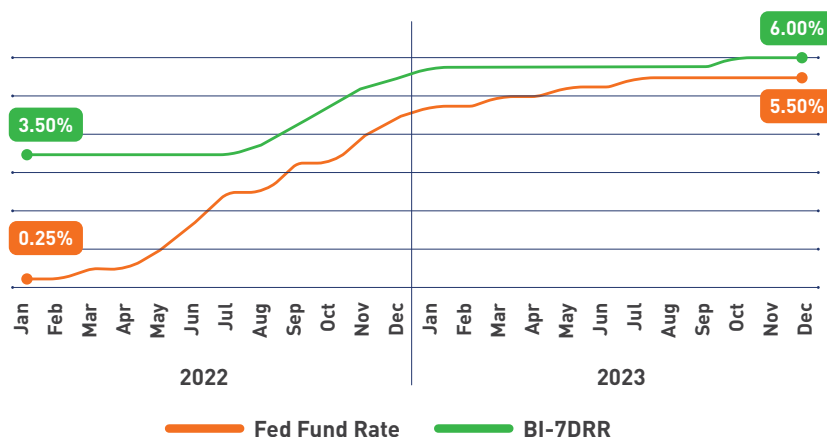
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MACROECONOMIC REVIEW

The world was faced with a myriad of challenges in 2023, including economic slowdown, the impacts of climate change and geopolitical tensions. As a result the global economy continued facing challenges such as persistent inflation, leading to tightened financial conditions, sluggish trade and subdued growth prospects. Throughout the year, central banks worldwide took measures to address these issues, with the Federal Reserve of the United States (The Fed) notably increasing its interest rate from 4.5% to 5.5%, representing a 525 basis points rise since March 2022.

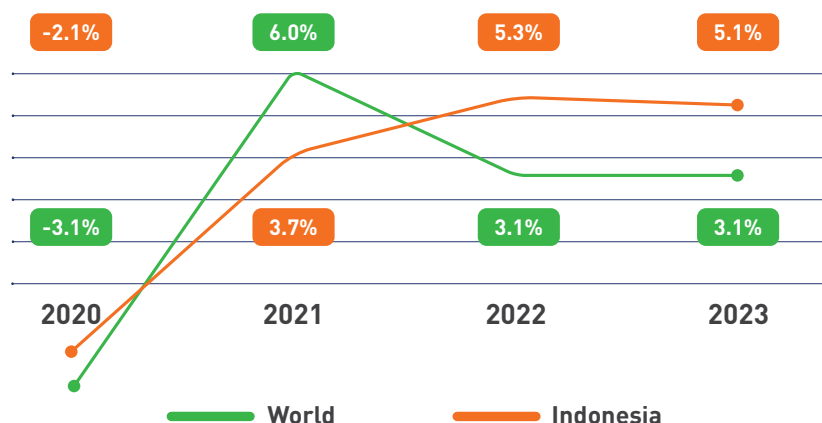
The Fed's action to contain the inflation rate by raising the interest rate, triggered interest rate hikes by other central banks globally, including Indonesia, aimed at stabilizing the exchange rate. Although the Central Bank of Indonesia also raised its interest rate, the cumulative interest rate increase by the Central Bank of Indonesia (BI) is lower than the increase by the Fed because BI is of the view that the Indonesian macroeconomy remains conducive to economic growth. During 2023, BI raised its interest rate benchmark twice, each by 25 basis points, amounting to a total of 50 basis points, from 5.5% in January 2023 to 6.0% in December 2023. Consequently, the Rupiah depreciated to its lowest point since March 2020 to IDR 15,967 per USD in the third week of October 2023 before it stabilized at IDR 15,416 per USD by the end of 2023, following the second interest rate increase by BI in December 2023.

INTEREST RATE 2022 - 2023



Amid stringent monetary policies and fiscal pressure, challenges were further compounded by the escalating tensions between Israel and Palestine since early October 2023. This geopolitical conflict has sparked a widespread boycott of Israeli products in many Muslim-majority nations, including Indonesia. These movements have had adverse effects on companies with presumed Israeli affiliations, consequently contributing to further economic turbulence. Furthermore, this tension has triggered instability in crude oil prices and security concerns in the Red Sea, a crucial international trade route, which could jeopardize the momentum of post-pandemic economic recovery.

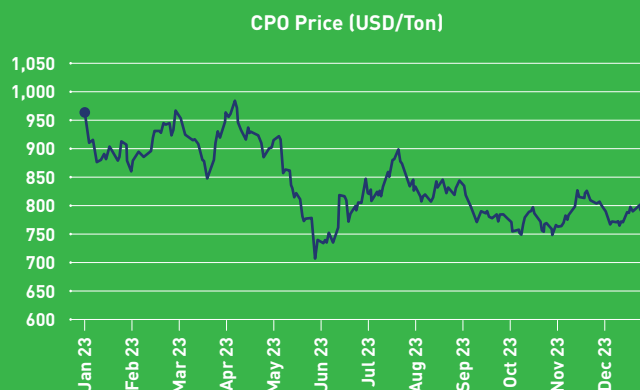
Economic Growth



INDUSTRY REVIEW

“

THE CPO PRICE FLUCTUATED WITHIN A LIMITED RANGE OF USD 700 – 900 PER TON IN 2023, FOLLOWING A POSITIVE TREND OVER THE PREVIOUS THREE YEARS. IT EXPERIENCED A DECLINE IN THE FIRST HALF OF THE YEAR, REACHING ITS LOWEST LEVEL SINCE NOVEMBER 2020. THIS DROP WAS ATTRIBUTED TO THE INCREASED OUTPUT AND DECREASING PRICES OF COMPETING OILS, AMIDST CONCERNS OF A POTENTIAL GLOBAL ECONOMIC RECESSION. HOWEVER, AS THE THIRD QUARTER OF 2023 APPROACHED, PRICES BEGAN TO RECOVER DUE TO CONCERNS REGARDING THE IMPACT OF EL NIÑO WITH MINIMAL FLUCTUATION DURING THE SECOND HALF OF 2023.”



The El Niño event affected Malaysia and Indonesia, the two largest palm oil producers, from June 2023, gradually waning by December. El Niño brings hot and dry weather, occasionally resulting in severe droughts, posing a threat to the world's primary palm oil producers due to potential impacts on production and yield. Historically, the effects of El Niño on palm oil production become evident six months to a year after its occurrence. Conversely, reduced supply resulting from decreased production tends to drive up palm oil product prices.

Meanwhile, in line with the green energy policy, the Indonesian Government aimed to implement a B35 fuel policy in 2023. This program involves blending palm oil-based biodiesel with diesel fuel at a ratio of 35% biodiesel and 65% diesel. From a demand perspective, this policy is expected to boost domestic demand for CPO and contribute to price stabilization.

OPERATIONAL REVIEW PER SEGMENT



OUR BUSINESS OPERATES SEVEN PALM OIL ESTATES, FIVE PALM OIL MILLS, A SAGO CONCESSION AND ITS PROCESSING MILL, AND EDAMAME CULTIVATION INCLUDING A PROCESSING FACTORY AND A RENEWABLE ENERGY POWER PLANT IN INDONESIA. WE HAVE A TOTAL OF 194,650 HECTARES OF LANDBANK, INCLUDING 48,516 HECTARES OF PLANTED PALM OIL PLANTATION AND 40,000 HECTARES OF SAGO CONCESSION. OUR EXTENSIVE OPERATIONS INCLUDE DEVELOPING, CULTIVATING AND MANAGING PALM OIL, SAGO AND VEGETABLES, MILLING FRESH FRUIT BUNCH (FFB) INTO CRUDE PALM OIL (CPO), PALM KERNEL (PK) AND CRUDE PALM KERNEL OIL (CPKO) AS WELL AS OPERATING A RENEWABLE ENERGY POWER PLANT TO GENERATE ELECTRICITY."

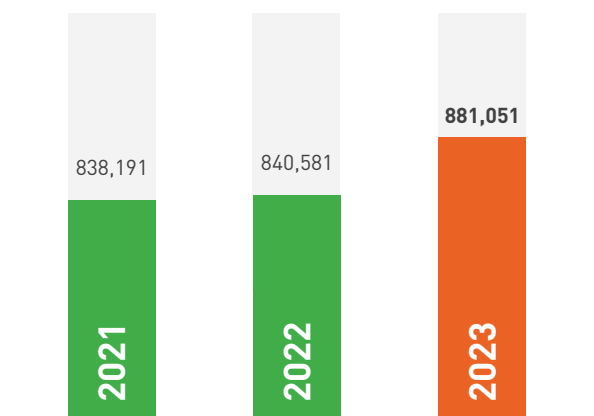
Palm Oil

As of the end of 2023, the Company was producing palm oil from 48,347 hectares of matured plantation, consisting of 43,400 hectares of nucleus plantation and 4,947 hectares of plasma and partnership plantations, in North Sumatra, South Sumatra, Bangka Belitung, West Kalimantan and Southwest Papua.

Matured Plantations

Our productive plantation area of 43,400 hectares in 2023 was higher than the 42,237 hectares of matured plantation we operated in 2022, mainly due to additional matured areas in the Southwest Papua estate. We continuously carry on our replanting program in Belitung Island estate, operated by SMM and North Sumatra 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. In 2023, we replanted 1,700 hectares in these two estates, resulting in a total replanted area of 10,917 hectares since we initiated this program in 2015 and maintained our average palm oil age at 13.0 years as of December 31, 2023. The total planted area (nucleus, plasma and partnership) slightly decreased to 53,521 hectares in 2023, from 53,698 hectares in 2022, because of the change in land use to a riparian conservation area in the replanted estates.

FFB PRODUCTION

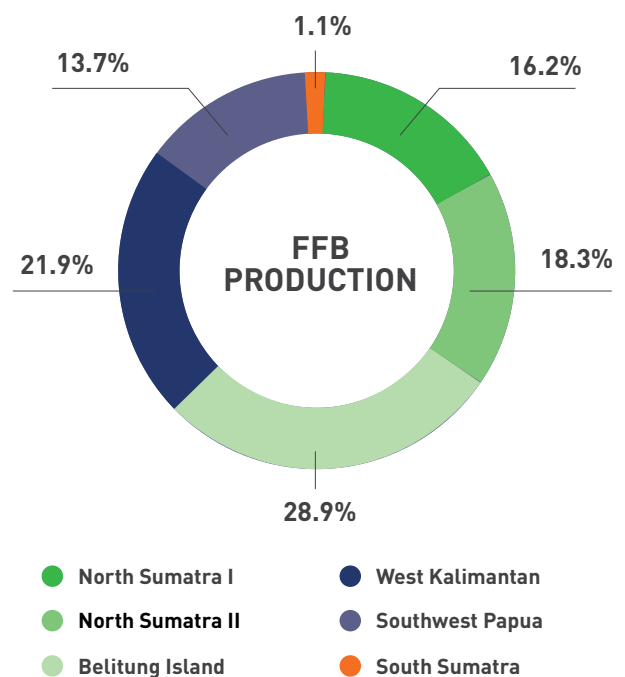




The Company recorded an increase in FFB production of 4.8% in 2023 from 840,581 tons in 2022 to 881,051 tons in 2023. The average FFB yield per hectare increased from 19.4 tons in 2022 to 20.3 tons in 2023. This increase is mainly due to a higher FFB production from our Belitung Island estate of 254,579 tons in 2023, increasing by 16.0% compared to 219,422 tons in 2022 due to the higher productivity from the young mature palm trees in the replanting area. In addition, our newly mature Southwest Papua estate contributed a total FFB production of 120,445 tons, 7.2% higher than the 2022 production of 112,356 tons. This increase aligned with the production increase trend from the young mature palm trees in this estate and improved road access and other infrastructure to transport the FFB to the mill. Meanwhile, our North Sumatra I estate, which has been engaged in a replanting program since 2018, produced a total of 142,406 tons of FFB, a decrease of 8.6% compared to the total FFB production in 2022 of 155,876 tons.

Our West Kalimantan estate recorded an increase in FFB production of 8.3% to 192,550 tons in 2023 compared to 177,813 tons in 2022. In addition, our 724 hectares newly mature area in our South Sumatra estate contributed 9,991 tons of FFB production in 2023, which is an increase of 51.5% compared to 6,594 tons in 2022. The FFB production increases in both estates are due to the age profile of their palm trees, which are now in prime maturity. Meanwhile, our North Sumatra II estate experienced a decrease in FFB production of 4.4% to 161,080 tons from 168,520 tons in 2022 due to floods

that affected the harvesting process and disrupted FFB supplies to the mill in 2023. Moreover, these floods also affected the upkeep and fertilization activities. Therefore, our palm trees cannot optimally absorb the necessary nutrient.



Our increase in FFB production in 2023 is evidence that our research and development plays an important role in managing our yield improvement program, which can compensate for the decrease in FFB production caused by the replanting program. The yield improvement program is integrated with our ESG initiatives and involves promoting the use of compost to supply organic nutrients to palm trees whilst maintaining soil moisture levels and innovation to improve the pollination process.

We operated five palm oil mills in five different estates with a total capacity of 315 tons/hour to produce CPO and PK. To maintain our mill utilization rates and continue our support to local independent farmers, we purchased 503,811 tons FFB from external suppliers tons in 2023. We sold 9,991 tons of FFB from our estate in South Sumatra to a third party because we currently do not have a mill until we have a planted area of a minimum of 3,000 Ha. This brought the total FFB processed to 1,374,872 tons in 2023, a slight decrease from 1,379,064 tons in 2022. In line with the increase in our own FFB production, we reported a higher CPO production volume of 283,659 tons in 2023, an increase of 2.9% from 275,769 tons in 2022, representing an oil extraction rates (OER) of 20.6% in 2023 compared to 20.1% in 2022.

Our PK production experienced a decrease of 4.7% to 52,432 tons in 2023, from 55,011 tons in 2022 mainly due to lower PK production from North Sumatra I and North Sumatra II estates. Meanwhile, our Kernel Crushing Plant (KCP) in Southwest Papua estate produced CPKO of 1,459 tons in 2023, 38.7% higher than the CPKO production of 1,052 in 2022. This represents kernel extraction rates (KER) and kernel oil extraction rates (KOER) standing at 4.1% and 1.0%, respectively.

Development Plantation

In Empat Lawang, South Sumatra, our subsidiary GSB has a landbank of 12,800 hectares. In 2023, we continued the land compensation program in GSB with the primary objective of obtaining a commercially feasible area to operate in one contiguous area of approximately 3,000 hectares. The land compensation in 2023 was 231.78 hectares, resulting in total land compensation to date of 4,555.11 hectares. We began the planting program in this area in 2013 with a total planted and matured area to date, standing at 724 hectares. We paused the planting program in 2018 and will resume the planting in 2024 as we have obtained a sizeable contiguous area for planting.

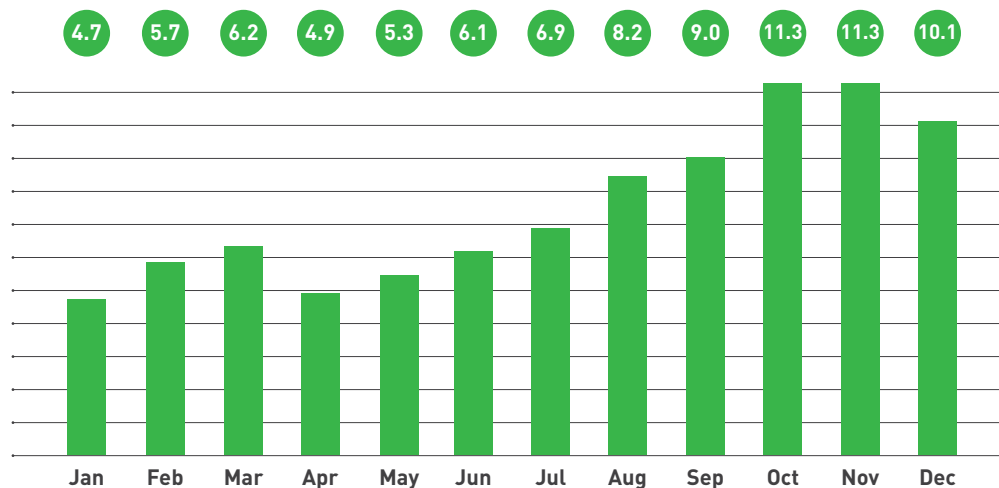
Our third concession in Southwest Papua, operated by the Company (ANJ), has been set aside as a conservation area, which, together with the conservation areas in PMP and PPM will form an integrated conservation landscape. At the beginning of January 2022, the Ministry of Environment and Forestry revoked this concession area through decree No. SK.01/MENLHK/SETJEN/KUM.1/1/2022 ("SK01"). On June 21, 2023, the Company received a Decree from Minister of Environment and Forestry of the Republic of Indonesia which excluded the Company from the list of concession permits which were revoked by SK01. Therefore, the HGU of the Company for the land concession rights covering an area of 36,506 hectares remains valid.



Sago

ANJAP has been pioneering 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 with a production capacity of 1,250 tons/month and has a growing customer base in the food industry.

SAGO EXTRACTION RATE 2023



As one of our strategies in turning around this sago business, we maximized its cost efficiency by reducing the mill operation to one shift per day in 2023. This resulted in total tual processed decreased to 249,598 tuals from 356,320 tuals in 2022. We produced 1,896 tons of sago starch in 2023, representing an extraction rate per tual of 7.6%. Every month, we saw an improvement in our extraction rate in the second half of 2023, it gradually increased from 6.9% in July 2023 to 10.1% by December. We recorded the highest extraction rate of 11.3% in November 2023. This improvement was mainly due to the initiative of our estate team in changing the criteria on selecting sago trees to be harvested as well as innovation in our mill to maximize the number of tual processed.





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 recorded a positive growth during the year. Production increased to 2,860 tons in 2023, an increase of 12.9% compared to edamame production of 2,533 tons in 2022. This was mainly due to a higher planting size in 2023 of 531 hectares, compared to 429 hectares in 2022. On the other hand, our edamame plantations had to face challenges from the Etiella worm attack in the second half of 2023. This pest attack was more pervasive in the third quarter of 2023 as drought, induced by the El Niño weather event hit the plantations. This resulted in frozen edamame production of 553 tons in 2023, a decrease of 24.4% compared to 731 tons in 2022. In response to this issue, we decided to sell most of our production as fresh edamame and mukimame to minimize waste and rejected volume.

In 2023, we continued to promote our strategy to diversify the business to achieve optimum capacity of the frozen line by cultivating green beans and okra. We saw a positive prospect of this kind of vegetable as a side product during periods of low edamame production.

Renewable Energy

AANE, our renewable energy subsidiary located in Belitung, was licensed as an independent power producer (IPP) in 2013. AANE started its commercial operation on December 31, 2013, which marked AANE to be the first IPP in Indonesia to operate and sell electricity from a palm oil mill effluent (POME) biogas power plant. AANE generates electricity by capturing and burning methane released in the decomposition of 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 9,899,429 kWh in 2022 to 10,219,453 kWh in 2023, representing a positive variance of 12.1% from our budget of 9,113,211 kWh. This was largely attributable to major maintenance in the second quarter of 2023 to maximize the utilization rate of the machines.

Service concession revenue remains stable at USD 0.6 million in 2023, mainly because the tariff remained at IDR 975/kWh.





MARKETING REVIEW

Palm Oil

In 2023, the Company booked a higher CPO sales volume by 4.9% to 288,941 tons from 275,320 mt last year, in line with the higher CPO production in 2023. In addition, PKO sales volume climbed 13.1% to 1,049 tons from 928 mt last year. Meanwhile, we saw a dip of 4.4% in PK sales volume to 52,581 tons, due to a lower PK production in 2023.

The CPO price experienced a downward trend in the first half of 2023 and bottomed out at nearly USD 700 per ton by May 2023. Global concern on the impact of El Niño in the mid-year of 2023 helped the CPO price to recover in the second half and fluctuated in the range of USD 700 – 900 per ton. As a result, the Company recorded an average selling price (ASP) for its CPO of USD 731 per ton in 2023, which was 13.1% lower than the 2022 ASP of USD 842 per ton. Meanwhile, the ASP for PK in 2023 was USD 358 per ton, 36.0% lower than the ASP in 2022 of USD 559 per ton. We also recorded a lower ASP for PKO of USD 734 per ton in 2023, down by 32.1% from USD 1,081 per ton in 2022.

We continue to focus on marketing our palm oil products in the domestic market to obtain higher profit margins, due to lower transportation cost and the additional premium price for RSPO-certified CPO. While we have successfully obtained RSPO certifications for all our nucleus plantations by the end of 2022, we have assisted 86% of our plasma and partnership plantations to obtain RSPO certifications, a progress which is on track to our target of obtaining 100% RSPO certifications for our plasma and partnership plantations by 2025. In addition, we have a potential for a higher premium price from our newly matured Southwest Papua estates which received the RSPO certificate with the Identity Preserved category. Meanwhile, all of our nucleus plantations have also received ISPO certifications. RSPO and ISPO certifications assure our buyers and their supply chain downstream that our CPO, CPKO and PK 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 posted a lower sales value from our sago business in 2023, due to the unfavorable sales volume variance corresponding with a lower sago starch production volume compared to 2022. In 2023, we sold a total of 1,585 tons of sago starch and focused on selling our product in the domestic market to our existing customers. Meanwhile, our selling price for sago starch was relatively stable throughout the year with an ASP of IDR 8,505 per kg at the end of 2023, higher than the average market selling price due to our continued commitment to quality.

As part of our marketing strategy, we distribute our sago starch in two different commercial brands. Pati Alam® is the brand we use for the large 50 kg pack size, distributed to industrial customers, while Sapapua® is the brand used for the 500-gram pack size, marketed to home industries and household consumers. Sapapua® brand is promoted and available via both online and selected offline channels. Our official online stores are managed by our employees from various functions as part of their participation in the Company's Responsible Development program. In 2023, we had 7 teams who managed our online stores in Greater Jakarta, Surabaya, Bandung, Yogyakarta, Medan and Makassar. Meanwhile, our offline sales were carried out through collaboration with selected retail stores in Greater Jakarta, Bali and Sorong.

We also continued to educate potential users from the modern food industry as well as household consumers regarding the benefits of sago starch as a healthy and sustainable gluten-free alternative source of food. To support our emerging food business, particularly the development of innovative sago and edamame-based food products, the Company established ANJB in May 2013. Since October 2019, this subsidiary has operated Bueno Nasio, a product development and kitchen lab facility, as well as a gluten-free restaurant located in the same building as our head office. At Bueno Nasio, we showcase curated sago and edamame innovation as menus offered to any public visitors. Our dedicated research and development team continuously innovates



various recipes and food products with sago starch and edamame as the main ingredients. Numerous recipes have been published and are freely accessible to consumers via our official social media platforms and various press releases. In July 2023, ANJB launched Sapapua® Pancake Mix, the first gluten-free sago-based pancake mix, which is now available via various channels in Greater Jakarta and Bali.

Vegetables

GMIT marked its official commercial operation for exported frozen products in 2021. 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.

In 2023, the Company booked positive sales growth from the vegetable segment, especially from sales of fresh edamame and frozen mukimame (peeled edamame) which increased by 3.0% and 73.1% respectively. Fresh edamame sales volume increased to 1,703 tons, while mukimame sales volume increased from 111 tons to 192 tons in 2023. In contrast, sales volume from frozen



edamame slipped 21.6% to 364 tons in 2023, compared to 464 tons in 2022, mainly due to a lower production volume as a result of the Etiella worm attack in the third and fourth quarters of 2023.

We have successfully exported our frozen edamame to Japan and Malaysia through our export purchase agreement with the Asia Foods group. Apart from this channel, we have also successfully penetrated the Indian market by independently exporting our brand, Edashi® and frozen mukimame starting in May 2023. To further expand our market for frozen edamame, we are exploring potential markets such as Europe, Australia and the Middle East. This is in line with our marketing strategy, which is targeting export as the main market for frozen vegetables.

Meanwhile our sales in the domestic market also booked a significant positive growth compared to the previous year's performance. To expand the awareness of our products in the domestic market, we continued to promote Edashi® frozen edamame and frozen mukimame in various modern markets as well as hotel, restaurant and cafe channels. As of December 31, 2023, we have succeeded in growing sales of Edashi® by 375.3% and mukimame by 73.1%, compared to the previous year's performance, via sales in various locations throughout Indonesia, including all Java, Bali, and Batam. In 2023, we strengthened and expanded our collaboration with major retailers, such as AEON, Hypermart, Ranch Market, Farmers Market as well as Yogya Group. We have also been chosen to be the frozen edamame supplier to various world-class hotels and well-known restaurants, such as Hyatt, Sushi Tei and SaladStop!

BUSINESS PROSPECTS AND STRATEGIES

PALM OIL

Prospects

2024 will be a challenging year for commodities, including palm oil sectors. We witnessed unpredictable price swings of palm oil products in the last three years, reaching record-high prices in 2022 and then falling in 2023 to 20% below the average price level from the year before. The resultant effect of El Niño in the third quarter of 2023 will be a key factor in governing CPO price fluctuations in 2024. We expect the CPO price will recover in 2024 as limited supply from Indonesia and Malaysia, due to lower yields caused by the El Niño event, will increase CPO price. El Niño has also impacted the production projections of other edible oils, especially soybean oil. We saw a potential tight soybean production at least until the first half of 2024, as these plantations are less resilient to dryness.

Another swing factor would be the government policies, especially biodiesel blend policies. Many biofuel producers have expanded mandates as part of their energy security and climate change policies, primarily in Brazil, India, Malaysia and Indonesia. Demand for palm oil for biodiesel will increase in the world's largest palm oil producer, Indonesia, which has increased its biodiesel mandate from 30% to 35% in 2023 and is likely to increase the blend composition to 40% by 2030. Meanwhile, Malaysia is considering expansion of its B10 biodiesel program by rolling out a B20 program in phase, which mandates the use of 20% palm oil in the industrial sectors. Malaysia's target to use biodiesel with 30% palm oil would be implemented by 2025. In addition, biodiesel mandates in Brazil increased to 12% in 2023 and are expected to increase by 1 per cent annually until 2026. This will lead to increasing demand for soybean. We expect this kind of government policy will have a positive effect on vegetable oil, especially CPO prices in upcoming years.

Strategies

Our management will stay prudent in determining any strategies to uphold. Our focus is to ensure that productivity will improve to the optimum level by leveraging the advantageous position of a balanced age profile of our palm trees. In order to improve our age profile and maintain production yields in the upcoming years, we will continue the replanting program in ANJA and SMM estates with the plan to replant approximately 1,000 hectares in SMM and 700 hectares in ANJA every year.

As the plantation in the Southwest Papua estate was classified as fully matured at the beginning of 2023, we will continue the planned construction of infrastructure, mainly for road lateriting to have more efficient logistics and transportation. In ANJAS, we keep focusing on finishing the pilling of the embankment project to mitigate floods from the nearby river in the upcoming years. Meanwhile, we will continue land compensation in GSB with a plan to consolidate 3,000 hectares of contiguous area for the HGU process, to expand the planted area.

In addition to those business strategies, we see ESG initiatives as another opportunity to improve our productivity while upholding our vision in elevating the lives of people and nature. Our main guideline is to integrate ESG strategy into the core strategy. Some of our ESG initiatives have proven to help us maintain a balanced soil structure and protect above and underground biodiversity, which are beneficial to our palm trees. This regenerative agriculture program comprises composting, drip fertigation, assisted pollination, pollinators hatch and carry, as breeding of natural predators such as barn owl (*Tyto alba*).

We will invest more effort into exploring 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.

SAGO

Prospects

We believe natural sago forest is a potential crop to be nurtured and developed as a valuable food source due to its high starch content. One individual sago plant can potentially produce 100 – 150 kg of dry starch. Sago starch has considerable potential as a sustainable alternative carbohydrate source that can contribute to reducing dependence on rice, wheat and other staple grains, as part of Indonesia's food diversification and security strategies.

As a gluten-free product with beneficial digestive properties, sago starch has market potential in numerous applications. We see that public awareness of gluten-free foods has increased recently. This healthy lifestyle awareness will eventually lead to an increase in demand for gluten-free food ingredients, such as sago starch. We are also seeing an increased interest in its use as an ingredient in various processed foods in both the domestic and export markets, including, but not limited to Japan, Singapore, Malaysia and China.

Strategies

We will continue to address operational issues to increase sago starch production and processing capability from natural sago forests in Southwest Papua. As we have succeeded in achieving an improvement in extraction rate since the second half of 2023, our next target is increasing the tuals (log sections) processed to reach 2,000 tuals per day whilst maintaining the extraction rate above 10%. Currently, we are working on expanding the harvesting area to the second estate to stabilize the production volume to meet the target. Furthermore, we will also continue to reduce production costs per kilogram by exploring more efficient alternative energy sources to substitute diesel fuel.

Despite our concession in Southwest Papua has the right to harvest sago from the natural sago forest, we keep our continued commitment to sustainably manage this sago forest by working closely with the local communities. The activities include agronomy measures on selective harvesting, enhancing and replacing harvested sago trees, restoring forest paths and managing water levels to ensure sustainable production in the upcoming years while maintaining the natural environment.

On the marketing side, we will continue to campaign for sago starch as one of the gluten-free 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 that increasing the consumer understanding of sago will ultimately create a wider market share.

VEGETABLES

Prospects

Edamame is a type of vegetable that has a short regenerative period. Coupled with Indonesia's favorable climate, it allows farmers to produce two to three cycles annually. This gives Indonesia a relative production advantage over other major edamame-producing countries such as China and Taiwan, which are bound by summer and winter seasons.

From the marketing perspective, we see that the public's appetite for edamame as a nutrient-dense food has recently increased. This popularity is inseparable from the increasing public awareness of the importance of consuming nutritious foods for health maintenance. This trend has led to an increase in both fresh and frozen edamame demands in the domestic market, primarily in Java, Bali, and other major cities of Indonesia.

Since October 2021, we have succeeded in penetrating the export market for our frozen edamame product to Japan 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 India, and potential demand in the Middle East, Europe and Australia.

Our processing plant has the capacity to produce frozen vegetables of up to 3 tons/hour and we have yet to reach maximum production capacity due to varying seasonal productivity of edamame harvest within a year. This prompts us to diversify our product line with other vegetables that are more suitable to harvest during low edamame harvest periods. We expect this strategy could optimize the cost of production per kilogram due to the higher utilization of our processing plant's capacity.

Strategies

We will continue to expand the planting area by establishing partnerships with more farmers and exploring potential cultivated land in nearby areas accessible to our processing plant. To achieve the Company's targets in this segment, we focus on increasing yields through upholding best agronomy practices, investing in seed quality programs and strengthening integrated pest management strategies.

In August 2023, we introduced a new initiative known as the Field Assistant Development Program, designed to address our need for skilled field assistants. This program focuses on developing skilled professionals to assist farmers in increasing yields.

To reduce production cost per kilogram, we will be optimizing our processing plant utilization by producing other frozen vegetable products in the low harvest period of edamame, as mentioned above. We will also look to improve factory efficiency by establishing measurable productivity metrics while supporting the workforce.

We will continue to increase production to meet the increasing demands from export and domestic markets 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 expand our export market to India and explore other potential markets such as Australia, Europe and the Middle East, all of which are outside of Asia Foods channels. With Edashi®, our domestic brand for frozen edamame, we will continue to promote the benefits of edamame as an affordable and highly nutritious plant-based source of protein and fiber to local and export consumers. As a part of our continuous effort to create more value-added products, we are currently in the research and development stage for edamame flour.

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 the BioCNG project to gradually replace the reliance on fossil fuels.

Strategies

Considering the low selling price of the electricity to PLN, we decided to not develop another power plant dedicated solely for commercial purposes 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 affecting 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 BioCBG project at ANJA as the most potential next project plan.

REVIEW OF FINANCIAL PERFORMANCE

Palm oil contributed 98.6% of the Company's consolidated revenue in 2023. CPO sales volume increased by 4.9% year-on-year, from 275,320 tons in 2022 to 288,941 tons in 2023, in line with the increase in Fresh Fruit Bunch (FFB) production of 4.8% in 2023 to 881,051 tons from 840,581 tons in 2022.

Despite the stronger operational performance in 2023, total consolidated revenue decreased by 12.1% to USD 236.5 million from USD 269.2 million in 2022, mainly due to the lower ASPs for CPO, PK and PKO as well as the decrease in PK sales volume. The Company recorded an ASP for its CPO of USD 731 per ton in 2023, 13.1% lower than the 2022 ASP of USD 842 per ton. Meanwhile, the ASP for PK and PKO decreased by 36.0% and 32.1%, respectively, compared to its ASPs in 2022.

The following discussion and analysis of the Company's financial performance in 2023 is based on the Consolidated Financial Statements and Notes to the Financial Statements as of and for the years ended December 31, 2023 and 2022.

The Consolidated Financial Statements as of and for the years ended December 31, 2023 and 2022 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	2023	2022	Change [%]
Current assets	54,978	59,148	(7.0%)
Non-current assets	559,094	543,443	2.9%
Total assets	614,072	602,590	1.9%
Current liabilities	52,762	40,470	30.4%
Non-current liabilities	135,985	138,009	(1.5%)
Total liabilities	188,747	178,479	5.8%
Equity attributable to owners of the Company	423,896	422,006	0.4%
Total equity	425,325	424,111	0.3%

Assets

The company's current assets at end of 2023 stood at USD 55.0 million, a decrease of 7.0% from USD 59.1 million at end of 2022. This was mainly attributable to the decrease in cash and cash equivalents by 45.9% from USD 10.8 million in 2022 to USD 5.9 million in 2023 and the decrease in inventories by 21.9% from USD 16.7 million in 2022 to USD 13.0 million in 2023, offset with the increase in prepayments and advances by 22.0% from USD 25.2 million in 2022 to USD 30.8 million in 2023. The Company also booked a decrease in biological assets by USD 0.7 million from USD 4.1 million in 2022 to USD 3.4 million in 2023 due to a lower CPO price at end of 2023 compared to CPO price at end of 2022.

Non-current assets at the end of 2023 of USD 559.1 million increased by 2.9% or USD 15.7 million from USD 543.4 million in 2022, mainly contributed by the increase

in fixed assets by 4.6% or USD 9.5 million from USD 206.0 million in 2022 to USD 215.5 million in 2023 due to translation adjustment from the Company in Rupiah bookkeeping as an impact of appreciation of Rupiah and addition of capital expenditure in current year, offset with assets depreciation in current year. In addition, the increase of non-current assets contributed by the increase in claims for tax refund by 122.2% from USD 5.1 million in 2022 to USD 11.4 million in 2023 and the increase in other non-current assets by 56.6% from USD 17.3 million in 2022 to USD 27.0 million in 2023, offset with the decrease in bearer plants by 3.7% or USD 10.9 million from USD 291.4 million to USD 280.5 million due to reclassification of mature plan plantation to plasma receivable in PPM and depreciation in current year.

As a result, total assets increased by 1.9% or USD 11.5 million from USD 602.6 million at end of 2022 to USD 614.1 million at end of 2023.

Liabilities

At the end of 2023, current liabilities stood at USD 52.8 million, increased 30.4% or USD 12.3 million from USD 40.5 million at end of 2022. This increase was mainly contributed by the increase in short-term bank loans by 401.6% or USD 18.6 million from USD 4.7 million in 2022 to USD 23.3 million in 2023, offset by the decrease in taxes payables by USD 1.6 million, other payables by USD 4.2 million and accrued expenses by USD 1.0 million compared to last year positions.

Non-current liabilities decreased by 1.5% or USD 2.0 million from USD 138.0 million at the end of 2022 to USD 136.0 million at the end of 2023, principally because of the loan repayment of long-term bank loans of USD 4.6 million and foreign exchange loss on our loans of USD 1.1

million, offset with additional long-term loan drawdown of USD 1.4 million. Total outstanding long-term bank loans amounted to USD 127.7 million as of December 31, 2023, a 1.5% decrease compared to USD 129.6 million at the end of 2022. Total liabilities increased by 5.8% from USD 178.5 million in 2022 to USD 188.7 million in 2023.

Equity

Total equity stood at USD 425.3 million in 2023, a slight increase of 0.3% or USD 1.2 million from USD 424.1 million in 2022. This was attributable to the increase in other reserves due to other comprehensive income from foreign exchange differentials resulting from the translation of subsidiaries' financial statements, offset by a decrease in retained earnings due to the distribution of cash dividends higher than the net profit for 2023.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

USD thousand except where stated	2023	2022	Change (%)
Total revenue	236,512	269,167	(21.1%)
Total cost of revenue	(204,953)	(215,295)	(4.8%)
Gross profit	31,559	53,872	(41.4%)
Total operating expenses, net	(12,440)	(14,595)	(14.8%)
Operating profit	19,119	39,277	(51.3%)
Finance costs, net	(9,551)	(4,769)	100.3%
Income before tax	9,568	34,508	(72.3%)
Net income for the year	1,902	21,155	(91.0%)
Net Income (loss) attributable to non-controlling	(725)	(566)	(28.1%)
Net income attributable to the owners of the Company to the owners of the Company	2,626	21,721	(87.9%)
Total comprehensive income	6,469	6,109	5.9%
EBITDA	49,128	69,332	(29.1%)
EBITDA margin (%)	20.8%	25.8%	(19.4%)

Revenue

The Company posted a total revenue of USD 236.5 million in 2023, a decrease of 12.1% compared to USD 269.2 million in 2022. This consisted of USD 235.9 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 2023, whereas 1.4% was contributed by service concession revenues and sales of edamame and sago starch. The table below summarizes the profitability of each segment:

(million USD)	Palm Oil	Sago	Vegetables and others	Renewable Energy
December 31, 2023				
Revenue	233.1	0.9	1.9	0.6
Gross Profit (Loss)	37.9	(3.8)	(2.8)	0.2
Profit (Loss) Before Tax	18.9	(4.0)	(3.7)	0.1
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

CPO sales remained our main contributor to consolidated revenue in 2023, even though its sales revenue decreased by 8.9% from USD 232.6 million in 2022 to USD 211.9 million in 2023. This decrease was in line with a lower ASP for CPO of USD 731 per ton in 2023 compared to USD 842 per ton in 2022. In addition, Palm Kernel (PK) sales revenue amounted to USD 18.8 million in 2023, a decrease of 38.8% from USD 30.8 million in 2022, as a result of lower sales volume as well as lower ASP for PK in 2023. Meanwhile, we also saw a dip in PKO sales revenue to USD 0.8 million in 2023, a decrease of 25.5% compared to USD 1.0 million in 2022. Our revenue in 2023 also included the sales of FFB from our developing estate in South Sumatra of USD 1.6 million, expanded by 73% from USD 0.9 million in 2022, as a result of higher FFB production from this estate.

Revenue from sales of non-palm oil products decreased by 14.8% from USD 3.3 million in 2022 to USD 2.8 million in 2023. This consisted of sales of edamame and sago starch. Our sago segment contributed USD 0.9 million to our total revenue in 2023, a drop of 44.2% from USD 1.6 million in 2022 due to the unfavorable sales volume variance along with a lower sago starch production volume compared to 2022. Meanwhile, our revenue from sales of edamame expanded by 12.2%, from USD 1.7 million in 2022 to USD 1.9 million in 2023 due to the increase in sales volume and higher ASPs of fresh edamame and mukimame.

Service concession revenue is 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. In 2023, our renewable energy segment contributed USD 576.2 thousand, slightly lower than the USD 579.8 thousand achieved in 2022 due to the effect of currency translation from IDR to USD as our revenue from renewable energy is in Rupiah currency.

Cost of Revenue

The cost of revenue amounted to USD 205.0 million in 2023, a decrease of 4.8% from USD 215.3 million in 2022. The main component was costs relating to sales of CPO, PK and PKO, amounting to USD 193.7 million, a decrease of 4.3% from USD 202.3 million in 2022. The decrease was largely attributable to the lower cost of third-party FFB purchases, due to the lower volume and price in FFB purchases compared to 2022. The FFB purchased from third-parties amounted to USD 69.9 million in 2023, a decrease of 21.2% from USD 88.8 million in 2022. This decrease was offset by an increase in harvesting expenses by 15.8% or USD 3.0 million to USD 21.8 million in 2023, in line with higher FFB production in 2023. In addition, the Company recorded an increase in the upkeep cost

of mature plantations by 9.1%, from USD 27.1 million to USD 29.6 million, mainly due to additional new mature plantations from our Southwest Papua estate in 2023. In 2023, we also recorded an increase in depreciation of mature plantations by 11.2% or USD 1.7 million from USD 15.5 million in 2022, due to additional newly mature plantations from our Southwest Papua estate as well as new mature plantations from replanted area in Belitung Island and North Sumatra I estates. Meanwhile, our factory overhead and indirect costs increased by 9.9% or USD 3.8 million to USD 41.9 million in 2023, compared to USD 38.1 million in 2022.

In the sago business, our cost of sales decreased by 37.0% to USD 4.6 million compared to USD 7.4 million in 2022. The decrease was largely attributable to the lower sago processing cost, which decreased by USD 2.3 million from USD 5.4 million last year. Meanwhile, our edamame business recorded an increase in cost of sales by 22.9%, from USD 3.8 million in 2022 to USD 4.7 million in 2023, aligned with higher edamame production volume in 2023. 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 12.4 million, a decrease of 14.8% from USD 14.6 million in 2022 mainly due to a foreign exchange gain of USD 0.2 million compared to a net loss of USD 2.6 million in 2022 as a result of the appreciation of the IDR against the USD from IDR 15,731/ USD 1 at the end of 2022 to IDR 15,416/ USD 1 at the end of 2023.

The Company recorded at personnel expense of USD 10.5 million, an increase of 10.9% from USD 9.4 million in 2022, in line with the increase in the number of employees in 2023 and a change in tax regulation for income tax article 21. In addition, the selling expenses increased by 8.5% from USD 0.6 million in 2022 to USD 0.7 million in 2023. Meanwhile, general and administrative expenses decreased by 10.5% to USD 4.4 million in 2023, compared to USD 4.9 million in the last year, largely due to lower professional fees in 2023, offset by travel and transportation costs as well as training, seminars and meeting costs.

The Company recorded a dividend income of USD 0.5 million, a decrease of 22.1% from USD 0.6 million in the last year. The Company also recorded USD 2.4 million as other income, an increase of 4.6% from USD 2.3 million in 2022, largely attributable to the higher income from insurance claims and scrap sales.

Our financial charges, which represent interest expenses on our loans, increased by 88.1% to USD 9.9 million in 2023 from USD 5.2 million in 2022 due to the increase in interest expenses for both USD and IDR loans following interest rate increases in 2023 and additional recognition of interest expense in our profit and loss from our Southwest Papua plantation. The entire planted area in our Southwest Papua plantation was classified as a mature plantation at the beginning of 2023 and therefore, we can no longer capitalize the interest expense from this estate.

Net Profit and Total Comprehensive Income

The Company recorded a net profit of USD 1.9 million in 2023 compared to USD 21.2 million in 2022. This decrease was due to the lower ASPs for CPO, PK and PKO combined with the higher depreciation and interest expenses. In 2023, we recorded an increase in our financial charges of USD 4.7 million from USD 5.2 million in 2022 to USD 9.9 million in 2023, as explained above. Increase in depreciation expense of USD 2.2 million or 8.0% compared to last year in line with additions in matured area declaration in 2023. This unfavourable

variance is offset by a lower cost of sales mainly due to lower FFB purchased and saving from fertilizer cost as well as a lower income tax expense of USD 5.6 million which is in line with lower profit before tax in 2023.

Other comprehensive income in 2023 comprised of actuarial gain/loss from post-employment benefits of USD 471.1 thousand, a change in fair value of available-for-sale investment of USD 25.5 thousand 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 the translation of the subsidiaries' financial statements is reported as other comprehensive income. The foreign exchange rate of IDR in 2023 was appreciated by 2.0% against the USD. As a result, the Company reported a USD 4.2 million gain on the translation of subsidiaries' financial statements in other comprehensive income, a 121.3% increase from the loss on the translation of subsidiaries' financial statements of USD 19.6 million in 2022. Total comprehensive income increased from USD 6.1 million in 2022 to USD 6.5 million in 2023.

Consolidated Statement of Cash Flows

USD thousand except where stated	2023	2022	Change (%)
Net cash provided by operating activities	36,645	59,995	(38.9%)
Net cash used in investing activities	(41,243)	(33,180)	24.3%
Net cash used in financing activities	(370)	(43,136)	(99.1%)
Net decrease in cash and cash equivalents	(4,968)	(16,321)	(69.6%)
Cash and cash equivalents at the beginning of the year	10,821	27,141	(60.1%)
Cash and cash equivalents at the end of the year	5,853	10,821	(45.9%)

Net cash provided by operating activities

USD 36.6 million in cash was provided by operating activities in 2023, a decrease from USD 60.0 million in 2022, mainly due to the decrease in cash received from customers by 15.4% from USD 273.1 million in 2022 to USD 231.0 million in 2023, in line with the decrease in sales revenue. Meanwhile, payments to suppliers decreased by 16.5% or USD 23.0 million from USD 139.5 million in 2022 to USD 116.5 million in 2023, in line with the decrease of FFB volume purchases from third parties and lower FFB prices.

Net cash used in investing activities

In 2023, a total of USD 41.2 million was used in investing activities mainly for the acquisition of plantation assets and property, plant and equipment. Net cash used in acquiring property, plant and equipment in 2023 increased from USD 16.2 million in 2022 to USD 20.7

million in 2023. Meanwhile, additions of bearer plants in 2023 decreased by 24.0% to USD 13.3 million compared to USD 17.5 million last year.

Net cash used in financing activities

Net cash used in financing activities was USD 0.4 million in 2023, a decrease of 99.1% compared to the net cash used in financing activities of USD 43.1 million in 2022, mainly due to the decrease in payment of long-term bank loans of USD 4.6 million in 2023, a decrease of USD 46.8 million from USD 51.4 million in 2022, offset with proceeds from long-term bank loans to USD 1.4 million in 2023 compared to USD 20.0 million last year. In addition, we recorded additional proceeds from short-term bank loans of USD 64.9 million, offset with payment of short-term bank loans of USD 46.2 million in 2023. Meanwhile, our cash used in payment for loan interest expenses increased by 95.6% from USD 4.9 million in 2022 to USD 9.7 million in 2023.

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 2023 our gross margin decreased by 6.7 percentage points to 13.3%, from 20.0% in 2022, which was largely attributable to the lower ASPs for CPO and PK and the higher depreciation expense as a result of the newly 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 20.8% in 2023, a decrease of 5.0 percentage points from 25.8% in 2022, primarily due to the lower net profit for the year as discussed above.

Net Profit Margin

In 2023 our net profit margin was 0.8%, compared to 7.9% in 2022. This represented a net income of USD 1.9 million from a total revenue of USD 236.5 million, compared to a net income of USD 21.2 million from a total revenue of USD 269.2 million in 2022.

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 0.3% in 2023, compared to 3.5% in 2022.

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 2023 was 0.4%, compared to 5.0% in 2022.

Account Receivables Collectability

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 0.9 days in 2023, faster than our average receivables turnover in 2022 of 1.8 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 2023, 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 the 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 2023 was 1.04x, lower than 1.46x in 2022. This was attributable to the decrease in current assets combined with the increase in current liabilities. The decrease in current assets is mainly due to the decrease in cash and cash equivalents, meanwhile, the increase in current liabilities is largely attributable to the increase in short-term bank loans.

The Cash Ratio is calculated by dividing the total cash and cash equivalents by total current liabilities. At the end of 2023, our cash and cash equivalents were 10.6% of the total current assets, compared to 18.3% in 2022, resulting in our cash ratio falling to 0.11x in 2023 from 0.27x in 2022. Although our cash ratio in 2023 is lower than 0.50x, we believe that we have adequate capacity to meet our current liabilities since our current ratio is stable above 1x.

The Liabilities to Equity Ratio reflects our ability to meet our total liabilities. The lower the ratio, the better our ability. In 2023, our total liabilities increased by 5.8% to USD 188.7 million from USD 178.5 million in 2022, while our total equity increased by 0.3% to USD 425.3 million from USD 424.1 million in 2022, driving a slightly higher debt-to-equity ratio of 0.44x in 2023 compared to 0.42x in 2022. 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 2023 was 0.34x, higher than 0.29x in 2022, due to the increase in bank loans.

Capital Structure and Capital Structure Policy

Capital Structure

USD thousand except where stated	2023	2022
Debts		
Short-term bank loans	23,252	4,636
Long-term bank loan – current maturities	5,806	4,600
Long-term bank loan – net of current maturities	121,885	125,007
Lease liabilities - current maturities	305	823
Lease liabilities - net of current maturities	20	264
Total debt	151,267	135,329
Total cash and cash equivalent	5,853	10,821
Net debt	145,415	124,509
Equity attributable to the owners of Company	423,896	422,006
Net debt to equity ratio	0.34	0.29

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 2023, 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, 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 23.3 million in outstanding short-term bank loans as of December 31, 2023, comprising USD 14.0 million from PT Bank CIMB Niaga Tbk., USD 8.0 million from PT Bank OCBC NISP Tbk. and USD 1.3 million from PT Bank UOB Indonesia.

Outstanding long-term bank loans, as of December 31, 2023, amounted to USD 127.7 million from the Company's subsidiaries in Southwest Papua (PPM and PMP), ANJA, ANJAS, KAL and SMM. A total of USD 120.5 million or 94.2% 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 attributable to the owners of the Company stood at USD 423.9 million as of December 31, 2023.

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 0.34x as of December 31, 2023. 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 0.75x net debt to shareholders' equity, from bank loans, bonds or other resources.

Changes in Laws and Regulations

No change in the laws or regulations that materially affected the Company's business in 2023.

Changes to Accounting Policy

In 2023, the Company 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 the accounting period beginning on 1 January 2023:

- Amendment to PSAK 1: "Disclosure of Accounting Policies"
- Amendment to PSAK 25: "Accounting Policies, Changes in Accounting Estimates and Errors"
- Amendment to PSAK 46: "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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

Dividend Policy

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

Dividend Payment 2023

USD thousand except where stated	2023
Total dividend in USD	6,239,282
Net income in thousand USD	21,155
Dividend per share	IDR 27.8
Dividend yield	3.3%
Dividend Payout Ratio	29.5%
Declaration date	June 7, 2023
Payment date	July 7, 2023

In the Annual General Shareholders' Meeting held on June 7, 2023, the shareholders of the Company approved the distribution of cash dividends of IDR 93,246.1 million or IDR 27.8 (full amount) per share (equivalent to USD 6,239,282 or USD 0.0019 per share) from the unappropriated retained earnings as of December 31, 2022 to the shareholders recorded on the shareholders register on 19 June 2023 (recording date). The dividend was paid to the shareholders on July 7, 2023.

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	26.4%
Declaration date	June 8, 2022
Payment date	July 8, 2022

In the Annual General Meeting of Shareholders 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 8 July 2022.

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 did not invest in any new subsidiaries or other new entities in 2023 but increased its investments in fixed assets and palm plantations.

Divestment

The Company made no divestment in 2023.

Debt/Capital Restructuring

On November 20, 2023, SMM subscribed and paid 67,800 new shares to ANJAP. SMM's direct ownership in ANJAP became 19.86%.

On November 20, 2023, ANJ and AJI HK Limited subscribed and paid 96,140 new shares and 24,035 new shares, respectively to GMIT. The Company and AJI HK Limited's direct ownership in GMIT remains at 80% and 20%, respectively.

On November 20, 2023, the Company subscribed and paid 600,000 new shares to ANJB. The Company's direct ownership in ANJB remained at 99.99%.

On November 20, 2023, ANJA subscribed and paid 76,000 new shares to GSB. ANJA's direct ownership in GSB became 95.54%.

On November 20, 2023, ANJA subscribed and paid 55,782,000 new shares to PMP. ANJA's direct ownership in PMP became 66%.

On November 20, 2023, ANJA subscribed and paid 147,159,000 new shares to PPM. ANJA's direct ownership in PPM became 68%.

Material Facts about Related-Party Transactions

The Company has a Policy for Affiliated Transactions and Conflict of Interest Transactions, 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 2023 were within the ANJ Group. Our related-party transactions as of December 31, 2023 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 a maximum of 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 (excluding deviation charges, if any) for each subsidiary is as the follows:

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 6,673.4 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 8.13% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + 1.63% for borrowing in USD and is valid until December 31, 2023, and will be automatically extended for one year until the facility has been fully paid. As of December 31, 2023, the total outstanding loan was nil.
- 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 + 1.63% and is valid until July 17, 2024. As of December 31, 2023, 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 + 1.63%. This loan facility is valid until May 18, 2024. As of December 31, 2023, 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 8.13%. This loan facility is valid until August 27, 2024. As of

December 31, 2023, the total outstanding loan was IDR 2.35 billion (equivalent to USD 0.15 million).

- On August 28, 2020, which was 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 8.13%. This loan facility is valid until August 27, 2024. As of December 31, 2023, 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 8.13% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + 1.63% for borrowing in USD. This loan facility is valid until October 27, 2024. As of December 31, 2023, the total outstanding loan was nil.
- 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 8.13% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + 1.63% for borrowing in USD. This loan facility is valid until October 27, 2024. As of December 31, 2023, 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 + 1.63%. This loan facility is valid until October 24, 2024. As of December 31, 2023, the total outstanding loan was USD 4 million.
- On May 12, 2023, SMM 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 8.13% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + 1.63% for borrowing in USD. This loan facility is valid until May 12, 2024. As of December 31, 2023, the total outstanding loan was nil.
- On March 3, 2023, ANJ 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 8.13% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + 1.63% for borrowing in USD. This loan facility is valid until March 2, 2024. As of December 31, 2023, the total outstanding loan was nil.
- On March 3, 2023, ANJ 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 8.13% for borrowing in IDR and Term Secured Overnight Financing Rate (SOFR) 1 month + 1.63% for borrowing in USD. This loan facility is valid until March 2, 2024. As of December 31, 2023, the total outstanding loan was nil.

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

During 2023, 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 2023

Our Capital Expenditure (Capex) in 2023 amounted to USD 34.0 million. Of this, USD 33.3 million was used for developing our palm oil estates (PPM, PMP, ANJA, ANJAS, SMM, KAL, GSB); USD 0.5 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.

Certain of our capital expenditures are denominated in USD or affected by the USD 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 of IDR needed for operational expenses for three months.

Capital Expenditure and Work Plans 2024

We have budgeted capital expenditures totaling USD 36.8 million in 2024 to fund several programs that support our productivity improvement. Our capital expenditure work plans for 2024 including:

- Replanting of 1,053.7 hectares at our Belitung Island Plantation (SMM);
- Replanting of 675.6 hectares at our North Sumatra I Plantation (ANJA);
- Completion of construction of infrastructures in our Southwest Papua Plantation (PPM/PMP) for road surfacing (laterite), employee housing and mill power plant to support the operation of 9,025 hectares of planted area;
- Expand the composting plant in North Sumatra I Plantation (ANJA) with our own development and design based on the experience that we obtained in ANJAS, SMM and KAL;
- River embankments piling project in our North Sumatra II Plantation (ANJAS) to mitigate floods from the nearby river, and;
- Land compensation for targeted areas of 324 hectares in our South Sumatra landbank (GSB).

These capital expenditures 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 are subject to several 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 2023	Realization 2023	% of Achievement
Palm oil production (metric tons)			
FFB production	917,017	881,051	96.1%
FFB purchase	568,492	503,811	88.6%
CPO production	310,657	283,659	91.3%
PK production	62,757	52,432	83.5%
PKO production	1,768	1,459	82.5%
Sago starch production (metric tons)	3,970	1,896	47.8%
Edamame production (metric tons)			
Fresh edamame production	2,040	1,710	83.8%
Frozen edamame production	2,747	553	20.1%
Frozen mukimame production	94	201	213.8%
Renewable energy production (kWh)	9,113,211	10,219,453	112.1%
CPO sales (metric tons)	319,077	288,941	90.6%
PK sales (metric tons)	58,171	52,581	90.4%
Revenue (million USD)	258.1	236.5	91.6%
Gross profit (million USD)	48.9	31.6	64.6%
Income before tax (million USD)	15.3	9.6	62.5%
Net profit for the year (million USD)	4.2	1.9	45.5%

Production

The Company produced 881,051 tons of FFB in 2023, representing a total achievement of 96.1% compared to our target of 917,017 tons. Our FFB production achievements in 2023 were mainly from the improved productivity of the young mature palm trees in the replanted areas in Belitung Island Plantation, combined with higher productivity from the Southwest Papua and South Sumatra Plantation aligned with a rising production trend from the young mature palm trees and improved road access and other infrastructure to transport the FFB to the mill. In addition, our North Sumatra I Plantation recorded an achievement in FFB production of 3.1% above our budget target in 2023. Meanwhile, these positive performances were offset by the effect of the ongoing replanting program in the North Sumatra I Plantation and also the extreme climate that occurred in the North Sumatra II Plantation which caused flooding that disrupted harvesting in the plantation and FFB supplies to the mill.

Our CPO production in 2023 was 283,659 tons, representing a total achievement of 91.3% compared to our target of 310,657 tons, meanwhile PK production in 2023 was 52,432 tons or an achievement of 83.5% compared to our target of 62,757 tons. This was mainly due to the genetic characteristics of the newly planted oil palms producing more CPO but less PK.

Sago starch production in 2023 was only 47.8% compared to our annual target of 3,970 tons, as the impact of our cost efficiency program to reduce the mill operation to one shift per day in 2023.

Our fresh edamame production in 2023 was 1,710 tons, representing a total achievement of 83.8% compared to our target of 2,040 tons, whereas frozen edamame and frozen mukimame products achieved 20.1% and 213.8% of our target, respectively. These achievements were mainly due to the Etiella worm attack in 2023, which resulted in a frozen edamame production of 79.9% behind the budget and we decided to sell most of our production as fresh edamame and mukimame to minimize waste and reject volume.

Our renewable energy generated a higher electricity sale as we generated 10,219,453 kWh, or a positive variance of 12.1% compared to our target of 9,113,211 kWh.

Sales and Revenues

In 2023, the Company sold 288,941 tons of CPO, representing a total achievement of 90.6% compared to our sales target of 319,077 tons. Meanwhile, PK sales volume stood at 52,581 tons in 2023, 9.6% behind our target of 58,171 tons. These sales performances weigh on our total revenue in 2023 of USD 236.5 million, representing a total achievement of 91.6% compared to our target of USD 258.1 million.

Profit

The Company posted a net income of USD 1.9 million in 2023, representing a total achievement of 45.5% of our target of USD 4.2 million. This was largely attributable to the lower revenue from palm oil products in 2023 as discussed above, combined with higher loss from the vegetable segment due to lower frozen edamame productions in 2023. In addition, estate operating costs rose at our newly mature area in the Southwest Papua Plantation and from the replanting areas in the North Sumatra I and Belitung Island Plantations.

2024 Company Targets

	2023	2024	Change (%)
	Actual	Target	
Palm oil production (metric tons)			
FFB production	881,051	933,602	6.0%
FFB purchase	503,881	629,454	24.9%
CPO production	283,659	324,043	14.2%
PK production	52,432	59,693	13.8%
PKO production	1,459	2,220	52.1%
Sago starch production (metric tons)	1,896	2,725	43.7%
Edamame production (metric tons)			
Frozen edamame production	553	2,606	371.4%
Frozen mukimame production	201	349	73.8%
Fresh edamame production	1,710	1,574	[7.9%]
Renewable energy (kWh)	10,219,453	10,665,449	4.4%

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 2024, the Company has set targets for FFB production of 933,602 tons, 6.0% higher than the 2023 achievement of 881,051 tons, while CPO production is expected to grow 14.2% to 324,043 tons, compared to 283,659 tons of actual production in 2023. In line with FFB and CPO production targets, the Company has also set the target for PK and PKO to grow 13.8% and 52.1%, respectively in 2024.

For the non-palm oil segment, the Company aim to achieve a significant improvement in frozen edamame production from growing demand in the export market and higher planting size in the upcoming year. We set the target for frozen edamame and mukimame productions to grow 371.4% and 73.8% respectively, compared to production achievement in 2023. Meanwhile, fresh edamame production is expected to decrease by 7.9% to 1,574 tons as our target to produce more frozen products than the fresh one. Our sago segment is projected to grow 43.7% with a total production of 2,725 tons in 2024. Meanwhile, for the renewable energy business, the Company targeting a 4.4% growth in its electricity production of 10,665,449 kWh in 2024.

Other Information

On January 5, 2022, the Ministry of Environment and Forestry ("MOEF") issued Decree No. SK.01/MENLHK/SETJEN/KUM.1/1/2022 regarding Revocation of Forest Area Concession Permits ("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 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 concession permits which were revoked by SK01.

On June 21, 2023, the Company received Decree from the Minister of Environment and Forestry of the Republic of Indonesia which excluded the Company from the list of concession permits which were revoked by SK01. Therefore, the HGU of the Company remains valid.

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, Belitung Island, West Kalimantan, South Sumatra and Southwest Papua extend to over 154,650 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 (especially edamame) in 2024. 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 2024 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



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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. 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:



THE ARTICLES OF ASSOCIATION
OF THE COMPANY



BY-LAWS



THE CODE OF ETHICS ON
BUSINESS CONDUCT



THE CHARTERS OF THE BOARD
OF COMMISSIONERS (AND ITS
COMMITTEES) AND
THE BOARD OF DIRECTORS



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 Procedures

The Company performs a comprehensive and structured self-assessment which consists of 3 (three) aspects of governance, namely:

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 that the governance structure and process have been properly executed resulting in a proper GCG implementation.

Assessment Criteria

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

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 204-205 of this Report.

B. External Assessments

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 2022.

Assessment Procedure

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

Level 1 : minimum standard items that are expected to be implemented in each ASEAN member countries, including prevailing laws and regulations and OECD principles.

Level 2 : bonus items reflecting practices beyond minimum standard expectations and penalty items reflecting poor governance practices.

Assessment Criteria for 2023

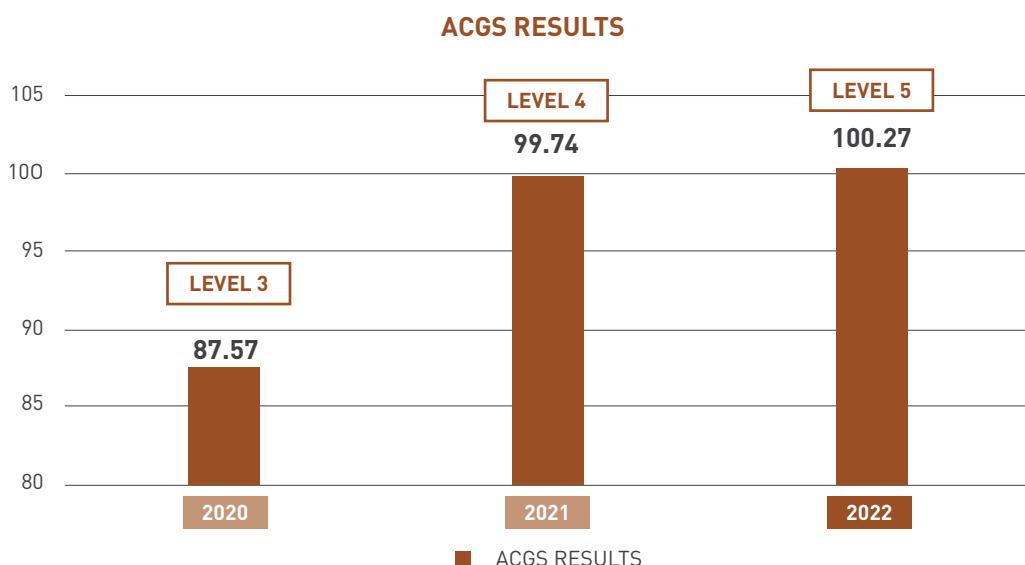
The first level consist of 5 (five) aspects, namely Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency as well as Responsibilities of the Board. The second level consist of bonus items, reflecting practices beyond minimum standard expectations 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 2022 is 100.27, an increase from 99.74 of the previous year. This result was verified by the IICD at the Company's request. With this score, it puts ANJ in level five (out of five) which means ANJ is Leadership in Corporate Governance. The following describes the assessment results for the last 3 years:



Principle	2020	2021	2022
Principle A (Rights of Shareholders)	9.52	9.52	9.52
Principle B (Equitable Treatment of Shareholders)	7.14	10	9.28
Principle C (Role of Stakeholders)	15	15	15
Principle D (Disclosure and Transparency)	22.66	24.21	24.21
Principle E (Responsibilities of the Board)	31.25	35	36.25
Bonus	6	8	8
Penalty	(4)	(2)	(2)
Total Score	87.57	99.74	100.27
Level	Level 3 (Good)	Level 4 (Very Good)	Level 5 (Leadership in Corporate Governance)

The Company has also made public the ASEAN Corporate Governance Scorecard's assessment reports on the website of the Company.

2. Environment, Social and Governance (ESG) Rating

The term ESG refers to how companies addresses 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 so that 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 and severe).

Assessment Procedure

The assessment is conducted based on a review of publicly available and accessible information in English and Indonesian languages 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 the 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, anticompetitive 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;

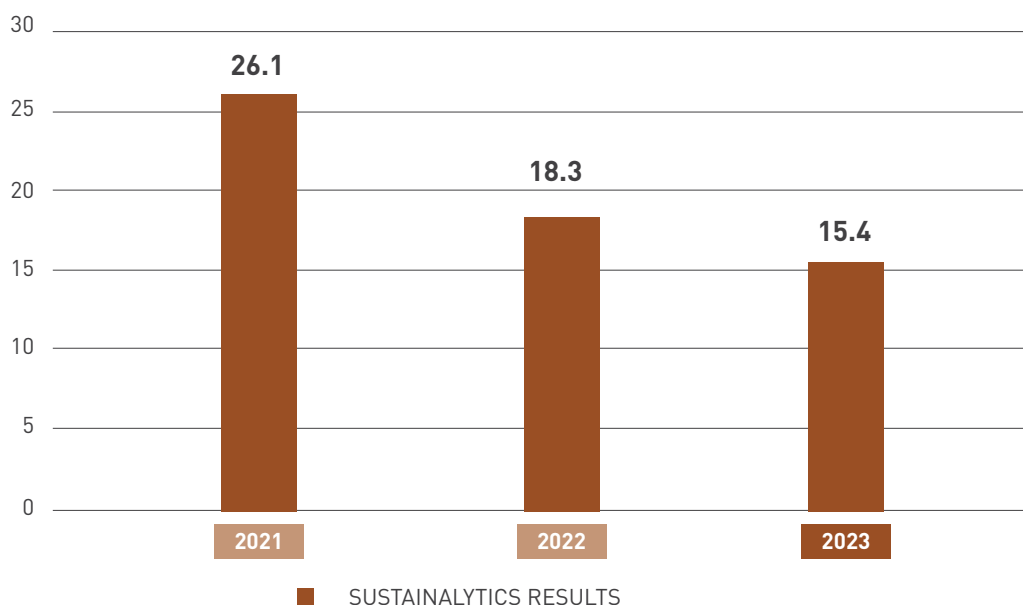
- Carbon – Own Operations: Operational energy use and GHG emissions (scope 1 and 2); parts of Scope 3 emissions, for example, transport and logistics;
- Carbon – Products and Services: Energy efficiency and GHG emissions of services and products during the use phase, excluding carbon risks related to 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 with Low Risk Rating score of 15.4 for 2023. With this achievement, the Company was ranked in the first place among the global agriculture companies for having the lowest ESG risk, as assessed by Sustainalytics. The following describes the assessment results for the last 3 years:



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 Law No. 40/2007 on Limited Liability Companies:

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

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

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

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

GENERAL MEETING OF SHAREHOLDERS

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

According to Indonesian Company Law, OJK Regulation No. 15/POJK.04/2020 on the Planning and Organization of the General Meeting of Shareholders of a Public Company and OJK Regulation No. 16/POJK.04/2020 regarding Implementation of General Meeting of Shareholders of a Public Company on Held 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 authorities such as:

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 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 2023 and 2022 of the Company:

GMS in 2023

The Company held its AGMS on June 7, 2023. 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 7, 2023 were as follows:

No.	Action	Date	Medium
1.	Notified OJK of the plan to hold the AGMS, with the agenda.	April 11, 2023	IDX website and the Company website
2.	Notified shareholders of the planned AGMS.	April 18, 2023	IDX website, KSEI website and the Company website
3.	Published the notice to shareholders to attend the AGMS, with the detailed agenda.	May 5, 2023	IDX website, KSEI website and the Company website
4.	Held the AGMS.	June 7, 2023	Menara BTPN 40 th Floor, Jakarta
5.	Published the summary of the AGMS.	June 8, 2023	IDX website, KSEI website and the Company website
6.	Published the minutes of meeting of the AGMS.	June 21, 2023	IDX website and the Company website

The 2023 AGMS was attended by shareholders and/or their proxies representing 3,148,786,486 shares or 93.88% 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 2023, 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 2023 and 2022 and their implementation status. There is no resolution of the Company's GMS for 2023 and 2022 that has not been realized by the Company.

Summary of the resolutions of the 2023 AGMS held on June 7, 2023:

THE FIRST AGENDA			
Agenda	Approval and ratification on the Annual Report and Sustainability Report of the Company, which include 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, 2022, 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, 2022 and granting of full release and discharge from responsibilities (<i>acquitt et de charge</i>) 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, 2022.		
Number of Shareholders Who Raised Queries and/or Opinions	There was 1 (one) question on the first meeting agenda.		
The Results of the Voting	Agree	3,148,687,886	99.99%
	Disagree	95,100	0.003%
	Abstain	3,500	0.0001%
The Resolution of the First Agenda	To approve and ratify the Annual Report and the Sustainability Report of the Company for the year ending on December 31, 2022, 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, 2022, 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, 2022 as well as to give full release and discharge of responsibilities (<i>acquitt et de charge</i>) 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, 2022 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, 2022 were delivered on March 28, 2023 and the annual report for the year ending December 31, 2022 was delivered on May 1, 2023 (April 30, 2023 fell on a public holiday), 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, 2022.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the second meeting agenda.		
The Results of the Voting	Agree	3,148,687,886	99.99%
	Disagree	95,100	0.003%
	Abstain	3,500	0.0001%
The Resolution of the Second Agenda	<p>a. To approve the distribution of the net profit of the Company for the year ending on December 31, 2022, as follows:</p> <p>i. The Company will distribute cash dividends of IDR 27.8 (twenty seven point eight 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 19, 2023, which is the date to determine the shareholders who are entitled to the cash dividend (cum dividend).</p> <p>ii. The remaining balance will be recorded as retained earnings which will be used for the working capital of the Company.</p> <p>b. 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.</p>		
Implementation Status	Completed. The dividend was distributed to shareholders on July 7, 2023.		
THE THIRD AGENDA			
Agenda	Appointment of an Independent Public Accountant and Public Accounting Firm to carry out audit on the Company for the financial year of 2023 and to approve the honorarium of the Independent Public Accountant and Public Accounting firm so appointed.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the third meeting agenda.		
The Results of the Voting	Agree	3,148,117,986	99.97%
	Disagree	665,000	0.021%
	Abstain	3,500	0.0001%
The Resolution of the Third Agenda	<p>a. To give authorities and powers to the Board of Commissioners of the Company to appoint the Independent Public Accountant and Public Accountant Office (KAP) to carry out the audit of the Company for the financial year of 2023, subject to the recommendations of the Audit Committee of the Company.</p> <p>b. 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.</p>		
Implementation Status	Completed.		

THE FOURTH AGENDA			
Agenda	Approval of the change of the members of the Board of Commissioners of the Company.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fourth meeting agenda.		
The Results of the Voting	Agree	3,148,687,886	99.97%
	Disagree	665,000	0.021%
	Abstain	3,500	0.0001%
The Resolution of the Fourth Agenda	<p>a. To approve the resignation of Mr. Istama Tatang Siddharta from his position as a Commissioner of the Company effectively as of the closing of the Meeting and to release and discharge Mr. Istama Tatang Siddharta from his responsibility during his term of office provided that his supervisory 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.</p> <p>b. To restate the composition of the Board of Commissioners of the Company effectively as of the closing of the Meeting as follows:</p> <p>Board of Commissioners:</p> <p>President Commissioner (Independent) : Mr. Adrianto Machribie</p> <p>Commissioner : Mr. George Santosa Tahija</p> <p>Commissioner : Mr. Sjakon George Tahija</p> <p>Commissioner : Mr. Anastasius Wahyuhadi</p> <p>Independent Commissioner : Mr. J. Kristiadi</p> <p>Independent Commissioner : Mr. Darwin Cyril Noerhadi</p> <p>Commissioner : Mrs. Istini Tatiek Siddharta</p> <p>The term of office of the Board of Commissioners is as follows:</p> <ul style="list-style-type: none">- Mr. Adrianto Machribie as the President Commissioner (Independent), Mr. George Santosa Tahija as a Commissioner, Mr. Sjakon George Tahija as a Commissioner, Mr. Anastasius Wahyuhadi as a Commissioner and Mr. Josep Kristiadi as an Independent Commissioner are until the closing of the Annual General Meeting of Shareholders of the Company in 2025;- Mr. Darwin Cyril Noerhadi as an Independent Commissioner and Mrs. Istini Tatiek Siddharta as a Commissioner are until the closing of the Annual General Meeting of Shareholders of the Company in 2026. <p>c. 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 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 abovementioned decision in accordance with the applicable laws and regulations</p>		
Implementation Status	Completed.		
THE FIFTH AGENDA			
Agenda	Approval of the change of the members of the Board of Directors of the Company.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fifth meeting agenda.		
The Results of the Voting	Agree	3,148,687,886	99.97%
	Disagree	665,000	0.021%
	Abstain	3,500	0.0001%

The Resolution of the Fifth Agenda	<p>a. To approve the appointment of Mr. Mohammad Fitriyansyah as a Director of the Company effectively as of the closing of the Meeting.</p> <p>b. To restate the composition of the Board of Directors of the Company effectively as of the closing of the Meeting as follows:</p> <p>Board of Directors:</p> <p>President Director : Mr. Lucas Kurniawan</p> <p>Vice President Director : Mr. Geetha Govindan K. Gopalakrishnan</p> <p>Director : Mr. Naga Waskita</p> <p>Director : Mr. Aloysius D'Cruz</p> <p>Director : Ms. Nopri Pitoy</p> <p>Director : Mr. Mohammad Fitriyansyah</p> <p>The term of office of the Board of Directors is as follows:</p> <ul style="list-style-type: none"> - Mr. Lucas Kurniawan as the President Director, Mr. Geetha Govindan Kunnath Gopalakrishnan as the Vice President Director, Mr. Aloysius D'Cruz as a Director and Ms. Nopri Pitoy as a Director are until the closing of the Annual General Meeting of Shareholders of the Company in 2026; - Mr. Naga Waskita as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2027; - Mr. Mohammad Fitriyansyah as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2028. <p>c. 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 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 abovementioned decision in accordance with the applicable laws and regulations.</p>
Implementation Status	<p>Completed.</p> <p>Mr. Mohammad Fitriyansyah was appointed as a Director.</p>
THE SIXTH 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 2023.
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the sixth meeting agenda.
The Results of the Voting	<p>Agree 3,142,195,586 99.79%</p>
	<p>Disagree 6,587,400 0.209%</p>
	<p>Abstain 3,500 0.0001%</p>
The Resolution of the Sixth Agenda	<p>a. 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.</p> <p>b. 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 2023 is the same amount with the previous financial year and/or with a maximum increase of 20% from the previous financial year.</p>
Implementation Status	Completed.

The Board of Directors who attended the AGMS on June 7, 2023 was as follows:

President Director	: Lucas Kurniawan
Vice President Director	: Geetha Govindan
Director	: Naga Waskita
Director	: Aloysius D'Cruz
Director	: Nopri Pitoy
Director	: Mohammad Fitriyansyah

The Board of Commissioners who attended the AGMS on June 7, 2023 was as follows:

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

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 (<i>acquies et de charge</i>) 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 (<i>acquies et de charge</i>) 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	<p>a. To approve the distribution of the net profit of the Company for the year ending on December 31, 2021, as follows:</p> <p>i. The Company will distribute cash dividends of IDR 43 (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).</p> <p>ii. The remaining balance will be recorded as retained earnings which will be used for the working capital of the Company.</p> <p>b. 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.</p>		
Implementation Status	Completed. The dividend was distributed to shareholders on July 8, 2022.		
THE THIRD AGENDA			
Agenda	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.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the third meeting agenda.		
The Results of the Voting	Agree	3,228,558,855	99.95%
	Disagree	-	-
	Abstain	1,585,600	0.05%
The Resolution of the Third Agenda	<p>a. 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.</p> <p>b. 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.</p> <p>c. 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.</p>		
Implementation Status	Completed.		

THE FOURTH AGENDA			
Agenda	Approval of change and/or reappointment of the members of the Board of Directors of the Company.		
Number of Shareholders Who Raised Queries and/or Opinions	There was no question on the fourth meeting agenda.		
The Results of the Voting	Agree	3,228,558,855	99.95%
	Disagree	-	-
	Abstain	1,585,600	0.05%
The Resolution of the Fourth Agenda	<p>a. To approve and reappoint of Mr. Naga Waskita as a Director of the Company effectively as of the closing of this Meeting.</p> <p>b. 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:</p> <p>Board of Commissioners:</p> <p>President Commissioner (Independent) : Mr. Adrianto Machribie</p> <p>Commissioner : Mr. George Santosa Tahija</p> <p>Commissioner : Mr. Sjakon George Tahija</p> <p>Commissioner : Mr. Anastasius Wahyuhadi</p> <p>Independent Commissioner : Mr. J. Kristiadi</p> <p>Independent Commissioner : Mr. Darwin Cyril Noerhadi</p> <p>Commissioner : Mrs. Istini Tatiek Siddharta</p> <p>Board of Directors:</p> <p>President Director : Mr. Lucas Kurniawan</p> <p>Vice President Director : Mr. Geetha Govindan K. Gopalakrishnan</p> <p>Director : Mr. Naga Waskita</p> <p>Director : Mr. Aloysius D'Cruz</p> <p>Director : Ms. Nopri Pitoy</p> <p>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, 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.</p> <p>c. 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.</p>		

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	a. 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. b. 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
 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

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.
- 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.

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.

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/en/boc.

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

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

- b. 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 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 seven Commissioners in 2023, including the President Commissioner, are 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 a new Commissioner, covering the Company, its business, the operating environment and their duties and responsibilities. The Company will conduct orientation when there is a new member of the Board of Commissioners.

Composition of the Board of Commissioners

The current Board members are confirmed pursuant to Notarial Deed No. 63 dated June 7, 2023. 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.01.09-0126196 dated June 12, 2023.

The Board of Commissioners as of December 31, 2023:

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	
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 62-68 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 is no change in the ownership of the Board of Commissioners of the Company's shares and there is no share transaction made by the Company's Board of Commissioners in 2023.

Policy on Loans to the Board of Commissioners

The Board of Commissioners and their families cannot 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 which aims to be implemented in 2024.

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 may provide a Power of Attorney to another Commissioner.

In the year ending December 31, 2023, the Board of Commissioners held six meetings and four other meetings which were held jointly with the Board of Directors.

Board of Commissioners' Meetings in 2023

Name	Position	1 Feb 15, 2023	2 Apr 13, 2023	3 May 10, 2023	4 Aug 16, 2023	5 Sep 14, 2023	6 Nov 22, 2023	No. of Meetings	Number Attended	Attendance Percentage
Adrianto Machribie	President Commissioner (Independent)	✓	✓	✓	✓	✓	✓	6	6	100%
George Santosa Tahija	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Sjakon George Tahija	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Anastasius Wahyuhadi	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
J. Kristiadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Darwin Cyril Noerhadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Istini Tatiek Siddharta	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%

BOC Meeting Agendas 2023

Date	Agenda
February 15, 2023	<ol style="list-style-type: none"> 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, 2023	<ol style="list-style-type: none"> 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 10, 2023	<ol style="list-style-type: none"> 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 16, 2023	<ol style="list-style-type: none"> 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 14, 2023	<ol style="list-style-type: none"> 1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
November 22, 2023	<ol style="list-style-type: none"> 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 2023 are provided on page 101 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 164-165 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.

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, 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 as well as 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.

Engineering and Security Director: Plans, coordinates, directs, controls, implements and evaluates operational tasks with respect to engineering, security and government relations aspects for 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/en/bod/.

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.
- b. The Nomination and Remuneration Committee also identifies criteria in terms of integrity, competence and the quality of the Board of Directors that are 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 from 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

The Corporate Secretary facilitates a comprehensive orientation for a new Director, covering the Company, its business, the operating environment and their duties and responsibilities. The Company will conduct orientation when there is a new member of the Board of Directors.

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.

Composition of the Board of Directors

The legal basis for the appointment of the current Board, shown below, is Notarial Deed No. 63 dated June 7, 2023. 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.01.09-0126196 dated June 12, 2023.

Board of Directors as of December 31, 2023

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
Mohammad Fitriyansyah	Director	AGMS 2023	AGMS 2028

Shareholding of the Board of Directors

- 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.
- The Company's share ownership by the members of the Board of Directors is aimed as a long-term investment. The members of 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 is no changes in the ownership of the Board of Directors of the Company's shares and there is no share transaction made by the Company's Board of Directors in 2023.

Policy on Loans to the Board of Directors

The Board of Directors and their families cannot 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 on an 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 thirds for the Board decision which aims to be implemented in 2024. 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 he or she is representing.

The Board of Directors held the following meetings in 2023:

- Meeting A: Combined meetings with the Board of Commissioners, at least once every three months. Four of these meetings were held in 2023.
- 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 2023 there were a total of 23 Board of Directors' meetings.

Meeting A in 2023

Name	Position	1 Feb 15, 2023	2 May 10, 2023	3 Aug 16, 2023	4 Nov 22, 2023	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	x	✓	✓	✓	4	3	75%
Nopri Pitoy	Director	✓	✓	✓	✓	4	4	100%
Mohammad Fitriyansyah*	Director	-	-	✓	✓	2	2	100%

*from June 2023

Joint Board Meeting Agendas 2023

Date	Agenda
February 15, 2023	<ul style="list-style-type: none"> Summary of Operational Performance – Palm Oil and Consolidated Financial Performance 2022. Risks and Opportunities Map – A Reassessment.
May 10, 2023	<ul style="list-style-type: none"> Oil Extraction Rate (OER) Analysis on Internal Fresh Fruit Bunch (FFB). Sago Project – Update. Executive Summary.
August 16, 2023	<ul style="list-style-type: none"> 6M2023 Performance Result and Latest Estimate 2023. Update from Strategic Meeting 2023. Executive Summary.
November 22, 2023	<ul style="list-style-type: none"> Business Segment Review 2023. Summary Budget Proposal Year 2024. Approval for Budget Proposal Year 2024. Executive Summary.

Meeting B in 2023

Name	Position	Number of Meetings	Total Attended	%Attended
Lucas Kurniawan	President Director	23	20	87%
Geetha Govindan	Vice President Director	23	21	91%
Naga Waskita	Director	23	18	78%
Aloysius D'Cruz	Director	23	18	78%
Nopri Pitoy	Director	23	20	87%
Mohammad Fitriyansyah*	Director	12	10	83%

*from June 2023

Competency Development of The Board of Directors

Details of the training and competency development for the Board of Directors in 2023 are provided in the Company Profile section of this Annual Report page 101-102.

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 include:

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.

While the Company believes that it has adequate diversity in the Board of Commissioners in terms of expertise/experience/education and age, it is the Company's intention to increase gender diversity of the Board of Commissioners without compromising the balanced mix of expertise/experience/education.

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 law.
2. Nationalities
The majority (more than 50% (fifty percent)) of the members of the Board of Directors shall be Indonesian.
3. Gender
The Company aims at having gender diversity in the Board of Directors.
4. Age
The Company aims at age diversity in the Board of Directors.
- e. The members of the Board of Directors who have expertise or work experience or education in the fields of engineering.

While the Company believes that it has adequate diversity in the Board of Directors in terms of expertise/experience/education, nationalities and age, it is the Company's intention to increase gender and nationality diversities of the Board of Directors without compromising the balanced mix of expertise/experience/education and manpower regulations.

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: <ol style="list-style-type: none"> 1. National and multinational companies; 2. Accounting firms in Indonesia; 3. Capital market authorities in Indonesia; and 4. Lecturers of leading universities in Indonesia.
Age	The age diversity of members of the Board of Commissioners is in a fairly productive and mature ages, ranging from 61 to 82 years old.
Gender	There is 1 (one) female Commissioner.

Diversity Aspects of Members of the Board of Directors

Nationality	Four members of the Board of Directors are Indonesian citizens and two members are Malaysian citizens.
Education	The level of education of the members of the Board of Directors includes Bachelor and Postgraduate degrees in accounting, agriculture, business management, law, science and engineering.
Work Experience	A diversity of working experience that includes members of the Board of Directors who have experiences or held senior positions in: <ol style="list-style-type: none"> 1. National and multinational companies, including those in the palm oil industry; 2. Accounting firms in Indonesia; and 3. Corporate law firms in Indonesia.
Age	The age diversity of members of the Board of Directors is in a fairly productive and mature ages, ranging from 49 to 74 years old.
Gender	There is 1 (one) female Director.

PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

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

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

1. Collegial performance assessment;
2. Individual 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 2023, 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.

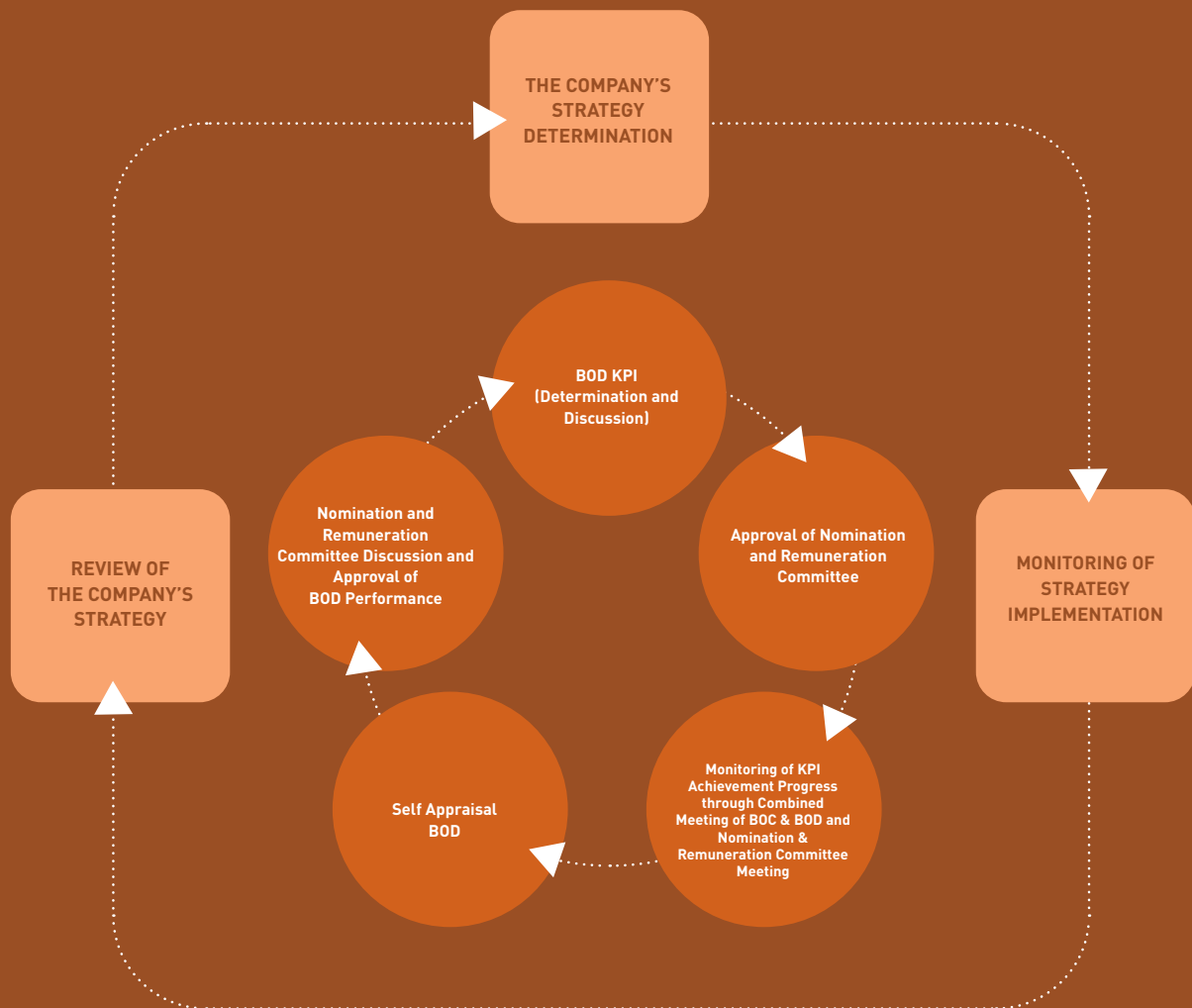
The final evaluation will be presented to the Nomination and Remuneration Committee in the Board of Commissioners meeting. The President Commissioner provides feedbacks or improvements on the assessment of the Board of Commissioners, if deemed necessary.

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 Board of Directors

1. Every year, key performance indicators (KPIs), which are linked to the corporate strategy and implementation plan, are assigned to each members of the Board of 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 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 remuneration policy also takes into consideration short and long-term requirements, capital adequacy and strength, financial stability, the creation of risk management effectiveness, as well as potential future revenues.

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 Structure of the Board of Commissioners and the Board of Directors

The remuneration structure of the Board of Commissioners and the Board of Directors are as follows:

1. Fixed remuneration: Remuneration that is unrelated to performance and risk, such as salary/ honorarium, facilities, housing allowance, health allowance, education allowance, transportation allowance and religious holidays allowance.
2. Variable remuneration: Remunerations provided in connection with performance and risks, such as bonuses, rewards/ performance incentives or any other similar forms.

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 reviews 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 formulates 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;
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 Commissioner.

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 2023 is amounted to USD 786,516.

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 are as follows:

1. The Nomination and Remuneration Committee reviews 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 formulates 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;
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. Transportation allowance; and
4. 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 long-term incentive programs in the form of the management stock options, long-term retainer bonus which is provided at a certain percentage of the Company's net profit and accumulated over a period of five years and enterprise value increase sharing plan. The long-term retainer bonus is paid at the end of the fifth year provided if the Director remains at the service with the Company. Both 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. The Company does not have a malus and clawback programs.

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 2023 is amounted to USD 6,945,663.

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

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

- There are no affiliations between any members of the Board of Directors.
- 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.
- Affiliations among members of the Board of Commissioners:
 - Commissioners Mr. George Santosa Tahija and Mr. Sjakon George Tahija are brothers.

Name	Board of Commissioners						Board of Directors						Controlling Shareholders	
	Adrianto Machribie	George Santosa Tahija	Sjakon George Tahija	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	✓											✓	
	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 AS WELL AS 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, 2023

Member	Position	Basis of Appointment	Period
Darwin Cyril Noerhadi	Chairman	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	2021 - 2026
Irawan Soerodjo	Member	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	2020 - 2025
Osman Sitorus	Member	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	2020 - 2025

The Profile of the Audit Committee



Darwin Cyril Noerhadi

Mr. Noerhadi was appointed as the chairman of the Audit Committee based on the Resolution of the Board of Commissioners No. 08/BOC/ANJ/GEN/2020 dated June 10, 2020 and he has reappointed for the second term of office as the chairman of the Audit Committee until 2026 following his terms as the Independent Commissioner of the Company. His profile can be seen in the Commissioners' profiles on page 67 of this Annual Report.



Irawan Soerodjo

Irawan Soerodjo

Indonesian Citizen, born in Banyuwangi in 1952 (aged 71)

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 Muhammadiyah University, Jember (1983-2010), Magister Notarial at Airlangga University, Surabaya (1999-present), Magister program at Pelita Harapan University, Jakarta (2000-present), Magister Notarial at University of Surabaya (2003-present), Magister Notarial at University of Jember (2014-present) and Faculty of Law at Dr. Soetomo University, Jakarta (2014-present).

Education: Mr. Soerodjo holds a law degree from the State University of Jember (1995), a notarial specialty from Gadjah Mada University (1981), a Master's degree from University of Indonesia (1999) and a Doctorate from Airlangga University, Surabaya (1999). He obtained his Professor of Law degree in 2019.

Basis of appointment as a member: Resolution Board of Commissioners No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023



Osman Sitorus

Osman Sitorus

Indonesian Citizen, born in North Sumatra in 1959 (aged 64)

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's 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 the President Commissioner (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 Sumatra in 1986 majoring in accounting.

Basis of appointment as a member: Resolution of the Board of Commissioners No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023

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 of them 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 his/her duties and responsibilities independently, objectively and professionally;
- d. None of the current Audit Committee members owns any shares in the Company and none has 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 periodical 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 ensure that the auditors' performance of audit procedures and audit reporting follow 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 review on the implementation of the audit by the internal auditors and supervises the implementation of follow-up actions by the Board of Directors on the findings of the internal auditors.
4. The Audit Committee is obliged to maintain the confidentiality of documents, data and information regarding the Company for an indefinite period of time.

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. Review and recommend a reasonable fees for external auditor services to the Board of Commissioners.
- e. 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.
- f. Conduct periodic reviews of the progress of the external auditors' work.
- g. If necessary, discuss the external auditor's audit results with management, external auditors and the Internal Audit Unit (IAU).
- h. Monitor the external auditor's performance to ensure that the external auditors' complies with applicable professional standards and maintain the external auditor's independence.
- i. 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 2023. Four meetings with the Internal Audit and three other meetings with the external auditor for the result and reports.

Audit Committee Meetings in 2023

Name	Position	No. of Meetings/No. Attended	% Attended
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 the Audit Committee in 2023.

Audit Committee Activities in 2023

The Audit Committee reviewed the following in 2023:

- 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 as well as reviews and makes recommendations on the remuneration for the senior management of ANJ and its subsidiaries.

The NRC was established in 2013 under the name of the Compensation and Benefit Committee and change its name to 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, 2023

Member	Position	Basis of Appointment	Period
Adrianto Machribie	Chairman	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	2020 - 2025
George Santosa Tahija	Member	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	2020 - 2025
Sjakon George Tahija	Member	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	2020 - 2025
Anastasius Wahyuhadi	Member	BOC Resolution No. 011/BOC/ANJ/GEN/2023 dated June 8, 2023	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 62-65 of this Annual Report.

Appointment of Nomination and Remuneration Committee Members

The NRC comprises a chairman and three other members, who are appointed for a term that runs until the fifth AGMS following their appointment, unless otherwise stated in the appointment document.

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

Independence of the Nomination and Remuneration Committee

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

Nomination and Remuneration Committee Charter

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

Duties and Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee, as stated in the Nomination and Remuneration Committee Charter, are as follows:

Nomination function:

- Provide recommendations to the Board of Commissioners relating to:
 - 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.
- Assist the Board of Commissioners in conducting performance evaluations of the Board of Directors and Board of Commissioners based on approved benchmarking.
- Provide recommendations to the Board of Commissioners relating to the capacity development of the Board of Directors and the Board of Commissioners.
- Propose qualified candidates for the Board of Directors and Board of Commissioners.
- Review and update the succession plan of the Board of Directors and Board of Commissioners.

Remuneration function:

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

Nomination and Remuneration Committee Meetings

As specified by its Charter, the Nomination and Remuneration Committee meets at least once every four months. Meetings may be held in person or by teleconference and there is a pre- approved agenda for each meeting. The Committee held four meetings in 2023.

Nomination and Remuneration Committee Meetings in 2023

Name	Position	No. of Meetings/No. Attended	% Attended
Adrianto Machribie	Chairman	4/4	100%
George Santosa Tahija	Member	4/4	100%
Sjakon George Tahija	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 2023.

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 2023

The Nomination and Remuneration Committee reports its activities to the Board of Commissioners at the Board of Commissioners' meetings. Its activities in 2023 included the following:

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

Risk Management Committee

The Risk Management Committee (RMC) was established in 2013 by a Resolution of the Board of Commissioners. The current structure, composition and basis of appointment of the RMC are stated in table below:

Risk Management Committee Composition as of December 31, 2023

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 62-66 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 ten meetings in 2023.

Risk Management Committee Meetings in 2023

Name	Position	No. of Meetings/No. Attended	% Attended
George Santosa Tahija	Chairman	9/10	90%
Adrianto Machribie	Member	10/10	100%
Anastasius Wahyuhadi	Member	10/10	100%
J. Kristiadi	Member	9/10	90%

Training and Development for Risk Management Committee Members

No training or development was provided for the Risk Management Committee in 2023.

Risk Management Committee Activities in 2023

The RMC communicated with management at least once a month, where possible, during 2023, either at meetings or by other means, to:

- 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;
- Identify and monitor any issues related to risk management and compliance that required the attention of the Board of Commissioners; and
- 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, 2023

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 64-68 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 2023.

Name	Position	No. of Meetings/No. Attended	% Attended
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 2023.

Corporate Social Responsibility and Sustainability Committee Activities in 2023

The CSRS Committee's activities in 2023 included reviewing and updating the following:

- The strategic direction of the Company's corporate social responsibility and sustainability program.
- The Company's Sustainability Policy.
- Company policies and practices relating to corporate social responsibility and sustainability, the environment, politics and government.
- 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 relate to the determination of the following year's objectives.

The performance assessment is conducted annually and includes the following criteria:

- Effectiveness of the Committee composition;
- Information to the Committee;
- Committee procedures, including effectiveness of the Committee meetings;
- Committee accountability;
- Standard of Conducts.

Evaluation Results in 2023

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 2023.

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 83 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.
- a. Engages in business:
 - Management consultancy activities; and
 - Real estate.

Board Composition

As of December 31, 2023, the members of the Board of Commissioners and Board of Directors of MDN were as follows:

Board of Commissioners

President Commissioner : Laurel Claire Pekar Tahija
Commissioner : Istini Tatiek Siddharta

Board of Directors

President Director : George Santosa Tahija
Director : Trihadi

The composition of the Board of Commissioners and the Board of Directors above was 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, 2023, 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 was 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 74 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 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:

- a. Ensuring full compliance with applicable laws and regulations, particularly the prevailing Indonesia Stock Exchange (IDX) and capital market regulations.
- b. 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.
- c. Providing input and recommendations to the Company's Board of Directors with respect to the Company's compliance with corporate governance.
- d. Liaising with and assuming responsibility for correspondence with the OJK, IDX and other relevant parties.
- e. Keeping abreast of developments and changes in capital market regulations.
- f. Giving input and recommendations to the Company's Board of Directors regarding legal matters of the Company and corporate action plans.
- g. Being responsible for organizing meetings of the Board of Directors, Board of Commissioners and shareholders, as well as the Company's annual public expose.

Training and Development for the Corporate Secretary

Details of the training and development undertaken by the Corporate Secretary in 2023 are provided on page 102 of this Annual Report.

Corporate Secretary Activities in 2023

The Corporate Secretary's activities in 2023 included the following:

- a. Ensured full compliance with the prevailing laws and regulations, particularly with Indonesia Stock Exchange (IDX) and capital market regulations.
- b. Provided input and recommendations to the Board of Directors in respect of the Company's compliance with applicable laws and regulations, particularly pertaining to the capital market.
- c. Liaised with and submitted the required reports and notices to the OJK, IDX and other relevant parties.
- d. Kept abreast of developments and changes in capital market and other regulations and communicated these to the Board of Directors.
- e. Gave input and recommendations to the Board of Directors regarding the Company's legal affairs and corporate action plans.
- f. 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.
- g. Convened the Annual General Meeting of Shareholders on June 7, 2023.
- h. Convened the Annual Public Expose on June 7, 2023.

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**

Christian Lunard Sitorus

Indonesian citizen, born in Pematang Siantar in 1970 (aged 53).

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 North Sumatra.

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 2023, 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 has professional internal audit qualifications, they all fulfill the Company's requirements regarding professionalism, integrity and technical knowledge and experience in relevant disciplines.

To enhance proficiency of the internal audit activity, the head of Internal Audit would encourage professional development of internal auditors, whether that occurs through on-the-job training, attendance at professional conferences and seminars, or encouraging the pursuit of professional certifications. As at December 31, 2023, The Internal Audit Unit has two persons who have 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 2023 are provided on page 103 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 verifying 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 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 2023

The Internal Audit Unit continued to focus on the most serious corporate risks in 2023, completing 69 audit projects, thus meeting the target of 62 projects specified in the work plan. The planned audits included the following:

- Harvesting, fertilization and laterization in PPM, PMP, ANJAS, SMM and GSB;
- Warehouse inventory and fixed assets at ANJA and KAL;
- Fire management, composting and bulking projects at KAL;
- Biogas at AANE;
- Land acquisition at GSB;
- Cooperation Operation (KSO), SIGAP application implementation and edamame processing at GMIT;
- Process mills at ANJAS, KAL and PMP;
- Sago harvesting and sago flour processing at ANJAP;
- Special assignments at transit tank of ANJAS, ANJAP, SMM and ANJAS; and
- Drip fertigation and composting consultancy assignments at ANJA, ANJAS and SMM.

Internal Audit Meetings

The Internal Audit held four meetings in 2023. The Internal Audit meetings are to present internal audit performance to the Audit Committee and the President Director. The Internal Audit meetings were held in March, June, September and December.

Internal Audit Unit Activities by Type

Activity	Planned	Realization
Follow up	1	1
Project Initiatives	8	17
Regular audit	24	24
Audit committee and training	16	14
Whistleblowing System	13	13
Total	62	69

Internal Audit Focus for 2024

The Internal Audit Unit will continue to focus on the Company's strategic objectives, capital expenditure and key risks. 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. Replanting project at ANJA
2. Harvesting at ANJAS, SMM, KAL and GSB;
3. Plant maintenance and land acquisition at GSB;
4. Cooperative Operation (KSO), edamame harvesting and maintenance at GMIT;
5. Edamame processing consultancy (frozen line) and preventive maintenance at GMIT;

6. Mill process at ANJA, ANJAS, KAL and SMM;
7. Consultancy on compost project, biobag application and drip fertigation at KAL;
8. Schools and employee cooperatives at ANJA, ANJAS and KAL.

In Region 3, the key audit areas will include:

1. Harvesting at PPM and PMP;
2. Mill process and palm kernel oil process di PMP; and
3. Sago harvesting and sago starch production at ANJAP.



EXTERNAL AUDIT



The Company's consolidated financial statements for the year ended December 31, 2023, were audited, for the seventh 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, 2019-2023

Tahun	Public Accountants	Signing Partner
2023	Siddharta Widjaja & Rekan	Susanto, S.E., CPA
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

Public Accountant's Fee

The fee paid for the audit of the consolidated financial statements of the Company for the year ended December 31, 2023 was IDR 4.7 billion.

Other Services Rendered

No other services rendered by the Public Accountant in 2023.

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 have been instilled throughout the organization and are regularly refreshed across all our operational sites through the activities of the internal audit, our internal promotion programs, our network of Value Champions and the whistleblowing system (see page 196 of this Report).
- **Risk Assessment:** Operational and strategic risks that could materially affect the Company's performance, prospects or reputation are identified, assessed and continuously monitored. Any change in the risk environment is immediately detected and analyzed.
- **Control Activities:** Internal control and operational activities are in place to mitigate the impact of potentially serious risks. These include the continuous strengthening of our procedures and policies according to the following principles: segregation of duties; limited access, authority and responsibility; adequate documentation; and a phased review system. All our internal control activities are designed to ensure that these internal control objectives are achieved.

- **Information and Communication:** Information related to the structures and status of the internal control system, including improvements and challenges, is communicated regularly through quarterly Audit Committee meetings, internal audit reports, management meetings and reports from the Value Champion team, as well as to relevant external stakeholders as necessary.
- **Monitoring Activities:** All the internal control components are regularly reviewed to ensure that they are present and functioning properly. If any deficiencies are found, the relevant managers are promptly informed so that they can take remedial actions.

Management's Evaluation of Internal Control Effectiveness In 2023

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 2023, including the following:

- Strengthening the capacity of the internal audit team through training based on the 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:

- a. Determine the corporate-wide risk exposures and appetite, as well as what opportunities, if any, that may rise from the risk itself;
- b. Formulate the corporate-wide strategic initiatives to manage the Company's exposure and mitigate severe impacts from the risks;
- c. Cascade and direct each business unit to make an internal assessment of its risks and control measures;
- d. 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
- e. 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 committed 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 2023 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
<p>CPO prices in the past few years have been fluctuative with high volatility and cyclicity. Naturally, the balance supply and demand of CPO would become the main key factor that could affect the CPO price. In addition, fluctuating weather patterns (such as dry spells or heavy rainfall) could affect palm oil production, which in turn affects prices. The dynamic global demand on other vegetable oils could also affect demand for CPO and influence the prices. Furthermore, the dynamic government regulation in palm oil including the biofuel mandates by the government of Indonesia, Malaysia and Thailand could also impact CPO prices.</p> <p>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; consumer awareness and preferences; as well as the global economy in general.</p> <p>In 2023, CPO price moved in a limited range of USD 700-900 per ton, after a positive movements in the last three years. Concerns about the impact of El Niño became major issue that affected the fluctuation of CPO price, although historically, the impact of El Niño will affect the palm oil production after six months to one year after that phenomenon occurred. Meanwhile, to support its green energy policy, the government of Indonesia has set to implement a B35 fuel policy in 2023. In the perspective of demand, this policy will increase domestic demand for CPO and will help in stabilizing the price.</p>	<p>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.</p> <p>We have been able to maintain our cash cost of CPO production within the range between USD 300/ton to USD 400/ton for the last 10 years despite inflation and increases in our input costs (such as wages, fuel price and fertilizer price) through agronomy innovation to increase the productivity and cost management.</p> <p>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:</p> <ol style="list-style-type: none"> 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; 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
<p>The most dominant material cost in agriculture is fertilizer and fuel. Fertilizer is required to ensure the plant gets the required nutrient to grow and produce in optimum level, where 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.</p> <p>Both the price of fertilizers and diesel fuels are affected by global supply-demand of petrochemicals, which is also high in price fluctuations.</p> <p>There are other factors affecting the price of petrochemical other than supply-demand balance: crude oil production quota agreement, 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.</p>	<p>We have been embarking on reducing the usage of diesel fuel and combining inorganic fertilizer with organic fertilizer. In aiming 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 believe organic fertilizer application from compost could maintain moisture and rejuvenate the soils, so dependency on chemical fertilizer could gradually be reduced.</p> <p>To reduce the dependency on fossil fuel, we improved the efficiency of biomass power plants by revamping the boiler turbine system for more efficient power generation and connected some of our locations with national grid system.</p> <p>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%.</p>

Increases in Labor Costs	
Risk	Mitigation
<p>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%.</p> <p>Ministry of Labor and Transmigration Law No.7/2013 stipulates that the minimum wage is determined and implemented annually by provincial governments based on the annual living cost conditions of each respective province. Further, Government Regulation No. 78/2015 specifies a measured annual wage increase based on current growth rates of inflation and gross domestic product.</p> <p>The government issued Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Perpu No. 2 of 2022 on Job Creation into Law. In Law No. 6 of 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.</p>	<p>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.</p> <p>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 Southwest Papua, we chose the most robust technology with automation possibility to reduce dependency on manual operation.</p> <p>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.</p> <p>All these initiatives have also helped to mitigate the challenge posed by skilled labor availability constraints in our operating areas.</p>
Fluctuation in Foreign Exchange Rates	
Risk	Mitigation
<p>Our financial reporting currency is the USD and our sales are primarily affected from the international market in USD or Malaysian Ringgit, whereas our expenditures, including labor costs, are primarily denominated in IDR. Due to this mismatch, any appreciation of the IDR against the dollar will reduce our net income and increase our expenditures in USD terms.</p> <p>In contrast, our subsidiaries that are still at the planting stage are required to use IDR as their operating currency, while their borrowing, if any, is denominated in either USD or IDR. Any appreciation of the dollar against the IDR will result in foreign exchange losses for these entities.</p>	<p>The 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 IDR needed for three months' operational expenses.</p> <p>Regarding cash holdings, our general policy is to hold enough IDR for two weeks' operational requirements, but we may increase our IDR cash holdings up to a maximum amount sufficient to cover up to three months' operational expenses, if we judge the future trend of the IDR to be unfavorable.</p> <p>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 IDR, we have converted their borrowings into IDR. While the interest rate for IDR borrowing is higher than for USD borrowing, we believe this policy enables us to measure currency risks and take action more promptly and effectively.</p>

Physical Climate Change (Adverse Weather, Crop Disease, Pests and Natural Disasters)

Risk	Mitigation
<p>We recognize that climate change has direct physical impacts on 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.</p> <p>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 causes changes of behavior by pollinator insects, which disrupt the pollination process causing imperfect forming of the fruit sets.</p> <p>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 wildfires spreading into the plantation.</p> <p>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.</p>	<p>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.</p> <p>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; 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.</p> <p>We have put investment in fire prevention and mitigation infrastructures in areas with historical risk of fire, such as wide closed canals across our boundaries, water reservoirs and fire towers. We have also leveraged the advantages of remote sensing technology, such as satellite data and drones, for early fire detection.</p> <p>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.</p>

Market, Regulatory and Transitional Risk of Climate Change

Risk	Mitigation
<p>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.</p> <p>Related to the palm oil industry, the transition risk might include:</p> <ol style="list-style-type: none"> 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 	<p>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.</p> <p>In order to mitigate this transition risk, we have conducted company rebranding in 2015 with brand focus on people and nature. We also revamped our Sustainability Policy in 2019 to realign our course of actions in achieving strategic objectives with ESG integration.</p> <p>We have consolidated our resources in a task force to conduct systematic ESG disclosures and performed public ESG rating in the year 2023. We achieved distinguished result in ESG disclosures and rating score, as one of the lowest ESG risk among our peers in palm oil industry.</p> <p>We set ourselves in ESG Ambition and Targets as integral part of our business strategy including road map to achieve net zero carbon by the year 2030.</p>

Difficulties in Attracting or Retaining Qualified Staff	
Risk	Mitigation
<p>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.</p> <p>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.</p>	<p>We review our remuneration and benefit programs on an ongoing basis and benchmark them against the market and seek to improve our performance-related pay program to help retain our employees and attract new candidates.</p> <p>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.</p> <p>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. We also leveraged the technology to have virtual training to ensure that our development program can reach every level of our employees spread from west to east Indonesia.</p>
Transportation or logistics disruptions or mishaps	
Risk	Mitigation
<p>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.</p> <p>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.</p>	<p>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.</p> <p>We also rent storage facilities in Dumai, Sumatera to enable us to export our product to foreign buyers requiring volumes that are economically sizeable enough for shipment.</p>
Delays in Land Compensation in Developing Plantations	
Risk	Mitigation
<p>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 therefore time-consuming, affecting the plantation's development and operation timeline.</p>	<p>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.</p>

We completed the land compensation process for our Southwest Papua landbanks in 2017. Land compensation at our South Sumatra landbank is still ongoing, and we are following the principles stated above to develop a mutually agreeable land compensation plan.

In all of our land compensation process, we seek to adhere to RSPO Guidelines and follow the principle of Free, Prior and Informed Consent (FPIC) that are well documented for future accountability.

Community Social Conflict and Land Disputes

Risk	Mitigation
Even after land has been acquired for a plantation or other uses, plantation owners commonly face contested land claims from people living or working on such land and are required to negotiate the payment of compensation with such claimants. Resolving such contested land rights issues can be a difficult and time-consuming process.	We seek to build and maintain positive community relationships based on mutual benefit and respect, and ensure that we use fair processes and proper administration procedures. We are implementing sustainable corporate social responsibility initiatives to support social and economic development in the communities close to our business operations. We also cooperate with NGOs on community development and environmental management and welcome input from various organizations to improve our programs. Through our CID department, we engage in regular communication and dialogue with community members to communicate the benefits of the Company's presence and hear their concerns.

Low Community Understanding of Our Plasma Program Activities

Risk	Mitigation
Under the Indonesian Government's Plasma Program, oil palm plantation companies who obtained a plantation business license (IUP) since 2007 must develop part of the plantation to be operated by local smallholders. Accordingly, our West Kalimantan and Southwest Papua Plantations currently have a plasma program. In developing our South Sumatra landbanks, 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 2023 86% of our plasma and partnership have received RSPO certification. Furthermore, we are working to assist our plasma and partnership with smallholder farmers in gaining ISPO certification.



MATERIAL LITIGATION

In 2023, the Company, its subsidiaries and members of the Board of Commissioners and the Board of Directors of the Company and its subsidiaries, were not involved in any material cases involving civil, criminal, bankruptcy, taxation or arbitration proceedings with any court or arbitration board that would have materially affected the Company or posed a risk to the continuity of the business if the court had found against either the Company or the Board of Commissioners or Board of Directors.

LAND TITLE CLAIMS

Up to the end of 2023, there were no major outstanding land title claims against the Company.

ADMINISTRATIVE SANCTIONS

The Company, its subsidiaries and members of the Board of Commissioners and the Board of Directors were not subject to any administrative sanctions from the capital market authorities or any other authorities in 2023.

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 2023.

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 as well as 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 distinct division between personal interests and the interests of the Company and avoids any situation which may result in or be perceived as a conflict of interest between the interests of the Company and personal interests.

- **Use and maintenance of Company property**

All employees are responsible for maintaining and using the Company's property and internal information efficiently, effectively and solely to achieve the objectives of the Company in accordance with the prevailing rules.

- **Company information and financial disclosure**

The Company does not provide internal information (including but not limited to the business strategies, contracts to be executed, products to be launched, research results, information on customers or suppliers, acquisitions or divestments and financial data) which has not yet been made available to the public to parties outside of the Company or to unauthorized parties within the Company without the prior approval of an authorized Director.

The Company also will not manipulate accounting treatments, records or preparations of financial statements of the Company. All financial statements of the Company, accounting records,

research reports, sale reports, records on liabilities, production reports, reports on the entry of employees and other reports will always be prepared based on accurate and complete data which clearly represent the relevant facts or the true nature of the transactions.

- **Relationships with investors and the media**

The Company will:

1. Not provide information on behalf of the Company to any party (including, among others, the shareholders, share agents, investment analysts, candidate investors and the mass media) if we are not so authorized.
2. We will 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 2023, the Company has conducted 12 (twelve) socializations or refreshments of the Code to all employees and vendors of the Company. The socializations were conducted by face-to-face meeting, poster and/or pamphlet. The materials are also uploaded on the internal system of the Company and the website of the Company to make it easily accessible by employees.

Company-Wide Application of the Code of Ethics on Business Conduct

The Code applies equally and without exception to all employees and management of the Company, including the Board of Commissioners and the Board of Directors, as stated in their respective Charters. The Code notes that everyone in the organization is collectively responsible for upholding the values and principles in the Code of Ethics in their interactions and transactions with all customers, vendors and shareholders. In addition, the guidance on the ANJ Values notes that every leader and employee at ANJ must internalize and practice the corporate culture on a daily basis.

The Code also applies, where relevant, to our investors, stakeholders and business partners, including contractors and vendors.

Disciplinary Policy

The Company may impose the following sanctions for misconduct or violations of the Code, in order of severity:

1. First warning letter.
2. Second warning letter.
3. Final warning letter.
4. Suspension.
5. Dismissal.

Breaches of the Code of Ethics and Sanctions Imposed in 2023

The following Code violations were substantiated in 2023:

1. Fraud.
2. Grievance.

With regard to the violations above, the Company imposed the following sanctions:

1. Warning letter.
2. Termination of employment.

CORPORATE CULTURE

Value Champions

ANJ aspires to create a corporate culture based on our three core values of Integrity, Respect for People and the Environment as well as Continuous Improvement. These three values provide the foundation for all our objectives, policies and operations. At each of our offices and estates, we have appointed one to three Value Champions who, in addition to their regular work for the Company, also help to model and communicate the values to their co-workers. In this way, we aim to ensure that the values are internalized and upheld across the organization. When necessary, they also serve as intermediaries between management and employees, for example, by facilitating employees in making complaints, voicing grievances or

finding appropriate assistance. There were a total of 35 Value Champions in the Company by the end of 2023.

The Value Champions submit monthly reports on their observations of actions and behaviors that either embody or conflict with the core values. These reports are reviewed, analyzed and consolidated by an organizing committee and the analysis is forwarded to the Company's 'Value Guardians', currently Commissioners George Santosa Tahija and Anastasius Wahyuhadi, who may take further action if warranted. Value Champions are also responsible for reporting immediately any action or conduct that requires urgent attention.

WHISTLEBLOWING SYSTEM

The Company does not tolerate breaches of the Code of Ethics or the corporate values or any other misconduct in the form of fraud, corruption, abuse or violation of any laws and regulations. We are striving to create a transparent, supportive and proactive corporate culture in which employees and business partners can feel confident about reporting such misconduct without fear of reprisal, provided that such reports are made in good faith and in the best interests of the Company. The Company's whistleblowing system (WBS) provides a secure, confidential channel for anyone to report suspected misconduct.

Information about the WBS, which was launched in May 2016, is disseminated to all employees at all of the Company's estates and offices during inductions and through refresher sessions on the Code and Corporate Values. During site visits, the internal auditors also ensure that employees are aware of and understand the WBS and distribute cards with the hotline numbers. Vendors are informed about the WBS during briefings.



Procedure for Reporting Misconduct

Informants can contact the WBS Reporter Protection Unit via one of the following dedicated email or phone/ SMS hotlines, stating the initial indication of misconduct and supporting evidence:

1. Email: beranibicara@anj-group.com
2. Phone/SMS/WhatsApp: 0815 1600 100

Protection for Whistleblowers

The WBS protects informants against retaliation by:

1. Keeping the identity of the informant confidential.
2. Keeping the reported information secure and confidential.
3. Protecting informants against reprisals from any party implicated in the report.

Handling of Whistleblower Reports

1. The WBS Informant Protection Team (an independent representative of the Internal Audit Unit) analyses and verifies the incoming report and then assesses whether further investigation is required.
2. If further investigation is required, the case is escalated to the WBS Follow-up Team (part of the Internal Audit Unit). This Team assigns a team to investigate, which could be led by the IAU, by the Legal Director or through joint efforts with external investigators. After conducting its investigation, the team makes a report on its findings. If the case

does not involve the President Director, this report is submitted to the President Director, the Board of Commissioners and the Audit Committee. However, if the President Director is involved, the report is sent directly to the Board of Commissioners and the Audit Committee, bypassing the President Director.

3. A Supervisory Team, consisting of the Board of Commissioners, the President Director and the Audit Committee, reviews the report and gives its considerations on the action to be taken.

Whistleblowing System Manager

The Whistleblowing System Manager and Investigator is the Internal Audit Unit. The President Director, selected members of the Board of Commissioners and the Audit Committee function as the Supervisory Team.

Whistleblowing Reports in 2023

In 2023, a total of 13 reports were received through the WBS. A total of 12 reports were grievances from stakeholders and have been managed by the relevant departments. One case was confirmed and subsequently followed up and investigated by the Internal Audit Unit. The Internal Audit then passed the report to the Commissioners, the President Director and the Audit Committee for review. Misconduct was proven in the only one case that was reported. The management has implemented the necessary mitigation plan and enhanced the internal system to prevent the recurrence of the same issue in the future.

Description	2023	2022
Related to Fraud	1	6
Proven	1	2
On Progress	-	1
Not Proven	-	3
Related to Compliance	-	3
Related to Code of Ethics	-	1
Related to Grievance	12	12
Total Report Received	13	22

EMPLOYEE SHARE ALLOCATION PROGRAM/ MANAGEMENT SHARE OWNERSHIP PROGRAM (ESOP/ MSOP) EMPLOYEE STOCK ALLOCATION PROGRAM

Following the Company's initial public offering (IPO) in 2013, the shareholders gave their approval for a share ownership program for selected employees, including managers and assistant managers, who met certain administrative requirements specified by the Company.

The Employee Stock Allocation Program (ESAP) offered its participants a fixed allotment of up to 1% of the shares offered in the IPO, in accordance with Bapepam-LK Regulation No.IX.A.7. During the IPO, the Company sold shares to ESAP participants at a 20% discount from the offer price. To finance the purchase of the shares allocated to them, participants were offered loans from the Company on the condition that the loans were repaid in four annual installments with funds deducted from the participants' bonuses.

A lock-up period of at least 12 months from the listing date was imposed on the ESAP shares or until the participant's loan had been repaid in full, after which they were allowed to sell or otherwise transfer, their ESAP shares. Participants who resigned from the scheme before their loan was fully repaid were allowed to sell or transfer their shares and then repay their ESAP loan in full. All ESAP loans were fully repaid by the end of 2017.

Management Stock Option Plan

The shareholders also approved a Management Stock Option Plan (MSOP) in 2013 for senior management and directors, including the management and directors of ANJ's subsidiaries. Like the ESAP, the MSOP gave participants an option to buy shares in the Company, in the future, at a predetermined price. The maximum number of new shares that the Company was able to issue was 1.5% of the Company's subscribed and paid-up capital following the Company's initial public offering.

Complying with the Indonesian Stock Exchange (IDX) rules, the exercise price of the options was at least 90% of the average closing price of the shares over the 25 trading days before the stock option implementation plan was reported to the exchange. The terms and conditions for exercising the MSOP options were determined by the Board of Directors with due observance of the prevailing laws and regulations.

The stock options were granted as follows: 40% on the first anniversary of the Company's IPO (Cycle I); 30% on the second anniversary (Cycle II) and 30% on the third anniversary (Cycle III). They were valid for a period of three years after issue, which included a one-year vesting period from the date of issue, during which option holders were not entitled to exercise the options.

Once the vesting period expired, the options could be exercised at specified periods of up to 25 trading days, which occurred up to two times per year for each cycle. The first window in Cycle I for MSOP options to be exercised was opened on November 3, 2014, when 40% of the stock options (equivalent to 20,000,000 shares) were made available to be exercised. At that time, participants exercised a total of 1,550,000 shares, at an exercise price of IDR 1,095 per share. The IDX was notified of the exercise of the options on December 8, 2014.

In 2015, there were two windows during which options could be exercised from May 8 to June 15 and from November 2 to 4 December. While no Cycle I or Cycle II options were exercised during the first period, a total of 325,000 Cycle I options and 300,000 Cycle II options were exercised in the second period, all at an exercise price of IDR 1,095 per share. The Company notified the IDX of the exercise of the options on June 17, 2015 and December 8, 2015.

The Company opened two more windows for options to be exercised in 2016, from May 9 to June 10 and from November 1 to December 5. A total of 8,750,000 Cycle II options and 9,900,000 Cycle III options were exercised during the first period, all at an exercise price of IDR 1,095 per share. No Cycle II or Cycle III options were exercised during the second period. The Company notified the IDX of the exercise of the options on June 15, 2016 and December 7, 2016, respectively.

In 2017, two more windows for options to be exercised were opened, from May 3 to June 9 and from November 1 to December 6. No Cycle II or Cycle III options were exercised during either period. The Company notified the IDX on June 13, 2017 and December 7, 2017, respectively. No more windows for options were opened after December 2017.

Employee Stock Option Plan or Employee Stock Purchase Plan

On June 1, 2016, the Company's AGMS approved the transfer of a maximum of 63,000,000 treasury stocks, through an Employee Stock Option Plan or Employee

Stock Purchase Plan, to the Directors and certain employees of the Company. The sale price of the treasury stock to said Directors and employees was IDR 1,271 per share. On June 23, 2016, the Company completed the transfer of 15,000,000 shares to the Directors and certain employees of the Company.

ANTI-CORRUPTION AND GRATUITY CONTROL POLICIES

Program and Procedure

The Company has policies on prohibiting corruption, including insider trading and the giving/receiving of gratuities from external parties. The above mentioned policies are stipulated in the Code of Ethics on Business Conduct of the Company. The Company also has a longstanding practice of having all employees of the Company and all vendors of the Company 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 2023, the Company has conducted 12 (twelve) 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.

PARTICIPATION IN POLITICAL ACTIVITIES

In accordance with our Code of Ethics, the Company is committed to not involving in political activities or political parties and prohibiting our employees from conducting political activities in the Company's premise or engaging in political activities that could give rise to the perception that the employee is acting on behalf of the Company. The Company does not provide funds for political activities or parties and is committed to disclosing this information to the public if we do otherwise.

In 2023, the Company, its subsidiaries and members of the Board of Commissioners and the Board of Directors of the Company and its subsidiaries asserts our commitment to refraining from engaging in any political activities particularly sponsoring certain political parties.

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 throughout the Group and consistently complies with the provisions of the prevailing tax laws and regulations, including by submitting tax returns accurately and on time.

Collectively, the current members of the Board of Commissioners and the Board of Directors 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 Information Technology Governance;
2. Policy for Application of IT Security Configuration Standards and implementation;
3. Policy for Internet Access Use;
4. Policy for Information Security; and
5. 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 2023 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 Commissioners, 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 Relation; Corporate Communication

E-mail: corsec@anj-group.com; investor.relations@anj-group.com

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES

The Company's compliance with the Corporate Governance Aspects and Principles specified in the provisions of OJK Regulation No.21/ POJK.04/2015 is outlined in the following table.

Principle	Recommendation	Status
Aspect 1: Relations between Public Companies and Shareholders in Assuring Shareholders' Rights		
Principle 1 Increase the value of the general meetings of shareholders (GMS)	Companies should have procedures for voting, whether open or closed, that protect the shareholders' independence and interests.	Status: Fulfilled. The voting procedure is stated in the GMS rules distributed to shareholders at each GMS.
	All members of the Board of Directors and Board of Commissioners attend the annual general meeting of shareholders.	Status: Fulfilled. All members of the Board of Directors and Board of Commissioners attended the GMS.
	A summary of the minutes of AGMS should be available on the Company's website for at least one year.	Status: Fulfilled. Minutes are available at www.anj-group.com indefinitely.
Principle 2 Strengthen the quality of communications between public companies and their shareholders or investors.	Companies should have a policy on communications with their shareholders or investors.	Status: Fulfilled. The basic principles are stated in the Company's Code of Ethics on Business Conduct. The Corporate Secretary functions as a contact person to shareholders or investors for any question they have.
	The communications policy should be disclosed on the website.	Status: Fulfilled. The Company's Code of Ethics on Business Conduct is available on the website. The Company publishes Investor Newsletters accompanying its Quarterly Financial Statements. The Company fulfills all regulatory requirements of disclosures on its website.
Aspect 2: Function and Role of the Board of Commissioners		
Principle 3 Strengthen the membership and composition of the Board of Commissioners	The condition of the Company determination should be considered in determining the number of members of the Board of Commissioners.	Status: Fulfilled.
	The composition of the Board of Commissioners should take into account the range of expertise, knowledge and experience required by the Company.	Status: Fulfilled.
Principle 4 Strengthen the quality of execution of the Board of Commissioners' duties and responsibilities.	The Board of Commissioners should have a policy on self-assessment to evaluate its performance.	Status: Fulfilled. The Board has a policy on annual self-assessment.
	The self-assessment policy should be disclosed in the Company's annual report.	Status: Fulfilled.
	The Board of Commissioners should have a policy on the resignation of board members who are involved in financial crimes.	Status: Fulfilled. Members of the Board are subject to the Company's Code of Ethics and are required to obey all prevailing laws and regulations.
	The Board of Commissioners or the committee that performs the nomination and remuneration functions should have a succession policy for members of the Board of Directors.	Status: Fulfilled. We established a succession committee in 2015 to identify and train potential leadership candidates. The succession policy is described in the 'Nomination and Remuneration Committee' subsection of this Report.

Principle	Recommendation	Status
Aspect 3: Function and Role of the Board of Directors		
Principle 5 Strengthen the membership and composition of the Board of Directors.	The condition of the Company and effectiveness in decision making should be considered in determining the number of members of the Board of Directors.	Status: Fulfilled.
	The composition of the Board of Directors should take into account the range of expertise, knowledge and experience required by the Company.	Status: Fulfilled.
	Members of the Board of Directors who are in charge of accounting or finance functions should have expertise in and/or knowledge of accounting.	Status: Fulfilled.
Principle 6 Strengthen the quality of execution of the Board of Directors' duties and responsibilities.	The Board of Directors should have a policy on self-assessment to evaluate its performance.	Status: Fulfilled. The Board of Directors conducts an annual self-assessment based on their KPIs and the results are reviewed by the Nomination and Remuneration Committee.
	The self-assessment policy should be disclosed in the company's annual report.	Status: Fulfilled.
	The Board of Directors should have a policy on the resignation of board members who are involved in financial crimes.	Status: Fulfilled. Members of the Board of Directors are subject to the Company's Code of Ethics and are required to obey all prevailing laws and regulations.
Aspect 4: Stakeholder Participation		
Principle 7 Strengthen corporate governance through stakeholder participation.	Companies should have a policy on preventing insider trading.	Status: Fulfilled. The policy is stated in the Company's Code of Ethics.
	Companies should have anti-corruption and antifraud policies.	Status: Fulfilled. The policy is an integral part of the Company's Code of Ethics and all employees and suppliers sign an integrity pact.
	Companies should have a policy on vendor/supplier selection and improvement.	Status: Partly fulfilled. We have a policy on supplier selection, but not on supplier/vendor capacity improvement. However, we do implement several capacity improvement initiatives for our suppliers.
	Companies should have a policy on fulfilling creditors' rights.	Status: Fulfilled. The policy is stated in this Report.
	Companies should have a whistleblowing policy.	Status: Fulfilled. Our whistleblowing system is described in the GCG chapter of this Report.
Aspect 5: Information Disclosure		
Principle 8 Strengthen information disclosure.	Companies should make use of a range of information technology (in addition to their websites) as a means of disclosing information.	Status: Fulfilled. We use the ANJ website, the Indonesia Stock Exchange website and e-mail communications for disclosures.
	The Company's annual report should disclose the ultimate beneficial owners of shareholdings of 5% (five percent) or more of their shares, in addition to disclosing the ultimate beneficial owners of shareholdings in the company through the ultimate and controlling shareholders.	Status: Fulfilled. The information is presented in the Company Profile chapter of this Report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is reported in our Sustainability Report 2023 which is available on our website at



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





CONSOLIDATED FINANCIAL STATEMENTS



PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

**PT AUSTINDO NUSANTARA JAYA Tbk
AND SUBSIDIARIES**

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ANJ

**THE DIRECTORS' STATEMENT OF RESPONSIBILITY
FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES**

We, the undersigned:

- | | | |
|------------------------|---|---|
| 1. Name | : | Lucas Kurniawan |
| Office address | : | Menara BTPN 40 th 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 7 th 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.

29 February 2024

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

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PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2023 AND 2022

	Notes	31 December 2023 US\$	31 December 2022 US\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	5,852,646	10,820,724
Investment in marketable securities	6	490,209	490,209
Receivable from service concession arrangement- current	43	86,614	74,585
Trade accounts receivable	7	590,958	1,292,435
Other receivables	8	779,250	524,143
Inventories	9	13,004,641	16,661,133
Biological assets	11	3,414,702	4,067,927
Prepayments and advances	10	30,759,256	25,216,810
Total Current Assets		54,978,276	59,147,966
NON-CURRENT ASSETS			
Long-term receivable from service concession arrangement	43	483,686	558,880
Investments in equity securities	12	4,188,051	4,162,556
Deferred tax assets	37	2,068,473	1,115,132
Bearer plants	13	280,531,904	291,397,955
Property, plant and equipment	14	215,461,233	206,017,356
Intangible assets	15	971,911	1,038,593
Right of use assets	16	392,778	998,565
Advances	17	11,573,514	10,785,839
Goodwill	18	4,967,256	4,967,256
Claims for tax refund	19	11,421,743	5,139,756
Other non-current assets	20	27,033,435	17,260,620
Total Non-current Assets		559,093,984	543,442,508
TOTAL ASSETS		614,072,260	602,590,474
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	21	23,251,634	4,635,687
Trade accounts payable	22	6,141,049	6,317,320
Taxes payable	23	2,620,709	4,213,109
Other payables	24	8,713,709	12,865,634
Accrued expenses	25	5,776,300	6,779,661
Long term bank loan - current maturities	21	5,806,250	4,600,000
Lease liabilities - current maturities	16	304,924	822,607
Provision for service concession arrangement - current maturities	43	147,095	236,067
TOTAL CURRENT LIABILITIES		52,761,670	40,470,085
NON-CURRENT LIABILITIES			
Long-term bank loans - net of current maturities	21	121,884,725	125,006,648
Lease liabilities - net of current maturities	16	19,868	264,475
Provision for service concession arrangement - net of current maturities	43	241,553	300,798
Deferred tax liabilities	37	176,938	781,200
Employee benefits obligation	26	13,661,823	11,656,078
TOTAL NON-CURRENT LIABILITIES		135,984,907	138,009,199
TOTAL LIABILITIES		188,746,577	178,479,284
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 2023 and 2022	27	46,735,308	46,735,308
Additional paid in capital	28	48,902,344	49,890,831
Treasury stock	1c, 27	-	(1,973,591)
Difference in value due to changes in equity of subsidiaries	29	30,706,366	30,706,366
Other reserves	12,29	(46,617,492)	(50,768,552)
Retained earnings			
Appropriated		6,824,453	6,824,453
Unappropriated		337,345,271	340,591,048
Equity attributable to the owners of the Company		423,896,250	422,005,863
Non-controlling interests	30	1,429,433	2,105,327
TOTAL EQUITY		425,325,683	424,111,190
TOTAL LIABILITIES AND EQUITY		614,072,260	602,590,474

See accompanying notes to the consolidated financial statements which are an integral part of the consolidated financial statements

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEARS ENDED 31 DECEMBER 2023 AND 2022

	Notes	Year ended 31 December	
		2023 US\$	2022 US\$
Revenue	31	236,511,703	269,166,721
Cost of revenue	32	(204,952,841)	(215,294,824)
GROSS PROFIT		31,558,862	53,871,897
Dividend income		498,784	640,276
Foreign exchange gain (loss), net	45	175,665	(2,583,039)
Selling expenses		(656,377)	(605,092)
Personnel expenses	33	(10,455,863)	(9,425,138)
General and administrative expenses	34	(4,369,316)	(4,884,338)
Other income, net	36	2,367,298	2,262,677
OPERATING PROFIT		19,119,053	39,277,243
Finance costs, net	35	(9,551,328)	(4,769,432)
PROFIT BEFORE TAX		9,567,725	34,507,811
Income tax expense	37	(7,666,071)	(13,352,523)
PROFIT FOR THE YEAR		1,901,654	21,155,288
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Change in fair value of investments in equity securities	12	25,495	3,026,771
Gain on sale of investment in equity securities		-	81,314
Change resulting from actuarial remeasurements of post-employment benefits obligation	26	471,121	1,810,514
Income tax on items that will not be reclassified to profit or loss	37	(109,256)	(364,915)
Total		387,360	4,553,684
Items that will be reclassified subsequently to profit or loss:			
Foreign exchange differentials from translation of subsidiaries' financial statements		4,179,657	(19,599,894)
Total		4,179,657	(19,599,894)
OTHER COMPREHENSIVE INCOME, NET OF TAX		4,567,017	(15,046,210)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,468,671	6,109,078
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		2,626,343	21,721,276
Non-controlling interests	30	(724,689)	(565,988)
		1,901,654	21,155,288
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		7,144,565	6,872,372
Non-controlling interests	30	(675,894)	(763,294)
		6,468,671	6,109,078
EARNING PER SHARE			
Basic earning per share	38	0.0008	0.0065
Diluted earning per share		0.0008	0.0065

See Notes to the Consolidated Financial Statements, which form 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 2023 AND 2022

Notes	Capital stock US\$	Additional paid in capital US\$	Treasury stock US\$	Difference in value due to changes in equity of subsidiaries US\$	Other Comprehensive Income		Retained Earnings		Equity attributable to the owners of the Company US\$	Non-controlling interests US\$	Total equity US\$
					Revaluation of investment in equity securities US\$	Translation adjustments US\$	Appropriated US\$	Unappropriated US\$			
Balance as of 31 December 2021	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, net of tax	26	-	-	-	-	-	-	1,806,880	1,806,880	3,634	1,810,514
Changes in fair value of investments in available-for-sale financial assets	12	-	-	-	3,026,771	-	-	-	3,026,771	-	3,026,771
Income tax on items that will not be reclassified to profit or loss	37	-	-	-	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
Sales of treasury stock	-	(988,487)	1,973,591	-	-	-	-	-	985,104	-	985,104
Profit for the year	-	-	-	-	-	-	-	2,626,343	2,626,343	(724,689)	1,901,654
Other comprehensive income:											
Changes resulting from actuarial remeasurements of post employment benefit obligation, net of tax	26	-	-	-	-	-	-	470,721	470,721	400	471,121
Changes in fair value of investments in equity securities	12	-	-	-	25,495	-	-	-	25,495	-	25,495
Income tax on items that will not be reclassified to profit or loss	37	-	-	-	(5,609)	-	-	(103,559)	(109,168)	(88)	(109,256)
Difference in translations of subsidiaries' financial statements in foreign currencies	29	-	-	-	-	4,131,174	-	-	4,131,174	48,483	4,179,657
Cash dividend	39	-	-	-	-	-	-	(6,239,282)	(6,239,282)	-	(6,239,282)
Balance as of 31 December 2023	46,735,308	48,902,344	-	30,706,366	2,739,707	(49,357,199)	6,824,453	337,345,271	423,896,250	1,429,433	425,325,683

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

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2023 AND 2022

	Year ended 31 December	
	2023	2022
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	231,047,380	273,148,978
Cash received from interest income	26,451	265,421
Cash received from income tax refund	163,080	260,682
Cash received from VAT refund	3,555,119	5,057,283
Payment of employee benefits and contribution to pension fund	(648,199)	(1,235,759)
Income taxes paid	(11,575,977)	(18,536,217)
Payments to employees	(47,601,151)	(44,141,681)
Payments to suppliers	(116,540,482)	(139,513,542)
Payments for other operating activities	(21,780,895)	(15,309,708)
Net cash provided by operating activities	36,645,326	59,995,457
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	498,784	640,276
Proceeds from sale/deduction of property, plant and equipment	180,003	711,267
Proceeds from sale investment in equity securities	-	5,500,000
Acquisition of property, plant and equipment	(20,699,972)	(16,155,639)
Additions of bearer plants	(13,282,442)	(17,471,540)
Additions of advances	(1,304,818)	(648,668)
Acquisitions of intangible assets	(6,045)	(210,376)
Acquisition of other non-current assets	(6,628,577)	(5,545,368)
Net cash used in investing activities	(41,243,067)	(33,180,048)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for loan interest expenses	(9,648,476)	(4,933,671)
Payment of cash dividends	(6,239,282)	(9,666,022)
Sale of treasury stock	985,104	1,361,940
Lease liabilities payment	(978,219)	(931,730)
Proceeds from short-term bank loans	64,883,886	12,266,355
Payment of short-term bank loans	(46,209,160)	(9,568,747)
Proceeds from long-term bank loans	1,435,810	20,000,000
Payment of long-term bank loans	(4,600,000)	(51,428,428)
Payment for deferred financing costs	-	(235,807)
Net cash used in financing activities	(370,337)	(43,136,110)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,968,078)	(16,320,701)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,820,724	27,141,425
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,852,646	10,820,724

See accompanying notes to the consolidated financial statements which are an integral part of the 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 and horticultural agriculture as well as renewable energy.

As of 31 December 2023 and 2022, the Company and its subsidiaries (the Group) had 9,272 and 8,812 permanent employees (unaudited), respectively.

The Company is majority owned by PT Austindo Kencana Jaya and PT Memimpin Dengan Nurani which are the ultimate parent of the group. PT Austindo Kencana Jaya and PT Memimpin Dengan Nurani are owned by Dr. Sjakon George Tahija and Mr. George Santosa Tahija as the ultimate shareholders. 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.

Based on Deed No. 63 of Notary Christina Dwi Utami, S.H., M.Hum, M.Kn., dated 7 June 2023, the Company's shareholders approved the resignation of Mr. Istama Tatang Siddharta as the Company's Commissioner and the appointment of Mr. Mohammad Fitriyansyah as the Company's Director effective from 7 June 2023. The deed was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia and accepted in its Decision Letter No. AHU-AH.01.09-0126196 dated 12 June 2023.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2023 AND 2022

1. GENERAL (Continued)

a. Establishment and General Information (Continued)

As of 31 December 2023 and 2022, the composition of the Company's Board of Commissioners and Board of Directors are as follows:

	31 December 2023	31 December 2022
President Commissioner	Mr. Adrianto Machribie Reksohadiprodjo	Mr. Adrianto Machribie Reksohadiprodjo
Commissioners	Mr. George Santosa Tahija Mr. Sjakon George Tahija Mr. Anastasius Wahyuhadi Mr. Josep Kristiadi Mr. Darwin Cyril Noerhadi Mrs. Istini Tatiek Siddharta	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	Mr. Lucas Kurniawan
Vice President Director	Mr. Geetha Govindan Kunnath Gopalakrishnan	Mr. Geetha Govindan Kunnath Gopalakrishnan
Director	Mr. Naga Waskita Mr. Aloysius D'Cruz Ms. Nopri Pitoy Mr. Mohammad Fitriyansyah	Mr. Naga Waskita Mr. Aloysius D'Cruz Ms. Nopri Pitoy

Group paid benefits to its key management personnel as follows:

	2023	2022
	US\$	US\$
Short-term benefits	<u>7,732,179</u>	<u>6,263,360</u>

The members of the Audit Committee as of 31 December 2023 and 2022 were as follows:

	31 December 2023 and 2022
Chairman	Mr. Darwin Cyril Noerhadi
Members	Mr. Irawan Soerodjo Mr. Osman Sitorus

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 2023, all of the Company's 3,354,175,000 outstanding shares have been listed at the Indonesian Stock Exchange.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2023 AND 2022

1. GENERAL (Continued)

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 Liability 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.

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 2023	31 December 2022	31 December 2023	31 December 2022
			%	%	US\$	US\$
<u>Direct Subsidiaries</u>						
Renewable Energy						
PT Austindo Aufwind New Energy (AANE)	Belitung, Bangka Belitung	2013	99.22	99.22	1,383,250	1,351,572
Agribusiness						
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga, North Sumatera	1995	99.99	99.99	521,313,722	504,369,402
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	2017	99.99	99.99	13,249,921	13,481,628
PT Gading Mas Indonesia Teguh (GMIT)	Jember	2000	80.00	80.00	11,045,784	10,781,271
Consumer Products						
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	2014	99.99	99.99	115,230	114,637
<u>Indirect Subsidiaries</u>						
Agribusiness						
PT Sahabat Mewah dan Makmur (SMM)	Belitung, Bangka Belitung	1994	99.99	99.99	73,347,848	67,346,359
PT Austindo Nusantara Jaya Agri Siais (ANJAS)	South Angkola, North Sumatera	2009	99.99	99.99	47,162,032	47,618,416
PT Kayung Agro Lestari (KAL)	Ketapang, West Kalimantan	2014	99.99	99.99	83,107,019	81,285,776
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	2022	99.99	99.99	10,359,139	9,568,139
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat	2020	99.99	99.99	127,202,129	129,540,127
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	2020	99.99	99.99	100,220,105	102,016,808
PT Lestari Sagu Papua (LSP)	South Sorong, Papua	Pre-operating	51.00	51.00	262,580	252,306

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 ANJ Agri Papua (ANJAP)

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%.

Based on Deed No. 771 of Notary Kartika, S.H., M.Kn. dated 14 November 2023 the shareholders of ANJAP approved the increase of issued and paid up capital from Rp 1,035,852,000,000 to Rp 1,103,652,000,000 by issuing 67,800 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.01.03-0143619 dated 20 November 2023. The Company's direct ownership in ANJAP decreased from 85.38% to 80.14%.

PT Gading Mas Indonesia Teguh (GMIT)

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 reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0322060 dated 6 December 2022. The Company's direct ownership in GMIT remains at 80.00%.

Based on Deed No. 772 of Notary Kartika, S.H., M.Kn. dated 14 November 2023, the shareholders of GMIT approved the increase of issued and paid up capital from Rp 270,034,765,000 to Rp 289,623,290,000 by issuing 120,175 new shares, of which 96,140 shares were subscribed and paid by the Company and 24,035 shares were subscribed and paid by AJI HK Limited. The increase in 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.01.03-0143633 dated 20 November 2023. The Company's direct ownership in GMIT remains at 80.00%.

PT Austindo Nusantara Jaya Boga (ANJB)

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%.

Based on Deed No. 770 of Notary Kartika, S.H., M.Kn. dated 14 November 2023, the shareholders of ANJB approved the increase of issued and paid up capital from Rp 9,530,000,000 to Rp 10,130,000,000 by issuing 600,000 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. 01.03-0143614 dated 20 November 2023. The Company's direct ownership in ANJB is 99.99%.

1. GENERAL (Continued)

d. Subsidiaries (Continued)

- i. Details of the Group's subsidiaries at the end of the reporting periods are as follows (Continued):

PT Kayung Agro Lestari (KAL)

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 reported and accepted 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 reported and 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.

Based on Deed No. 768 of Notary Kartika S.H., M.Kn., dated 14 November 2023, the shareholders of GSB approved the increase of authorized capital from Rp 300,000,000,000 to Rp 350,000,000,000 and paid-up share capital from Rp 252,120,000,000 (2,521,200 shares) to Rp 259,720,000,000 (2,597,200 shares). From 76,000 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 95.54% and 4.46% ownership, respectively. The increase in authorized capital and paid-up share capital were approved, reported and accepted by Ministry of Law and Human Rights of the Republic Of Indonesia in its decision letter No. AHU-0071443.AH.01.02.TAHUN 2023 and AHU-AH.01-03-0143594 dated 20 November 2023.

PT Putera Manunggal Perkasa (PMP)

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 reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0322777 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%.

Based on Deed No.769 of Notary Kartika, S.H., M.Kn. dated 14 November 2023, the shareholders of PMP approved the increase of authorized capital from Rp 2,000,000,000,000 to Rp 2,500,000,000,000 and paid up share capital from Rp 1,896,589,000,000 to Rp 1,952,371,000,000 by issuing 55,782,000 new shares, all of which were subscribed and paid by ANJA. The increase in authorized capital and paid-up share capital were approved, reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0071447.AH.01.02.TAHUN 2023 and AHU-AH.01.03-0143605 dated 20 November 2023. ANJA's direct ownership in PMP increased from 65.00% to 66.00% and Company's direct ownership decreased from 35.00% to 34.00%.

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)

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 reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0322771 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%.

Based on Deed No. 773 of Notary Kartika, S.H., M.Kn. dated 14 November 2023, the shareholders of PPM approved the increase of issued and paid up capital from Rp 1,569,694,000,000 to Rp 1,716,853,000,000 by issuing 147,159,000 new shares, all of which were subscribed and paid by ANJA. The increase in 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.01.03-0143634 dated 20 November 2023. ANJA's direct ownership in PPM increased from 65.00% to 68.00% and Company's direct ownership decreased from 35.00% to 32.00%.

- 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 2023:

- Amendment to PSAK 1: "Disclosure of Accounting Policies"

Amendment to PSAK 1 requires entities to disclose "material accounting policy information" which was previously "significant accounting policies" and clarifies that not all accounting policy information related to transactions, other material events or conditions are material to the financial statements.

- Amendment to PSAK 25: "Accounting Policies, Changes in Accounting Estimates and Errors"

Amendment to PSAK 25 introduces the definition of accounting estimates and clarifies: (i) estimation and valuation techniques are examples of measurement techniques used in developing accounting estimates, (ii) changes in accounting estimates as a result of new information or developments that are not from corrections of errors.

- Amendment to PSAK 46: "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

This amendment requires an entity to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This amendment applies to transactions for which an entity recognizes both an asset and a liability, such as leases and decommissioning obligations.

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

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (“PSAK”) (Continued)

b. Standard issued but not yet adopted

The following standard was issued, but is not yet effective in 2023:

- Amendment to PSAK 73: “Leases”

Amendment to PSAK 73 confirms the subsequent measurement of right-of-use assets and leased liabilities from sale and leaseback transactions. The seller-lessee (seller-lessee) measures the lease liability in such a way that it will not recognize the amount of gain or loss associated with the retained rights of use asset.

- Amendment to PSAK 1: “Classification of Liabilities as Current or Non-Current”

This amendment to PSAK 1 stipulates that long-term liabilities with covenants are presented as short-term or long-term liabilities depending on the right to defer liabilities settlement. Covenants in this case are divided into covenants that affect and do not affect the right to delay the settlement of liabilities for at least 12 months after the reporting period.

Those amendments to PSAK will be effective for the financial reporting beginning on 1 January 2024. Early adoption on the amendments is permitted.

As of the issuance date of the consolidated financial statements, management is still evaluating the effect of adoption of those amendments on the consolidated financial statements.

3. BASIS OF PREPARATION AND SUMMARY OF MATERIAL 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 29 February 2024.

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.

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

c. Basis of Consolidation (Continued)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The accounting policies adopted in these consolidated financial statements are consistently applied by the Company and subsidiaries.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 71 or when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

d. Business Combination

Business combination is 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.

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

d. Business Combination (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after the reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase option.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another accounting standard.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured subsequent to reporting dates at fair value, with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if the interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

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.

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

f. Foreign Currency Transactions and Translation

The individual financial statements of each Group's entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the financial statements of the Company are presented in United Stated Dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.
- Exchange differences on transaction entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

g. Transactions with Related Parties

A related party is a person or entity that is related to the Group (the reporting entity):

- (a) A person or a close member of that person's family is related to the reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (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.

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

h. Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

i. Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income ("FVOCI") - debt investment; FVOCI - equity investment; or, fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets that are measured at amortized cost consist of cash in banks and cash equivalents, investments in marketable securities, receivable from service concession arrangement, trade accounts receivable, other receivables, refundable deposits and plasma receivable (recorded as other non-current assets). These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Investments in equity securities are categorized as measured-at-FVOCI financial assets. These financial assets are recognized and measured at fair value. All gains or losses are recognized in other comprehensive income and are not reclassified to the income statement when the investments are sold or derecognized, aside from dividends which are recognized in the income statement when the right to receive payment is established.

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.

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

h. Financial Instruments (Continued)

iii. Derecognition (Continued)

Financial liability

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, Group currently have legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

v. Impairment

The Group recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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.

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

k. Receivable from Service Concession Arrangement

Receivable due from concession project represents services provided in connection with the service concession arrangement for which guaranteed minimum payments have been agreed irrespective of the extent of use. Due to the length of the payment plans, receivables are measured at present value of amortized cost.

The annual accumulation of interest on these discounted values is presented as interest income under revenue. Customers' payments divided into a portion to be deducted from the receivable and interest on the unpaid amounts and a portion for the other concession services.

If collection is expected in one year or less, it is classified as current assets. Otherwise, it is presented as non-current assets.

l. Inventories

Inventories are stated at cost or net realizable value, whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated selling cost.

Cost of palm oil finished goods comprises fair value less costs to sell of fresh fruit bunch at the date of harvest and processing cost. Cost of edamame transferred from biological assets is at its fair value less costs to sell at the date of harvest. Cost of finished goods inventories are determined using the weighted average method.

Materials, spare parts and supplies are stated at cost, which is calculated using the weighted average method.

Allowance for decline in value of inventories is provided based on a review of the condition of the inventories at year end.

m. 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.

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

m. Property, Plant and Equipment - Direct Acquisitions (Continued)

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.

Land

Land is stated at cost and not depreciated.

Land cost consists of acquisition cost, land compensation cost and all legal processing cost of landrights.

During the process of obtaining legal landrights (i.e. Land Cultivation Rights or Hak Guna Usaha/HGU title), all relevant expenses incurred will be recognized as advances and will be reclassified as land cost when the HGU is obtained.

n. 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.

o. 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.

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

p. 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.

q. 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.

r. 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 3n.

s. 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.

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

s. Leases (Continued)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on the index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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.

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

t. 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.

u. 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.

v. 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.

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

v. Revenue Recognition (Continued)

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.

w. 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 earnings 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.

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

w. Employee Benefits (Continued)

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.

x. 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 it 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.

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.

y. 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.

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

z. 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 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 3p, 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. 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.

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.

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5. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
	US\$	US\$
Cash on hand	169,800	205,807
Bank - third parties		
Rupiah		
PT Bank Mandiri (Persero) Tbk	1,523,473	2,021,514
PT Bank OCBC NISP Tbk	980,992	5,346,951
PT Bank CIMB Niaga Tbk	330,359	238,411
PT Bank Negara Indonesia (Persero) Tbk	305,098	254,073
PT Bank Rakyat Indonesia Tbk	215,781	182,624
PT Bank Syariah Mandiri	163,480	168,997
PT Bank UOB Indonesia	79,093	44,716
PT Bank Central Asia Tbk	15,192	15,326
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	890	63,923
U.S. Dollar		
PT Bank OCBC NISP Tbk	988,033	806,492
PT Bank CIMB Niaga Tbk	194,791	86,497
Bank OCBC Singapore	151,349	152,050
PT Bank Mandiri (Persero) Tbk	106,057	339,032
J.P. Morgan International Bank Ltd.	72,258	47,285
PT Bank UOB Indonesia	9,114	8,684
Credit Suisse Singapore	2,366	2,406
PT Bank BTPN Tbk	998	1,211
PT Bank Central Asia Tbk	-	68
Time Deposits - third parties		
Rupiah		
PT Bank Mandiri (Persero) Tbk	113,523	109,266
PT Bank OCBC NISP Tbk	120,005	158,922
U.S. Dollar		
Credit Suisse Singapore	309,994	291,469
PT Bank OCBC NISP Tbk	-	275,000
Total	5,852,646	10,820,724
Interest rate per annum of time deposits		
Rupiah	2.25% - 4.5%	2.25% - 3.75%
U.S. Dollar	2.25% - 5.45%	0.25% - 2.8%

As of 31 December 2023 and 2022, 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 2023 dan 2022		
	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.

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7. TRADE ACCOUNTS RECEIVABLE

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Third parties		
Palm oil	278,832	989,938
Sago starch	102,148	108,541
Electricity power	100,815	52,714
Others	128,671	160,359
Total	<u>610,466</u>	<u>1,311,552</u>
Less:		
Allowance for impairment losses	<u>(19,508)</u>	<u>(19,117)</u>
Net	<u><u>590,958</u></u>	<u><u>1,292,435</u></u>

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

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
U.S. Dollar	15,240	78,666
Rupiah	575,718	1,213,769
Total	<u><u>590,958</u></u>	<u><u>1,292,435</u></u>

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

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Not yet due	453,657	297,845
Overdue <30 days	118,487	987,376
Overdue 31-60 days	12,850	7,214
Overdue >60 days	5,964	-
Total	<u><u>590,958</u></u>	<u><u>1,292,435</u></u>

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

8. OTHER RECEIVABLES

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Employee receivables	255,093	167,141
Farmers receivables	652,483	495,628
Others	92,496	77,774
Total	<u>1,000,072</u>	<u>740,543</u>
Less: allowance for impairment losses	<u>(220,822)</u>	<u>(216,400)</u>
Total	<u><u>779,250</u></u>	<u><u>524,143</u></u>

Management believes that the allowance for impairment losses as of 31 December 2023 and 2022 of US\$ 220,822 and US\$ 216,400, respectively are adequate to cover any possible losses from uncollectible other receivables.

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9. INVENTORIES

	31 December 2023	31 December 2022
	US\$	US\$
Palm Oil Products	5,467,747	8,352,697
Sago starch	1,406,800	1,452,022
Edamame	493,152	457,223
Supplementary materials, sparepart and others	8,222,589	8,669,268
Total	15,590,288	18,931,210
Allowance for decline in value of inventories	(2,585,647)	(2,270,077)
Net	13,004,641	16,661,133

	31 December 2023	31 December 2022
	US\$	US\$
Changes in the allowance for decline in value of inventories:		
Beginning balance	2,270,077	1,990,246
Addition	346,678	498,021
Write-off	(20,242)	(27,998)
Translation adjustments	(10,866)	(190,192)
Ending balance	2,585,647	2,270,077

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

As of 31 December 2023 and 2022, 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\$ 11.1 million and Rp 62 billion as of 31 December 2023 (31 December 2022: US\$ 15.2 million and Rp 74 billion). Management believes that the insurance coverage is adequate to cover possible losses to the Group.

10. PREPAYMENTS AND ADVANCES

	31 December 2023	31 December 2022
	US\$	US\$
Prepaid expenses:		
Insurance	254,062	289,698
Rent	123,871	113,450
Other	37,684	55,414
Value added taxes	29,744,161	24,206,465
Advances	599,478	551,783
Total	30,759,256	25,216,810

11. BIOLOGICAL ASSETS

The following is the carrying value movements of biological assets:

	31 December 2023	31 December 2022
	US\$	US\$
Fair value		
Beginning balance	4,067,927	7,028,766
Net changes in the fair value of biological assets and harvested agriculture produce transferred to inventories during the year (Note 32)	(653,203)	(2,960,839)
Translation adjustments	(22)	-
Ending balance	3,414,702	4,067,927

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11. BIOLOGICAL ASSETS (Continued)

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).

The Group does not have bearer plants from edamame because the Group through its subsidiary, GMIT, applied partnership system with farmers in edamame cultivation. In this partnership, farmers cultivate edamame and GMIT purchases harvested edamame from farmers, therefore no biological assets from edamame were recognized.

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 2023			
	Acquisition cost	Acquisition cost	Changes in fair	Fair value
	US\$	after impairment	value	US\$
	US\$	US\$	US\$	US\$
PT Moon Lion Industries Indonesia	1,026,225	643,164	3,544,015	4,187,179
Cyprium Australia Pty Ltd .	2,911,153	111,913	(111,041)	872
Others	41,964	-	-	-
Total	<u>3,979,342</u>	<u>755,077</u>	<u>3,432,974</u>	<u>4,188,051</u>

	31 December 2022			
	Acquisition cost	Acquisition cost	Changes in fair	Fair value
	US\$	after impairment	value	US\$
	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
Lain-lain	41,964	-	-	-
Jumlah	<u>3,979,342</u>	<u>755,077</u>	<u>3,407,479</u>	<u>4,162,556</u>

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.

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12. INVESTMENTS IN EQUITY SECURITIES (Continued)

PT Moon Lion Industries Indonesia

For the years ended 31 December 2023 and 2022, fair value adjustment of investment in PT Moon Lion Industries Indonesia of US\$ 27,617 and US\$ 3,028,487, respectively was recognized in other comprehensive income.

Cyprium Australia Pty Ltd. (CYM)

For the years ended 31 December 2023 and 2022, based on the quoted market price of CYM shares, the increase (decrease) in the fair value of CYM amounting to (US\$ 2,122) and US\$ 2,076, 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 2023	Additions	Deductions	Reclassification	Translation adjustments	31 December 2023
	US\$	US\$	US\$	US\$	US\$	US\$
Mature plantation						
Cost	363,158,627	-	(4,650,141)	42,195,017	2,418,518	403,122,021
Accumulated depreciation	(139,726,063)	(17,284,705)	4,644,239	-	(215,359)	(152,581,888)
	223,432,564	(17,284,705)	(5,902)	42,195,017	2,203,159	250,540,133
Immature plantation - at cost						
	67,965,391	13,282,442	-	(52,518,379)	1,262,317	29,991,771
	<u>291,397,955</u>					<u>280,531,904</u>

	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
	<u>304,775,529</u>					<u>291,397,955</u>

Depreciation expense allocated to cost of revenue for the years ended 31 December 2023 and 2022 amounted to US\$ 17,284,705 and US\$ 15,542,605, respectively (Note 32).

Borrowing cost capitalized to the acquisition cost of immature plantations for the year ended 31 December 2023 and 2022 amounted to US\$ 1,488,652 and US\$ 4,228,121, respectively.

In 2023, an amount of US\$ 10,500,175 was reclassified from bearer plants in PPM to plasma receivable.

As of 31 December 2023, there was also an amount of US\$ 176,813 from KAL relating to estate infrastructure was reclassified from property, plant and equipment to bearer plants. 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.

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13. BEARER PLANTS (Continued)

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

31 December 2023		
	Mature plantation (hectare)	Immature plantation (hectare)
		Total planted area (hectare)
Belitung, Bangka Belitung	11,906	2,379
Ketapang, West Kalimantan	8,928	123
Binanga, North Sumatera	6,683	2,614
Batang Angkola, North Sumatera	7,752	-
South Sorong, Southwest Papua	7,407	-
Empat Lawang, South Sumatera	724	-
Total	43,400	5,116
		48,516

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

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

Management reviews whether there are any impairment on bearer plants and believes that there is no impairment on immature plantations and mature plantations as of 31 December 2023 and 2022.

14. PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Deductions	Reclassification	Translation adjustments	31 December 2023
	US\$	US\$	US\$	US\$	US\$	US\$
Cost						
Direct acquisitions						
Land	77,244,115	-	-	-	193,550	77,437,665
Buildings, roads, and bridges	118,346,530	5,408,904	(433,907)	4,334,276	708,804	128,364,607
Machinery and equipment	109,210,242	4,071,381	(1,771,382)	2,305,592	829,909	114,645,742
Computer and communication equipment	943,100	73,694	(93,761)	-	83,299	1,006,332
Office equipment, furniture and fixtures	5,875,934	387,935	(43,376)	12,731	(42,851)	6,190,373
Motor vehicles	9,481,643	805,332	(727,890)	4,806	86,512	9,650,403
Construction in progress	13,782,435	9,963,647	(23,147)	(6,835,378)	104,881	16,992,438
Total cost	334,883,999	20,710,893	(3,093,463)	(177,973)	1,964,104	354,287,560
Accumulated depreciation						
Direct acquisitions						
Buildings, roads, and bridges	(49,598,956)	(6,378,588)	361,710	-	(142,515)	(55,758,349)
Machinery and equipment	(54,997,919)	(4,595,824)	1,545,147	-	(173,208)	(58,221,804)
Computer and communication equipment	(581,526)	(97,847)	93,721	-	(47,793)	(633,445)
Office equipment, furniture and fixtures	(5,082,159)	(416,628)	44,004	-	21,730	(5,433,053)
Motor vehicles	(7,084,007)	(577,511)	703,390	-	(64,038)	(7,022,166)
Total accumulated depreciation	(117,344,567)	(12,066,398)	2,747,972	-	(405,824)	(127,068,817)
Impairment provision	(11,522,076)	-	-	-	(235,434)	(11,757,510)
Net carrying amount	206,017,356					215,461,233

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2022	Additions	Deductions	Reclassification	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

During 2023, property, plant and equipment amounted to US\$ 176,813 from KAL's estate infrastructure was reclassified to bearer plants and US\$ 1,160 from GMIT's construction in progress was reclassified to intangible asset. In 2022, property, plant and equipment amounted to US\$ 262,666 and US\$ 368,886 from the estate infrastructure of ANJAS and KAL, respectively, were reclassified to bearer plants.

As of 31 December 2023 and 2022, 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 2023, the total estimated fair value of land is US\$ 585,397,690 (as of 31 December 2022, the carrying amount of these land is US\$ 77,437,665). 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 2023 and 2022 were allocated as follows:

	2023	2022
	US\$	US\$
Cost of revenue (Note 32)	11,732,352	10,662,968
General and administrative expenses (Note 34)	334,046	374,757
Capitalized to immature plantation	-	447,132
Total	12,066,398	11,484,857

Borrowing cost capitalized to the acquisition cost of property, plant and equipment for the years ended 31 December 2023 and 2022 amounted to US\$ 99,156 and US\$ 47,510, 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 Siahs (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 (Southwest 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 (Southwest Papua). This HGB will expire between 2024 and 2042.

The Company owns land with HGU totaling to 30,515.75 hectares in Womba, Sorong, Southwest Papua. This HGU will expire in 2050.

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 31 December 2023, 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 2024-2025.

Property, plant and equipment, except land, were insured against fire, theft, earthquake, flood and other possible risks for a total coverage of US\$ 91,823 thousand and Rp 899 billion as of 31 December 2023 (31 December 2022: US\$ 72,827 thousand and Rp 1,062 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 2023 and 2022 amounted to US\$ 49,644,326 and US\$ 46,815,563, respectively.

Certain property, plant and equipment were sold and disposed in the years ended 31 December 2023 and 2022. 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:

	2023 US\$	2022 US\$
Proceeds from sale/deduction of property, plant and equipment	180,003	711,268
Net carrying amount of property, plant and equipment sold and disposed	(345,491)	(593,975)
(Loss) gain on sale and disposal of property, plant and equipment (Note 36)	<u>(165,488)</u>	<u>117,293</u>

In March 2022, mini mill asset that has 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 2023 US\$	Additions US\$	Deductions US\$	Reclassification US\$	Translation adjustments US\$	31 December 2023 US\$
Landrights						
Cost	1,040,026	-	-	-	8,275	1,048,301
Accumulated amortization	(218,347)	(15,371)	-	-	(4,302)	(238,020)
	821,679	(15,371)	-	-	3,973	810,281
Software and implementation						
Cost	2,250,303	6,045	(111,654)	1,160	5,212	2,151,066
Accumulated amortization	(2,033,389)	(63,091)	111,654	-	(4,610)	(1,989,436)
	216,914					161,630
	<u>1,038,593</u>					<u>971,911</u>

	1 January 2022 US\$	Additions US\$	Deductions US\$	Reclassification US\$	Translation adjustments US\$	31 December 2022 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
	<u>894,054</u>					<u>1,038,593</u>

As of 31 December 2023, an amount of US\$ 1,160 from GMIT relating to software was reclassified from property, plant and equipment to intangible assets.

Amortization expense for the years ended 31 December 2023 and 2022 were allocated as follows:

	2023 US\$	2022 US\$
General and administrative expense (Note 34)	63,762	29,155
Cost of revenue	14,700	15,083
Total	<u>78,462</u>	<u>44,238</u>

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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 2023 US\$	Additions US\$	Deductions US\$	Translation adjustments US\$	31 December 2023 US\$
Property					
Cost	1,100,599	113,877	(227,514)	101,058	1,088,020
Accumulated depreciation	(667,968)	(240,523)	227,514	(39,801)	(720,778)
	432,631	(126,646)	-	61,257	367,242
Machine					
Cost	1,199,531	-	-	(56,583)	1,142,948
Accumulated depreciation	(633,597)	(514,430)	-	30,615	(1,117,412)
	565,934	(514,430)	-	(25,968)	25,536
Total, net	<u>998,565</u>				<u>392,778</u>

	1 January 2022 US\$	Additions US\$	Deductions US\$	Translation adjustments US\$	31 December 2022 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	<u>1,849,060</u>				<u>998,565</u>

Depreciation expense for the years ended 31 December 2023 and 2022 were allocated as follows:

	2023 US\$	2022 US\$
Cost of revenue (Note 32)	495,098	554,091
General and administrative expenses (Note 34)	259,855	292,943
Total	<u>754,953</u>	<u>847,034</u>

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

Lease liabilities

Future minimum lease payments for these leases as of 31 December 2023 and 2022 was as follows:

	31 December 2023	31 December 2022
	US\$	US\$
Finance lease liabilities are payable as follows:		
2023	-	882,365
2024	325,813	260,866
2025	18,234	17,869
2026	2,588	2,535
Total future minimum lease payments	346,635	1,163,635
Interest portion of the lease payments	(21,843)	(76,553)
Present value of minimum lease payments	324,792	1,087,082
Lease liabilities-current maturities	(304,924)	(822,607)
Lease liabilities-net current of current maturities	19,868	264,475
Amount recognized in profit or loss:		
	2023	2022
	US\$	US\$
Depreciation of right-of-use assets	754,953	847,034
Interest on lease liabilities (Note 35)	61,774	117,680
Expense relating to short-term leases (Note 34)	402,899	404,048
Total	1,219,626	1,368,762

Some leases of offices contain extension option exercisable by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement whether it is reasonably certain 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 8.25%-9.25% as of 31 December 2023.

The following summarizes the component of changes in the liabilities arising from leases:

	31 December 2023	31 December 2022
	US\$	US\$
Beginning balance	1,087,082	1,925,245
Addition	113,877	74,016
Non-cash changes: interest amortization	61,774	117,680
Cash flows: payment of lease liabilities	(978,219)	(931,730)
Translation adjustments	40,278	(98,129)
Ending balance	324,792	1,087,082

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17. ADVANCES

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Third parties:		
Advances for legal processing of landrights	8,297,174	7,761,571
Advances for palm plantation	2,256,279	2,242,413
Advances for purchase of property, plant and equipment	924,292	761,972
Other advances	95,769	19,883
Total	<u>11,573,514</u>	<u>10,785,839</u>

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 2023 and 2022.

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:

	<u>31 December</u>	<u>31 December</u>
	2023	2022
Discount rate	10%	10%
Terminal value multiple	14	14
Budgeted revenue growth rate or the next five years	4.43%	1.38%

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 2023 and 2022, five years of future cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal industry growth rate for the country in which the CGU operates and the budgeted revenue growth rate 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.

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19. CLAIMS FOR TAX REFUND

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Claims for tax refund:		
ANJA:		
VAT fiscal year 2013	600,601	588,576
Withholding income tax 2019	283,592	282,779
SMM:		
VAT fiscal year 2019	1,280,730	-
VAT fiscal year 2021	216,096	-
KAL:		
VAT fiscal year 2019	259,337	254,144
VAT period February-December 2018	359,145	351,953
VAT period February-March 2020	39,116	38,333
Withholding income tax 2017	115,543	113,229
Total claims for tax refund	<u>3,154,160</u>	<u>1,629,014</u>
Overpayment of corporate income tax:		
The Company:		
Fiscal year 2020	-	127,330
Fiscal year 2021	12,708	48,458
Fiscal year 2022	64,285	64,285
Fiscal year 2023	56,649	-
ANJA:		
Fiscal year 2019	949,370	949,370
Fiscal year 2023	2,161,089	-
ANJAS:		
Fiscal year 2022	462,513	462,513
Fiscal year 2023	1,897,916	-
SMM:		
Fiscal year 2019	1,858,786	1,858,786
Fiscal year 2023	153,980	-
KAL:		
Fiscal year 2023	650,287	-
Total overpayment of corporate income tax	<u>8,267,583</u>	<u>3,510,742</u>
Total	<u>11,421,743</u>	<u>5,139,756</u>

Overpayment of corporate income tax

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. In April 2023, the Company's tax objection on the corporate income tax overpayment for fiscal year 2020 is approved and the Company has received the refund on 24 May 2023. The Company's claim on corporate income tax overpayment for fiscal year 2021 is partially approved and the Company is in tax objection at the Directorate General of Taxation. As of 31 December 2023, ANJAS and the Company's claim on income tax overpayment for fiscal year 2022 is on tax audit. Up to the date of the issuance of these consolidated financial statements, ANJA, SMM, ANJAS and the Company have not received any tax decision.

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
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19. CLAIMS FOR TAX REFUND (Continued)

Other claims for tax refund

In February 2023, SMM paid for VAT underpayment for fiscal period January-June 2021 amounting to US\$ 147,023. The remaining amount of the outstanding VAT claim for 2021 amounting to US\$ 69,073. SMM filed a tax appeal on the VAT underpayment and the remaining outstanding VAT claim for 2021 which have not been received. Up to the date of the issuance of these consolidated financial statements, SMM is still in progress for the tax appeal.

As of 31 December 2023, 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, SMM's claim on VAT for fiscal year 2019, KAL's claim on withholding tax for fiscal year 2017, VAT for fiscal year 2019, fiscal period February-December 2018 and fiscal period February-March 2020 are in tax appeal at the Tax Court. 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

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Advances for plasma and partnership plantation projects-net	-	11,078,233
Plasma receivables - net	25,151,179	4,335,068
MSOP and ESPP loan	1,443,314	1,450,925
Others	438,942	396,394
Total	<u>27,033,435</u>	<u>17,260,620</u>

Advances for plasma and partnership plantation projects represent payments made to develop plasma palm oil plantation in PPM and PMP and have been reclassified to plasma receivables in 2023. Plasma receivables represent all payments made to develop palm oil plasma and partnership plantation in KAL, SMM, ANJAS, PPM and PMP, net of proceeds from loan facility for plasma financing. KAL, SMM and ANJAS have commitments on this plasma plantation project (Note 42d, 42f).

As of 31 December 2023, there was a reclassification of plasma receivables amounting to US\$ 10,500,175 from PPM's bearer plants (Note 13).

Management reviews whether there are any impairment on plasma receivables in PPM and PMP and believes that there is no impairment on both plasma receivables as of 31 December 2023 and 2022.

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 2023 and 2022, the balance of MSOP and ESPP loan amounting to Rp 22.3 billion (equivalent to US\$ 1,443,314) and Rp 22.8 billion (equivalent to US\$ 1,450,925), respectively.

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21. BANK LOANS

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
<u>Short-term bank loans</u>		
Rupiah		
PT Bank UOB Indonesia		
Subsidiaries	1,297,353	635,687
PT Bank OCBC NISP Tbk.		
Subsidiaries	5,254,281	-
U.S. Dollar		
PT Bank CIMB Niaga Tbk		
Subsidiaries	14,000,000	-
PT Bank OCBC NISP Tbk.		
Subsidiaries	2,700,000	4,000,000
Total	<u>23,251,634</u>	<u>4,635,687</u>
<u>Long-term bank loans</u>		
Rupiah		
PT Bank OCBC NISP Tbk		
Subsidiaries	56,234,432	53,694,298
U.S. Dollar		
PT Bank OCBC NISP Tbk		
Subsidiaries	64,281,250	66,681,250
PT Bank BTPN Tbk		
Subsidiaries	2,000,000	3,600,000
PT Bank CIMB Niaga Tbk		
Subsidiaries	5,402,445	6,002,445
Total	<u>127,918,127</u>	<u>129,977,993</u>
Less: deferred financing cost	<u>(227,152)</u>	<u>(371,345)</u>
Total	<u>127,690,975</u>	<u>129,606,648</u>
Long-term bank loan current maturities	<u>(5,806,250)</u>	<u>(4,600,000)</u>
Long-term bank loans-net of current maturities	<u>121,884,725</u>	<u>125,006,648</u>
<u>Effective interest rates per annum</u>		
Short-term bank loans		
Rupiah	6.59%-9.01%	5.97%-8.85%
U.S. Dollar	6.13%-7.48%	2.60%-6.69%
Long-term bank loans		
Rupiah	8.13%-8.25%	7.75%-8.25%
U.S. Dollar	6.66%-7.70%	2.60%-7.24%

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21. BANK LOANS (Continued)

The following table summarizes the repayment schedule for principal balance of long-term bank loans as of 31 December 2023 and 2022:

	31 December 2023	31 December 2022
	US\$	US\$
Due in the year:		
Within one year	5,806,250	4,600,000
1 - 5 years	122,111,877	125,377,993
Total	<u>127,918,127</u>	<u>129,977,993</u>

PT Bank CIMB Niaga Tbk with the Company, ANJA, ANJAS, PPM, PMP and SMM

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. The loan agreement has been amended several times whereas KAL was no longer the party in the loan agreement and the total facility become US\$ 30 million.

On 3 October 2023, the loan agreement was extended until 28 July 2024 and included ANJAS, PPM, PMP and SMM as parties in the loan agreement.

The loan bears floating annual interest rate as follow:

- For withdrawal 2 weeks tenor:
 - a. *Term Secured Overnight Financing Rate (SOFR) + 1.75% p.a. for the withdrawals denominated in U.S. Dollar.*
 - b. *Jakarta Interbank Offered Rate (JIBOR) 1 month + 2.25% p.a. for the withdrawals denominated in Rupiah.*
- For withdrawal 1 month tenor:
 - a. *Term Secured Overnight Financing Rate (SOFR) + 1.75% p.a. for the withdrawals denominated in U.S. Dollar.*
 - b. *Jakarta Interbank Offered 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.

PT Bank CIMB Niaga Tbk with KAL

On 19 December 2016, ANJA and KAL entered into a long-term loan agreement with PT Bank CIMB Niaga Tbk. which was recently amended on 12 August 2022 whereas ANJA was no longer the party in the loan agreement and the credit facility of Rp 115 billion was converted 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 interest rate were change effective from 1 November 2023 to SOFR + 1.75% 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.

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 thereafter, 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 2023 and 2022, KAL is in compliance with the terms and conditions of the loan agreement except for 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 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 18 July 2023 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\$ 11.12 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\$ 7 million or its equivalent in Rupiah for ANJA (31 December 2022: US\$ 21 million).
- Term Loan 2 credit facility of US\$ 24,493,750 million or its equivalent in Rupiah for SMM (31 December 2022: US\$ 26,493,750).
- Term Loan 3 credit facility of US\$ 19,587,500 or its equivalent in Rupiah for ANJAS (31 December 2022: US\$ 21,587,500).
- Term Loan 4 credit facility of US\$ 45,052,000 or equivalent to Rp 673,424,125,000 for PPM and PMP (31 December 2022: US\$ 44,782,984 or equivalent to Rp 673,424,125,000).
- Term Loan 5 credit facility of US\$ 18 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.

The interest rate for loan facilities denominated in USD were change effective from 26 July 2023 to SOFR + 1.75% p.a.

Overdraft, demand loan, combined trade credit facilities and foreign exchange transaction facility are extended to 20 March 2024, the Term loan credit facilities 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. As of 31 December 2023 and 2022, there was no outstanding combined trade loan.

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 4.5x for the financial year 2022 and 3.5x for the financial year 2023 and thereafter.

21. BANK LOANS (Continued)

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

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 2023 and 2022, 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 20 June 2022, therefore the credit facilities were 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.

Subsequently in July 2023, the loan agreement was amended to be as follows:

- Terminate the Term Loan 2 credit facility, so that all clauses related to the Term Loan 2 credit facility become invalid in the Loan Agreement.
- Demand Loan facility amounting to US\$ 4 million. The loan facility will be due on 31 July 2024.
- Foreign exchange transaction facility of US\$ 4.5 million. The loan facility will be due on 31 July 2024.
- Term Loan 4 credit facility of US\$ 14.4 million. The loan facility will be due on 21 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. while loan facilities denominated in U.S. Dollar effective from 26 July 2023 bear annual interest rate at Term SOFR + 1.75%.

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, which is reviewed every semester on 30 June and 31 December.

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 2023 and 2022, 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.

Subsequently in February 2023, the loan agreement was amended to be as follows:

- Uncommitted Revolving Credit Facility ("RCF") with a total facility IDR 20 billion. The loan facility will be due on 31 March 2024.
- Uncommitted Invoice Financing ("IF") facility with a total facility IDR 20 billion. The loan facility will be due on 31 March 2024.
- Foreign Exchange ("FX") facility will be due on 31 March 2024.

The outstanding amount of combined RCF Facility and IF Facility from time to time shall not exceed Rp 20 billion.

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 2023 and 2022, GMIT is in compliance with the terms and conditions of the loan agreement.

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21. BANK LOANS (Continued)

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.

Subsequently in March 2023, annual interest on Loan on Certificate facility was amended to Term SOFR plus 2.30% p.a. for the U.S. Dollar 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 2023 and 2022, the Company, ANJA, ANJAS and SMM are in compliance with the terms and conditions of the loan agreement.

22. TRADE ACCOUNTS PAYABLE

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Third parties		
Palm oil	5,949,109	6,113,786
Sago	79,445	120,714
Other	112,495	82,820
Total	<u>6,141,049</u>	<u>6,317,320</u>

Based on currencies:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
United States Dollar	98,107	149,154
Rupiah	6,042,942	6,168,166
Total	<u>6,141,049</u>	<u>6,317,320</u>

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23. TAXES PAYABLE

	31 December 2023	31 December 2022
	US\$	US\$
Corporate income tax		
Subidiaries	-	2,917,525
Income taxes		
Article 21	1,349,528	644,981
Article 25	1,155,856	457,285
Other taxes	115,325	193,318
Total	<u>2,620,709</u>	<u>4,213,109</u>

24. OTHER PAYABLES

	31 December 2023	31 December 2022
	US\$	US\$
Payable to third parties	7,066,764	4,989,724
Contract liabilities	1,646,945	7,875,910
Total	<u>8,713,709</u>	<u>12,865,634</u>

Contract liabilities mainly represent receipt of cash advances from several customers for the sale of crude palm oil which deliveries will be made based on further instructions from those customers.

All other payable is payable to third parties.

25. ACCRUED EXPENSES

	31 December 2023	31 December 2022
	US\$	US\$
Salaries, bonuses and allowances	4,115,940	4,693,599
Profesional fees	601,828	1,255,196
Interest	119,002	115,994
Contractor	110,241	-
Others	829,289	714,872
Total	<u>5,776,300</u>	<u>6,779,661</u>

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.

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26. EMPLOYEE BENEFITS OBLIGATION (Continued)

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 2023	31 December 2022
	US\$	US\$
Recognized in profit or loss		
Current service cost	1,840,227	1,729,779
Past service cost	(30,788)	66,103
Adjustment due to press release related to PSAK 24	-	(1,211,204)
Severance, curtailment, and settlement cost	261,114	672,129
Interest from asset ceiling	18,814	-
Interest cost	884,871	937,396
Interest income on plan assets	(66,570)	(101,316)
Component of defined benefit costs recognized in profit or loss	<u>2,907,668</u>	<u>2,092,887</u>
Recognized in other comprehensive income:		
Remeasurement on the net defined benefit asset/liability		
Return on plan assets	32,319	79,694
Actuarial gains	(258,120)	(1,768,855)
Impact from asset restriction	(245,320)	(121,353)
Components of defined benefit other recognized in other comprehensive income	<u>(471,121)</u>	<u>(1,810,514)</u>
Total	<u>2,436,547</u>	<u>282,373</u>

All the expenses for the years ended 31 December 2023 and 2022 amounted to US\$ 2,907,668 and US\$ 2,092,887 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 2023	31 December 2022
	US\$	US\$
Present value of defined benefit obligation (PVDBO)	14,484,514	12,432,338
Fair value of plan assets	(853,591)	(1,026,194)
Impact of asset ceiling	30,900	249,934
Net liability	<u>13,661,823</u>	<u>11,656,078</u>

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26. EMPLOYEE BENEFITS OBLIGATION (Continued)

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

	31 December 2023	31 December 2022
	US\$	US\$
Opening balance of defined benefit obligation	12,432,338	15,614,984
Current service cost	1,840,227	1,729,779
Past service cost	(30,788)	66,103
Interest cost	884,871	937,396
Benefit paid	(880,184)	(2,231,958)
Adjustment due to press release related to PSAK 24	-	(1,211,204)
Provision for termination cost	261,114	647,061
Remeasurement on the net defined benefit liability		
Actuarial losses (gains) arising from changes in financial assumptions	474,306	(359,899)
Actuarial gains from experience adjustments	(732,426)	(1,408,957)
Foreign exchange differential	235,056	(1,350,967)
Ending balance of defined benefit obligation	<u>14,484,514</u>	<u>12,432,338</u>

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

	31 December 2023	31 December 2022
	US\$	US\$
Opening balance of fair value of plan assets	1,026,194	2,146,541
Interest income	66,570	101,316
Remeasurement loss:		
Return on plan assets	(32,319)	(79,694)
Contribution from the employer	110,610	805,363
Foreign exchange differences on plans	25,131	(145,770)
Benefits paid	(342,595)	(1,801,562)
Ending balance of fair value of plan assets	<u>853,591</u>	<u>1,026,194</u>

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

	31 December 2023	31 December 2022
	US\$	US\$
Cumulative amounts at beginning of year	4,186,890	2,376,376
Actuarial gain (loss) for the year	471,121	1,810,514
Cumulative amounts at end of year	<u>4,658,011</u>	<u>4,186,890</u>

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 2023	31 December 2022	31 December 2023	31 December 2022
	%	%	US\$	US\$
Investment in money market	5.67%	3.28%	853,591	1,026,194
Fair value of plan assets			<u>853,591</u>	<u>1,026,194</u>

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.

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26. EMPLOYEE BENEFITS OBLIGATION (Continued)

As of 31 December 2023 and 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 2023	31 December 2022
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	6.70% -6.90%	7.20% -7.42%

Historical information:	31 December 2023 US\$	31 December 2022 US\$	31 December 2021 US\$	31 December 2020 US\$	31 December 2019 US\$
Present value of defined benefit obligation	14,484,514	12,432,338	15,614,984	26,552,905	21,549,023
Experience adjustments	(732,426)	(1,408,957)	255,001	105,552	83,834

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\$ 13,379,022 (increase to US\$ 15,720,731) on 31 December 2023 and would decrease to US\$ 11,512,486 (increase to US\$ 13,471,721) on 31 December 2022.
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase to US\$ 15,844,398 (decrease to US\$ 13,256,277) on 31 December 2023 and increase to US\$ 13,585,118 (decrease to US\$ 11,400,052) on 31 December 2022.

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.

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 2023 is 12.75 – 18.71 years (2022: 12.17 – 19.37 years). This number can be analysed from average expected future service of active members is 8.42 – 13.19 years for 2023 (2022: 8.32 – 13.20 years).

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27. CAPITAL STOCK AND TREASURY STOCK

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

Name of shareholders	Number of shares	Percentage of ownership	31 December 2023	
			Total paid-in capital stock	
			Rp	Equivalent in US\$
PT Memimpin Dengan Nurani	1,370,050,012	40.8461%	137,005,001,200	14,040,188
PT Austindo Kencana Jaya	1,370,050,012	40.8461%	137,005,001,200	14,040,188
Mr. George Santosa Tahija	158,988,351	4.7400%	15,898,835,100	7,545,604
Mr. Sjakon George Tahija	158,891,813	4.7371%	15,889,181,300	7,541,023
Yayasan Tahija	1,500	0.0001%	150,000	73
Public (each below 5%)	296,193,312	8.8306%	29,619,331,200	3,568,232
Total outstanding shares, issued and fully paid	3,354,175,000	100.0000%	335,417,500,000	46,735,308

Name of shareholders	Number of shares	Percentage of ownership	31 December 2022	
			Total paid-in capital stock	
			Rp	Equivalent in US\$
PT Memimpin Dengan Nurani	1,370,050,012	41.1031%	137,005,001,200	14,040,188
PT Austindo Kencana Jaya	1,370,050,012	41.1031%	137,005,001,200	14,040,188
Mr. George Santosa Tahija	158,988,351	4.7698%	15,898,835,100	7,545,604
Mr. Sjakon George Tahija	158,891,813	4.7669%	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
Total outstanding 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 2023, total treasury stock which were held by the Company was nil (31 December 2022: 20,970,912 shares with the value of US\$ 1,973,591 at its acquisition cost).

As of 31 December 2023 and 2022, the total Company's public shares owned by the Company's Directors are 13,109,563 and 11,909,563 shares, respectively.

28. ADDITIONAL PAID IN CAPITAL

	31 December 2023	31 December 2022
	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	1,200,075	2,188,562
Subtotal	35,898,011	36,886,498
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	48,902,344	49,890,831

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28. ADDITIONAL PAID IN CAPITAL (Continued)

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.

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 2023	31 December 2022
	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	<u>30,706,366</u>	<u>30,706,366</u>

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29. DIFFERENCE IN VALUE DUE TO CHANGES IN EQUITY OF SUBSIDIARIES AND OTHER RESERVES
(Continued)

Other Reserves

	31 December 2023	31 December 2022
	US\$	US\$
Unrealized gain on investments		
in investments in equity securities		
Beginning balance	2,719,821	2,679,301
Changes in fair value of investments in equity securities (Note 12)	25,495	3,026,771
Income tax on change in fair value investment in equity securities	(5,609)	(665,890)
Sale of investments in equity securities:		
Difference between selling price and fair value	-	81,314
Reclassification to retained earnings	-	(2,401,675)
Subtotal	<u>2,739,707</u>	<u>2,719,821</u>
Difference in translation of		
subsidiaries' financial statements in foreign currencies		
Beginning balance	(53,488,373)	(34,088,620)
Difference in translation of subsidiaries' financial statements in foreign currencies	4,131,174	(19,399,753)
Subtotal	<u>(49,357,199)</u>	<u>(53,488,373)</u>
Total	<u>(46,617,492)</u>	<u>(50,768,552)</u>

In 2022, 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 2023	31 December 2022
	US\$	US\$
PT Gading Mas Indonesia Teguh	1,293,736	1,977,831
PT Lestari Sagu Papua	128,664	121,973
PT Austindo Aufwind New Energy	7,033	5,523
Total	<u>1,429,433</u>	<u>2,105,327</u>

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 2023	31 December 2022
	US\$	US\$
<u>PT Gading Mas Indonesia Teguh</u>		
Balance at beginning of year	1,977,831	2,281,578
Addition from capital injection	-	450,000
Share of profit (loss) for the year	(730,353)	(569,364)
Share of other comprehensive income	321	2,839
Translation adjustments	45,937	(187,222)
Total	<u>1,293,736</u>	<u>1,977,831</u>
<u>PT Lestari Sagu Papua</u>		
Balance at beginning of year	121,973	131,918
Share of profit for the year	4,243	2,450
Translation adjustments	2,448	(12,395)
Total	<u>128,664</u>	<u>121,973</u>

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30. NON-CONTROLLING INTERESTS (Continued)

	PT Lestari Sagu Papua	PT Gading Mas Indonesia Teguh	Other subsidiaries with immaterial non-controlling interests	Total
31 December 2023				
Non-controlling interests percentage of ownership	49%	20%		
Current assets	181,792	2,362,458		
Non-current assets	80,788	8,908,600		
Current liabilities	-	(1,696,833)		
Non-current liabilities	-	(171,903)		
Capital paid in advance		(2,933,645)		
Net assets attributable to owners of the Company	<u>262,580</u>	<u>6,468,677</u>		
Net assets attributable to non-controlling interests	<u>128,664</u>	<u>1,293,736</u>	<u>7,033</u>	<u>1,429,433</u>
Revenue	13,011	1,829,148		
Expenses	(4,352)	(5,480,915)		
Profit (loss) for the year	<u>8,659</u>	<u>(3,651,767)</u>		
Total comprehensive income (loss) attributable to owners of the Company	<u>8,659</u>	<u>(3,650,165)</u>		
Total net income (loss) attributable to non-controlling interests	4,243	(730,353)	1,421	(724,689)
Total other comprehensive income attributable to non-controlling interests	-	321	(9)	312
Difference in translation of subsidiaries' financial statements in foreign currencies	<u>2,448</u>	<u>45,937</u>	<u>98</u>	<u>48,483</u>
Total comprehensive income (loss) attributable to non-controlling interests after translation	<u>6,691</u>	<u>(684,095)</u>	<u>1,510</u>	<u>(675,894)</u>
Cash flows (used in) operating activities	5,599	(3,164,769)		
Cash flows (used in) investing activities	-	(247,601)		
Cash flows from financing activities	-	3,465,894		
Net increase in cash and cash equivalents	<u>5,599</u>	<u>53,524</u>		

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30. NON-CONTROLLING INTERESTS (Continued)

<u>31 December 2022</u>	<u>PT Lestari Sagu Papua</u>	<u>PT Gading Mas Indonesia Teguh</u>	<u>Other subsidiaries with immaterial non-controlling interests</u>	<u>Total</u>
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	<u>248,925</u>	<u>9,898,183</u>		
Net assets attributable to non-controlling interests	<u>121,973</u>	<u>1,979,637</u>	<u>3,717</u>	<u>2,105,327</u>
Revenue	12,704	1,680,332		
Expenses	(7,705)	(4,527,154)		
Profit (loss) for the year	<u>4,999</u>	<u>(2,846,822)</u>		
Total comprehensive income (loss) attributable to owners of the Company	<u>4,999</u>	<u>(2,832,625)</u>		
Total net income (loss) attributable to non-controlling interests	2,450	(569,364)	926	(565,988)
Total other comprehensive income attributable to non-controlling interests	-	2,839	(4)	2,835
Difference in translation of subsidiaries' financial statements in foreign currencies	<u>(12,395)</u>	<u>(187,222)</u>	<u>(524)</u>	<u>(200,141)</u>
Total comprehensive income (loss) attributable to non-controlling interests after translation	<u>(9,945)</u>	<u>(753,747)</u>	<u>398</u>	<u>(763,294)</u>
Cash flows from (used in) operating activities	3,388	(2,694,322)		
Cash flows from investing activities	-	(283,189)		
Cash flows from financing activities	-	2,993,488		
Net increase in cash and cash equivalents	<u>3,388</u>	<u>15,977</u>		

31. REVENUE

Revenue consists of revenue from sales and service concession revenue.

	<u>2023 US\$</u>	<u>2022 US\$</u>
Revenue from sales	235,935,454	268,586,966
Service concession revenue	<u>576,249</u>	<u>579,755</u>
Total	<u>236,511,703</u>	<u>269,166,721</u>

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31. REVENUE (Continued)

a. Revenue from Sales

	2023	2022
	US\$	US\$
Crude palm oil (CPO)	211,938,056	232,567,904
Palm kernel (PK)	18,811,737	30,761,600
Palm kernel oil (PKO)	769,900	1,033,785
Sago starch	883,679	1,584,480
Edamame	1,884,846	1,680,333
Fresh fruit bunches (FFB)	1,612,004	931,861
Others	35,232	27,003
Total	<u>235,935,454</u>	<u>268,586,966</u>

The revenue from the sales of CPO and PK includes the sales of physical RSPO certificates of US\$ 1,778,578 for the year ended 31 December 2023.

b. Service Concession Revenue

	2023	2022
	US\$	US\$
Service concession revenue	495,805	487,658
Financing revenue from service	80,444	92,097
Total	<u>576,249</u>	<u>579,755</u>

32. COST OF REVENUE

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

	2023	2022
	US\$	US\$
Cost of sales	204,581,397	214,924,655
Cost of service concession	371,444	370,169
Total	<u>204,952,841</u>	<u>215,294,824</u>

a. Cost of Sales

	2023	2022
	US\$	US\$
Crude palm oil, palm kernel oil and palm kernel	193,696,046	202,344,886
Edamame	4,728,061	3,846,173
Sago starch	4,647,871	7,375,747
Fresh fruit bunches	1,492,924	1,343,767
Others	16,495	14,082
Total	<u>204,581,397</u>	<u>214,924,655</u>

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32. COST OF REVENUE (Continued)

a. Cost of Sales (Continued)

	2023 US\$	2022 US\$
Palm oil production costs		
Harvesting expenses	21,814,234	18,836,520
Maintenance costs of mature plantation	29,565,640	27,098,271
Factory overhead and indirect costs	41,885,832	38,095,867
Depreciation of mature plantation (Note 13)	17,284,705	15,542,605
Depreciation of property, plant and equipment (Note 14)	10,152,359	9,053,771
Depreciation of right-of-use assets (Note 16)	495,098	554,091
Purchases of FFB	69,899,250	88,758,284
Impairment inventories	540,526	540,239
Fair value adjustment on derivative instruments	-	13,975
Realized (gain) loss from derivative transaction, net	(23,018)	138,650
Total palm oil production costs	191,614,626	198,632,273
Sago starch production costs		
Sago logs harvesting costs	690,624	972,029
Sago processing costs	3,074,915	5,351,379
(Reversal) Impairment of inventories	(207,395)	396,180
Depreciation of property, plant and equipment (Note 14)	1,014,112	1,049,565
Total sago starch production costs	4,572,256	7,769,153
Edamame production costs		
Raw material consumption	2,052,736	1,557,295
Reversal impairment for inventories	(6,695)	(438,398)
Edamame processing costs	2,143,005	1,852,101
Depreciation of property, plant and equipment (Note 14)	565,881	559,632
Total edamame production costs	4,754,927	3,530,630
Others	10,375	13,422
Finished goods:		
Beginning of year		
Palm oil product	8,352,697	10,620,593
Sago starch	1,452,022	1,190,820
Edamame	457,223	832,903
End of year		
Palm oil product	(5,467,747)	(8,352,697)
Sago starch	(1,406,800)	(1,452,022)
Edamame	(493,152)	(457,223)
Translation adjustments of inventories	81,767	(364,036)
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the year (Note 11)	653,203	2,960,839
Cost of sales	204,581,397	214,924,655

The details of suppliers with purchases exceeding 10% of the total consolidated net fresh fruit bunches (FFB) purchases are as follows:

Name	2023		2022	
	Amount US\$	Percentage of net purchases %	Amount US\$	Percentage of net purchases %
Haji Sati Rambe	14,770,048	21	21,147,881	22
UD. Boru Namora	7,616,177	11	-	-
Total	22,386,225	32	21,147,881	22

b. Cost of Service Concession

For the years ended 31 December 2023 and 2022, this account mainly represents expenses in order to maintain production capacity according to the service concession contract, which amounted to US\$ 371,444 and US\$ 370,169, respectively.

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33. PERSONNEL EXPENSES

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

34. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	US\$	US\$
Professional fees	1,311,073	1,728,830
Travel and transportation	605,529	406,261
Training, seminars and meeting	466,274	376,774
Rent (Note 16)	402,899	404,048
Depreciation of property, plant and equipment (Note 14)	334,046	374,757
Depreciation of right of use assets (Note 16)	259,855	292,943
Membership and subscription fees	209,306	171,604
Office expenses	160,958	142,887
Insurance	128,045	133,283
Communication and electricity	109,647	112,017
Repairs and maintenance	95,608	73,122
Tax penalty expenses	83,817	327,448
Amortization of intangible assets (Note 15)	63,762	29,155
Custodian fees and bank charges	21,221	39,442
Donation	2,790	5,917
Others	114,486	265,850
Total	<u>4,369,316</u>	<u>4,884,338</u>

35. FINANCE COSTS, NET

	2023	2022
	US\$	US\$
Financial income:		
Interest income from time deposit and current account	155,747	279,476
Others	<u>152,776</u>	<u>191,997</u>
Total	308,523	471,473
Financial charges:		
Loan interest expense	(9,651,484)	(4,949,142)
Interest expense from lease liabilities (Note 16)	(61,774)	(117,680)
Amortization of financing cost	<u>(146,593)</u>	<u>(174,083)</u>
Total	(9,859,851)	(5,240,905)
Total, net	<u>(9,551,328)</u>	<u>(4,769,432)</u>

36. OTHER INCOME , NET

	2023	2022
	US\$	US\$
Other income:		
Management service income from plasma and other third parties	515,885	605,344
Gain on sale of property, plant, and equipment	-	117,293
Income from palm shell sales	809,438	881,543
Sales of RSPO certificates	247,834	196,305
Others	<u>986,627</u>	<u>465,974</u>
Total	2,559,784	2,266,459
Other expenses:		
Loss on sale of property, plant, and equipment	(165,488)	-
Loss on bearer plants write off	-	(499)
Others	<u>(26,998)</u>	<u>(3,283)</u>
Total	(192,486)	(3,782)
Total, net	<u>2,367,298</u>	<u>2,262,677</u>

Total sales of RSPO certificates for the year ended 31 December 2023 amounts to US\$ 2,026,412 which consists of US\$ 1,778,578 through the physical sales (Note 31) and US\$ 247,834 through the online trading (palm e-trace).

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37. INCOME TAXES

Income tax expense of the Group consists of the following:

	2023 US\$	2022 US\$
Recognized in profit and loss:		
Current tax	9,357,023	13,792,829
Deferred tax	(1,690,952)	(440,306)
Total	7,666,071	13,352,523
Recognized in other comprehensive income:		
Deferred tax	(109,256)	(364,915)
Total	(109,256)	(364,915)
Total income tax expense of the Group	7,556,815	12,987,608

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:

	2023 US\$	2022 US\$
Consolidated profit before tax	9,567,725	34,507,811
Less: profit before tax per subsidiaries	(11,235,728)	(35,999,777)
Profit adjustment based on cost method	6,502,276	6,486,021
Profit before tax of the Company	4,834,273	4,994,055
Temporary differences:		
Bonus	(91,822)	(143,431)
Post-employment benefits	233,364	89,248
Rental	(21,644)	(65,595)
Depreciation and amortization	65,810	48,043
Subtotal	185,708	(71,735)
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Dividend income from subsidiaries and associates	(6,976,754)	(7,120,099)
Interest income	(6,195)	(31,322)
Donation	5,325	54,207
Personnel expenses	345,625	859,905
Gain on sale of investment	-	3,259,892
Others	56,562	30,171
Subtotal	(6,575,437)	(2,947,246)
Total taxable (loss) income of the Company	(1,555,456)	1,975,074

	2023 US\$	2022 US\$
Current income tax expense - subsidiaries		
PT Austindo Nusantara Jaya Agri and subsidiaries	9,355,913	13,792,509
PT Lestari Sagu Papua	1,110	320
Income tax expense - current	9,357,023	13,792,829

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37. INCOME TAXES (Continued)

The Company has submitted its corporate income tax return for fiscal year 2022 in April 2023. As of the issuance of these consolidated financial statements, the Company has not submitted its corporate income tax return for fiscal year 2023. The calculation above will be used as the basis to submit the 2023 corporate income tax return.

Deferred Tax

As of 31 December 2023 and 2022, the Company had temporary differences from employee benefits obligation, fixed assets, security deposit, investments in equity securities, bonus and right-of-use assets.

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

	2023 US\$	2022 US\$
Tax loss carry forwards	18,450,098	15,864,449
Impairment provision of property, plant and equipment	2,524,122	2,473,578
Allowance for decline in value of inventories	273,061	369,187
Provision for service concession arrangement	14,129	118,110
Total	<u>21,261,410</u>	<u>18,825,324</u>

The Group's tax loss carry forwards, which as of 31 December 2023 and 2022 amounting to US\$ 87,885,209 and US\$ 68,879,313, respectively, will expire between 2024 and 2028 (2022: will expire between 2023 and 2027) 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 2023 US\$	Credited (charged) to profit or loss US\$	Credited (charged) to other comprehensive income US\$	Credited (charged) to available investment revaluation US\$	Translation adjustments US\$	31 December 2023 US\$
<u>Deferred tax assets</u>						
The Company	123,852	40,856	(51,340)	(5,609)	-	107,759
GMT	36,308	(2,983)	(452)	-	778	33,651
ANJA	883,509	1,040,838	(57,046)	-	(24,600)	1,842,701
ANJAP	71,463	1,982	(5,968)	-	1,502	68,979
AANE	-	16,812	344	-	(1,773)	15,383
Total	<u>1,115,132</u>	<u>1,097,505</u>	<u>(114,462)</u>	<u>(5,609)</u>	<u>(24,093)</u>	<u>2,068,473</u>
<u>Deferred tax liabilities</u>						
ANJA	(729,629)	541,876	10,815	-	-	(176,938)
AANE	(51,571)	51,571	-	-	-	-
Total	<u>(781,200)</u>	<u>593,447</u>	<u>10,815</u>	<u>-</u>	<u>-</u>	<u>(176,938)</u>
Net		<u>1,690,952</u>	<u>(103,647)</u>	<u>(5,609)</u>		

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37. INCOME TAXES (Continued)

Deferred Tax (Continued)

	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\$
<u>Deferred tax assets</u>					
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	<u>974,832</u>	<u>444,666</u>	<u>(288,374)</u>	<u>(15,992)</u>	<u>1,115,132</u>
<u>Deferred tax liabilities</u>					
AANE	(49,322)	(7,425)	196	4,980	(51,571)
ANJA	(697,937)	3,065	(76,737)	41,980	(729,629)
Total	<u>(747,259)</u>	<u>(4,360)</u>	<u>(76,541)</u>	<u>46,960</u>	<u>(781,200)</u>
Net		<u>440,306</u>	<u>(364,915)</u>		

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:

	2023	2022
	US\$	US\$
Profit before tax of the Company	<u>4,834,273</u>	<u>4,994,055</u>
Tax expense at prevailing tax rates	<u>(1,063,540)</u>	<u>(1,098,692)</u>
Effect of non-tax-deductible expenses (non-taxable income/subjected to final tax):	1,534,886	1,566,422
Dividend income from subsidiaries		
Interest income	1,363	6,891
Donation	(1,171)	(11,926)
Personnel expenses	(76,038)	(189,179)
Gain on sale of investment	-	(717,176)
Others	<u>(12,444)</u>	<u>(6,638)</u>
Total	<u>1,446,596</u>	<u>648,394</u>
Recognition of previously unrecognized tax losses	-	434,517
Current year's unrecognized tax losses	<u>(342,200)</u>	<u>-</u>
Total tax expense of the Company recognized in profit or loss	<u>40,856</u>	<u>(15,781)</u>
Tax expense of subsidiaries	<u>(7,706,927)</u>	<u>(13,336,742)</u>
Total Group's tax expense	<u>(7,666,071)</u>	<u>(13,352,523)</u>

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38. EARNING PER SHARE

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

	2023	2022
	US\$	US\$
<u>Income</u>		
Net income attributable to owners of the Company	2,626,343	21,721,276
<u>Number of shares</u>		
Weighted average number of ordinary shares outstanding for basic income per share computation	3,352,427,424	3,328,875,821
Weighted average number of ordinary shares outstanding for diluted income per share computation	3,352,427,424	3,328,875,821
Earning per share		
Basic	0.0008	0.0065
Diluted	0.0008	0.0065

As of 31 December 2023 and 2022, the Company has no dilutive potential common shares.

39. CASH DIVIDENDS

In the Annual General Shareholders' Meeting held on 7 June 2023, the shareholders of the Company approved the distribution of cash dividends of Rp 93,246.06 million or Rp 27.8 (full amount) per share (equivalent to US\$ 6,239,282 or US\$ 0.0019 per share) from the unappropriated retained earnings as of 31 December 2022 to the shareholders recorded on the shareholders register on 19 June 2023 (recording date). The dividend was paid to the shareholders on 7 July 2023.

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.

40. DERIVATIVE INSTRUMENTS

- a. The Company, ANJA, ANJAS, 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 2023, 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 2023, 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 2023, 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 2023, 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 2024. On 31 December 2023, 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. On 20 August 2023, security service agreement between ANJA, ANJAS, PPM, and PMP with PT G4S Security Services was extended until 23 June 2024.
- 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 total area. 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.

42. COMMITMENTS AND CONTINGENCIES (Continued)

- 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.

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 2024 maximum of 26,500 metric tonnes per month and for delivery of PK in 2024 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, Sambar 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 smallholders based on the mutual agreement between the Nucleus and the Cooperatives (smallholders).
 - Purchase the fresh fruit bunches (FFB) produced by plasma plantation at prevailing price in Bangka Belitung Province.
 - Plasma financing is derived from bank loan made between bank and the Cooperatives.

The period of the agreement is 30 years.

The bank loan agreements between Mitra Anugrah Cooperative and Mitra Lestari Cooperative and PT Bank CIMB Niaga Tbk were signed on 27 July 2016. The loan facility was Rp 3.7 billion and Rp 3.6 billion, respectively, and guaranteed by SMM. The bank loans' periods are until 2026 for Mitra Anugrah Cooperative and until 2024 for Mitra Lestari Cooperative, bearing floating interest rate of 9% p.a. effective from February 2023.

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 9% p.a. effective from February 2023.

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42. COMMITMENTS AND CONTINGENCIES (Continued)

- g. 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 2023. The total significant contracts commitment as of 31 December 2023 is as follows:

	Contract value	Total amount have been paid
IDR	Rp 104.3 billion	Rp 54.3 billion

CONTINGENCIES

As of 31 December 2023, 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. SERVICE 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 2023 US\$	31 December 2022 US\$
Balance at beginning of year	633,465	770,623
Repayment	(76,912)	(69,333)
Translation adjustments	13,747	(67,825)
Balance at end of year	<u>570,300</u>	<u>633,465</u>
Less:		
Current maturity	(86,614)	(74,585)
Non-current portion	<u>483,686</u>	<u>558,880</u>

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 2023 US\$	31 December 2022 US\$
Balance at beginning of year	536,865	486,613
Provision during the year	111,838	143,679
Realization during the year	(272,704)	(42,674)
Translation adjustment	12,649	(50,753)
Balance at end of year	<u>388,648</u>	<u>536,865</u>
Less:		
Current maturity	(147,095)	(236,067)
Non-current portion	<u>241,553</u>	<u>300,798</u>

The discount rate used in calculating the present value of the AANE's provision is 6.12%-6.72%.

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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 2023 and 2022, total revenue to external customers by geographical areas are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Domestic	235,944,452	268,289,315
Offshore countries	567,251	877,406
	<u>236,511,703</u>	<u>269,166,721</u>

As of 31 Desember 2023 and 2022, the total of non-current assets other than financial instruments and deferred tax assets amounted to US\$ 525,320,339 and US\$ 520,345,320, respectively, and all is located in Indonesia.

Below is the operating segment information:

a. Segment Results

	31 December 2023					
	Palm oil	Energy	Sago	Others	Total	Elimination
	US\$	US\$	US\$	US\$	US\$	US\$
Revenue	233,131,697	576,249	883,679	1,920,078	236,511,703	-
Cost of revenue	(195,188,970)	(371,444)	(4,647,871)	(4,744,556)	(204,952,841)	-
Gross profit (loss)	37,942,727	204,805	(3,764,192)	(2,824,478)	31,558,862	-
Foreign exchange gain (loss), net	157,220	(220)	740	(3,556)	154,184	(6,336)
Selling expense	(631,914)	-	(11,010)	(13,453)	(656,377)	-
Personnel expense	(6,082,651)	(74,439)	(80,009)	(440,499)	(6,677,598)	-
General & administrative expense	(5,262,722)	(48,798)	(188,695)	(328,639)	(5,828,854)	2,694,246
Others, net	2,126,309	(5,472)	(1,237)	1,959	2,121,559	(20,339)
Operating profit (loss)	28,248,969	75,876	(4,044,403)	(3,608,666)	20,671,776	2,667,571
Financial income (charges), net	(9,387,455)	37,946	14,808	(100,871)	(9,435,572)	198,724
Segment income (loss) before tax	18,861,514	113,822	(4,029,595)	(3,709,537)	11,236,204	2,866,295
Unallocated income before tax					4,834,273	(9,369,047)
Profit before tax					16,070,477	(6,502,752)
Tax expense:						
Segment	(7,773,199)	68,383	872	(2,983)	(7,706,927)	-
Unallocated					40,856	-
Total tax expense					(7,666,071)	-
Profit for the year					<u>8,404,406</u>	<u>(6,502,752)</u>
Profit for the year attributable to:						
Owners of the Company					9,129,095	(6,502,752)
Non-controlling interest					(724,689)	-
Profit for the year					<u>8,404,406</u>	<u>(6,502,752)</u>
Total comprehensive income (loss) for the year attributable to:						
Owners of the Company					13,647,317	(6,502,752)
Non-controlling interest					(675,894)	-
Total comprehensive income (loss)					<u>12,971,423</u>	<u>(6,502,752)</u>

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44. SEGMENT INFORMATION (Continued)

a. Segment Results (Continued)

	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	(660.00)	269,166,721
Cost of revenue	(203,689,314)	(370,169)	(7,375,747)	(3,860,254)	(215,295,484)	660.00	(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					28,258,224	(6,536,948)	21,721,276
Non-controlling interest					(565,988)	-	(565,988)
Profit for the year					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-controlling interest:					(763,294)	-	(763,294)
Total comprehensive income (loss)					12,646,026	(6,536,948)	6,109,078

b. Segment Assets and Liabilities

	31 December 2023						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
CONSOLIDATED FINANCIAL POSITION							
<u>ASSETS</u>							
Segment assets	561,288,068	1,383,250	13,365,151	11,270,984	587,307,453	(3,448,050)	583,859,403
Unallocated assets	-	-	-	-	346,762,824	(316,549,967)	30,212,857
Total consolidated assets							614,072,260
<u>LIABILITIES</u>							
Segment liabilities	186,020,238	481,626	954,472	1,868,736	189,325,072	(5,595,696)	183,729,376
Unallocated liabilities	-	-	-	-	5,315,278	(298,077)	5,017,201
Total consolidated liabilities							188,746,577
Capital expenditure							
Segment	33,325,313	9,873	468,482	177,031	33,980,699	-	33,980,699
Unallocated	-	-	-	-	18,681	-	18,681
Total capital expenditure							33,999,380
Depreciation and amortization							
Segment							
Unallocated	28,250,123	3,661	1,034,858	601,810	29,889,952	-	29,889,952
Total depreciation and amortization	-	-	-	-	294,564	-	294,564
							30,184,516

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44. SEGMENT INFORMATION (Continued)

b. Segment Assets and Liabilities (Continued)

	31 December 2022						
	Palm oil US\$	Energy US\$	Sago US\$	Others US\$	Total US\$	Elimination US\$	Consolidated US\$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	546,694,896	1,351,572	13,596,265	11,001,961	572,644,694	(890,115)	571,751,579
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

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

As of 31 December 2023 and 2022, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows:

	31 December 2023		31 December 2022	
	Foreign currencies	Equivalent to US\$	Foreign currencies	Equivalent to US\$
Assets				
Cash and cash equivalents				
Rupiah	61,472,625,776	3,987,587	138,124,944,330	8,780,430
Trade accounts receivable				
Rupiah	8,875,268,688	575,718	19,093,806,328	1,213,769
Other receivable				
Rupiah	12,012,918,000	779,250	8,245,293,533	524,143
Receivable from service concession arrangement				
Rupiah	8,791,744,800	570,300	9,965,037,915	633,465
Prepayments – Value Added Taxes				
Rupiah	458,535,985,976	29,744,161	380,791,900,915	24,206,465
Claims for tax refund				
Rupiah	48,624,545,976	3,154,161	25,626,020,247	1,629,014
Other non-current assets				
Rupiah	412,727,465,304	26,772,669	267,785,891,401	17,022,814
Total		65,583,846		54,010,100
Liabilities				
Short-term bank loans				
Rupiah	101,000,000,000	6,551,635	10,000,000,000	635,687
Trade accounts payable				
Rupiah	93,157,993,872	6,042,942	97,031,419,346	6,168,166
Taxes payable				
Rupiah	22,582,173,848	1,464,853	13,187,281,569	838,299
Long-term bank loans				
Rupiah	866,910,000,000	56,234,432	844,665,000,000	53,694,298
Other payable				
Rupiah	108,941,233,824	7,066,764	78,493,346,328	4,989,724
Provision for service concession arrangement				
Rupiah	5,991,397,568	388,648	8,445,423,315	536,865
Accrued expenses				
Rupiah	89,032,502,696	5,775,331	98,409,002,935	6,255,737
Lease liabilities				
Rupiah	5,006,993,472	324,792	17,100,886,942	1,087,082
Employee benefits obligation				
Rupiah	210,610,663,368	13,661,823	183,361,763,018	11,656,078
Total		97,511,219		85,861,936
Total liabilities, net		(31,927,373)		(31,851,836)

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

As of 31 December 2023 and 2022, the conversion rates used by the Group were as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Currencies:		
1 Rupiah	0.000065	0.000064
1 Euro	1.111832	1.062425

In relation to the fluctuation of the U.S. Dollar exchange rate against foreign currencies, the Group recorded the foreign exchange gain (loss), net of US\$ 175,665 and (US\$ 2,583,039), respectively for the years ended 31 December 2023 and 2022.

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.

The debt to equity ratio as of 31 December 2023 and 2022 were as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	US\$	US\$
Debts		
Short term bank loans	23,251,634	4,635,687
Long-term bank loan – current maturities	5,806,250	4,600,000
Long-term bank loans- net of current maturities	121,884,725	125,006,648
Lease liabilities – current maturities	304,924	822,607
Lease liabilities- net of current maturities	19,868	264,475
Total debt	<u>151,267,401</u>	<u>135,329,417</u>
Equity attributable to the owners of the Company	<u>423,896,250</u>	<u>422,005,863</u>
Debt to equity ratio	<u>35.69%</u>	<u>32.07%</u>

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46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

a. Capital Risk Management (Continued)

Categories and classes of financial instruments

	Financial assets/ liabilities at amortized cost US\$	Investment in equity securities US\$	Financial assets/ liabilities at fair value through profit or loss (FVTPL) US\$
31 December 2023			
Current financial assets			
Cash in banks and cash equivalents	5,682,846	-	-
Investment in marketable securities	-	-	490,209
Receivable from service concession arrangement	86,614	-	-
Trade accounts receivable	590,958	-	-
Other receivable	779,250	-	-
Non-current financial assets			
Receivable from service concession arrangement	483,686	-	-
Other investments	-	4,188,051	-
Other assets	26,800,069	-	-
Current financial liabilities			
Short-term bank loans	(23,251,634)	-	-
Trade accounts payable	(6,141,049)	-	-
Other payables	(7,066,764)	-	-
Accrued expenses	(5,776,300)	-	-
Long term bank loan - current maturities	(5,806,250)	-	-
Lease liabilities - current maturities	(304,924)	-	-
Provision for service concession arrangement - current maturities	(147,095)	-	-
Non-current financial liabilities			
Long-term bank loans - net of current maturities	(122,111,877)	-	-
Lease liabilities - net of current maturities	(19,868)	-	-
Provision for service concession arrangement - net of current maturities	(241,553)	-	-
Total	(136,443,891)	4,188,051	490,209
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)	-	-
Lease liabilities - 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)	-	-
Lease liabilities - 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)

b. Financial Risk Management Objectives and Policies

The Group's financial risk management objective and policy are implemented to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign currency risk, foreign currency sensitivity, interest rate risk, price risk, credit risk and liquidity risk. The Group operates within defined guidelines that are approved by the Board of Directors.

The Group divides risks into the following categories: market risk, credit risk and liquidity risk. Market risks include foreign exchange rate risk, interest rate risk and price risk. In managing risk, the Group considers priorities based on the probability of the risk will materialize and the scale of potential impacts if the risk occurs.

i. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuates following changes in foreign exchange currency rates.

The 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 3% and 1% increase and decrease in U.S. Dollar rate against Rupiah in 31 December 2023 and 2022, respectively. The increase and decrease represent management's assessment of reasonable possible change in foreign exchange rates after considering the current economic conditions. The sensitivity analysis includes only the outstanding foreign currency denominated monetary assets and liabilities and shows their translation effects at period end for every 3% change in the foreign currency rates of Rupiah at 31 December 2023.

	31 December 2023	
	Impact from Rupiah	
	3%	-3%
	US\$	US\$
Assets		
Cash and cash equivalents	(119,628)	119,628
Trade accounts receivable	(17,272)	17,272
Other receivable	(23,378)	23,378
Receivable from service concession arrangement	(17,109)	17,109
Prepayments – Value Added Taxes	(892,325)	892,325
Claim for tax refund	(94,625)	94,625
Other non-current assets	(803,180)	803,180
Total *)	(1,967,517)	1,967,517
Liabilities		
Short term bank loan	196,549	(196,549)
Trade accounts payable	181,288	(181,288)
Taxes payable	43,946	(43,946)
Long-term bank loans	1,687,033	(1,687,033)
Other payable	212,003	(212,003)
Provision for service arrangement	11,659	(11,659)
Accrued expenses	173,260	(173,260)
Lease liabilities	9,744	(9,744)
Employee benefit obligation	409,855	(409,855)
Total *)	2,925,337	(2,925,337)
Total assets (liabilities) net	957,820	(957,820)

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

i. Foreign Currency Risk (Continued)

	31 December 2022	
	Impact from Rupiah	
	1% US\$	-1% US\$
Assets		
Cash and cash equivalents	(87,804)	87,804
Trade accounts receivable	(12,138)	12,138
Other receivable	(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 benefit obligation	116,561	(116,561)
Total *)	858,620	(858,620)
Total assets (liabilities) net	318,519	(318,519)

*) included the 31 December 2023 translation effect of assets and liabilities amounted to Rp 559.2 billion and Rp 1.1 trillion (31 December 2022: Rp 435.7 billion and Rp 970.4 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 3% and 1% against Rupiah, respectively for the year ended 31 Desember 2023 and 2022:

	31 December 2023		31 December 2022	
	3% US\$	-3% US\$	1% US\$	-1% US\$
Translation adjustments	5,637,146	(5,637,146)	1,964,173	(1,964,173)

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)

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 2023 US\$	31 December 2022 US\$
Financial assets:		
Floating rate		
Cash in banks	5,139,324	9,780,260
Time deposits	543,521	834,657
Investments in marketable securities	490,209	490,209
Total	6,173,054	11,105,126
Fixed rate		
Receivable from service concession arrangement	570,300	633,465
Financial liabilities:		
Floating rate		
Short-term bank loans	23,251,634	4,635,687
Long-term bank loans	127,918,127	129,977,993
Total	151,169,761	134,613,680
Fixed rate		
Lease liabilities	324,791	1,087,083
Provision for service concession arrangement	388,649	536,865
Total	713,440	1,623,948

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 2023	
	+ 25 basis points US\$	- 25 basis points US\$
Financial assets		
Cash in bank	12,848	(12,848)
Time deposits	1,359	(1,359)
Investments in marketable securities	1,226	(1,226)
Financial liabilities		
Short-term bank loans	(58,129)	58,129
Long-term bank loans	(319,795)	319,795
Total	<u>(362,491)</u>	<u>362,491</u>

46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

ii. Interest Rate Risk (Continued)

	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

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, 42f).

Trade accounts receivable aging profile is disclosed in Note 7.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Group's exposure to credit risk.

v. Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of its financial assets and liabilities.

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46. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

v. Liquidity Risk (Continued)

The following tables detail the Group's contractual details of financial assets and liabilities based on the remaining maturity profile as of 31 December 2023 and 2022. The tables represent the undiscounted cash flows and carrying amount of financial assets and liabilities based on the earliest required payment date:

	31 December 2023				
	Contractual Cash Flows				Carrying Amount US\$
	Less than 1 year US\$	1 – 5 years US\$	Beyond 5 years US\$	Total US\$	
	US\$	US\$	US\$	US\$	
Financial assets:					
Cash in banks and cash equivalents	5,682,846	-	-	5,682,846	5,852,646
Investments in marketable securities	490,209	-	-	490,209	490,209
Receivable from service concession arrangement	155,713	622,852	-	778,565	570,300
Trade accounts receivable	590,958	-	-	590,958	590,958
Other receivable	779,250	-	-	779,250	779,250
Other current assets	-	26,800,069	-	26,800,069	26,800,069
Total financial assets	7,698,976	27,422,921	-	35,121,897	35,083,432
Financial liabilities:					
Short-term bank loans					
Rupiah	6,659,983	-	-	6,659,983	6,551,635
U.S. Dollar	16,924,181	-	-	16,924,181	16,700,000
Trade accounts payable	6,141,049	-	-	6,141,049	6,141,049
Provision for service concession arrangement	148,658	250,444	-	399,102	388,648
Long-term bank loans					
Rupiah	4,516,903	57,356,156	-	61,873,059	56,234,432
U.S. Dollar	10,588,377	69,133,057	-	79,721,434	71,683,695
Other payable	7,066,764	-	-	7,066,764	7,066,764
Lease liabilities	325,813	20,822	-	346,635	324,792
Accruals	5,776,300	-	-	5,776,300	5,776,300
Total financial liabilities	58,148,028	126,760,479	-	184,908,507	170,867,315
Total net liabilities	(50,449,052)	(99,337,558)	-	(149,786,610)	(135,783,883)

	31 December 2022				
	Contractual Cash Flows				Carrying Amount US\$
	Less than 1 year US\$	1 – 5 years US\$	Beyond 5 years US\$	Total 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)

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47. FAIR VALUE MEASUREMENTS

Fair value of financial instruments carried at amortized cost

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

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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 2023	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>Financial assets</u>				
Financial assets at FVTPL				
Investments in money market fund	490,209	-	-	490,209
Investments in equity securities				
Other Investment	872	-	4,187,179	4,188,051
<u>Non-financial assets</u>				
Biological assets	-	-	3,414,702	3,414,702
Total	491,081	-	7,601,881	8,092,962

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
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47. FAIR VALUE MEASUREMENTS (Continued)

Fair value measurement hierarchy of the Group's assets and liabilities (Continued)

31 December 2022	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Financial assets at FVTPL				
Investments in money market fund	490,209	-	-	490,209
Investments 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

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 year and no transfers in either direction in 2023 and 2022.

48. NON-CASH FINANCING AND INVESTING ACTIVITIES

	31 December 2023 US\$	31 December 2022 US\$
Non-cash financing and investing activities:		
Addition of plasma receivable through reclassification from bearer plants	10,500,175	-
Acquisitions of property, plant and equipment through:		
Other Payable	1,251,798	1,240,877
Reclassification from advances	-	613,736
Addition of bearer plants through:		
Amortization of financing cost	-	52,895
Capitalization of depreciation of property, plant and equipment (Note 14)	-	447,132
Addition of right of use asset through lease liabilities	54,599	93,568

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

	31 December 2023 US\$	31 December 2022 US\$
Beginning balance of short-term and long-term bank loans (Note 21)	134,242,335	169,246,031
Cash flows:		
Proceeds from short-term bank loans	64,883,886	12,266,355
Proceeds from long-term bank loans	1,435,810	20,000,000
Payments of short-term bank loans	(46,209,160)	(9,568,747)
Payments of long-term bank loans	(4,600,000)	(51,428,428)
Payments for deferred financing	-	(235,807)
Non-cash changes:		
Capitalization of amortization of financing cost	-	52,895
Amortization of financing cost costs	146,593	174,083
Foreign exchange differences	1,043,145	(6,264,047)
Ending balance of short-term and long-term bank loans (Note 21)	150,942,609	134,242,335

49. 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 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 concession permits which were revoked by SK01. 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. On 21 June 2023, Company has received Decree from Minister of Environment and Forestry of the Republic of Indonesia which excluded the Company from list of concession permits which were revoked by SK01. Therefore, HGU of the Company remains valid.
- The supplementary information on Appendices 1 to 10 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.

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SUPPLEMENTARY INFORMATION
STATEMENTS OF FINANCIAL POSITION
PARENT ENTITY ONLY
31 DECEMBER 2023 AND 2022

		31 December	
	Notes	2023	2022
		US\$	US\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		635,736	821,250
Investments in marketable securities		490,209	490,209
Other receivables		1,243,658	1,139,667
Prepayments and advances		67,655	68,952
TOTAL CURRENT ASSETS		2,437,258	2,520,078
NON-CURRENT ASSETS			
Investments in subsidiaries		312,572,994	311,527,677
Investments in equity securities		4,188,051	4,162,556
Advances		4,762,590	2,811,890
Deferred tax assets	2	107,760	123,853
Property and equipment		22,218,425	22,333,812
Right-of-use assets		194,305	349,748
Overpayment of corporate income tax		133,641	240,072
Other non-current assets		147,800	150,802
TOTAL NON-CURRENT ASSETS		344,325,566	341,700,410
TOTAL ASSETS		346,762,824	344,220,488
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Taxes payable	1	396,434	162,291
Other payables		412,216	217,166
Due from related parties		4,011,935	1,200,000
Accruals		292,001	636,564
Lease liabilities-current maturities		202,689	181,145
TOTAL CURRENT LIABILITIES		5,315,275	2,397,166
NON-CURRENT LIABILITIES			
Lease liabilities-net of current maturities/ TOTAL NON-CURRENT LIABILITIES		-	198,631
TOTAL LIABILITIES		5,315,275	2,595,797
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 2023 and 2022		46,735,308	46,735,308
Additional paid in capital		39,731,197	40,719,686
Treasury stock		-	(1,973,591)
Other reserves		3,876,048	3,856,163
Retained earnings			
Appropriated		6,824,453	6,824,453
Unappropriated		244,280,543	245,462,672
TOTAL EQUITY		341,447,549	341,624,691
TOTAL LIABILITIES AND EQUITY		346,762,824	344,220,488

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PARENT ENTITY ONLY
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	Notes	Year ended 31 December	
		2023	2022
		US\$	US\$
Dividend income		7,001,056	7,126,297
Revenue from management services	3	2,667,572	3,042,721
Interest income		46,288	31,414
Foreign exchange gain		27,817	-
Other income		266,073	-
TOTAL REVENUE		10,008,806	10,200,432
Personnel expenses		(3,777,558)	(3,537,347)
General and administrative expenses		(1,235,410)	(1,321,761)
Finance costs		(161,565)	(59,567)
Foreign exchange loss		-	(287,702)
TOTAL EXPENSES		(5,174,533)	(5,206,377)
PROFIT BEFORE TAX		4,834,273	4,994,055
Income tax benefit (expense)	2	40,856	(15,781)
PROFIT FOR THE YEAR		4,875,129	4,978,274
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Changes resulting from actuarial remeasurements of employee benefits obligation		233,364	89,248
Changes in fair value of investments in equity securities		25,494	3,026,771
Gain on sale of investment in equity securities		-	81,314
Income tax on items that will not be reclassified to profit or loss	2	(56,949)	13,763
Other comprehensive income, net of tax		201,909	3,211,096
TOTAL COMPREHENSIVE FOR THE YEAR		5,077,038	8,189,370

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STATEMENTS OF CHANGES IN EQUITY
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	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 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
Sales of treasury stock	-	(988,489)	1,973,591	-	-	-	-	985,102
Profit for the year	-	-	-	-	-	-	4,875,129	4,875,129
Other comprehensive income:	-							
Changes in fair value of investments in equity securities	-	-	-	25,494	-	-	-	25,494
Changes resulting from actuarial remeasurements of employee benefits obligation,	-	-	-	-	-	-	233,364	233,364
Income tax on items that will not be reclassified to profit or loss	-	-	-	(5,609)	-	-	(51,340)	(56,949)
Cash dividend	-	-	-	-	-	-	(6,239,282)	(6,239,282)
Balance as of 31 December 2023	46,735,308	39,731,197	-	2,739,706	1,136,342	6,824,453	244,280,543	341,447,549

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
STATEMENTS OF CASH FLOWS
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	Year ended 31 December	
	2023	2022
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from rendering of services	2,668,671	3,422,518
Payments to employees	(3,366,080)	(3,580,038)
Cash received from income tax refund	163,080	-
Income taxes paid	(56,649)	(64,284)
Payments of employee benefits	-	(3,074)
Interest received	46,288	31,414
Payments for operating activities	(854,357)	(1,108,319)
Net cash used in operating activities	(1,399,047)	(1,301,783)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	7,001,056	7,126,297
Acquisition of property and equipment	(16,244)	(16,452)
Proceeds from sale of property and equipment	384	-
Proceeds from sale investment in equity securities	-	5,500,000
Acquisitions investments in subsidiaries	(2,989,278)	(1,876,565)
Acquisition of other non-current assets	(2,437)	(26,106)
Net cash provided by investing activities	3,993,481	10,707,174
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale of treasury shares	985,102	1,361,940
Proceeds from short-term bank loan	-	5,500,000
Payments of short-term bank loan	-	(7,500,000)
Receipt of loan from a subsidiary	2,811,936	1,200,000
Payments of interest	(160,617)	(59,567)
Payments of dividends	(6,239,282)	(9,666,022)
Lease liabilities payment	(177,087)	(221,038)
Net cash used in financing activities	(2,779,948)	(9,384,687)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(185,514)	20,704
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	821,250	800,546
CASH AND CASH EQUIVALENTS AT END OF YEAR	635,736	821,250

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PARENT ENTITY ONLY
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1. TAXES PAYABLES

	31 December 2023	31 December 2022
	US\$	US\$
Income tax:		
Article 4 (2)	8,770	8,056
Article 21	383,462	123,077
Article 23/26	4,202	3,520
Value Added Taxes	-	27,638
Total	396,434	162,291

2. INCOME TAX

Income tax expense of the Company consists of the followings:

	2023	2022
	US\$	US\$
Recognized in profit and loss:		
Deferred tax	(40,856)	15,781
Recognized in other comprehensive income:		
Deferred tax	56,949	(13,763)
Income tax expense of the Company	16,093	2,018

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:

	2023	2022
	US\$	US\$
Profit before tax of the Company	4,834,273	4,994,055
Temporary differences:		
Bonus	(91,822)	(143,431)
Employee benefits	233,364	89,248
Depreciation and amortization	65,810	48,043
Rental	(21,644)	(65,595)
Subtotal	185,708	(71,735)
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Dividend income	(6,976,754)	(7,120,099)
Interest income	(6,195)	(31,322)
Personnel expenses	345,625	859,905
Gain on sales of investment	-	3,259,892
Others	61,887	84,378
Subtotal	(6,575,437)	(2,947,246)
Total taxable (loss) income of the Company	(1,555,456)	1,975,074
Tax loss carryforward utilized	-	(1,975,074)
Total income tax expense - current	-	-

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
NOTES TO THE FINANCIAL STATEMENTS
PARENT ENTITY ONLY (Continued)
YEARS ENDED 31 DECEMBER 2023 AND 2022

2. INCOME TAX (Continued)

Current corporate income tax expense and tax overpayment of the Company are computed as follows:

	2023 US\$	2022 US\$
Beban pajak kini - Perusahaan	-	-
Dikurangi pajak dibayar di muka: Pasal 23 - Perusahaan	(56,649)	(64,284)
Lebih bayar pajak penghasilan badan	<u>(56,649)</u>	<u>(64,284)</u>

Deferred Tax

As of 31 December 2023 and 2022, 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.

The details of deferred tax assets of the Company are as follows:

	1 January 2023 US\$	Credited (charged) to profit or loss US\$	Credited to other comprehensive income US\$	31 December 2023 US\$
Employee benefits obligation	-	51,340	(51,340)	-
Security deposits	27,280	-	-	27,280
Investments in equity securities	(40,307)	-	(5,609)	(45,916)
Fixed assets	63,848	14,479	-	78,327
Bonus	66,426	(20,201)	-	46,225
Lease liabilities*	83,551	(38,959)	-	44,592
Right-of-use Assets*	(76,945)	34,197	-	(42,748)
Total	<u>123,853</u>	<u>40,856</u>	<u>(56,949)</u>	<u>107,760</u>

	1 January 2022 US\$	Credited (charged) to profit or loss US\$	Credited to other comprehensive income US\$	31 December 2022 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
Lease liabilities*	132.179	(48.628)	-	83.551
Right-of-use Assets*	(111.142)	34.197	-	(76.945)
Total	<u>125.871</u>	<u>(15.781)</u>	<u>13.763</u>	<u>123.853</u>

*The Company applied Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to PSAK 46) from 1 January 2023. Following the amendments, the Company has recognized a separate deferred tax assets in relation its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offsetting under paragraph 74 of PSAK 46.

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
NOTES TO THE FINANCIAL STATEMENTS
PARENT ENTITY ONLY (Continued)
YEARS ENDED 31 DECEMBER 2023 AND 2022

2. INCOME TAX (Continued)

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:

	2023 US\$	2022 US\$
Profit before tax of the Company	4,834,272	4,994,055
Tax expense at prevailing tax rates	(1,063,540)	(1,098,692)
	2023 US\$	2022 US\$
Effect of non-tax deductible expenses (non-taxable income/subject to final tax):		
Dividend income	1,534,886	1,566,422
Interest income	1,363	6,891
Personnel expenses	(76,038)	(189,179)
Gain on sale of investment	-	(717,176)
Others	(13,615)	(18,564)
Total	1,446,596	648,394
Recognition of previously unrecognized tax losses	-	434,517
Current year's unrecognized tax losses	(342,200)	-
Income tax expense of the Company	40,856	(15,781)

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of relationship

During 2023 and 2022, 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)

Transaction with related parties

In the normal course of business, the Company entered into certain transactions with its related parties, including the followings:

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
NOTES TO THE FINANCIAL STATEMENTS
PARENT ENTITY ONLY (Continued)
YEARS ENDED 31 DECEMBER 2023 AND 2022

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES (Continued)

Transaction with related parties (Continued)

- 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 17 March 2022 for the period until 31 December 2022 and will be automatically extended for another one year period. Management fee charged to subsidiaries is amounted to US\$ 2,667,572 and US\$ 3,042,721 for the years ended 31 December 2023 and 2022, respectively.
- During 2023 and 2022, the Company has outstanding loan from SMM to finance the Company's operational and working capital activities amounted to US\$ 4.0 million and US\$ 1.2 million, respectively. During 2023 and 2022, the Company recorded finance cost amounted to US\$ 131 thousand and US\$ 14 thousand, respectively.
- For the years ended 31 December 2023 and 2022, the Company received dividend distributions from the following related parties:

	<u>2023</u>	<u>2022</u>
	US\$	US\$
PT Austindo Nusantara Jaya Agri	6,499,553	6,484,221
PT Sahabat Mewah dan Makmur	<u>2,719</u>	<u>1,801</u>
	<u>6,502,272</u>	<u>6,486,022</u>

PT AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
NOTES TO THE INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES
YEARS ENDED 31 DECEMBER 2023 AND 2022

INVESTMENTS IN SUBSIDIARIES

As of 31 December 2023 and 2022, 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	
			2023	2022	2023	2022
			%	%	%	%
<u>Direct Subsidiaries</u>						
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	80.14	85.38	99.99	99.99
<u>Entitas Anak Tidak Langsung</u>						
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	Agribusiness	4.46	4.60	99.99	99.99
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat, Papua	Agribusiness	34.00	35.00	99.99	99.99
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	Agribusiness	32.00	35.00	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	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.: 00054/2.1005/AU.1/01/0854-3/1/II/2024

The Shareholders,
Board of Commissioners and Board of Directors
PT Austindo Nusantara Jaya Tbk:

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 2023, 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 material 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 2023, 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 section 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Bearer plants' impairment assessment

Refer to Note 3r (Summary of material accounting policies – Impairment of non-financial assets), Note 4viii (Critical accounting judgments and estimates – Key Sources of Estimation Uncertainty – Impairment of non-financial assets) and Note 13 to the consolidated financial statements.



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 2023, the bearer plants of two subsidiaries were identified with such indicators and an impairment test for those plantations have been carried out by management.

We identified the impairment test of the bearer plants as a key audit matter because the method used are complex and judgement in nature, utilizing assumptions on future market and/or economic conditions. The assumptions used include future cash flow projections, growth rates, discount rates and sensitivity analysis, with a greater focus on more recent trends and current market interest rate, and less reliance on historical trends.

Our audit procedures to respond the bearer plants' impairment assessment, among others, include the followings:

- We assessed management's determination of the recoverable amount based on a valuation using cash flow projection (value in use) covering the asset's lifetime based on a long-range plan approved by management. Management assessed that the asset's value in use is expected to be higher than the fair value less cost to sell.
- We assessed whether all assets and liabilities that should have been included in the cash generating unit (CGU) are included, and assets and liabilities that should not be included in the CGU are excluded, by making inquiries of management and inspecting relevant audit evidence.
- We tested the reasonableness of the discounted cash flow model by comparing the Group's assumptions to externally derived data such as relevant industry information, projected prices, inflation and discount rates as well as the comparable peer data within the Group.
- We performed the sensitivity analysis on the discount rate used to evaluate the impact on the impairment assessment.

Impairment assessment of plasma receivables (part of other non-current assets)

Refer to Note 3h (Summary of material accounting policies – Financial instruments), Note 4x (Critical accounting judgments and estimates – Key Sources of Estimation Uncertainty – Recoverability of advance for plasma and partnership projects and plasma receivables) and Note 20 to the consolidated financial statements.

As of 31 December 2023, the plasma receivables of two subsidiaries were identified with impairment indicators and an impairment test for those plasma receivables have been carried out by management.

We identified the impairment assessment of these plasma receivables as a key audit matter because of the significant judgments and estimates used by management to determine the recoverability of the plasma receivables. The key assumptions used by management in assessing the recoverability of the 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.

Our audit procedures in relation with plasma receivables 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;
- We assessed the key assumptions on cashflows projections from additional project for the same cash generating unit that contributed to the increase in the value in use; and
- We performed the sensitivity analysis on the discount rate used to evaluate the impact on the impairment assessment.



Other matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Appendices 1 through 9, which comprises the statement of financial position of PT Austindo Nusantara Jaya Tbk (parent entity only), and the related statements of profit or loss and other comprehensive income, changes in equity, cash flows for the year then ended, is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's 2023 annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Group's 2023 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 2023 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, related safeguards.



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.

Registered Public Accountants
Siddharta Widjaja & Rekan

A handwritten signature in black ink, appearing to be 'A' with a horizontal stroke.

Susanto, S.E., CPA
Public Accountant License No. AP. 0854

29 February 2024



2023

ANNUAL REPORT

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