PT AUSTINDO NUSANTARA JAYA TBK.

Driving Growth in Challenging Times

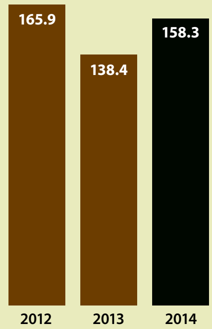
ANNUAL REPORT 2014

Financial Highlights 2014

	2014	2013	2012
Results from Operations (US$ million)			
Revenue from sales and service concessions	158.3	138.4	165.9
Total income	170.6	151.8	185.1
Gross profit	64.4	48.1	77.7
EBITDA	63.4	46.2	78.4
Net income from continuing operations	18.3	21.9	42.0
Net income from discontinued operations	0	0	56.7
Net income for the year	18.3	21.9	98.7
attributable to the owners of the company	18.4	22.0	96.3
attributable to non-controlling interests	(0.2)	(0.1)	2.4
Total Comprehensive Income	19.9	1.1	95.6
attributable to owners of the company	20.0	1.3	93.3
attributable to non-controlling interests	(0.1)	(0.2)	2.3
Earnings per Share (US$)			
Basic earnings per share	0.00553	0.00680	0.07970
Basic earnings per share from continuing operations	0.00553	0.00680	0.03473
Diluted earnings per share from continuing operations	0.00549	0.00678	-
Financial Position (US$ million)			
Cash and cash equivalents	30.1	41.4	76.6
Total current assets	65.5	72.1	109.3
Total assets	444.0	397.4	399.4
Bank loans	27.8	1.4	3.8
Total current liabilities	53.6	19.2	55.9
Total liabilities	68.6	32.7	71.7
Total equity	375.5	364.7	327.7
Financial Ratios			
Return on assets (%)	4.1	5.5	10.5
Return on equity (%)	4.9	6.0	12.8
EBITDA margin (%) *	40.0	33.4	47.3
Net profit margin (%)	10.7	14.4	22.7
Current ratio	1.2	3.8	2.0
Liabilities to equity ratio	0.2	0.1	0.2
Liabilities to assets ratio	0.2	0.1	0.2
Net debt to equity ratio	(0.01)	(0.1)	(0.2)

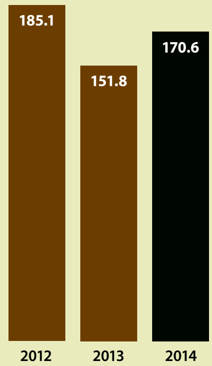
REVENUE FROM SALES & SERVICE CONCESSIONS

(US$m)



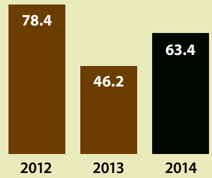
TOTAL INCOME

(US$m)



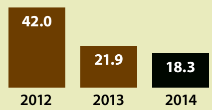
EBITDA

(US$m)



NET INCOME FROM CONTINUING OPERATIONS

(US$m)



* Calculated as EBITDA divided by the sum of revenue from sales and service concessions.

NB: Some figures may not balance precisely due to rounding.

Contents

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.

ANJ at a Glance

Welcome to the 2014 Annual Report of PT Austindo Nusantara Jaya Tbk.
We are proud to be an Indonesian food and renewable energy company.

Who We Are

ANJ is a holding company principally engaged through subsidiaries in producing and selling crude palm oil and palm kernel.

We are at the forefront of innovation and operational efficiency in plantation management and palm oil processing, with the overall goal of improving yields and productivity.

We are also leveraging our experience in efficient plantation management to expand into sago harvesting and food production and develop a complementary renewable energy business.

The Company was listed on the Indonesia Stock Exchange in 2013, when we offered 10% of the shares in an IPO.

In 2014, we recorded US$170.6 million of total income, EBITDA of US$63.4 million and net income of US$18.3 million.

Our Other Businesses

We are preparing for commercial operations in our sago harvesting and processing business in West Papua. This is in development phase, with the first sales expected in 2016.

In our renewable energy segment, we commercially operate a biogas power plant at our Belitung Island plantation. We also have minority stakes in two geothermal power plant operations in Indonesia in partnership with Chevron Group, as well as a minority stake in a coal-fired and diesel power plant business in Indonesia in partnership with Freeport-McMoRan Copper & Gold Inc.

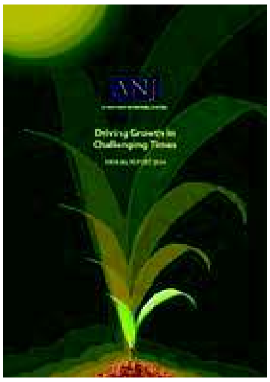
Finally, we also have non-core operations in tobacco processing, where we serve as a processor and intermediary between tobacco growers and domestic and international producers of cigars and cigarettes.

Our Palm Oil Business

We own and operate four producing oil palm plantations: two in North Sumatra, one on Belitung Island off Sumatra, and one in West Kalimantan. In 2014, we produced 726,292 tonnes of fresh fruit bunches from these mature plantations and purchased 138,676 tonnes from third parties, which together we milled into 187,740 tonnes of crude palm oil.

We are also currently developing plantations in West Papua and in South Sumatra.

We have a total landbank of 164,302 hectares, with 45,605 hectares planted or under development and around 70,000 hectares (including plasma) available for future planting.



About This Report

This report has been prepared as a detailed and accurate picture of ANJ, its subsidiaries and their activities in 2014. It has also been prepared according to the regulations of the Indonesian Financial Services Authority (OJK). We hope you find it useful and welcome your feedback. Please email **corsec@anj-group.com** with your comments.

Common Terms Used in This Report

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

Several industry abbreviations and terms are also used throughout in connection with our core oil palm plantation business:

Crude Palm Oil (CPO): The oil extracted after crushing the fruit of the oil palm.
Palm Kernel (PK): A fibrous cake that results from crushing the seeds at the center of the oil palm fruit.
Fresh Fruit Bunches (FFB): The oil palm fruit clusters cut and harvested from palms as the raw material for milling into CPO, PK and PKO.

Nucleus: The area of a oil palm plantation that forms our core business.
Plasma: The area of an oil palm plantation allotted to community harvesting under the Indonesian Government's Plasma Program to benefit smallholders. For details of this see page 44.

Our Vision

To become a world-class food and renewable energy company that elevates the status of the Indonesian people.

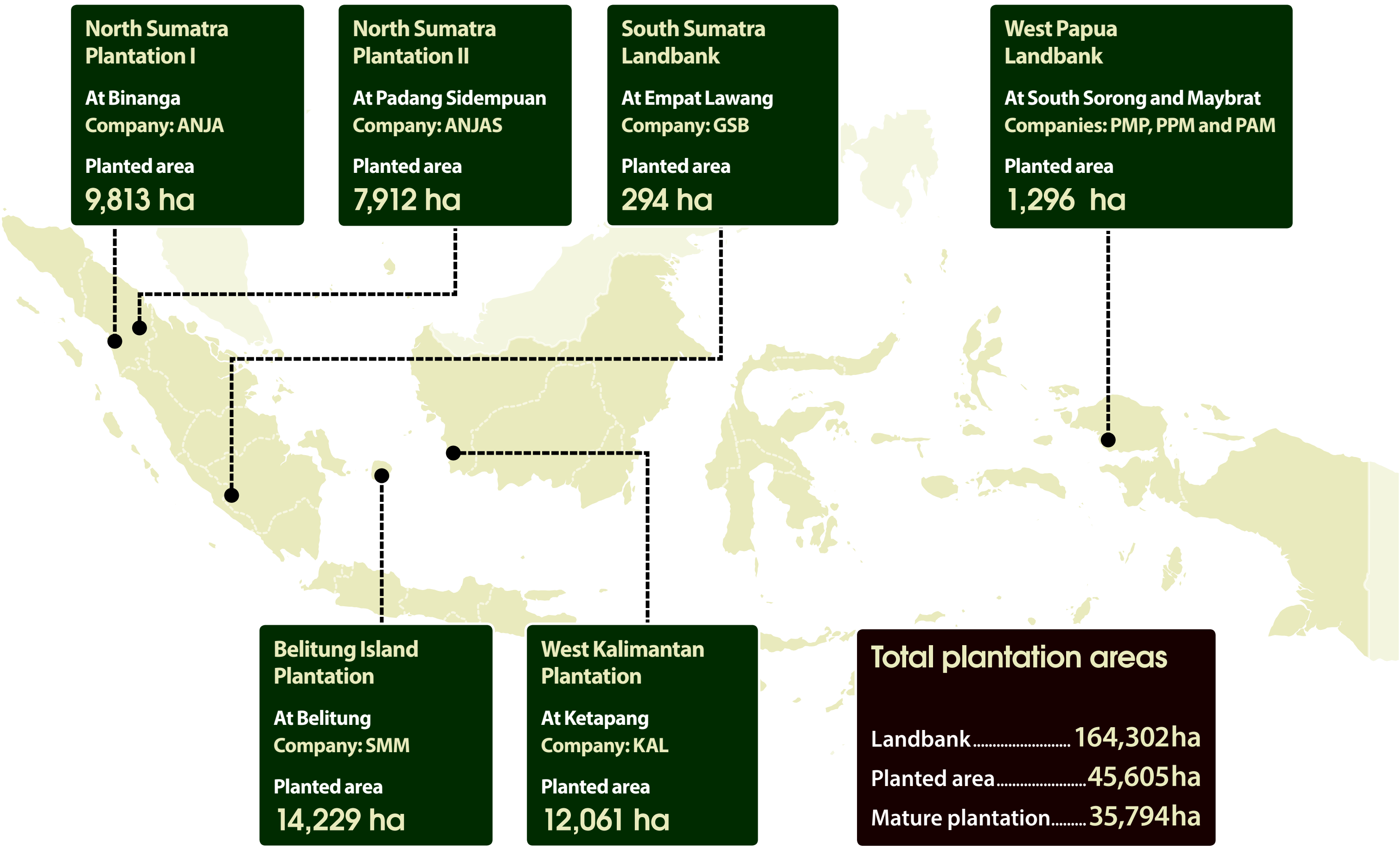
Our Mission

Committed to produce quality products that are environmentally-friendly whilst adhering to best management practices that achieve excellent performance, ensure good employee welfare and empower the community as equal partners.

Our Values

- Integrity
- Respect for People and the Environment
- Continuous Improvement

Our Key Business: Oil Palm Plantations in Indonesia



Report from the Board of Commissioners

Dear Shareholders,

It is a great pleasure to present the 2014 annual report of PT Austindo Nusantara Jaya Tbk. on behalf of the Board of Commissioners.

2014 marked ANJ's first full year as a public company following its listing on the Indonesia Stock Exchange in mid-2013, and we were pleased to see management's strategic decisions and careful stewardship of the business bear fruit in the face of a series of operational and market challenges.

As the title theme of this year's annual report notes, "driving growth" was the defining focus of 2014, and we saw this in practice with developments including:

- The acquisition of a new oil palm landbank in Papua;
- The first planting of nurslings at our two existing Papua landbanks;
- A revenue stream opening up for the first time from newly matured palms at our West Kalimantan plantation;
- Ongoing efforts to release land for planting at our South Sumatra landbank; and
- The commercial success of our biogas power plant at our Belitung Island plantation and our resulting plan to expand capacity there.

Growth came in spite of the challenges mentioned in this report's title. This refers primarily to a large fluctuation in palm oil prices early in the year – as harvest fears due to dry conditions turned to worry of a global supply glut – and to operational difficulties in increasing productivity and ensuring sustainable expansion. While 2014 brought higher average prices than 2013 and modestly stronger market conditions, nevertheless there was continued weakness that had threatened to constrain our business.

Challenges also included the complications inherent in management's ongoing drive to establish a single set of governance standards across our diverse group of subsidiaries, and a setback in our sago starch business in Papua with the need to replace core mill infrastructure.

STRATEGIC SUCCESS

The Board of Commissioners fully recognizes these and other challenges faced in 2014 and commends the Board of Directors for steering the Company to such positive results.

The Board of Commissioners met regularly with the Board of Directors in 2014 to evaluate progress, and we acknowledge the exemplary way in which the directors have been frank and responsive in communicating developments and problems and have kept the Commissioners abreast of all relevant developments.

In particular, we note management's openness over our emerging sago starch business over the decision to take a sizeable writedown on processing mill machinery and their candid assessment of the future prospects for the business.

We remain in full agreement with the strategic direction taken by the Directors in focusing on improving productivity and increasing production volume in our palm oil business in order to create sustainable revenue growth in a changing industry environment with increasingly tight margins. We agree also with the continuing strategy to develop and expand our complementary sago starch and renewable energy businesses.

The Board of Commissioners also extends especial appreciation for the performance in 2014 to the chief executive of our subsidiary PT Austindo Nusantara Jaya Agri, Geetha Govindan, who plays a significant role in the Company's senior management team to improve productivity and increase production volume across our palm oil properties.

We also commend and appreciate the continual hard work and personal commitment of Bambang Soerjanto, chief executive officer of our three palm oil estates under development in Papua, in successfully spearheading the planting efforts there.

Finally, we acknowledge and appreciate the candid and objective evaluation contributed by the chief operating officer of our subsidiary PT ANJ Agri Papua, Handi B. Syarif, in developing an action plan to ameliorate and upgrade our sago starch production facilities.

A NEW PARADIGM

The Board of Commissioners also appreciates the Directors' timely and perceptive recognition of a paradigm shift taking place in the palm oil industry that has seen increasing

Part of ANJ's vision is a commitment to elevating the status of the Indonesian people, and in all of our activities and growth efforts the Company strives to improve the lives of people surrounding our estates and to adhere to the principles of sustainable, responsible agriculture for the good of the nation.

involvement of a new stratum of stakeholders that include NGOs, government agencies and the communities surrounding our estates.

Part of ANJ's vision is a commitment to elevating the status of the Indonesian people, and in all of our activities and growth efforts the Company strives to improve the lives of people surrounding our estates and to adhere to the principles of sustainable, responsible agriculture for the good of the nation. The Commissioners take pride in management's continual and successful efforts to promote these aims.

In 2014, our West Kalimantan Plantation joined our producing estates as 3,840 hectares of trees reached maturity. Besides marking the start of the plantation's contribution to ANJ's revenues, it represents an important milestone because it sees the Company's debut participation in the government's Plasma Program to benefit smallholders.

A total of 2,431 hectares of the total planted area of 12,061 hectares is set aside, with 2,190 hectares so far allocated to two local co-operatives of small farmers; ANJ cultivates it and once it reaches maturity will harvest and sell the fruit on behalf of the co-operative and transfer the proceeds to them. We are delighted to see this inaugural program, which will be replicated at our other new plantations, come to fruition.

Alongside our community commitments, we also take our environmental responsibilities seriously, and strive to strike a sustainable balance between development for the good of the Indonesian nation and conservation of flaura and fauna wherever we operate. In this context, we applaud the Directors for their prompt and principled action in response to fears raised during 2014 by an environmental NGO that land we were developing for oil palm plantation in Papua was "intact" forest ineligible for clearing.

In announcing a moratorium on clearance pending a full, independent review of the status of the land in question, they bolstered ANJ's reputation for sustainable agriculture. As a result of their transparent actions, we are assured of management's commitment to legal compliance and ethical practice. Moreover, we view such outside scrutiny from environmental groups as an important aid in ensuring that all stakeholders in Indonesia's natural environment are represented.

CLOSING

There was one change to the composition of the Board of Commissioners in 2014 as we welcomed Ridha Wirakusumah as a new Independent Commissioner. His appointment is part of a gradual, strategic regeneration of the board to ensure experience and continuity for the Company's long-term benefit.

In concluding, the Board of Commissioners expresses appreciation and thanks to the Board of Directors for all of their efforts to drive growth in challenging times, and we look forward to their continuing efforts to propel ANJ along its sustainable path to growth. We also recognize and express thanks to all of our employees and stakeholders for their dedication and continuous support.

On behalf of the Board of Commissioners,

Adrianto Machribie
President Commissioner

Report from the Board of Directors

Dear Shareholders,

2014 was a challenging year for PT Austindo Nusantara Jaya Tbk, but I am delighted to be able to report strong revenue increases in 2014 alongside significant development in our long-term expansion strategy.

Despite continuing weakness in market conditions, revenues and income rose principally as a result of a sharp production increase in our core palm oil business combined with a higher average selling price for crude palm oil (CPO).

Total income was US$170.6 million, 12.4% higher than in 2013, and EBITDA was US$63.4 million, 37.2% higher. Net income was US$18.3 million, 16.4% down from 2013 as it included a one-off impairment charge of US$10.8 million related to our emerging sago business.

Sales in our core palm oil business accounted for 96.8% of revenue from sales, broadly in line with recent years, and sales volume of CPO rose 9.0% to 184,006 tonnes from 168,781 tonnes in 2013 largely due to the contribution of the first harvesting of newly mature trees at our West Kalimantan Plantation. Meanwhile, higher production was complemented by a modest rise in CPO average selling price to US$697 per tonne from US$689 in 2013.

We saw a 72.2% rise in revenue from our investments in renewable energy to US$6.2 million from US$3.6 million in 2013 as the PT Darajat Geothermal Indonesia power plant returned to full load capacity in June after a partial shutdown since April 2013 and our biogas power-generation subsidiary PT Austindo Aufwind New Energy recorded its first full year of commercial operations.

Revenue from our tobacco production business decreased by 21.3% to US$4.8 million in line with our strategy gradually to move out of the business in favor of higher-value agricultural products.

PALM OIL PLANS ON TRACK

While 2014 held operational challenges for ANJ and CPO prices remained relatively weak, our long-term strategy of expansion and production growth remained solid.

We plan for our principal source of future production growth to come from eastern Indonesia, through the development of new plantations in Papua, and in October we successfully completed the acquisition of our third concession PT Pusaka Agro Makmur (PAM), which has a landbank of 40,000 hectares in Maybrat, West Papua. This adjoins two further concessions totalling 65,159 hectares that we acquired in 2013 and have begun planting.

Sustainability is at the forefront of our agricultural operations, and when concerns were expressed in July by environmental groups over the status of forest in these two concessions, we reacted by suspending field developments and commissioning an independent consultant's investigation. A full report later in the year confirmed that our planting program in all areas was suitable with no violation of sustainability principles, and we recommenced our program with only a modest delay to our 2014 planting target.

We believe our expansion plans in Papua are realizable, but they are at the same time ambitious. While we expect infrastructure and logistics efficiencies there as our three concessions are contiguous, their location is remote and we have taken care to learn from our experiences in developing our nearby sago business by establishing dedicated supply chain management and engineering departments to oversee palm oil project development in Papua and manage infrastructure challenges.

With regard to our producing palm oil plantations, we saw the first revenue contribution in 2014 from our young West Kalimantan Plantation, where the first trees have matured and were harvested. We look forward to seeing the new revenue stream from there grow in coming years.

SAGO BUSINESS CHALLENGES

In our sago business in West Papua, we were disappointed in May to have to decide to write down by US$10.8 million the value of poorly performing mill machinery. We recognize that we face ongoing logistical challenges in developing our sago business, and we conducted a thorough internal review of our sago business following the decision and tightened procurement and oversight processes.

We remain confident that the sago business is viable and will deliver satisfactory returns, although we felt it prudent

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to revise projections for the start of commercial production to 2016. We have engaged engineering, procurement and construction contractors to refit the current mill production facilities and power plant, with the expectation of being able to produce 1,250 tonnes of sago starch monthly by the second quarter of 2016.

RAMPING UP RENEWABLE ENERGY

The biogas plant run by our subsidiary PT Austindo Aufwind New Energy at our Belitung Island Plantation commenced commercial operation at the end of 2013 as the first biogas-fuelled independent power producer in Indonesia to sell its electricity commercially to state power utility PT PLN (Persero).

In 2014 we recorded our first revenue from this project according to expectations, and we now plan to increase capacity from 1,200kW to 1,800kW by the fourth quarter of 2015. We were delighted to sign a memorandum of understanding with PLN in October in which it agrees to purchase all of the extra electricity generated.

With the success of our Belitung biogas project we are in the early stages of planning a similar plant at our North Sumatra I plantation, as well as exploring biogas as a means of reinforcing and supplementing electricity supply at our plantations in Papua.

STRONGER ON THE INSIDE

To prepare for its new chapter as a public company, ANJ made large strides in 2013 towards establishing a comprehensive set of governance structures and policies, and in 2014 we continued to drive efforts to unify what had been a diverse, segmented group of subsidiary companies and inculcate a common culture of excellence. Our key focus in 2014 was improving human resources capacity and realigning process, reporting and quality control functions across the group.

LOOKING AHEAD

We continue to plan for long-term growth in palm oil, and our core focus remains developing our Papua plantations. We also face the challenge of further improving productivity and increasing production at our established plantations in North Sumatra and Belitung Island while ensuring timely replanting programs to replace old trees. At our landbank in South Sumatra, meanwhile, we face an ongoing challenge to release and compensate land for planting.

We are committed to extending our role in conservation efforts around our plantations, especially for forest that is the home to vulnerable species such as orangutans. We take an inclusive approach, working together with stakeholders including villagers, NGOs and the government to maximize protection for indigenous flora and fauna.

There will certainly be further challenges in the year ahead, but with a continued focus on our priorities and objectives, we believe that ANJ will continue to grow and thrive. In this effort, we thank all of our staff and stakeholders for your continued trust and support.

CLOSING

Finally, we would like to mark one management change that took place in 2014. We express our appreciation to our colleague Achmad Hadi Fauzan, who resigned as a Non-Affiliated Director. To fill in the independent director position we welcomed Lucas Kurniawan as Finance Director.

On behalf of the Board of Directors,

Suwito Anggoro
President Director

FFB collection at our Belitung Island Plantation

Company Profile

Corporate Overview

From its establishment in 1993 until 2012, ANJ included agribusiness, financial services and healthcare among its core businesses. In 2012 we began to shift our core business to focus on agribusiness along with emerging food and renewable energy businesses.

The Company is now primarily engaged in the integrated cultivating and harvesting of fresh fruit bunches (FFB) from our oil palm plantations, milling FFB into crude palm oil (CPO) and palm kernel (PK) and selling the CPO and PK.

ANJ has been committed since its inception to improving business practices in Indonesia, and we strive to be a leader in innovation and operational efficiency in plantation management and palm oil processing. We continually strive to improve yields and productivity.

We are committed to producing quality, environmentally friendly products while adhering to the best management practices that achieve excellent performance, ensure good employee welfare and empower the community as equal partners. This is achieved by unrelenting commitment to our vision, mission and core values:

Our Vision: To become a world-class food and renewable energy company that elevates the status of the Indonesian people.

Our Mission: Committed to produce quality products that are environmentally-friendly whilst adhering to best management practices that achieve excellent performance, ensure good employee welfare and empower the community as equal partners.

Our Values: Integrity; respect for people and the environment; continuous improvement.

ANJ has been committed since its inception to improving business practices in Indonesia. We strive to be a leader in innovation and operational efficiency in plantation management and palm oil processing. We strive continually to improve yields and productivity.

Our Business Activities, Products and Services

OIL PALM PLANTATIONS AND LANDBANKS

We currently own four operational oil palm plantations: two in North Sumatra, one on Belitung Island off the eastern coast of Sumatra and one in West Kalimantan.

This annual report refers repeatedly to our oil palm plantation properties, which are located in various provinces of Indonesia. They are referred to as follows:

- **North Sumatra I Plantation:** Our oil palm plantation of 9,935 hectares in Binanga, North Sumatra, run by our subsidiary PT Austindo Nusantara Jaya Agri (ANJA);

- **North Sumatra II Plantation:** Our oil palm plantation of 9,639 hectares in Padang Sidempuan, North Sumatra, run by our subsidiary PT Austindo Nusantara Jaya Agri Siais (ANJAS);

- **Belitung Island Plantation:** Our oil palm plantation of 16,307 hectares on Belitung Island, Bangka Belitung Province, run by our subsidiary PT Sahabat Mewah dan Makmur (SMM);

- **West Kalimantan Plantation:** Our oil palm plantation of 13,718 hectares in Ketapang, West Kalimantan, run by our subsidiary PT Kayung Agro Lestari (KAL).

Our two North Sumatra plantations and Belitung Island Plantation are established producing oil palm plantations with mature oil palms and an on-site processing mill at each property. Our West Kalimantan Plantation was planted more recently and the first harvesting of palms was in 2014.

We have also started planting areas of a landbank that we own in South Sumatra as well as landbanks in West Papua. These are referred to as follows:

- **South Sumatra Landbank:** Our landbank of 20,000 hectares located in Empat Lawang, South Sumatra, run by our subsidiary PT Galempa Sejahtera Bersama (GSB). The Company started planting areas of this landbank during the second half of 2013;

- **West Papua Landbank:** Our partially planted landbank of 94,703 hectares spread across three mostly contiguous areas in South Sorong and Maybrat, West Papua, run

Palm fruit bunches are threshed to break off the fruit as they enter the mini-mill at our West Kalimantan Plantation.

A Brief History of ANJ

1993
The Company is established.

2000
PT Austindo Agro Nusantara and PT Austindo Nusantara Resources are merged into the Company.

ANJ acquires PT Austindo Nusantara Jaya Agri (previously known as PT Eka Pendawa Sakti) through Verdaine Investments Ltd. and acts as management/operator.

2001
PT Austindo Investama Jaya, PT Austindo Mining Corporindo and PT Austindo Nusantara Energi are merged into the Company.

2003
ANJ acquires PT Sahabat Mewah dan Makmur.

2004
ANJ acquires PT Austindo Nusantara Jaya Agri Siais (previously known as PT Ondop Perkasa Makmur).

2005
ANJ acquires PT Kayung Agro Lestari.

2006
ANJ acquires full ownership of PT Austindo Nusantara Jaya Agri.

2010
PT ANJ Agri Papua obtains permit (IUPHHBK) to use 40,000 hectares of land in West Papua for sago plantation.

2012
ANJ divests healthcare and financial services interests to focus on agribusiness, food and renewable energy.

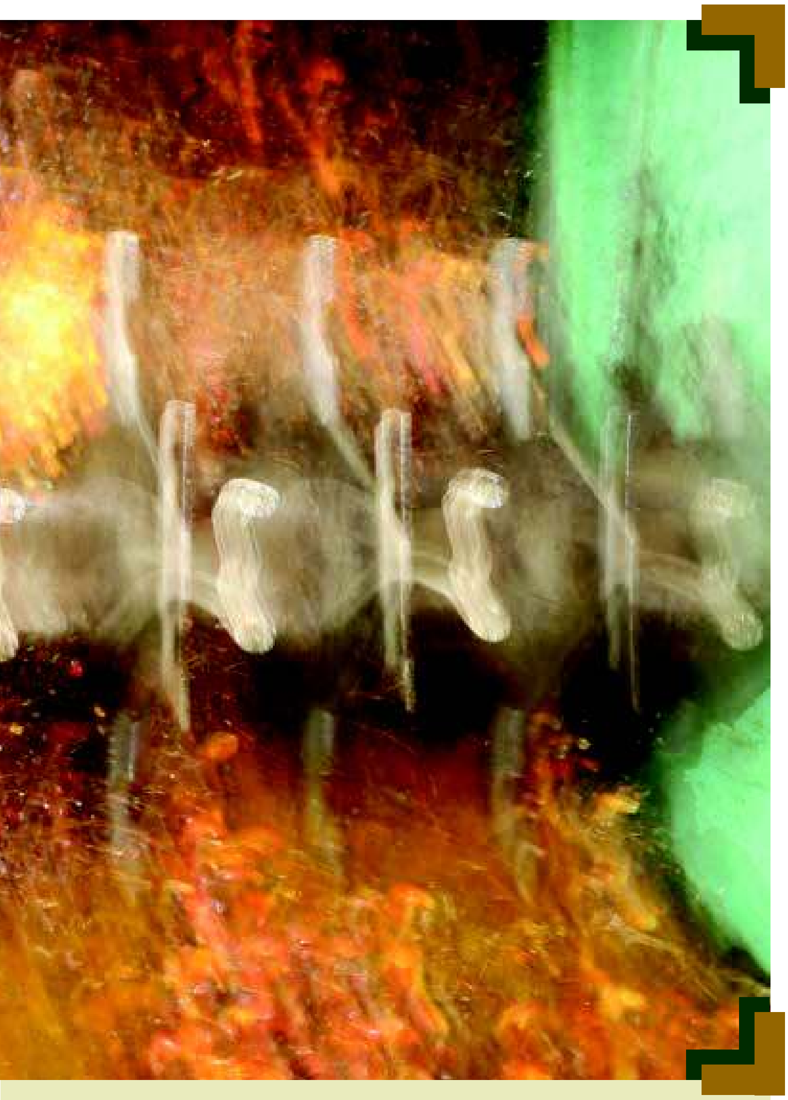
ANJ acquires PT Galempa Sejahtera Bersama.

2013
ANJ acquires PT Permata Putera Mandiri and PT Putera Manunggal Perkasa.

ANJ is listed on the Indonesian Stock Exchange (IDX).

PT Austindo Aufwind New Energy's biogas plant begins commercial operation.

2014
ANJ acquires PT Pusaka Agro Makmur (West Papua).



by our subsidiaries PT Permata Putera Mandiri (PPM), PT Putera Manunggal Perkasa (PMP) and Pusaka Agro Makmur (PAM).

Operationally we have divided our plantations and landbanks into two regions. Those in Sumatra, Belitung Island and Kalimantan comprise our west region, and those in Papua our east region.

The Company is a member of the international Roundtable on Sustainable Palm Oil (RSPO) and has received RSPO certification for our Belitung Island Plantation and both of our North Sumatra plantations. We are also in the process of applying for RSPO certification for our newly producing West Kalimantan Plantation and all of our plantations in development follow RSPO guidelines with the future intention of receiving certification when in commercial operations.

As at Dec. 31, 2014, the Company had a total planted area of 45,605 hectares – including 2,190 hectares allocated for the Indonesian Government's Plasma Program (see page 44) – within a total landbank of 164,302 hectares. Of this planted area, 35,794 hectares, or 78.5%, of our total planted area contained mature oil palms, and 9,811 hectares, or 21.5%, contained immature oil palms. The total planted area increased from 44,172 hectares as at Dec. 31, 2014.

The average age of our nucleus oil palms across all of the Company's plantations as at Dec. 31, 2014, was 12.1 years. Within the total landbank, the Company has an estimated plantable but as yet unplanted landbank of about 70,000 hectares (including plasma), for which the Company has obtained or is in the process of obtaining the necessary permits and rights to develop into oil palm plantations.

The remaining portions of the Company's landbank are either not plantable due to unsuitable topography or are used for voluntary initiatives such as environmental conservation, riverine buffers and conservation of historical and culturally significant sites, as well as infrastructure such as roads and employee housing and amenities.

At our West Kalimantan Plantation, the Company has transferred 20% of the landbank in order to meet our obligations to the Plasma Program.

In 2014, we produced 726,292 tonnes of FFB, up from 609,419 tonnes in 2013. Our oil palm plantations yielded on average 20.3 tonnes of FFB per hectare of mature oil palms, 6.3% up from 19.1. tonnes in 2013. The Company expects to continue to improve its FFB yields in coming years as a result of a favorable age profile of our trees and enhanced regime of fertilizer application.

The Company produces CPO and PK primarily from FFB

Awards and Certifications in 2014

AWARD

ANJAS received a CSR award in June from the Board of Education of South Tapanuli regency, North Sumatra, recognizing the Company's role in advancing education in the regency.

CERTIFICATION

North Sumatra I Plantation
- ISCC certification
- ISO 14001 certification
- PROPER blue certificate (2013-14)

North Sumatra II Plantation
- RSPO certification
- SMK3 certification

Belitung Island Plantation
- ISPO certification
- ISCC certification
- PROPER blue certificate (2013-14)

that it harvests from its oil palm plantations and uses all of the FFB produced by its plantations in its own mills. As at Dec. 31, 2014, the three full-size palm oil processing mills that we operate at our plantations each had a production capacity of 60 tonnes per hour, while a mini-mill at our West Kalimantan Plantation had a capacity of 15 tonnes per hour, for an aggregate processing capacity of 195 tonnes per hour, or 1,170,000 tonnes per year.

In 2014, the Company produced 187,740 tonnes of CPO, a rise of 17.8% from 159,360 tonnes in 2013. We produced 42,037 tonnes of PK in 2014, up 16.7% from 36,031 tonnes in 2013.

Our CPO extraction rate (OER) was 21.7%, in line with 21.8% in 2013, while kernel extraction rate (KER) was 4.86%, in line with 4.9% in 2013.

In addition to the major holdings described above, the Company has minority stakes ranging from 5% to 20% in a number of Indonesian palm oil businesses with a total planted area of approximately 37,170 hectares.

In order to maximize utilization and profits of its mills, the Company also purchases FFB from third parties.

OTHER BUSINESSES

The Company is in the process of commencing operations in a sago harvesting and processing business. Our Papua Sago Project is located in South Sorong, West Papua. The Company has constructed the first sago starch mill to process sago logs from the 40,000 hectares of land for which the Company has harvesting licenses.

The Company also has minority stakes in two geothermal power plant operations in Indonesia in partnership with Chevron Group, as well as a minority stake in a coal-fired and diesel power plant business in Indonesia in partnership with Freeport-McMoRan Copper & Gold Inc.

Additionally, the Company has developed a biogas business as part of its renewable energy segment, with the first biogas power plant starting commercial operations in December 2013.

Finally, the Company has non-core operations in a tobacco processing business in East Java, where we serve as a processor and an intermediary between tobacco growers and domestic and international producers of cigars and cigarettes.

Corporate Business Activities

Based on ANJ's Articles of Association as currently stated, the Company engages in the business of trading and services.

The principal business of the Company is currently the processing and sale of crude palm oil and palm kernel.

To achieve its purpose and objectives, the Company may carry out the following business activities:

Main Business Activities:

a) Carry out business in the sector of trade, which includes carrying out import, export, local and inter-island trading, acting as wholesaler, surveyor/supplier, distributor, agent and retailer of goods, either for its own account or for the account of other parties by means of mandate or commission; and

b) Carry out business in the sector of services, which includes obtaining business opportunities and carrying out investment (including but not limited to granting of financial facilities and other facilities to a third party), except for legal and tax services.

Supporting business activities:

a) Provide services to other parties by utilizing the assets owned by the Company; and

b) Carry out other business related to and supporting the business activities listed above in accordance with prevailing laws and regulations.

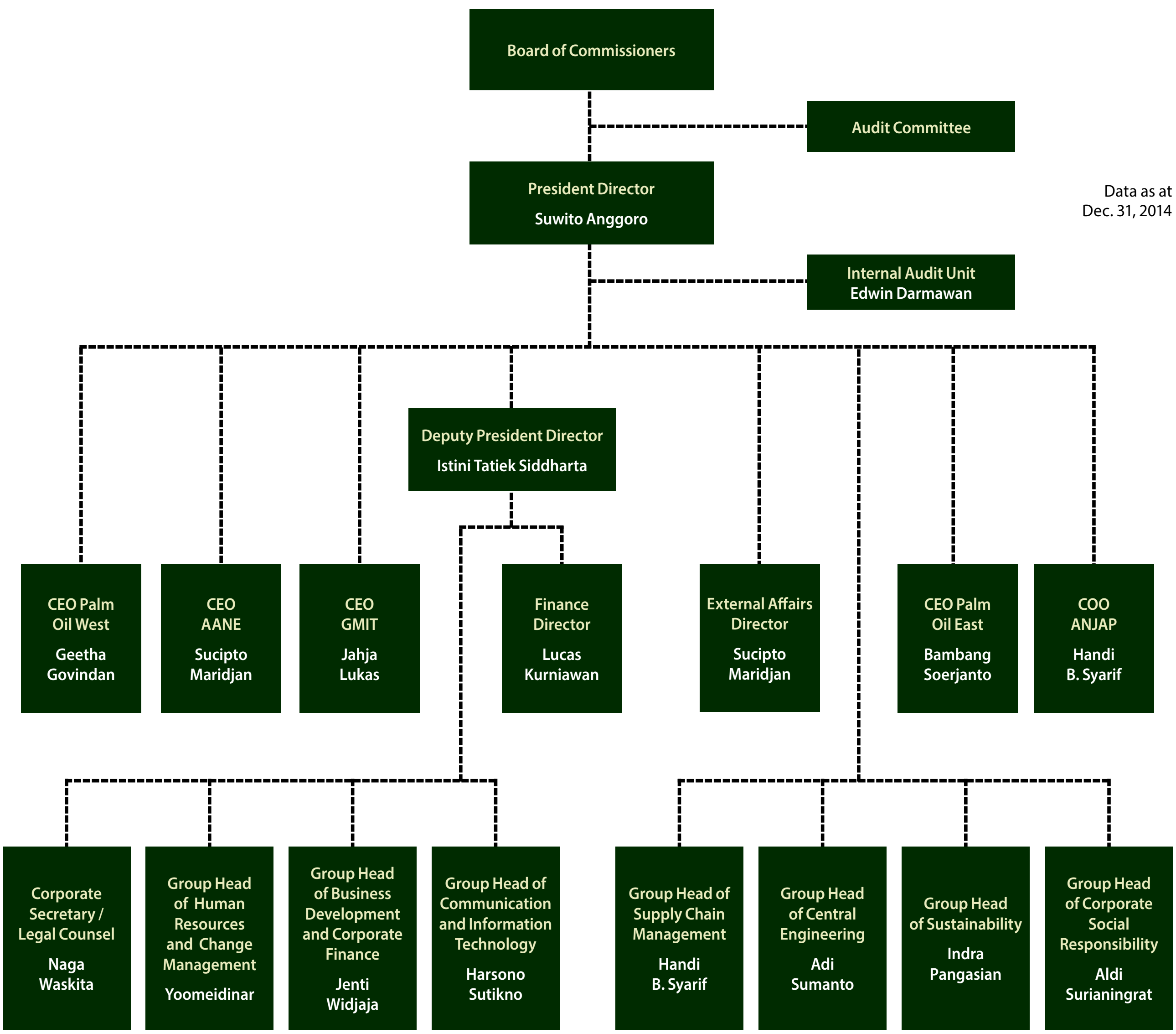
CHANGES TO ARTICLES OF ASSOCIATION

ANJ's Articles of Association have been amended several times since its establishment in 1993. The most recent amendment was made pursuant to Deed No. 161 of Dr. Irawan Soerodjo, SH, M.Si., Notary in Jakarta, dated Jan. 17, 2013, with respect to the Company's shareholders' approval on, among other items:

(i) change of the Company's status to become a publicly listed company; (ii) the change of the Company's name from PT Austindo Nusantara Jaya to PT Austindo Nusantara Jaya Tbk; and (iii) the amendment to the Company's Articles of Association to be in accordance with capital market laws and regulations.

ANJ Business Identity and Organization Chart

Name	Address and registration details	Date founded	Commissioners	Directors
ANJ **PT Austindo Nusantara Jaya Tbk.**	**Domicile:** South Jakarta **Registered address:** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910 **Tel:** +62 21 2965 1777 **Fax:** +62 21 2965 1788 **E-mail:** corsec@anj-group.com **Website:** www.anj-group.com	April 16, 1993	Adrianto Machribie *(President Commissioner)* George Santosa Tahija Sjakon George Tahija Anastasius Wahyuhadi Istama Tatang Siddharta Josep Kristiadi Arifin Mohamed Siregar Ridha Wirakusumah	Suwito Anggoro *(President Director)* Istini Tatiek Siddharta Sucipto Maridjan Lucas Kurniawan



Data as at Dec. 31, 2014

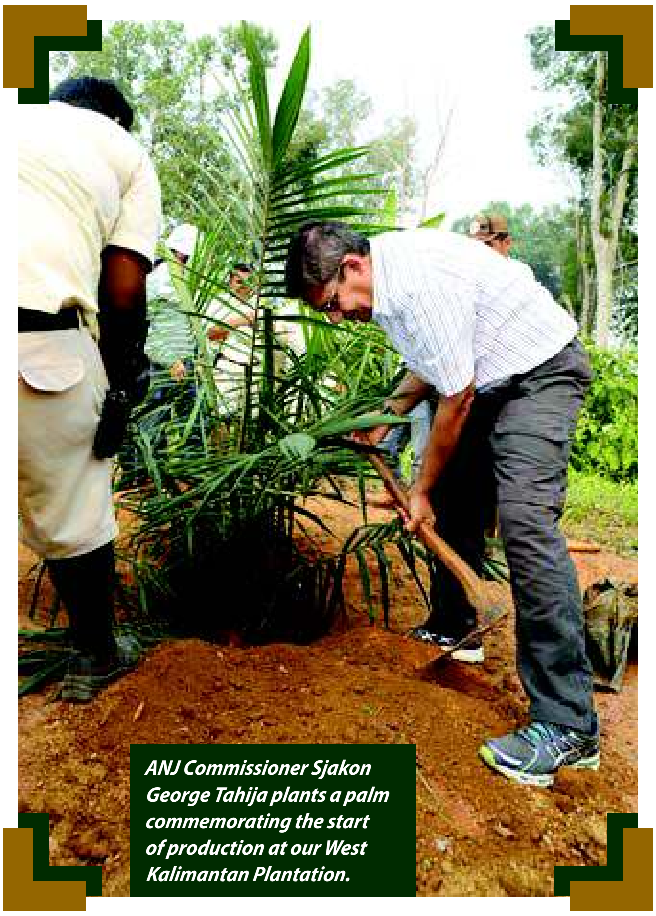
Our Core Strengths

We believe that we are well positioned to take advantage of ongoing growth in the palm oil industry and that our qualities will continue to differentiate us from our competitors.

We intend to leverage our strengths in order to expand our oil palm plantation area, to increase our milling capacity and to improve our overall operational efficiency and thereby increase our production of CPO and PK.

We believe also that our ongoing process of diversifying and expanding into non-palm oil areas such as the production of sago starch and commercial biogas power generation, fit well with our core competencies and will allow us to develop sustainable and scalable long-term businesses.

Our principal strengths include the following:



ANJ Commissioner Sjakon George Tahija plants a palm commemorating the start of production at our West Kalimantan Plantation.

WE ARE WELL POSITIONED TO CAPTURE GROWTH IN THE OIL PALM SECTOR

Palm oil is the world's most consumed vegetable oil due to its competitive price and versatility, and consumption is predicted to keep growing at a fast pace. Its production costs are low, and as it is free of trans-fats, it is well positioned to benefit from ongoing growth in consumption of edible oils worldwide.

Growing population and economic development in Asian countries such as China, India, Indonesia and Malaysia, the key consuming markets of oil palm, should account for much of this growth.

OUR FAVORABLE MATURITY PROFILE AND SIGNIFICANT LANDBANK

An oil palm typically has a commercial life span of 25 years and potentially up to 30 years or more. About 38.5% of our oil palms are in the prime period of their commercial life of between eight and 20 years and 35.6% are either still young or immature at seven years or less.

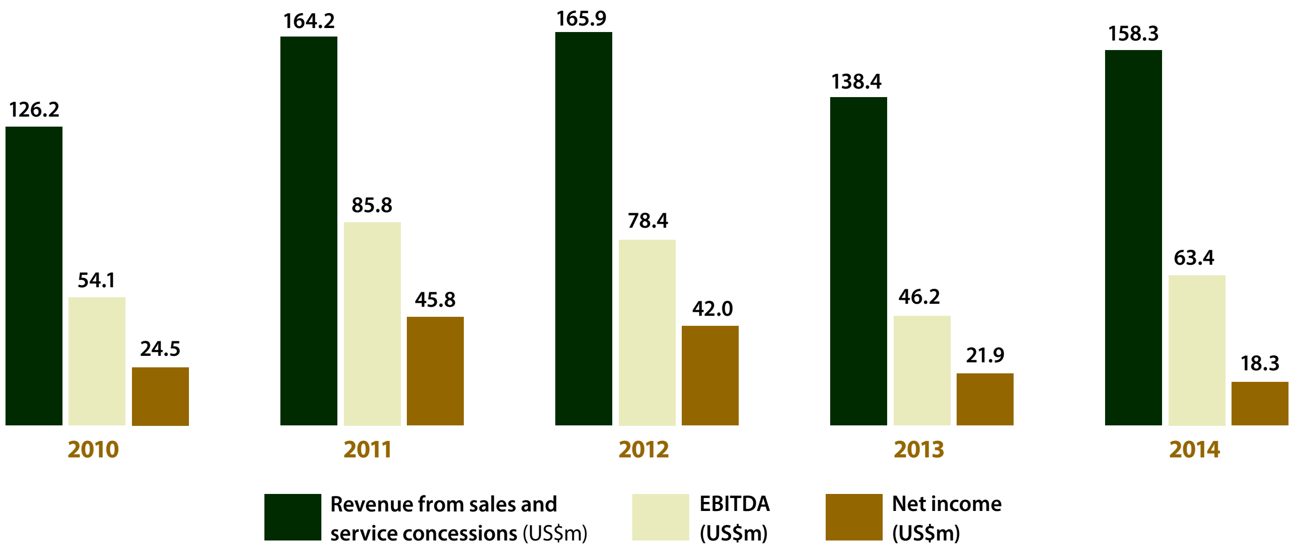
Meanwhile, in our landbanks we have an estimated aggregate plantable landbank area of around 80,000 hectares of land available for future planting. Through both of these factors we believe we are well placed to support strong and sustainable future growth.

OUR ESTABLISHED COST MANAGEMENT PROCEDURES

In recent years we have implemented best management practices in order to reduce costs associated with planting, fertilizing, harvesting and processing operations. Examples include:

- Strategically located plantations and CPO mills to allow us to deliver our product efficiently;
- Increased and innovative use of automation, including motorized harvesting, mechanized in-field loading of FFB and the first fully automated palm oil processing mill in Indonesia;
- Agronomic and agricultural practices, such as leaf and soil sampling to tune fertilizer usage, use of legume cover crops to reduce weeds, use of empty fruit bunches and mill effluent as nutrients, progressive pruning of palms to increase productivity, use of high-quality imported fertilizers.
- Improvement of harvesting processes, such as through block harvesting to improve manpower productivity and reduce transportation, and training of harvesters to better assess fruit ripeness and collect loose fruit to reduce wastage.
- Improvement of administrative and support systems such as computerized estate accounting, management

Strong Profitability and Financial Position



and communications systems to increase efficiency, plus improved physical security to guard against theft, fire and human or cattle incursions.

OUR EXPERIENCED MANAGEMENT COMMITTED TO STRONG CORPORATE GOVERNANCE

Our management team has proven abilities in managing the commercial, operational and financial aspects of our business. Members of our senior management team have an average of more than 25 years' experience in the industry and have extensive knowledge as well as valuable and long-standing relationships with customers, suppliers and other market participants.

We believe in the importance of sound corporate governance through detailed management reporting systems, high ethical standards and transparency internally and in dealing with our customers.

OUR TRACK RECORD OF PROFITABILITY AND STRONG FINANCIAL POSITION

Growth in our business and cost efficiencies have helped us achieve a consistent track record of profitability, as the above charts demonstrate.

This profitability is supported by our healthy balance sheet and liquidity position, with cash and cash equivalents of US$30.1 million balanced against US$27.8 million in bank debt as at Dec. 31, 2014, which allows us to plan, develop and implement our growth strategies.

OUR STRONG ENVIRONMENTAL STANDARDS AND SOCIO-ECONOMIC DEVELOPMENT POLICIES

We regard corporate social responsibility as essential and aim to promote practices that minimize any potential adverse effects to the environment of our plantations and production processes and that benefit surrounding communities. We promote policies that include:

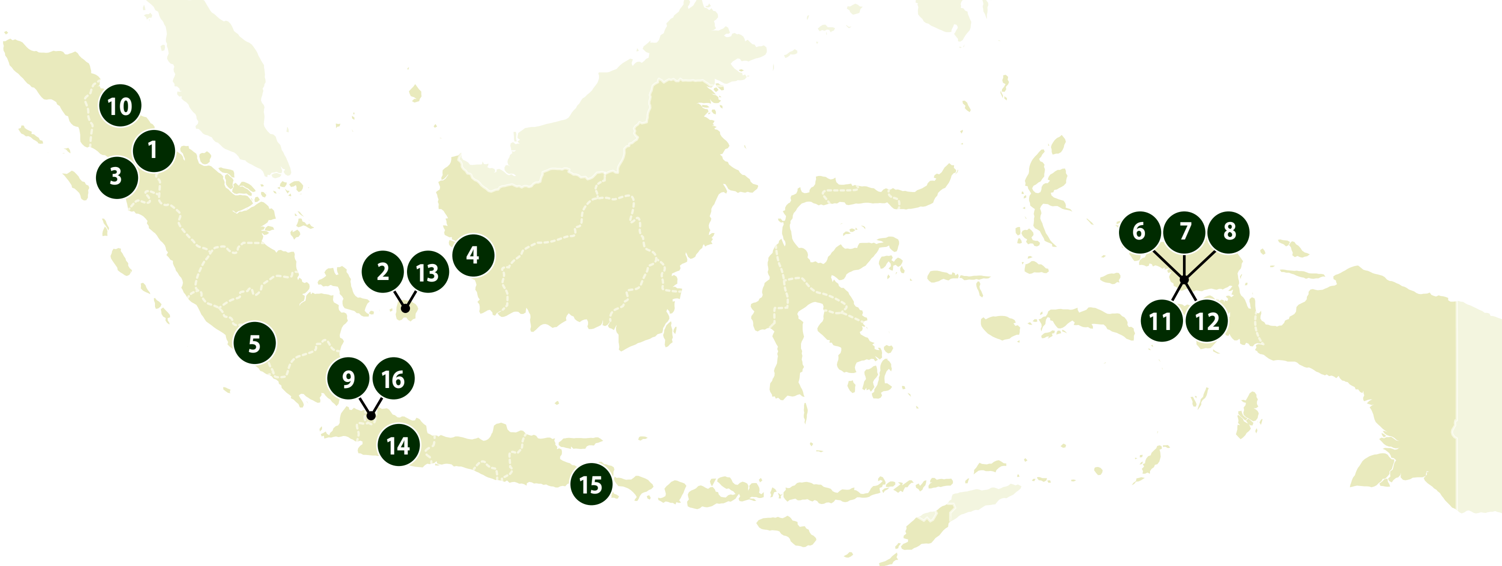
• Operating in an environmentally responsive manner, such as not practising open-burning; implementing integrated pest management to minimize pesticide use, for example using barn owls to control rats and using viral solutions to control leaf-eating caterpillars and bagworms, plus encouraging beneficial plant growth to attract natural predators; recycling waste palm materials by using them as mulch, boiler fuel or to make biogas for power generation.

• Developing communities in which we operate and providing amenities, including through public works and infrastructure, medical facilities, schools and places of worship, in addition to providing housing, medical care, schooling and training for our employees and their families.

OUR COMMITMENT TO CERTIFICATION

We are committed to meeting best practices and abiding by the highest standards in relation to sustainable palm oil production. As such we are a member of the Roundtable on Sustainable Palm Oil (RSPO) and have received RSPO certification for three plantations and are applying for certification for a fourth.

Profile of Our Key Subsidiaries



1 PT Austindo Nusantara Jaya Agri (ANJA)

Palm oil plantations

ANJA was established in March 1986 and acquired by ANJ in 2000 through Verdaine Investments Ltd. ANJ acquired direct ownership in 2006. It is engaged in planting, developing and cultivating oil palms, delivering crude palm oil (CPO) and palm kernel (PK), and activities related to their production and marketing. It owns, manages and operates our North Sumatra I Plantation in Binanga, North Sumatra. Through its subsidiaries, it also holds interests in our six other palm oil plantations and landbanks.

As at Dec. 31, 2014, ANJA had a total of 9,935 hectares, of which 9,813 hectares were planted and contain mature oil palms. Its mill processes fresh fruit bunches (FFB) from our own plantation as well as FFB purchased from third parties. The mill has a capacity of 60 tonnes of FFB per hour.

2 PT Sahabat Mewah dan Makmur (SMM)

Palm oil plantations

SMM was established in July 1985 and acquired by ANJA in March 2003. It is engaged in planting, developing and cultivating oil palms, delivering CPO and PK, and related activities. SMM owns, manages and operates our Belitung Island Plantation. The first oil palm seedlings were planted there in 1990 and its palm oil processing mill was completed in 1996.

As at Dec. 31, 2014, the plantation had a total area of 16,307 hectares, of which 14,229 hectares were planted and contain mature oil palms. A processing mill there primarily processes FFB from our plantation. FFB purchased from third parties is minimal.

To serve the plantation's growing FFB production, in 2005 SMM increased mill capacity from 30 tonnes of FFB per hour to 45 tonnes. In May 2006, SMM further increased this to 60 tonnes per hour.

3 PT Austindo Nusantara Jaya Agri Siais (ANJAS)

Palm oil plantations

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.

As at Dec. 31, 2014, the plantation had a total area of 9,639 hectares, of which 7,912 were planted and contained mature oil palms.

4 PT Kayung Agro Lestari (KAL)

Palm oil plantations

KAL was established in September 2004 and acquired by ANJA in December 2005. It owns and cultivates oil palms at our West Kalimantan Plantation in Ketapang, West Kalimantan.

As at Dec. 31, 2014, KAL held land cultivation rights (HGU) for 10,920 hectares of land (nucleus), while 2,798 hectares (plasma) were still under the HGU certification process. 12,061 hectares were under plantation, of which 8,221 hectares were not yet matured. The first oil palm seedlings were planted in 2010.

5 PT Galempa Sejahtera Bersama (GSB)

Palm oil plantations

GSB was established in January 2012 and was acquired by ANJA in May 2012. As at Dec. 31, 2014, GSB held a location permit for 20,000 hectares of oil palm plantation in Empat Lawang, South Sumatra, and had completed planting of 294 hectares.

6 PT Permata Putera Mandiri (PPM)

Palm oil plantations

PPM was established in July 2007 and acquired by ANJA in January 2013. It holds HGU for 26,571 hectares of oil palms (nucleus) and kadastral permit for 5,454 hectares (plasma) in South Sorong, West Papua. The Company began planting oil palms in 2014.

7 PT Putera Manunggal Perkasa (PMP)

Palm oil plantations

PMP was established in November 1999 and acquired by ANJA in January 2013. PMP holds HGU for 22,678 hectares of oil palms (nucleus and plasma) in South Sorong and Maybrat, West Papua. The Company began planting oil palms in 2014.

8 PT Pusaka Agro Makmur (PAM)

Palm oil plantations

PAM was established in August 2003 and acquired by ANJ in October 2014. It holds a location permit and plantation business permit for 40,000 hectares of oil palms in Maybrat, West Papua. PAM's landbank is at the pre-development stage.

9 PT Aceh Timur Indonesia (ATI)

Agribusiness (palm oil)

ATI was established in July 1952 and acquired by ANJ in 1997. It is a holding company of our minority stake in PT Simpang Kiri Plantation Indonesia, which has an oil palm plantation in southeast Aceh.

10 PT Perusahaan Pertanian, Perkebunan, Perindustrian dan Perdagangan Surya Makmur (SM)

Agribusiness (palm oil)

SM was established in September 1962 and acquired by ANJ in 1997. It is a holding company of our minority stake in PT Bilah Plantindo, which has an oil palm plantation at Kotapinang, North Sumatra.

11 PT ANJ Agri Papua (ANJAP)

Agribusiness (sago)

ANJAP was established in September 2007 to develop and oversee ANJ's Papua sago project focusing on building a sago starch business. ANJAP holds a license to operate a concession of 40,000 hectares of sago forest in West Papua.

12 PT Lestari Sagu Papua (LSP)

Agribusiness (sago)

LSP was established in November 2011 to engage primarily in non-timber forest resources concession businesses and the processing of various kinds of sago starch, as well as the marketing and transportion of sago starch. It is currently still in development and yet to commence operations.

13 PT Austindo Aufwind New Energy (AANE)

Renewable energy (biogas)

AANE was established in October 2008 and operates ANJ's biogas business with a power plant at our Belitung Island Plantation, using methane from waste material to generate electricity. In 2013 AANE was granted a license to be an independent power producer (IPP) and began commercial operation on Dec. 31, 2013.

14 PT Darajat Geothermal Indonesia (DGI)

Renewable energy (geothermal)

DGI was established in April 1999 to engage in electricity power supply and to build, own, operate and sell steam power and/or electricity. DGI is a part of a consortium along with Chevron Geothermal Indonesia Ltd. and Chevron Darajat Ltd. and owns a 5% participating interest. Since Feb. 7, 2003, the consortium has acted as the contractor group to PT Pertamina Geothermal Energy to develop the Darajat Power Project Unit II and III.

15 PT Gading Mas Indonesian Tobacco (GMIT)

Agribusiness (tobacco)

GMIT was established in March 1970 and runs our tobacco business, which consists primarily of the processing of tobacco purchased from individual farmers in Indonesia. This tobacco is sold to cigar and cigarette producers in Indonesia, Europe and China.

16 PT Austindo Nusantara Jaya Boga (ANJB)

Consumer products

ANJB was established in May 2013 by the Company to engage in our emerging food business. ANJB is developing consumer products from sago, principally starch and cookies.

Corporate Details of Our Subsidiaries

Business Details of ANJ and Subsidiaries

Subsidiary name and registered address	Principal business location	Line of business	Commercial operations began	ANJ effective ownership	Commissioners (PC=President Commissioner)	Directors (PD=President Director)
ANJA **PT Austindo Nusantara Jaya Agri** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No. 18, Medan, North Sumatra	Binanga, North Sumatra	Palm oil plantations	1995	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi Koh Bing Hock	Geetha Govindan (PD) Sucipto Maridjan Nopri Pitoy Aloysius D'Cruz
ANJAS **PT Austindo Nusantara Jaya Agri Siais** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No. 18, Medan, North Sumatra	Padang Sidempuan, North Sumatra	Palm oil plantations	2009	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi	Geetha Govindan (PD) Sucipto Maridjan Nopri Pitoy
SMM **PT Sahabat Mewah dan Makmur** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	Belitung, Bangka Belitung	Palm oil plantations	1994	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi	Geetha Govindan (PD) Sucipto Maridjan Nopri Pitoy
KAL **PT Kayung Agro Lestari** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No. 18, Medan, North Sumatra	Ketapang, West Kalimantan	Palm oil plantations	2014	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi	Geetha Govindan (PD) Sucipto Maridjan Nopri Pitoy
GSB **PT Galempa Sejahtera Bersama** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No. 18, Medan, North Sumatra	Empat Lawang, South Sumatra	Palm oil plantations	At pre-operating stage	99.99%	Suwito Anggoro	Sucipto Maridjan
PPM **PT Permata Putera Mandiri** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	South Sorong, West Papua	Palm oil plantations	At pre-operating stage	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi Geetha Govindan	Bambang Soerjanto (PD) Sucipto Maridjan
PMP **PT Putera Manunggal Perkasa** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	South Sorong and Maybrat, West Papua	Palm oil plantations	At pre-operating stage	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi Geetha Govindan	Bambang Soerjanto (PD) Sucipto Maridjan
PAM **PT Pusaka Agro Makmur** Jl. Penjernihan I No.1, Central Jakarta	Maybrat, West Papua	Palm oil plantations	At pre-operating stage	100%	George Santosa Tahija (PC) Istini Tatiek Siddharta Anastasius Wahyuhadi Suwito Anggoro	Bambang Soerjanto (PD) Sucipto Maridjan
ATI **PT Aceh Timur Indonesia** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	Jakarta	Agribusiness (palm oil)	1998	99.99%	George Santosa Tahija	Anastasius Wahyuhadi
SM **PT Perusahaan Pertanian, Perkebunan, Perindustrian dan Perdagangan Surya Makmur** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No. 18, Medan, North Sumatra	Medan, North Sumatra	Agribusiness (palm oil)	1998	99.99%	George Santosa Tahija	Anastasius Wahyuhadi
ANJAP **PT ANJ Agri Papua** Graha Irama, 3rd Floor, Jl. H.R. Rasuna Said Kav. 1-2, Jakarta 12950	South Sorong, West Papua	Agribusiness (sago)	At pre-operating stage	99.99%	George Santosa Tahija (PC) Istini Tatiek Siddharta Anastasius Wahyuhadi	Suwito Anggoro (PD) Sucipto Maridjan Handi Belamande Syarif

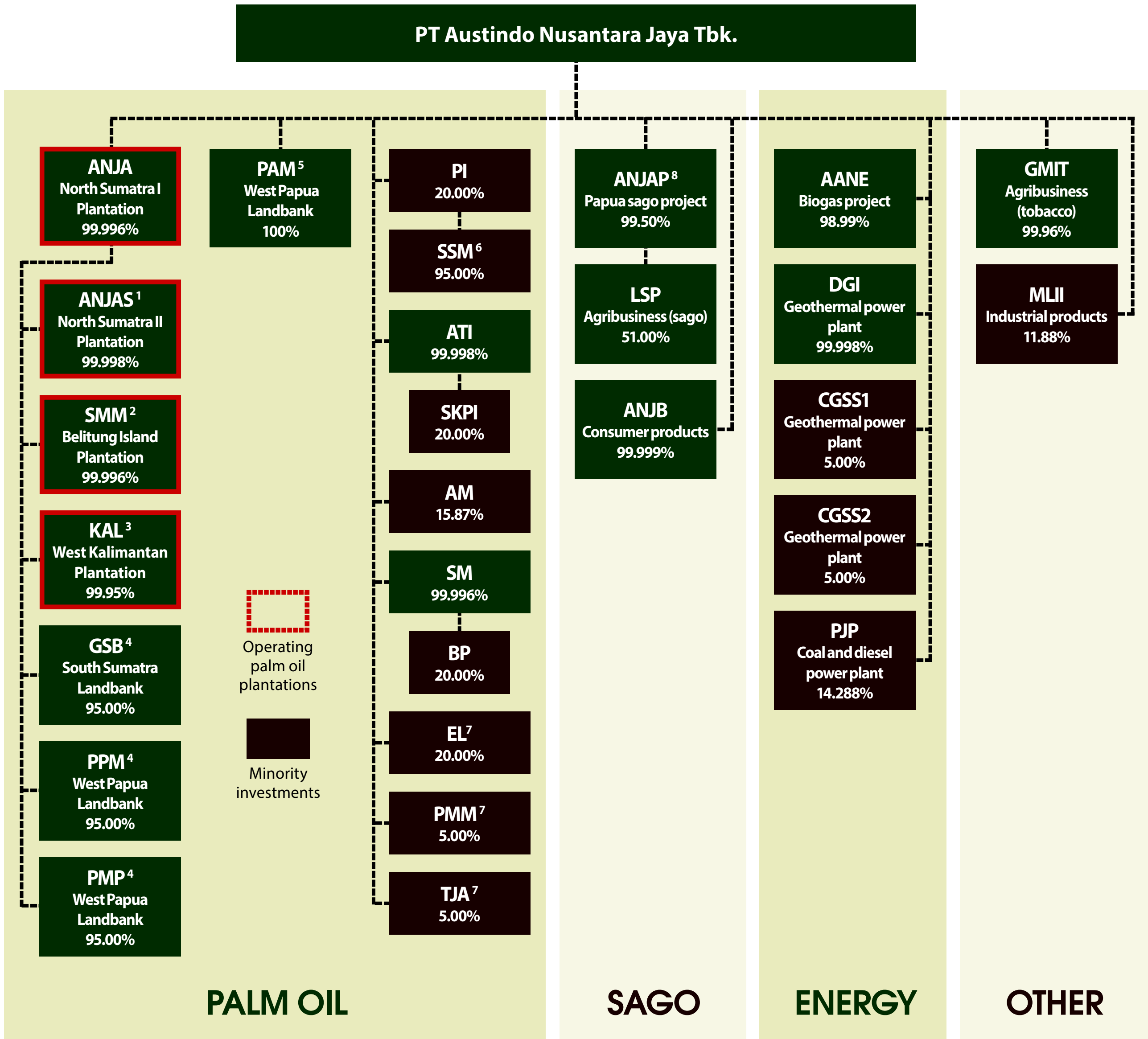
Subsidiary name and registered address	Principal business location	Line of business	Commercial operations began	ANJ effective ownership	Commissioners (PC=President Commissioner)	Directors (PD=President Director)
LSP **PT Lestari Sagu Papua** Graha Irama, 3rd Floor, Jl. H.R. Rasuna Said Kav. 1-2, Jakarta 12950	South Sorong, West Papua	Agribusiness (sago)	At pre-operating stage	51%	George Santosa Tahija (PC) Hendrik Sasmito	Suwito Anggoro (PD) Chan Hian Siang
AANE **PT Austindo Aufwind New Energy** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	Belitung, Bangka Belitung	Renewable energy (biogas)	2013	99.18%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Anastasius Wahyuhadi	Sucipto Maridjan (PD) Thomas Wagner
DGI **PT Darajat Geothermal Indonesia** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	Darajat, West Java	Renewable energy (geothermal)	1998	99.99%	George Santosa Tahija (PC) Anastasius Wahyuhadi	Sucipto Maridjan
ANJB **PT Austindo Nusantara Jaya Boga** Atrium Mulia, 3A Fl., Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910	Jakarta	Consumer products	At pre-operating stage	99.99%	George Santosa Tahija (PC) Anastasius Wahyuhadi Suwito Anggoro Istini Tatiek Siddharta	Naga Waskita (PD) Sucipto Maridjan
GMIT **PT Gading Mas Indonesian Tobacco** * Jl. Gajah Mada No. 254, Jember, East Java	Jember, East Java	Agribusiness (tobacco)	2000	99.99%	George Santosa Tahija (PC) Suwito Anggoro Istini Tatiek Siddharta Sucipto Maridjan Anastasius Wahyuhadi	Jahya Lukas (PD) Erwan Santoso

* GMIT's name was changed to PT Gading Mas Indonesia Teguh as of March 12, 2015

Business Details of ANJ Associated Companies

Subsidiary name and registered address	Principal business location	Line of business	Commercial operations began	ANJ effective ownership	Commissioners (PC=President Commissioner)	Directors (PD=President Director)
PI **PT Pangkatan Indonesia** Gedung Graha Aktiva, Suite 1001, 10th Floor, Jl. H.R. Rasuna Said, Blok X-1, Kav. 3, Jakarta	Pangkatan, Labuhan Batu, North Sumatra	Palm oil plantations	1997	20.00%	Philip Anthony Fletcher (PC) Peter Edwin Hadsley-Chaplin Tristan Robert Julian Price Geetha Govindan	Chandra Sekaran K.V. Nair (PD) Guna Sekaran Uthiradam Markian Gunawan
SKPI **PT Simpang Kiri Plantation Indonesia** Gedung Graha Aktiva, Suite 1001, 10th Floor, Jl. H.R. Rasuna Said, Blok X-1, Kav. 3, Jakarta	Simpang Kiri, Aceh	Palm oil plantations	1998	20.00%	Philip Anthony Fletcher (PC) Peter Edwin Hadsley-Chaplin Tristan Robert Julian Price Anastasius Wahyuhadi	Chandra Sekaran K.V. Nair (PD) Markian Gunawan Osde Simbolon
BP **PT Bilah Plantindo** Gedung Graha Aktiva, Suite 1001, 10th Floor, Jl. H.R. Rasuna Said, Blok X-1, Kav. 3, Jakarta	Bilah, Labuhan Batu, North Sumatra	Palm oil plantations	1998	20.00%	Philip Anthony Fletcher (PC) Peter Edwin Hadsley-Chaplin Tristan Robert Julian Price Anastasius Wahyuhadi	Chandra Sekaran K.V. Nair (PD) Guna Sekaran V. Uthidaram Aleksa Sihombing
EL **PT Evans Lestari** Gedung Graha Aktiva, Suite 1001, 10th Floor, Jl. H.R. Rasuna Said, Blok X-1, Kav. 3, Jakarta	Musi Rawas, South Sumatera	Palm oil plantations	At pre-operating stage	20.00%	Philip Anthony Fletcher (PC) Peter Edwin Hadsley-Chaplin Tristan Robert Julian Price Anastasius Wahyuhadi	Chandra Sekaran K.V. Nair (PD) Sivabalan Subbiah Markian Gunawan Satheesan AL. T.A. Menon

ANJ Group Corporate Structure



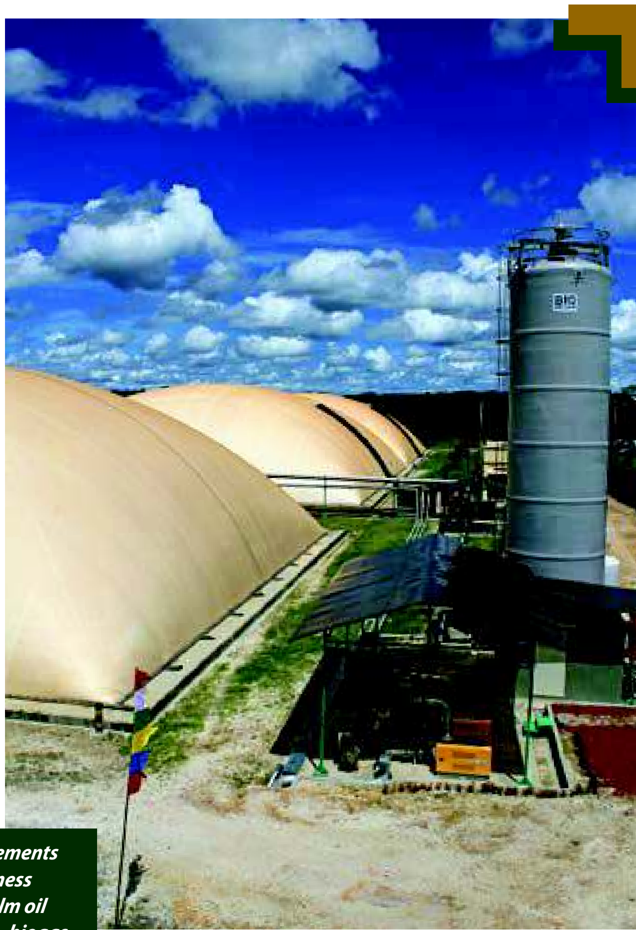
Key to Company Names

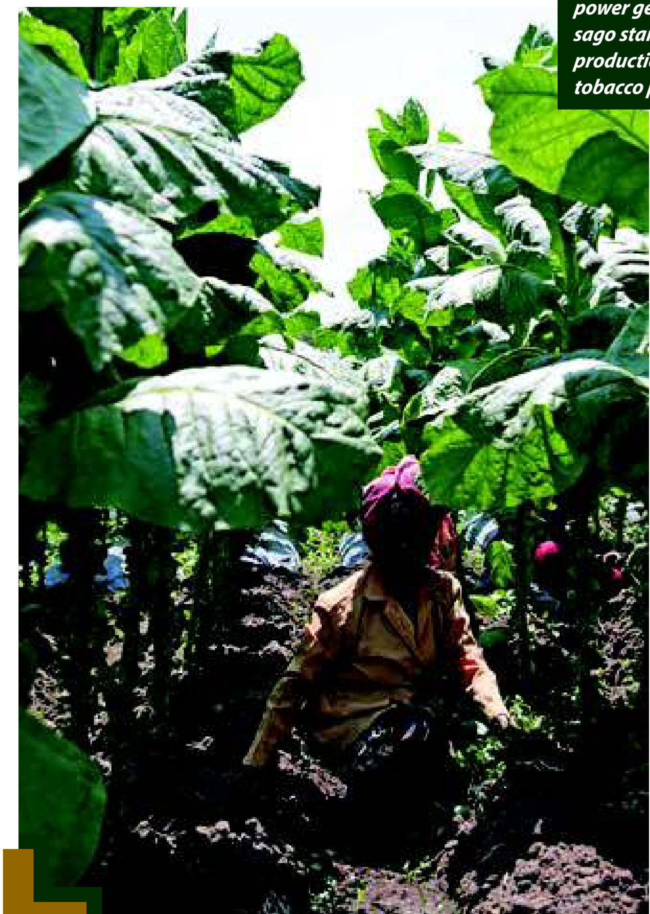
AANE	PT Austindo Aufwind New Energy
AM	PT Agro Muko
ANJA	PT Austindo Nusantara Jaya Agri
ANJB	PT Austindo Nusantara Jaya Boga
ANJAP	PT ANJ Agri Papua
ANJAS	PT Austindo Nusantara Jaya Agri Siais
ATI	PT Aceh Timur Indonesia
BP	PT Bilah Plantindo
CGSS1	PT Chevron Geothermal Suoh Sekincau
CGSS2	PT Chevron Geothermal Sekincau Selatan
EL	PT Evans Lestari
DGI	PT Darajat Geothermal Indonesia
GMIT	PT Gading Mas Indonesian Tobacco
GSB	PT Galempa Sejahtera Bersama
KAL	PT Kayung Agro Lestari
LSP	PT Lestari Sagu Papua
MLII	PT Moon Lion Industries Indonesia
PAM	PT Pusaka Agro Makmur
PI	PT Pangkatan Indonesia
PJP	PT Puncakjaya Power
PMM	PT Prima Mitrajaya Mandiri
PMP	PT Putera Manunggal Perkasa
PPM	PT Permata Putera Mandiri
SKPI	PT Simpang Kiri Plantation Indonesia
SM	PT Perusahaan Pertanian, Perkebunan, Perindustrian dan Perdagangan Surya Makmur
SMM	PT Sahabat Mewah dan Makmur
SSM	PT Sembada Sennah Maju
TJA	PT Teguh Jayaprima Abadi

Notes

1) ANJA has 99.998% and SMM has 0.002%.
2) ANJA has 99.996% and the Company has 0.004% directly.
3) ANJA has 99.95% and SMM has 0.05%
4) ANJA has 95.00% and the Company has 5.00% directly.
5) PAM was acquired by ANJ on Oct. 15, 2014
6) PI has 95.00%, the Company has 1.00% directly.
7) EL, PMM & TJA were acquired by ANJ in 2014, respectively on Jan. 2, July 8 and Nov. 3
8) The Company has 99.50% directly and SMM has 0.50%.

Data as at Dec. 31, 2014





The core elements of our business in 2014: palm oil production, biogas power generation, sago starch production and tobacco processing.

Shareholder Information

ANJ began a new chapter in 2013, transitioning from a privately held to a public company as the final step of a detailed corporate restructuring plan. The listing of 10% of ANJ's shares on the Indonesian Stock Exchange (IDX) was intended to provide it with access to capital to support expansion plans in its three lines of business. Prior to the listing, the Company was wholly owned by the Tahija family through individual shareholdings and corporate entities.

The Financial Services Authority (OJK) issued an effective letter for the Company's initial public offering on May 1, 2013. The Company officially 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 with a nominal value of Rp 100 per share. The share price at the Initial Public Offering (IPO) was Rp 1,200 per share.

In relation to the IPO in 2013, the shareholders of the Company approved a Management Stock Option Plan (MSO plan) for certain senior management and directors of the Company and its subsidiaries (see page 81 for details).

As per the MSO plan's terms as set out in the IPO prospectus, the Company opened a window for the exercise of options for MSOP I from Nov. 3 to Dec. 5, 2014. The exercise price was Rp 1,095 per share. In this window, options for 1,550,000 shares were exercised. ANJT now has a total of 3,334,900,000 shares listed on the IDX following MSOP I. This is documented in IDX announcement no. Peng P 00262/BEI.PG1/12-2014 dated Dec. 9, 2014.

The Company's share price closed at Rp 1,325 at the end of 2014, giving a market capitalization of Rp 4.41 trillion.

ANJT Daily Closing Share Price vs JCI in 2014

Right axis: ANJT shares traded daily

ANJT Quarterly Share Price Data 2013-2014

Figures in rupiah unless stated otherwise

Quarter	Open	High	Low	Close	Shares traded	Value of trades	Total shares	Market capitalization
2013 Q1	No data available as shares were not traded until May 2013							
Q2	1,190	1,430	1,150	1,300	78,144,000	101,177,160,000	3,333,350,000	4,333,355,000,000
Q3	1,300	1,380	1,180	1,250	12,759,500	16,605,715,000	3,333,350,000	4,166,687,500,000
Q4	1,240	1,500	1,200	1,490	27,565,500	36,767,745,000	3,333,350,000	4,966,691,500,000
2014 Q1	1,490	1,650	1,490	1,620	3,227,200	5,086,207,500	3,333,350,000	5,400,027,000,000
Q2	1,620	1,625	1,400	1,500	369,600	578,986,500	3,333,350,000	5,000,025,000,000
Q3	1,500	1,450	1,125	1,125	3,345,900	4,131,536,000	3,333,350,000	3,750,018,750,000
Q4	1,125	1,325	1,070	1,325	5,721,200	6,498,675,500	3,334,900,000	4,416,688,750,000

Details of Share Ownership

Following the listing, and as at Dec. 31, 2014, the Company's authorized capital amounted to Rp 1.2 trillion, consisting of 12 billion shares, each with a nominal value of Rp 100. Issued and paid capital amounted to Rp 333,490,000,000, consisting of 3,334,900,000 shares, each with a nominal value of Rp 100. The ownership of shares was as follows:

PT Memimpin Dengan Nurani .... ***1,343,804,685*** *(40.30%)*
PT Austindo Kencana Jaya .... ***1,343,804,685*** *(40.30%)*
Public .... ***334,900,000*** *(10.04%)*
George Santosa Tahija .... ***156,242,000*** *(4.68%)*
Sjakon George Tahija .... ***156,147,130*** *(4.68%)*
Yayasan Tahija .... ***1,500*** *(0.00%)*

As at Dec. 31, 2014, commissioners and directors of the Company owning shares were as follows:

George Santosa Tahija (Commissioner) .... ***156,242,000*** *(4.68%)*
Sjakon George Tahija (Commissioner) .... ***156,147,130*** *(4.68%)*
Suwito Anggoro (Director) .... ***750,000*** *(0.02%)*
Istini T. Siddharta (Director) .... ***600,000*** *(0.02%)*

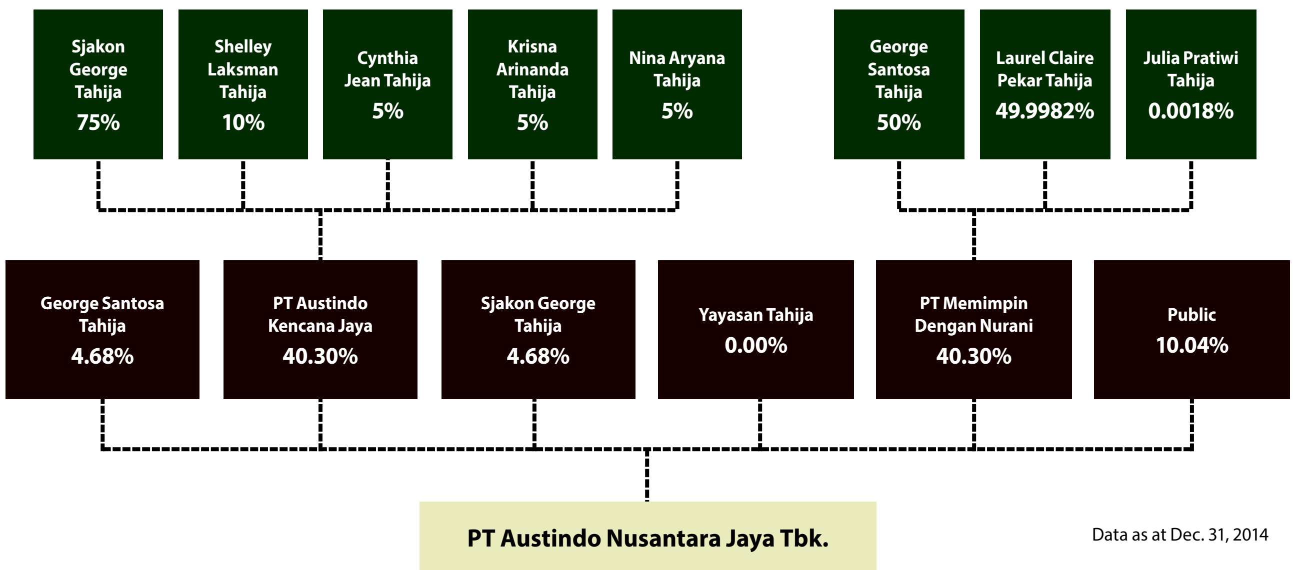
Indonesian investors owned 97.38% of the total issued shares and foreign investors 2.62%. No public shareholders owned 5% or more of our shares.

The Company has no other securities listed. No securities rating agency was associated with our public share offering.

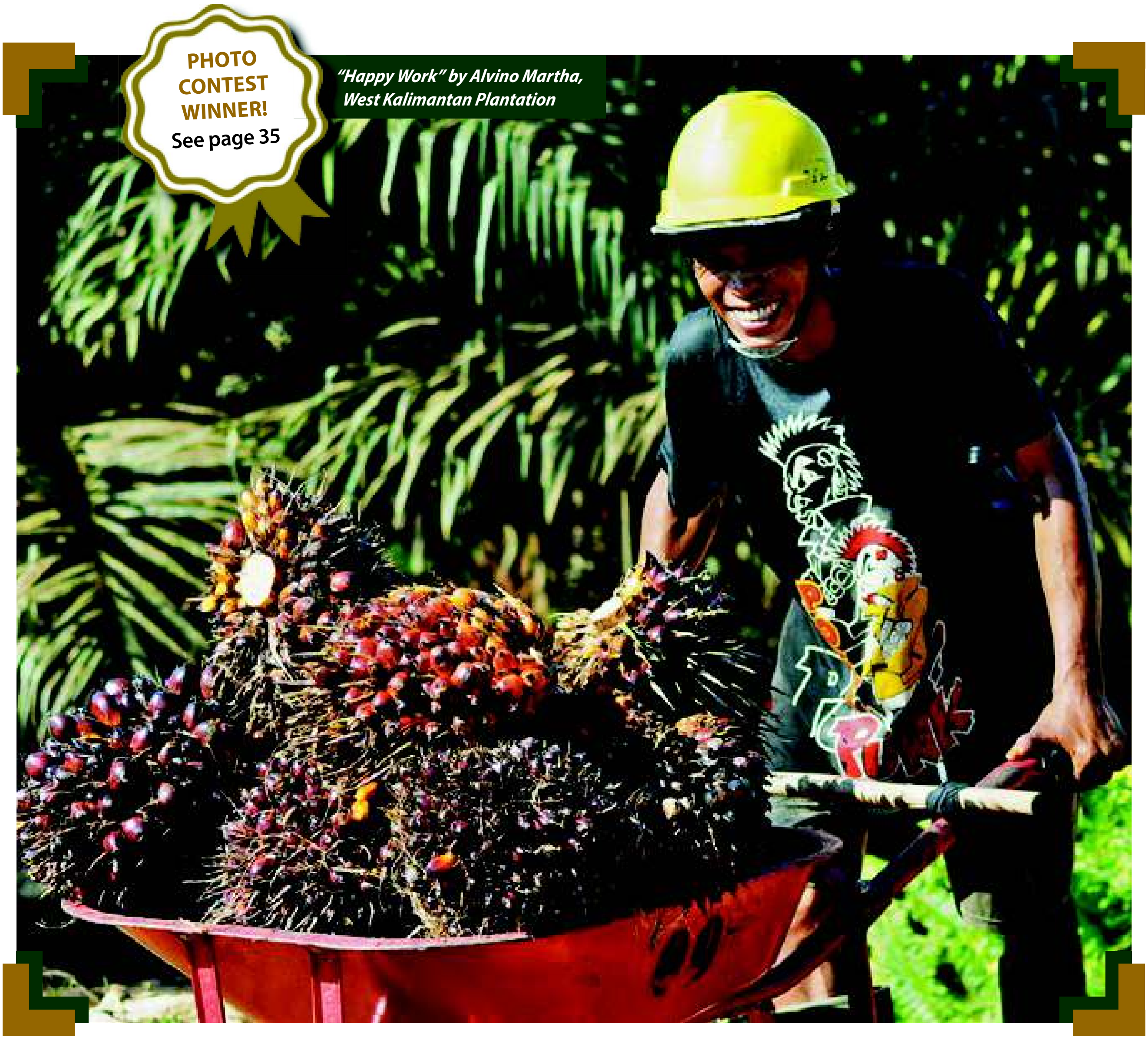
Domestic and Foreign Shareholder Types

	Investors	Shares	Shares (%)
DOMESTIC			
Retail	77	318,996,430	9.57%
Employee	945	3,260,000	0.09%
Foundation	1	1,500	0.00%
Pension Fund	2	4,924,000	0.15%
Insurance	4	150,952,100	4.52%
Corporation	8	2,714,767,670	81.4%
Mutual Fund	19	54,784,500	1.64%
Sub-Total	1,056	3,247,686,200	97.38%
FOREIGN			
Retail	4	176,900	0.00%
Corporation	19	87,036,900	2.61%
Sub-Total	23	87,213,800	2.62%
TOTAL	**1,058**	**3,334,900,000**	**100%**

ANJ Majority and Controlling Share Structure



Data as at Dec. 31, 2014



"Happy Work" by Alvino Martha, West Kalimantan Plantation

Corporate Actions and Share Suspensions

Following the IPO on May 8, 2013, the number of shares increased from 3,000,000,000 shares to 3,333,350,000 shares. Then after the exercise of MSOP I, the number of shares increased from 3,333,350,000 shares to 3,334,900,000 shares. The nominal price remained at Rp 100 per share.

On Oct. 15, 2014, the Company acquired 100% shares of PT Pusaka Agro Makmur from Wodi Kaifa Ltd. and PT Pusaka Agro Sejahtera. PT Pusaka Agro Makmur has a location permit of approximately 40,000 hectares located in Aifat Selatan District, Maybrat, West Papua.

There was no suspension of share trading for any reason during 2014.

There were no corporate actions such as stock splits, reverse stock split, stock dividends, stock bonuses, or a decline in the nominal value of shares during 2014 besides the exercise of MSOP I.

Our Capital Market Supporting Professionals

External Auditor: Osman Bing Satrio & Eny
Address: The Plaza Office Tower, 32 Floor, Jl. M.H. Thamrin Kav. 28-30, Jakarta 10350, Indonesia.
Service: Audit for the Company's financial statements.
Fee: US$60,000.
Period of assignment: 2012, 2013, 2014.

Shares Administration Agency: PT Datindo Entrycom
Address: Puri Datindo, Wisma Sudirman, Jl. Jend. Sudirman Kav 34-35, Jakarta 10220, Indonesia.
Services: Keep and maintain the shareholders register, prepare the register for the General Meeting of Shareholders and assist in dividend and bonus shares payment.
Annual fee: Rp 40 million.
Period of assignment: 2013, 2014.

Profiles of the Commissioners

Adrianto Machribie

President Commissioner (Independent)

Mr Machribie is an Indonesian citizen aged 73. He was born in Bandung on July 1, 1941.

Experience: Mr Machribie became a Commissioner of the Company in July 1996 and was appointed as President Commissioner in September 2003. He is a member of many professional organizations. He is currently the President Director of PT Media Televisi Indonesia (Metro TV), a 24-hour Indonesian news channel.

Previously, he served as Chief Executive Officer of PT Freeport Indonesia, and after retirement as a Commissioner of the company and the key Senior Advisor to the Office of the Chairman of parent company Freeport-McMoRan Copper & Gold Inc.

Education: Mr Machribie holds a master's degree in social science from the Institute of Social Studies, The Hague, and a bachelor's degree in law from the University of Indonesia.

Affiliations: Mr Machribie has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Deed No.32 of Esther Mercia Sulaiman, S.H., Notary in Jakarta, dated Sep. 24, 2003.

George Santosa Tahija

Commissioner

Mr Tahija is an Indonesian citizen aged 56. He was born in Jakarta on Aug. 28, 1958.

Experience: Mr Tahija has served as a Commissioner of the Company since December 2012 after more than 20 years as President Director.

He is a member of the Board of Trustees of Darden School, University of Virginia, the Board of Supervisors of Endeavor Indonesia, and founder and Chairman of the Bali-based Coral Triangle Center (CTC). He is a founding member and Trustee of the Dharma Bermakna Foundation whose vision is Progressive Education in Indonesia, a founding member of PSKD Mandiri School, Jakarta, a member of The Nature Conservancy (TNC) Indonesia Chapter Advisory Board and TNC Asia Pacific Council, the Board of Trustees of the Asia Business Council (ABC), Global Executive MBA Advisory Board at the Darden School, University of Virginia, and the Young President's Organization (YPO) Indonesia Chapter.

Education: Mr Tahija holds a bachelor's degree in mechanical engineering from Trisakti University, Indonesia, and an MBA from the Darden School, University of Virginia.

Affiliations: Mr Tahija is the brother of Sjakon George Tahija, a commissioner of the Company.

Basis of Appointment: Deed No.72 of Mala Mukti, S.H., Notary in Jakarta, dated Dec. 14, 2012.

Sjakon George Tahija

Commissioner

Dr Tahija is an Indonesian citizen aged 62. He was born in Jakarta on Dec. 17, 1952.

Experience: Dr Tahija has served as a Commissioner of the Company since it was established.

Dr Tahija is a practising vitreo-retinal consultant and founder of Klinik Mata Nusantara, a national chain of eye clinics. He also serves as the chairman of the clinic's Medical Advisory Board.

Education: Dr Tahija graduated from the University of Indonesia in 1980 with a bachelor's degree in medicine.

Affiliations: Dr Tahija is the brother of George Santosa Tahija, a commissioner of the Company.

Basis of Appointment: Deed No.72 of Sutjipto, S.H., Notary in Jakarta, dated Apr. 16, 1993.

Arifin Mohamed Siregar
Independent Commissioner

Mr Siregar is an Indonesian citizen aged 81. He was born in Medan on Feb. 11, 1934.

Experience: Dr Siregar was the Governor of Bank Indonesia from 1983 to 1988, the Minister of Trade from 1988 to 1993 and the Indonesian Ambassador to the United States of America from 1993 to 1997. He became a Commissioner of the Company in April 2001. He is also the President Commissioner of PT Airfast Indonesia and a Commissioner of PT Cabot Indonesia.

He has served as Chairman of the Strategic Advisory Board of Ancora Capital Management Pte. Ltd. since November 2009, and as an advisor to Procter & Gamble Indonesia since August 2010.

Education: Dr Siregar obtained a bachelor's degree from the Netherlands School of Economics, Rotterdam, in 1956, and a master's degree in economics in 1958 and a doctorate in economics in 1960, both from the University of Munster in Germany.

Affiliations: Dr Siregar has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Resolution of the Annual General Meeting of Shareholders dated May 21, 2001, confirmed by Deed No.1 of Amrul Partomuan Pohan, S.H., Notary in Jakarta, dated Jul. 2, 2001.

Anastasius Wahyuhadi
Commissioner

Mr Wahyuhadi is an Indonesian citizen aged 69. He was born in Klaten on Apr. 15, 1946.

Experience: Mr Wahyuhadi was ANJ's Corporate Services Director from 1997 to 2005 and became a Commissioner of the Company in January 2006. He is also a Commissioner or Director of a number of ANJ's subsidiaries.

He has served as a board member of a number of multinational and national companies in Indonesia.

He is active in philanthropy activities and is currently the Chairman of the Board of Management of the Tahija Foundation.

Education: Mr Wahyuhadi holds a bachelor's degree in law from Satyawacana University in Indonesia.

Affiliations: Mr Wahyuhadi has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Deed No.49 of Esther Mercia Sulaiman, S.H., Notary in Jakarta, dated Jan. 10, 2006.

Istama Tatang Siddharta
Commissioner

Mr Siddharta is an Indonesian citizen aged 55. He was born in Jakarta on June 16, 1959.

Experience: Mr Siddharta became a Commissioner of the Company in July 2004. Prior to this, he was the Chairman of Siddharta, Siddharta & Widjaja, the Indonesian affiliate of the international accounting firm KPMG. He is a member of the Institute of Indonesian Accountants. He is also an Independent Commissioner of PT Mitra Pinasthika Mustika Tbk.

Education: Mr Siddharta holds a master's degree in accounting from the University of Indonesia.

Affiliations: Mr Siddharta is the brother of Istini Tatiek Siddharta, a director of the Company.

Basis of Appointment: Deed No.24 of Esther Mercia Sulaiman, S.H., Notary in Jakarta, dated Jul. 6, 2004.

Josep Kristiadi

Independent Commissioner

Mr Kristiadi is an Indonesian citizen aged 67. He was born in Yogyakarta on Mar. 24, 1948.

Experience: Mr Kristiadi joined the Company as an Independent Commissioner in March 2012. He also serves as the Secretary of the Board of Directors of the CSIS Foundation.

Prior to joining ANJ, Mr Kristiadi held various positions including Social and Political Sciences lecturer, Atma Jaya University, lecturer at the National Resilience Institute, guest lecturer at the Army Staff and Command College, Bandung, guest lecturer at the Air Force Staff and Command College, Bandung, lecturer at the National Resilience Institute, lecturer at the National Police Staff College, Bandung, and Politics Department head and Deputy Executive Director at CSIS, Jakarta.

He is a columnist and commentator for domestic and international media, particularly on political development, civil-military relations, security and constitutional reform.

Education: Mr Kristiadi earned a doctorate in political science from Gadjah Mada University, Yogyakarta in 1995.

Affiliations: Mr Kristiadi has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Mr Kristiadi was appointed based on Deed No.2 of Esther Mercia Sulaiman, S.H., Notary in Jakarta, dated Mar. 5, 2012.

Ridha Wirakusumah

Independent Commissioner (since Nov. 13, 2014)

Mr Wirakusumah is an Indonesian citizen aged 51. He was born in Bogor on April 26, 1963.

Experience: Mr Wirakusumah has several decades' experience in finance and investment across Asia-Pacific. He has held a number of senior posts in Indonesia and overseas, including Corporate Group Head of Citigroup (1987-1993), Head of Corporate Finance at Bankers Trust (1993-1995); Business Development Director at General Electric (1995-1997), based in Atlanta; President and CEO of General Electric Consumer Finance Asia (2001-2005); Banking Head for Asia Pacific at General Electric (2005-2006); President and CEO for Asia Pacific at AIG Inc. (2006-2008); President and CEO of PT Bank International Indonesia Maybank Tbk. (2009-2011); and Head of Indonesia at Kohlberg, Kravis, Roberts & Co. (2011-2014).

He is also currently a Commissioner of PT Tiga Pilar Sejahtera Tbk.

Education: Mr Wirakusumah earned a bachelor's degree in electrical engineering, electronics and computer science in 1985 and an MBA in 1987, both from Ohio University.

Affiliations: Mr Wirakusumah has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Deed No. 78 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated Nov. 13, 2014.

THE COMMISSIONERS AND GOVERNANCE

For a full discussion of the roles, responsibilities and activity of the Board of Commissioners, please turn to the Corporate Governance section on page 66.

TRAINING IN 2014

The Company is committed to providing opportunities and support as required by members of the Board of Commissioners to develop their competence and improve their skills in performing their duties.

Training or development programs attended by members of the Board of Commissioners in 2014 included:

1) Media handling skills, conducted by communications agency Maverick on Oct. 14.

2) Crucial conversation training, conducted by Dunamis on Aug. 18-19.

Profiles of the Directors

Suwito Anggoro
President Director

Mr Anggoro is an Indonesian citizen aged 61. He was born in Malang on Feb. 2, 1954.

Experience: Mr Anggoro joined the Board of Commissioners of the Company in July 2010 and later was appointed as the Deputy President Director of the Company in February 2012. He was appointed as President Director of the Company in December 2012.

He began his career with PT Chevron Pacific Indonesia (CPI), previously PT Caltex Pacific Indonesia. He served as President Director of CPI from 2005 to 2010 and then President Commissioner until March 2011. In addition, he has served on the Board of Commissioners of PT Dalle Energy since March 2012.

Education: Mr Anggoro earned a degree in electrical engineering from the Bandung Institute of Technology, Bandung, in 1979, a master's degree in power system engineering from Union College, Schenectady, New York, in 1986, and certification in international business management from University of Michigan, Ann Arbor, in 2000. He has also completed a course on power system engineering at General Electric in the United States.

Affiliations: Mr Anggoro has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Deed No. 72 of Mala Mukti, S.H., Notary in Jakarta, dated Dec. 14, 2012.

Istini Tatiek Siddharta
Deputy President Director

Mrs Sidharta is an Indonesian citizen aged 52. She was born in Jakarta on Oct. 31, 1962.

Experience: Mrs Siddharta joined the Company as the Group Finance Director in 2001, a role in which she has remained for over 10 years. She was appointed as the Deputy President Director of the Company in December 2012.

She started her career as a public accountant and was subsequently made a Partner at Siddharta, Siddharta & Harsono in Indonesia, a member firm of Coopers & Lybrand, which later became a member firm of KPMG in 1998.

She is an active member of the Institute of Indonesian Accountants, as well as a member of the Consultative Board of Financial Accounting Standards of the Institute of Indonesian Accountants. She was chairwoman for the Indonesian Financial Accounting Standards Board from 2000 to 2002.

Education: Mrs Siddharta holds a bachelor's degree in accounting from the University of Indonesia and an MBA from the John Anderson School at the University of California, Los Angeles.

Affiliations: Mrs Siddharta is the sister of Istama Tatang Siddharta, a commissioner of the Company.

Basis of Appointment: Deed No. 72 of Mala Mukti, S.H., Notary in Jakarta, dated Dec. 14, 2012.

Sucipto Maridjan
External Affairs Director

Mr Maridjan is an Indonesian citizen aged 55. He was born in Tanjung Pinang on July 12, 1959.

Experience: Mr Maridjan was appointed as a director of the Company in October 2012. He is also a director of numerous ANJ subsidiaries.

Prior to joining the Company, Mr Maridjan held senior roles with Australian mining companies in Indonesia. He has over 20 years' experience in resource-based administrative management. He joined ANJ's Mining & Energy Division in 1997 as a Director of our mining services company and Mining Contract of Work company. He also had responsibility for minority interests in gold projects in Indonesia with Newmont (formerly Normandy Anglo Asian) and Meekatharra Minerals, and with power generation projects through a joint venture with Duke Energy in Papua at Freeport and with Chevron Texaco in West Java with the Darajat Geothermal Project.

Education: Mr Maridjan holds a degree in economic studies from Universitas Nasional Jakarta.

Affiliations: Mr Maridjan has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Deed No. 107 of Mala Mukti, S.H., Notary in Jakarta, dated Oct. 30, 2012.

Achmad Hadi Fauzan

Non-Affiliated/Risk Management and Compliance Director (until June 30, 2014)

Mr Fauzan is an Indonesian citizen aged 53. He was born in Pasuruan on Feb. 28, 1961.

Experience: Mr Fauzan joined the Company and was appointed as Non-Affiliated/Risk Management and Compliance Director in February 2013.

Prior to joining the Company, Mr Fauzan worked for PT HM Sampoerna Tbk. for 25 years with his last positions being Corporate Affairs Director and Statutory Director. Mr Fauzan also worked for PT Sampoerna Agro Tbk. for five years as Corporate Affairs Director and President Director of a number of subsidiaries of PT Sampoerna Agro Tbk.

Education: Mr Fauzan received a bachelor of arts degree from Kennedy Western University, United States, in 1998 and an MBA, also from Kennedy Western University, in 2001.

Affiliations: Mr Fauzan has no affiliate relationships with any other member of the Board of Commissioners, Board of Directors or shareholders of the Company.

Basis of Appointment: Deed No. 161 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated Jan. 17, 2013.

Lucas Kurniawan

Independent/Finance Director (from Nov. 13, 2014)

Mr Kurniawan is an Indonesian citizen aged 43. He was born in Teluk Betung, Bandar Lampung on Nov. 01, 1971.

Experience: Mr Kurniawan joined the Company on October 1, 2014, and was appointed as Independent/Finance Director in November 2014.

Prior to joining ANJ, Mr Kurniawan was a public accountant for 21 years. He began his career in October 1993 with Kantor Akuntan Publik (KAP) Siddharta Siddharta & Widjaja, a member firm of KPMG International, where he became a partner in 2005 (KAP Siddharta Siddharta & Widjaja, formerly KAP Siddharta Siddharta & Harsono, was a member firm of Coopers & Lybrand until 1998).

In 2007, Mr Kurniawan joined KPMG Ltd., Vietnam, where he was an audit partner for four years. From 2011 to 2014 he was a partner at Tanudiredja Wibisana & Rekan, a member firm of PricewaterhouseCoopers International Ltd. He is a member of Indonesian Institute of Accountants and Indonesian Institute of Certified Public Accountants.

Education: Mr Kurniawan holds a bachelor's degree in accounting from Tarumanagara University, Jakarta.

Affiliations: Mr Kurniawan has no affiliate relationships with any other commissioners, directors or shareholders of the Company.

Basis of Appointment: Deed No. 78 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated Nov. 13, 2014.

THE DIRECTORS AND GOVERNANCE

For a full discussion of the roles, responsibilities and activity of the Board of Directors, please turn to the Corporate Governance section on page 66.

TRAINING IN 2014

The Company is committed to providing opportunities and support as required by members of the Board of Directors to develop their competence and to improve their skills in performing their duties as directors of the Company.

Board members take part in and attend training programs, seminars, and conferences in accordance with and relating to their respective responsibilities and skills.

Training or development programs attended by members of the Board of Directors in 2014 included:

1) Media handling skills, conducted by communications agency Maverick on Oct. 14.

2) Crucial conversation training, conducted by Dunamis on Aug. 18-19.

Members also attended the 10th Indonesian Palm Oil Conference and 2015 Outlook Price on Nov. 26-28, and an IDX CEO networking event on Dec. 5-7.

Profiles of Key Members of Management

Geetha Govindan

ANJA President Director

Mr Govindan has been President Director of ANJA since January 2014.

He has worked in the plantation industry for more than 30 years, and joined ANJ after 13 years at PT REA Kaltim Plantations, where his most recent position was Vice President Director from 2008 to 2013. Prior to that he served as Director of Operations from 2005 to 2008.

His other positions included Chief Operating Officer and Estates Controller. He has also worked as a regional controller for PT Sinar Mas Agro Resources and Technology Tbk, and prior to this he spent 16 years with Socfin Co. Bhd in Malaysia as an Estate Manager.

He has a bachelor of science degree from the University of Madras, India, a diploma in human resource management from the University of Malaya, Malaysia, and an executive MBA from Euregio Management School, the Netherlands.

Aloysius D'Cruz

ANJA Director

Mr D'Cruz has been the Estate Director of ANJA since early 2011. Prior to joining ANJA, he was the Joint President of Birla Lao Pulp and Plantations Co. Ltd, a subsidiary of India's Aditya Birla Group in Laos. He has also held key roles in a number of plantation companies, including Riau Fiber Plantations and Sinar Mas Forestry Plantations in Riau as well as Sime Darby Plantations in Malaysia.

He received a bachelor's degree in agriculture from Allahabad University, India, in 1973 and an associate diploma from the Incorporated Society of Planters Malaysia in 1979.

Nopri Pitoy

ANJA Director

Ms Pitoy has served as Director and Chief Financial Officer of ANJA since May 2011. She joined ANJA in June 2001 and was appointed as Head of Finance and Accounts in January 2006.

Prior to joining ANJA, she was a financial controller of the Ukindo group and started her career in the public accounting firm PricewaterhouseCoopers in Jakarta. She has more than 15 years experience in the palm oil industry.

She received a bachelor of commerce degree with major in accounting and information systems from the University of New South Wales in Sydney, Australia.

Bambang Soerjanto

PPM, PMP and PAM President Director

Mr Soerjanto has served as President Director of PPM and PMP since January 2013 and of PAM since October 2014. He previously served as Finance Director at PT Citra Borneo Indah, President Director at PT Indonesia Ferry (Persero), Finance Director at PT Djakarta Lloyds (Persero), Risk Management Director at PT Bahana Pembinaan Usaha Indonesia, Commissioner at PT Bahana TCW Investment Management, President Director at PT Grahaniaga Tatautama, President Commissioner at PT Sarana Sultra Ventura, Vice President at Citibank N.A. Jakarta and Senior Field Engineer at Schlumberger Overseas S.A.

He has a bachelor's degree in telecommunications engineering from Bandung Institute of Technology and an MBA from the University of Chicago Booth School of Business.

Handi Belamande Syarif

ANJAP Operations Director

Mr Syarif has served as Operations Director at ANJAP since October 2013. Previously he was Vice President Cargo at Garuda Indonesia Airlines and before that he held senior managerial positions at Coca-Cola Amatil, Reckitt Benckiser, Gillette and Virginia Oil Company.

He received a bachelor of science degree in computer engineering from the Colorado School of Mines, Colorado, United States, in 1987.

Thomas Wagner

AANE Director

Mr Wagner has served as Director of AANE since the Company was formed in 2008 as a joint venture with Aufwind Group, today a subsidiary of German energy company BayWa r.e. renewable energy GmbH.

Before focusing on AANE in 2012 he was responsible for several national and international biogas and business development projects at BayWa r.e since 2006. Earlier activities include a mining venture in Kalimantan and a position as Supervising Director for BFI-Group, a Factoring and IT services company in Bremen, Germany.

He is a certified project manager (GPM/IPMA) and holds a law degree (Diplom) from Ludwig Maximilian University of Munich in the German state of Bavaria.

Jahya Lukas

GMIT President Director

Mr Lukas joined GMIT in 2001 and currently serves as President Director.

Previously he worked for PT British American Tobacco as a manager in the Leaf, Agribusiness (Vanilla) and Trade Marketing departments.

He received a bachelor's degree in agriculture majoring in agronomy from Satya Wacana Christian University, Salatiga.

Erwan Santoso

GMIT Operations Director

Mr Santoso has served as Operations Director at GMIT since joining the Company in 2007.

Prior to joining GMIT he was Leaf Operations Manager at PT Philip Morris Indonesia from 2002 to 2007. Before this he worked as Crop Manager at Bentoel Prima Group from 2001 to 2002, Operations Manager at PT Drassindo, part of the Mustika Ratu Group, from 1998 to 2000, and Business Plan & Control Section Head at PT Sumalindo, part of PT Astra International Tbk., from 1994 to 1998.

He received a bachelor's degree in agronomy from the Bogor Institute of Agriculture in 1993.

Human Resources

At ANJ, we understand that the quality, professionalism and dedication of our employees are what drives our success. In order to safeguard our future success and to encourage their success, we are committed to investing in our employees.

While we believe in keeping our organization slim, we also appreciate the importance of highly competent and experienced people. Our human resources team is experienced at finding and recruiting the best people, helping to expand our employee numbers during our ongoing rapid growth period. We understand that initial and ongoing training through an employee's career is an essential part of our responsibility.

The training, compensation and other benefits that we provide our employees, together with our operational systems, have resulted in high productivity and stability among the employees working on our plantations.

We had 6,608 full-time employees as at Dec. 31, 2014, a 27.7% increase on the number at the end of 2013 as a result of our rapid and extensive expansion program in opening new plantations. Of this number, 47 are employed directly by ANJ at our headquarters in Jakarta, and the remaining full-time employees are located at our plantations and properties across Indonesia. We also had 133 contract workers employed across our operations, up from 69 at the end of 2013.

Our employee numbers are broken down by education, age group, position and status in the table and charts here.

CHANGE MANAGEMENT

In 2014, we developed an integrated human resources strategy through a series of strategic steps:

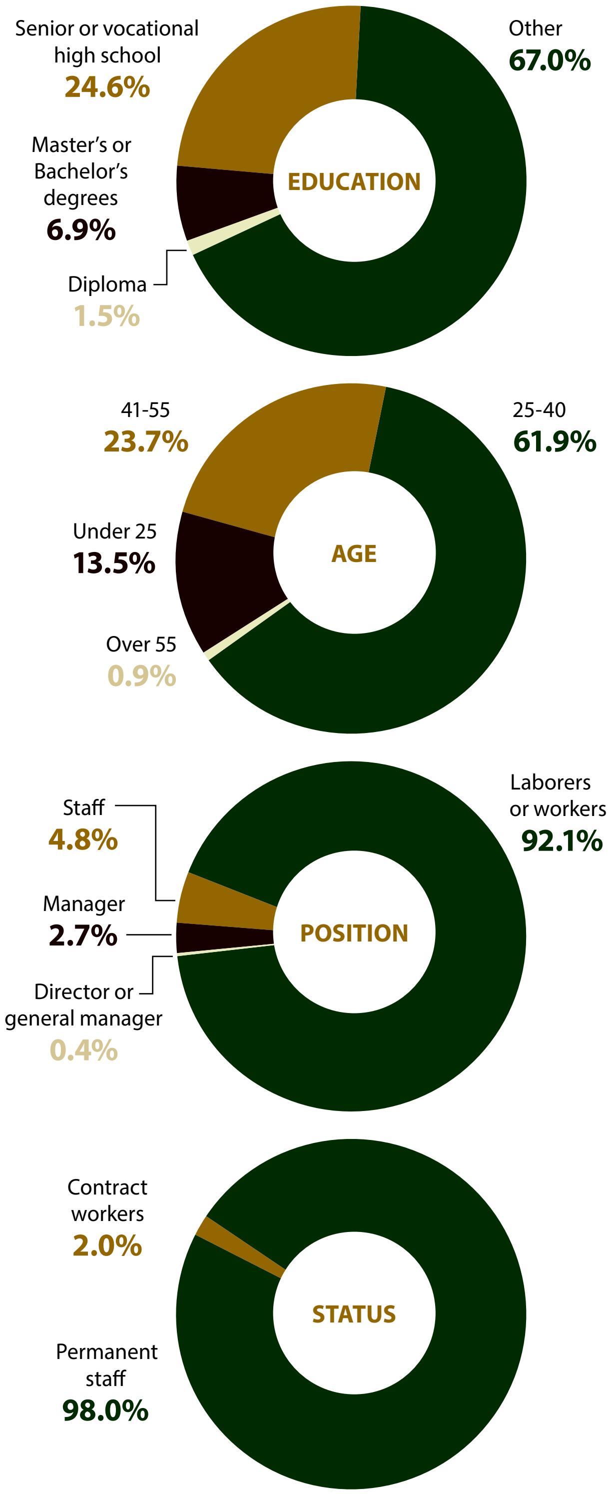
ANJ and Subsidiaries Manpower in 2013 vs 2014

		2013			2014		
		ANJ	Subsidiaries	Total	ANJ	Subsidiaries	Total
Total Manpower		33	5,139	**5,172**	47	6,561	**6,608**
By Education	Master's/bachelor's degree	30	367	**397**	39	420	**459**
	Diploma	-	67	**67**	3	99	**102**
	Senior/vocational high school	3	1,216	**1,219**	5	1,618	**1,623**
	Other	-	3,489	**3,489**		4,424	**4,424**
By Age	Over 55	3	22	**25**	6	53	**59**
	41-55	9	1,069	**1,078**	12	1,516	**1,528**
	25-40	16	3,231	**3,247**	29	4,116	**4,145**
	Under 25	5	817	**822**	-	876	**876**
By Position	Director	7	9	**16**	4	8	**12**
	General Manager (GM) *	6	26	**32**	12	18	**30**
	Manager *	10	131	**141**	17	160	**177**
	Staff *	8	286	**294**	12	308	**320**
	Laborers or workers	2	4,687	**4,689**	2	6,067	**6,069**
By Status	Contract workers	5	64	**69**	5	128	**133**
	Permanent staff	28	5,075	**5,103**	42	6,433	**6,475**

* For GMs, includes senior and associate GMs. For managers, includes senior and assistant managers. For staff, includes senior and junior staff.

Collected FFB is secured for transfer to the mill at our Belitung Island Plantation.

Manpower Ratios in 2014



• We developed a refined matrix of the Company's organizational structure and added certain new functions to improve organizational effectiveness. This new structure especially clarifies the distinction between roles at group, regional and estate levels.

• Alignment initiatives have also been conducted to ensure that all staff understand their functions and the relations between functions. One initiative was a strategic leadership session attended by general managers, regional heads, division heads, the Board of Directors and Board of Commissioners. In this session, the strategic direction and corporate KPIs were also redefined, which were cascaded down to our subsidiaries, departments, leaders and individuals.

• We have also reassessed job descriptions and job evaluations and redesigned job grades and salary structures. To ensure employee satisfaction and ensure fairness in salaries for employees working similar jobs, we used industry salary survey data as a reference.

• To realize our commitment to nurturing and growing people, we have formulated a structured development program in which we conduct competency profiling cascaded down from the Company's vision, mission, values and strategy. So far all leaders have been profiled to identify competency gaps for a structured leadership development program.

• Our recent focus on developing our business in our eastern region has created a large number of new positions, and in filling these we relied on our "grow from within" policy of promoting or offering new opportunities to existing employees across the Group first. This is one aspect of our commitment to groom our people for leadership.

• In order to help the Company meet its goals, we have introduced a new performance management system for employees. Our goal is to make performance assessment more objective, and to relate it directly to the development program, career advancement and remuneration.

We believe that these human resource initiatives will increase employee engagement and productivity and help make ANJ a conducive, professional working environment that encourages the highest performance from our people.

REMUNERATION

We are committed to providing our employees with a competitive remuneration package. To support this commitment, in 2014 we have reassessed job descriptions and job evaluations and redesigned job grades and salary structures. To ensure employee satisfaction and ensure fairness in salaries for employees working similar jobs, we have utilized the industry salary survey data as a benchmark.

We have also simplified employee allowances. Previously there were a number of allowances which we have now combined into one. This is an advantage for employees as it creates a transparent, fixed allowance that formalizes the religious holiday allowance (Tunjangan Hari Raya Keagamaan) and pension/severance packages.

Since December 2014, all of our employees have been registered for national health insurance with the Social Security Organzing Body (BPJS). This will not affect any of the existing health programs to which they are entitled from the Company.

We also make contributions to for our employees under the BPJS workers' social security program.

TRAINING AND DEVELOPMENT

People have always played the central role in our business and the formal opening of our state-of-the-art ANJ Learning center (ALC) at our Belitung Island Plantation in February 11, 2014, was a concrete symbol of our commitment to training and develop our people.

The ALC is intended to be a center of excellence as a venue for training our staff in various skill categories. In general, we provide five categories of training:

Core training is mandatory for all employees regarding the company's values, code of conduct and safety knowledge.

Technical training is related to work or tehnical capability in order to improve or enhance employees to work more efficiently and effectively.

Soft skills training improves employees' non-specific skills such as teamwork, trainer, presentation and organization.

Leadership and supervisory programs are conducted to prepare our people as leaders of their working teams, units or divisions. This is an important program to prepare our future leaders.

Certification programs are conducted with the aim of ensuring our employees' technical proficiency in operating equipment or performing procedures; they include boiler and welder, electrical, hygiene, ergonomics and health.

All employees have equal access to training and development program in accordance with their level, skills and training needs. For example, non-staff employees are provided with technical training to improve operational efficiency, while staff and managerial levels will be provided with technical, soft skills and leadership traning to develop their compentencies.

Each calendar year, we allocate a dedicated training

Annual Report Photo Competition Winners

At the end of 2014, we invited our staff to take part in a second annual photo competition to highlight images taken on and around our plantations.

This year we had three categories. You will find the winning photos in each dotted around this report.

Congratulations to our winners and thanks to all for taking part!

CATEGORY A: PRODUCTIVITY

Related to activities of the company, whether in the plantation, mill, office, training or elsewhere.

Winner: "Happy Work," Alvino Martha, West Kalimantan Plantation

Runner-up: "First Harvest," Nardiyono, West Kalimantan Plantation

CATEGORY B: ELEVATION

Photos showing how ANJ contributes to the surrounding social and natural environment.

Winner: "Off to School," Alvino Martha, West Kalimantan Plantation

Runner-up: "Endangered Species," Nardiyono, West Kalimantan Plantation

CATEGORY C: UNIQUE

Unusually framed or composed photos with an interesting perspective or detail.

Winner: "Harmony in the Factors of Production," Agustinus Nurhadi Dairo, ANJ

Runner-up: "The Treat of Tobacco's Aroma," Agustinus Nurhadi Dairo, ANJ

The training, compensation and other benefits that we provide our employees, together with the operational systems that we have put in place, have resulted in high productivity and stability among the employees working on our plantations.

budget. In 2014, 1,932 employees underwent training courses. An average of 67 hours training was given per employee, based on our training implementation report, for a total cost of US$374,289. A breakdown of courses and training events in 2014 is opposite.

ANJ LEARNING CENTER

The ALC is the focal point of training activities as well as being a host venue for corporate and leadership events. It takes over as an integrated training center from a facility at our North Sumatra I Plantation that functioned as a technical skill development center.

The ALC's main building has two floors and a total area of 1,286 square meters. It has a range of fully equipped training rooms, while the ALC complex also includes accommodation facilities for up to 80 people.

Staying at the ALC will be our selected new graduate students from various universities across Indonesia as they attend the nine-month ANJA management training program. Management trainees receive three months of classroom and practical knowledge at the ALC before going on to gain experience and apply their skills and knowledge in the field for the remaining six months.

The first management training program at the ALC saw a batch of 23 selected students, of whom 18 successfully completed and passed the program. Now they are based in various locations in our east and west regions. Supporting our management training program, in 2014 we also brought together a selection of our most talented employees to undergo a program equipping them with the standard skills and knowledge to be trainers and mentors for future management leadership candidates.

STAFF RELATIONS

At ANJ, we are proud of our reputation for mantaining good relationships between management and employees. We have "bipartite organizations" in each plantation estate that ensures there is any easy recourse to dialogue and discussion over any points of disagreement or concern. This continual channel of communication between employees and management removes potential problems before they have a chance to become severe.

In 2014, we received the highest award from the Labor Department in Belitung as a company with the best bipartite organization.

In addition, our Belitung Island Plantation has a labor union associated with Serikat Pekerja Seluruh Indonesia (SPSI), a national labor union. We negotiate our collective bargaining agreement with the union at our Belitung Island Plantation once every two years.

As part of the Company's equal treatment policy there has been no difference in terms of salary packages or any other benefits between union members and non-members.

QUALITY OF LIFE

Housing is one of the most important factors in the wellbeing and happiness of our employees, and in 2014 we continued a program to improve the quality of housing facilities by upgrading 41 semi-permanent houses into permanent houses at our North Sumatra I Plantation. Providing safe, comfortable and high-standard education facilities for workers' children is also important. Our North Sumatra I Plantation in Binanga features a dedicated school for employees' children, and in 2014 we opened a newly constructed sister school at our North Sumatra II Plantation in Siais. Children had previously attended local community schools, traveling by bus daily.

In line with our commitment to provide good health facilities for our employees and their families, we also built two new polyclinics, one at our North Sumatra II Plantation in Siais, and one at our West Kalimantan Plantation in Ketapang. The concept and design of these were based on the successful polyclinics models that we operate at our North Sumatra I Plantation in Binanga and our Belitung Island Plantation.

Inside the mini-mill at our West Kalimantan Plantation. Safety is a priority, with regular training courses for staff.

Staff Training Courses in 2014

CORE TRAINING

- ANJ values workshop
- Code of conduct
- Environment, health and safety

TECHNICAL TRAINING

- Safety in harvesting
- Harvesting technique
- Pruning management
- Spraying technique and safety
- Harvesting KPIs
- Pest control system application
- Sprayer member/calibration tools
- EFB (empty fruit bunch) management
- Palm oil mechanism
- TBS (palm fruit) criteria
- Sustainability workshop
- Wood management for plantations
- Safety training
- Chemical material handling
- Integrated pest system refresher
- General CSR management
- Basic sustainability training
- Insurance socialization
- Mini tractor operation
- Hygiene and sanitation
- Termite treatment
- Service excellence for driver
- Technical mill training
- Security system
- 10th Indonesian Palm Oil Conference
- RSPO Roundtable Palm Oil Workshop
- Annual Palm & Lauric Oil Conference & Exhibition Price Outlook 2014/2015
- 6th Palm Oil Asia Summit

SOFT SKILLS TRAINING

- Train the trainer
- New trainer workshop
- Human resources and industrial relations
- Presentation skills
- Effective team-building
- Human resources and change management
- BPJS socialization
- ANJ Value Champion workshop
- Employee engagement

LEADERSHIP AND SUPERVISORY PROGRAMS

- Leadership forum
- Business strategic workshop
- Supervisory skills 1
- Crucial conversation

CERTIFICATION TRAINING

- Boiler certification training
- Welder certification training
- Electrical certification training
- Company hygiene, ergonomics and health (HIPERKES) certification training

Palm fruit in bunches on the way to mill after harvesting.

Management Discussion & Analysis

Review of Operations

Our core business has three separate segments: palm oil, sago starch and renewable energy. Palm oil is the only long-established segment and currently is still the principal cash-generator for the group.

The other two segments are complementary to our palm oil business. Our sago starch business is still in development and had not begun operating commercially in 2014, and our renewable energy segment is relatively new, and 2014 was its first full year of commercial operation of our first biogas power-generation plant.

For our sago starch venture, we are able to leverage the expertise we have gained in the management of our palm oil business, while our renewable energy business is intended to allow us to make environmentally friendly and profitable use of waste products from our plantation business as well as to reduce the fuel costs of running our operations.

NOTABLE EVENTS IN 2014

ANJ recorded a number of significant achievements in 2014:

- Our West Kalimantan Plantation has started to produce from the first mature area of 3,840 hectares, increasing the Company's total mature plantation area to 35,794 hectares.
- We completed the acquisition of 40,000 hectares of land for an oil palm plantation in West Papua (the area is based on the location permit), located adjacent to our two existing oil palm plantations, creating one contiguous plantation area totalling 94,703 hectares (based on HGU and location permits). In addition, we carried out compensation and land clearing and started planting at the existing landbank areas, with 1,296 hectares planted by the end of the year;
- Our newly commissioned biogas power plant at our Belitung Island Plantation has started commercial production and realized sales of 8,660,401 Kwh of electricity to state power utility PT PLN (Persero) during 2014.

There were also some challenges in 2014, including:

- During testing, we found that parts of the production line at our first processing mill at our sago project in West Papua did not function in line with the expected technical performance standards. Based on an external cost-benefit analysis, the management decided that an upgrade was necessary, and consequently the Company has decided to incur an asset impairment expense of US$10.8 million and invest US$12.2 million in replacing the machinery. The work is expected to take 16 months, thus full commercial operations in the sago project is expected to be delayed until the second quarter of 2016.

We achieved a 19% increase in FFB production in 2014 over the year before, largely due to better harvest from our established producing plantations.

CPO production also rose dramatically to 187,740 tonnes, 18% above 2013 levels. PK production also rose to 42,037 tonnes, 16.7% above 2013.

The growth in production from the oil palm segment drove revenue from CPO and PK up to US$147.4 million, 14.5% higher than in 2013.

Our West Kalimantan Plantation's mini-mill was commissioned in September 2014.

■ Our South Sumatra Plantation faced ongoing challenges in obtaining land release and compensation, and the total area planted in 2014 was only 137 hectares due to a disagreement in compensation price. Our strategy is to maximize efficiency by halting compensation efforts unless a contiguous area of minimum 500 hectares can be obtained for planting.

We were able to raise our EBITDA margin across all business segments to 40.0% in 2014, considerably above our pre-year target of 30%. This was largely due to contributions from the higher-than-expected average selling price of PK and sharply increased service concession revenue.

A discussion of each business segment follows below.

Palm Oil Sector

In 2014, we had four producing plantations: North Sumatra I, North Sumatra II, Belitung Island and West Kalimantan as the latest addition. We also had four non-producing properties: two plantations and one landbank (acquired in October 2014) in West Papua and one plantation in South Sumatra. Some planting has begun in these three non-producing plantations.

OPERATIONAL DEVELOPMENTS

Significant operational improvements and developments in 2014 included the following:

■ PT Kayung Agro Lestari (KAL), which operates our West Kalimantan Plantation, finished building and commissioned its mini-mill, with a capacity of 15 tonnes per hour, in September. It serves as a bridging facility until a full-size mill is built and commissioned in 2016. During 2014, the mini-mill processed around 8,238 tonnes of FFB, or approximately 83.9% of KAL's FFB production of 9,815 tonnes; the remaining FFB was processed under a toll manufacturing arrangement with Sinar Mas before the mini-mill's completion.

■ In August, 3,840 hectares of immature palms at our West Kalimantan Plantation were reclassified as mature.

■ Mechanization of our infield collection — the gathering and transport of FFB from trees to roadways — continued at our North Sumatra I and Belitung Island plantations in 2014, and now 14,324 hectares are covered by mechanized collection out of 24,042 hectares (about 60%) across those two plantations. This reduces manpower needs and speeds up harvesting times. It is estimated that the cumulative effect has been to reduce harvester numbers by a total of 83.

■ In July, KAL allocated 2,190 hectares at our West Kalimantan Plantation for the Plasma Program, and it passed into the joint ownership of Bina Satong Lestari Cooperative and Laman Mayang Sentosa Cooperative, while another 241 hectares was allocated to Kuala Tolak Village, which remained in the process of establishing a cooperative during 2014.

Management cooperation agreements between KAL with Bina Satong Lestari Cooperative and Laman Mayang Sentosa Cooperative were signed on August 19, and financing arrangements between these plasma holders and PT Bank Mandiri Tbk were signed on August 22.

■ In February, KAL obtained the land rights certificate title (Hak Guna Usaha) for its 10,920 hectares of land (nucleus plantation) located in Laman Satong, Kuala Satong and Kuala Tolak, Ketapang for a period of 35 years.

■ Both PT Permata Putera Mandiri (PPM) and PT Putera Manunggal Perkasa (PMP) began their first planting at our West Papua plantations following land compensation and clearing through the year. The total planted area at our Papua estates by the end of 2014 had reached 1,296 hectares.

■ PT Galempa Sejahtera Bersama (GSB) continued its planting program at our South Sumatra Plantation at Empat

The mill control room at our North Sumatra II Plantation.

Profile of Oil Palm Plantations

	2014	2013	Chg
Planted Area (Ha)			
Total	**45,605**	**44,172**	**3.3%**
Total Planted Nucleus	**43,415**	44,172	-1.7%
Mature	***35,794***	*31,954*	*12.0%*
Immature	***7,621***	*12,218*	*-17.1%*
Total Planted Plasma	**2,190**	0	3.3%
Mature	***0***	*0*	*0.0%*
Immature	***2,190***	*0*	*n/a*
Mature Palm Distribution (Ha)			
Belitung Island	**14,229**	14,229	0.0%
North Sumatra I	**9,813**	9,813	0.0%
North Sumatra II	**7,912**	7,912	0.0%
West Kalimantan	**3,840**	0	n/a
Nucleus Palm Age Profile (Ha)			
Immature (< 4 years)	**10,476**	12,218	-14.3%
Mature: Young (4-7 years)	**5,079**	7,676	-33.8%
Mature: Prime (8-20 years)	**16,710**	16,165	3.4%
Mature: Old (> 20 Years)	**11,151**	8,114	37.4%
Average Age	**12.1**	11.0	10.0%

Data as at Dec. 31, 2014

Lawang. However, due to obstacles in land compensation and release, GSB was only able to add 137 hectares of planted area during 2014, resulting in a total planted area of 294 hectares by the end of the year.

■ Three of our established producing estates (North Sumatra I, North Sumatra II and Belitung Island) have received Roundtable for Sustainable Palm Oil (RSPO) certification. The latest was received by North Sumatra II Plantation in September 2014.

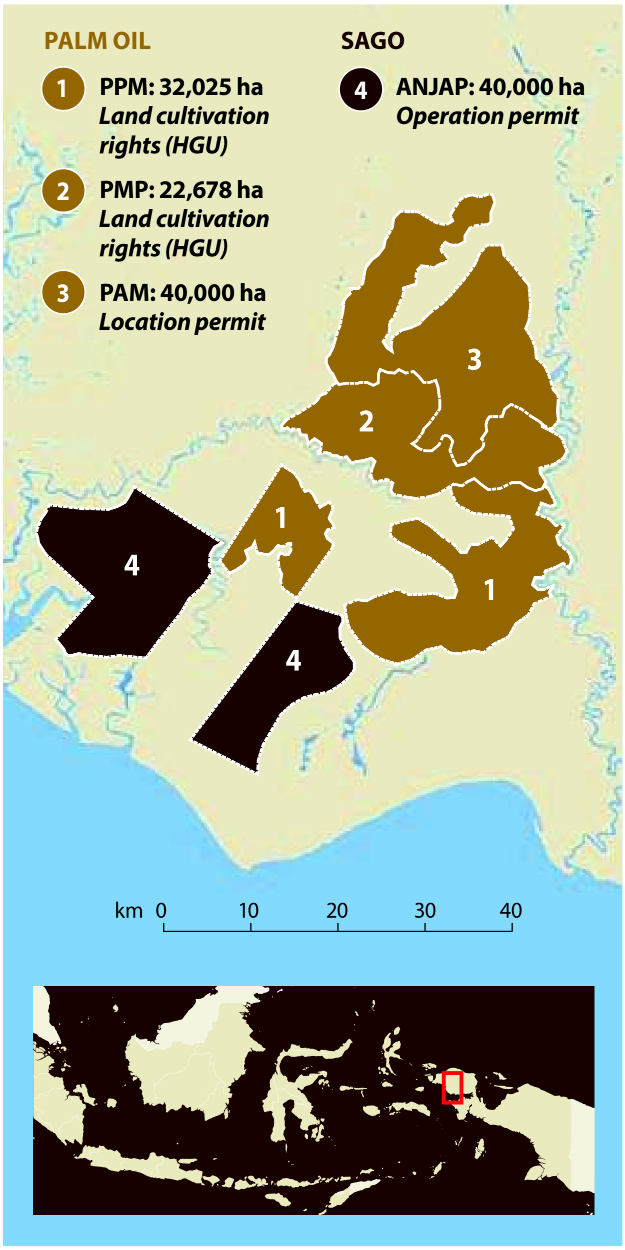
As an RSPO-certified producer, we anticipate a premium for the certified palm oil products we sell, and in 2014 we realized a total premium of US$780,901, through the sales of certified CPO (US$2.47 per tonne, totalling US$143,091) and PKO (US$54.54 per tonne, totalling US$637,810). This cumulative premium was 70.4% higher than the premium received in 2013 due to a higher volume of RSPO-based sales following RSPO certification for our North Sumatra II Plantation during 2014.

■ In addition to the RSPO premium, we also realized a premium for the certified palm oil products we sell due to our International Sustainability and Carbon Certification (ISCC) certification, which measures achievements in sustainable operations and limiting greenhouse gas emissions. Two of our producing estates, North Sumatra I and Belitung Island plantations, received this certification in 2014, and during the year we realized a total premium of US$15-US$20 per tonne, totalling US$605,725.

■ Our Belitung Island Plantation also received certification for the mandatory Indonesian Sustainable Palm Oil (ISPO) program in September 2014. Our two other plantations, North Sumatra I and II Plantations are in the process of applying for this certification.

■ Our North Sumatra I Plantation received certification in July 2014 for compliance with ISO 14001, the international standard for assessing environmental management systems.

Our West Papua Oil Palm and Sago Concessions at the end of 2014



LAND AREA

Following our latest landbank acquisition in West Papua of 40,000 hectares (based on the location permit) in October 2014, our total oil palm landbank now amounts to 164,302 hectares (see map).

Of this, the total area already planted at the end of 2014, was 45,605 hectares, including plasma area of 2,190 hectares). This is an increase of 1,433 hectares from 44,172 hectares at the end of 2013, as a result of new planting of 1,296 hectares at our West Papua plantations and 137 hectares at our South Sumatra Landbank.

The total area of mature palms at the four producing estates increased by 3,840 hectares to 35,794 hectares following the contribution of new mature areas from the West Kalimantan Plantation.

PRODUCTION AND SALES

Total FFB production from our four producing estates in 2014 was 726,292 tonnes, 19.23% higher than the 609,149 tonnes produced in 2013 and also 0.44% higher than our production target for 2014 of 723,117 tonnes.

All estates showed a consistent upward trend from January through to December on a month-on-month basis compared to 2013.

West Kalimantan Plantation is the latest addition to our producing estates, with 3,840 hectares there becoming mature plantation in 2014, resulting in a total mature area across our producing plantations of 35,794 hectares.

The first harvest at our West Kalimantan estate was processed under a six-month toll processing arrangement with Sinar Mas from July 2014, since our 15-tonne-per-hour mini-mill was still under construction. It was completed and commissioned in September, when it began commercial operations.

FFB purchased from smallholders also increased to 138,676 tonnes, up from 122,113 tonnes in 2013.

Increases in FFB purchase from third parties and our own FFB production resulted in a higher total CPO production of 187,740 tonnes and PK production of 42,037 tonnes, compared to 159,360 tonnes of CPO and 36,031 tonnes of PK last year, an increase of 17.8% and 16.7% year-on-year respectively.

As a direct consequence of this higher CPO and PK production, the sales volume also increased to 184,006 tonnes of CPO and 43,408 tonnes of PK, compared to 168,781 tonnes and 36,158 tonnes respectively in 2013.

Our average extraction rates in 2014 were 21.7% for CPO compared to 21.8% in 2013, and 4.86% for PK, compared to 4.93% in 2013.

Our CPO selling price for the full year averaged US$697 per tonne, 1.2% up from an average of US$689 per tonne in 2013. Benchmark CPO prices moved dramatically during the year, climbing steeply at the start then falling back.

We saw the selling price begin to climb from the fourth quarter of 2013, and it reached a peak of US$786 per tonne in March 2014, pushed up by supply concerns as a result of El Nino weather patterns and drought. However, it started to fall at the end of the first quarter, and it dropped below US$700 in August and stayed around that level through to the end of year.

With the higher production and sales volume of both CPO and PK, we were pleased to record revenue from the palm oil segment 14.5% higher than 2013's revenue of US$128.7 million.

Increasing efficiency is a continual objective at ANJ, and our estate management put their best efforts into managing costs in 2014's challenging environment of continued low selling prices and increasing production costs.

As a result, we were able to maintain our corporate EBITDA margin at a healthy 40% in 2014.

Our EBITDA margin was further supported as we benefited from a depreciation of the Indonesian rupiah against the US dollar in 2014, since we book revenue in dollars but pay the majority of our expenses in rupiah.

PRODUCT MARKETING

We typically sell our palm products through an open auction tender process, on an ex-mill, ex-jetty or FOB basis and our customers are responsible for transporting the products they purchase from us from our palm oil processing mills, jetty or ports close to our plantations.

The tender is conducted on a weekly basis with an indicative reserve price disclosed to bidders. Bidders who eventually enter into a sales contract with us pay for our CPO and PK two to five days after a tender is concluded and typically take delivery within two weeks after payment.

Our customers are typically companies that operate palm oil refineries and PK crushing plants, which process these raw materials into downstream palm oil-based products. Our customers are primarily focused on the business of processing palm oil products in Indonesia and do not typically include distribution agents or trading companies.

Our top five customers in 2014 were PT Pasific Indopalm Industries, PT Musim Mas, PT Pacific Palmindo Industri, PT Nubika Jaya and PT Synergy Oil Nusantara.

Oil Palm Production and Productivity

	2014	2013	Chg
Total FFB Production (tonnes)			
FFB from our estates	726,292	609,149	19.2%
FFB bought from third parties	138,676	122,113	13.6%
Total FFB processed	**864,968**	**731,262**	**18.3%**
Mill Capacity (tonnes per hour)			
Total capacity across estates	195	180	8.3%
FFB Production by Estate (tonnes)			
Belitung Island	294,198	252,474	16.5%
North Sumatra I	244,908	203,434	20.4%
North Sumatra II	177,372	153,241	15.8%
West Kalimantan	9,815	0	n/a
Total Oil Palm Processed (tonnes)			
CPO	187,740	159,360	17.8%
Palm Kernel	42,037	36,031	16.7%
FFB Productivity (tonnes/Ha)			
Average FFB Yield	**20.3**	**19.1**	**6.3%**
Belitung Island	20.7	17.7	17.0%
North Sumatra I	25.0	20.7	20.8%
North Sumatra II	22.4	19.4	15.5%
West Kalimantan	2.6	0.0	n/a
CPO yield	4.5	4.2	7.1%
Productivity Rate (%)			
CPO extraction rate	21.7%	21.8%	-0.4%
PK extraction rate	4.9%	4.9%	-1.4%

Inspection of nurslings nearing readiness for planting out at our West Papua landbank.

Our Plasma Program Responsibilities

The Plasma Program is an Indonesian government scheme to assist and benefit rural smallholders. Since Feb. 28, 2007, the plantation business licenses necessary for developing new plantations have typically been granted along with a requirement that the company receiving the license must dedicate an area amounting to 20% of the total plantation area for operation by local smallholders.

Companies must buy fresh fruit bunches from landholders at a price that tracks the FFB market price.

ANJ's only producing estate mandated to have a Plasma Program is our West Kalimantan Plantation, as its license was granted after Feb. 28, 2007. Our newly developed West Papua and South Sumatra plantations will also be required to implement Plasma Programs once planting programs have begun.

Plantation operators face the risk of having to buy lower-quality product from plasma land; we seek to minimize this risk by having smallholders pool their land together and transfer the title to such land to a co-operative in which each of the smallholders will have an interest.

We will cultivate and develop that land and manage it in the same way and to the same standards as our plantations, then provide the net income from the sale of the FFB harvested from it to the co-operative to be distributed to the smallholders.

We are also in the process of implementing voluntary initiatives at our North Sumatra plantations and our Belitung Island Plantation to provide a program similar to the Plasma Program by asking smallholders to pool their land.

Sales of Oil Palm Products

	2014	2013	Chg
Sales Volume (tonnes)			
CPO	184,006	168,781	9.0%
Palm Kernel	43,408	36,158	20.1%
Sales Value (US$million)			
CPO	128.3	116.3	10.3%
Palm Kernel	19.1	12.4	54.0%
Average Selling Price Ex-Mill (US$/tonne)			
CPO	697	689	1.2%
Palm Kernel	439	343	28.0%

ACHIEVEMENT AGAINST TARGET IN 2014

Total FFB production from our four producing estates in 2014 came to 726,292 tonnes, 0.44% higher than our 2014 production target of 723,117 tonnes, although the actual sales volume for both CPO and PK were slightly lower. CPO production was 184,006 tonnes, 7.0% lower than the target of 197,855 tonnes, while PK production was 43,408 tonnes, 0.6% higher than the target of 43,168 tonnes.

Our actual average selling price for CPO in 2014 was in line with expectations at US$697, only US$3 less than our budgeted price of US$700, while our actual average selling price of PK was US$439 per tonne, significantly above our budgeted price of US$350 per tonne.

As a result, revenue received from the palm oil segment of US$147.4 million was 4.1% lower than our pre-year target revenue of US$153.6 million.

OUR TARGET IN 2015

In 2015, we are targeting an increase of approximately 10% to 15% in CPO production volume and sales volume. However, as we anticipate an average selling price for CPO of only about US$650 per tonne, US$47 lower than in 2014, our total income in 2015 is expected to be similar to 2014.

Our net profit in 2015 will depend largely on the selling price of CPO during the year, which is now not favourable. We also have various subsidiaries still at a development stage. Through our planned increase in production and sales volume and continuing management of costs, however, we will strive to maintain our net profit levels in 2015.

Sago Starch Segment

In 2010, we were awarded by the local government a right to develop and process the sago logs from 40,000 hectares of natural sago forest in West Papua, for which we have harvesting licenses, in order to process the logs into sago starch, used in food preparation.

Sago palms grow in swampland and are a relatively low maintenance, low labor crop, requiring minimal pruning and no fertilization or pest management. The most valuable part of the plant is the trunk, where the starch is found.

Palms are harvested when they reach full maturity at around 10 years of age, and we plan to harvest sustainably by averaging no more than 10% of the total stand in any area in each year, allowing us to maintain a continuous supply of sago logs as the forest regenerates naturally.

Processing sago palms into starch is labour-intensive. It involves felling the trees, cutting the trunks into 1.5-meter logs and floating them in bound groups along canals cut by us to a processing mill. There they are mechanically stripped of their bark, shredded, mashed and boiled to extract the starch, which is filtered and dried, resulting in starch powder.

Our venture in South Sorong is our first experience of commercially developing the dense natural forest of sago palms. We are required to develop and maintain infrastructure such as the canals for transporting sago palm logs to our processing mills, permanent housing and other facilities for our employees and mills at fixed locations in our Papua Sago Project area.

The area is located mainly in swampland and is relatively far from any town or city and thus remote from reliable infrastructure and electricity supplies. In these circumstances, we have met with some delays due to logistical and construction challenges.

We had concentrated in 2013 on building our first sago starch mill to process sago logs from the first 6,000 hectares. Construction was completed by the end of 2013, and commercial testing and trial runs of individual machinery components were performed during the first half of 2014.

After integrating the plant and trialling it in continuous operation, it became evident that the front-end and wet-station machines were not functioning to the required performance to achieve our commercial production target.

Despite a series of improvements, the plant could only produce around 300 tonnes of sago starch per month, significantly less than the expected output for commercial operation of 3,000 tonnes per month.

Flakes of raw sago starch as they emerge from the drier at our West Papua sago mill.

Following an economic cost-benefit analysis performed by independent process engineering and equipment manufacturing consultants in the first half of 2014, the management concluded that it was necessary to upgrade the existing front-end equipment and wet-station production lines, including the starch/fiber separation units.

Consequently, we decided in May 2014 to incur an asset impairment expense of US$10.8 million.

We remain confident that our sago business promises healthy returns once we are able to begin commercial production. To expedite this, in December the Company appointed a qualified engineering process control (turn-key) contractor to implement the replacement of the machinery and power plant.

The project is being undertaken in two phases, each intended to furnish a production capacity of 1,250 tonnes of sago starch per month. The first phase has an investment of US$12.2 million. The project is estimated to take 16 months, and thus full commercial sago production is expected to be delayed until the second quarter of 2016.

As at Dec. 31, 2014, our investment in our sago business stood at US$35.0 million, including the impairment charge.

PRODUCT MARKETING

We believe that there is a significant demand for sago starch relative to world supply. We intend to market our future sago product to customers in Japan, China, Indonesia and other parts of the world where there is a significant market for starch.

We have been engaged in informal discussions with potential customers for our starch, as well as researchers on a collaborative arrangement to develop downstream sago starch products, which we expect to lead to the creation of a food business.

While waiting for the production line to be commercially ready at an industrial scale, we aim to sell our sago starch produced by the existing production line (at a capacity of 300 tonnes per month) in a retail packaging of 500g under the brand name "Sapapua" in Papua only.

Once full-capacity commercial production is ready, we intend also to market our sago starch in Java in retail packaging of 500g and 1,000g under the registered brand name "Pasago". Distribution will be done through our subsidiary PT Austindo Nusantara Jaya Boga (ANJB).

ACHIEVEMENT AGAINST TARGET IN 2014

As described above, during trials of machinery in our mill in the first half of 2014 we found that the performance was inadequate to achieve our expected commercial production target. Consequently, our mill could not be commissioned, and our sago business could not start commercial operations in 2014 as expected.

The pre-year target sales volume of 9,500 tonnes was thus not achieved, and due to a management decision to replace certain mill machinery, commercial operations are now expected to begin in 2016.

OUR TARGET IN 2015

In 2015 we will be concentrating in completing renovations to our sago processing mill and then performing test runs and capacity trials prior to full commercial production expected in the first quarter of 2016.

The official launch of AANE's biogas power generator at our Belitung Island Plantation in January 2014.

We are currently exploring the development of a second biogas facility, to be located at our North Sumatra I Plantation, and we expect in the medium term to implement biogas projects at each of our producing plantations to further reduce greenhouse gas emissions attributable to the company, maximize use of their byproducts and generate additional value across the group's business units.

Renewable Energy Segment

Our renewable energy business currently consists of one biogas electricity-generating plant and minority interests in one operational traditional power plant (a coal-fired and diesel power plant), one operational geothermal power plant and one geothermal power project in the exploration phase.

BELITUNG BIOGAS POWER PLANT

Our biogas power plant located at our Belitung Island Plantation is our first.

It is run by our subsidiary PT Austindo Aufwind New Energy (AANE), formed in 2008 as a joint venture between ANJA and German company Aufwind Schmack Asia Holding GmbH with the objective of developing and operating renewable energy projects in Indonesia.

Wherever feasible this should be under the Clean Development Mechanism (CDM), a Kyoto Protocol initiative derived from the United Nations Framework Convention on Climate Change encouraging emissions-reduction projects to generate credits for use in emissions trading schemes.

The purpose of the biogas plant is to reduce greenhouse gas emissions from our Belitung Island Plantation by capturing methane produced during the decomposition of its palm oil mill effluent (POME) and waste water and burning it to generate electricity.

It thus reduces the environmental impact of our operations by reducing methane released from our effluent ponds to the atmosphere. The project was registered as a CDM project in 2009 and was fully operational in 2012.

We decided in 2012 to take advantage of a new Indonesian framework for sales of renewable energy to the national grid, operated by state electricity utility PLN, letting us monetize an otherwise unused by-product of our palm oil mills.

The 1,200kW capacity Belitung Island power plant became commercially operational and started selling electricity to PLN on Dec. 31, 2013.

With this move, AANE became the first independent power producer (IPP) in Indonesia to operate a biogas plant and sell the electricity commercially.

The only off-taker for electric power from our facilities is PLN. As we are also not pushing into project locations outside the group, we are currently not actively marketing our services or products.

We chose Belitung Island as the location for our first biogas plant for several factors, including good infrastructure, accessibility and support from the government and local community.

Under the terms of our power purchase agreement (PPA) with PLN, we receive a fixed price of Rp975/kwh. This price is currently under negotiation with PLN following the issuance of PerMen ESDM 27/2014, in which the new biogas tariff for Bangka Belitung region is Rp1,575/kwh, a considerable increase from the old tariff of Rp975/kwh.

During 2014, AANE sold a total of 8,660,401kwh to PLN Belitung for sales revenue of Rp8.4 billion.

Our existing PPA with PLN is valid for 15 years. On October 16, 2014, AANE also signed a memorandum of understanding with PT PLN Region Bangka Belitung regarding a capacity expansion from 1,200kW to 1,800kW in which PLN has agreed to purchase all electricity generated from this capacity expansion and any excess electricity generated.

The capacity expansion is expected to be completed by the fourth quarter of 2015. The new renewable energy price tariff of Rp1,575/kwh will automatically apply to electricity generated as a result of this expansion.

The biogas plant had a total investment of approximately US$3.5 million, with US$1 million in financing obtained from the proceeds of ANJ's IPO and the rest from the Company's cash reserves. The capacity expansion requires an additional investment of an estimated U$$1 million.

We are currently exploring the development of a second biogas facility, to be located at our North Sumatra I Plantation, and we expect in the medium term to implement biogas projects at each of our producing plantations to further reduce greenhouse gas emissions attributable to the company, maximize use of their byproducts and generate additional value across the group's business units.

GEOTHERMAL POWER GENERATION

The first geothermal power project in which we have an investment is located in the Darajat Geothermal Resource field in West Java. Our subsidiary DGI is part of a consortium along with companies under Chevron Group and holds a minority stake of 5% in two of the area's geothermal power plants, Darajat II and Darajat III, which have a combined electricity-generating capacity of 211MW.

The consortium acts as a contractor to PT Pertamina Geothermal Energy (PGE), a subsidiary of the state-owned oil and gas company PT Pertamina (Persero), to provide power generated by geothermal steam that PGE sells to PLN.

In June 2014, Darajat II resumed operation at its full load capacity after recovering in stages from a long shutdown in April 2013 for repairs following a fire in one of its static generators.

The total electricity sold by the consortium to PGE during 2014 from Darajat II and III was 1,667,922Mwh, of which DGI's shares was 83,342Mwh, for a total revenue of US$5.6 million.

The other investment that we have in geothermal power is a plant located in West Lampung, Sumatra, that is still under the exploration stage. We also hold a minority interest of 5% in this investment in partnership with Chevron Global Energy Inc.

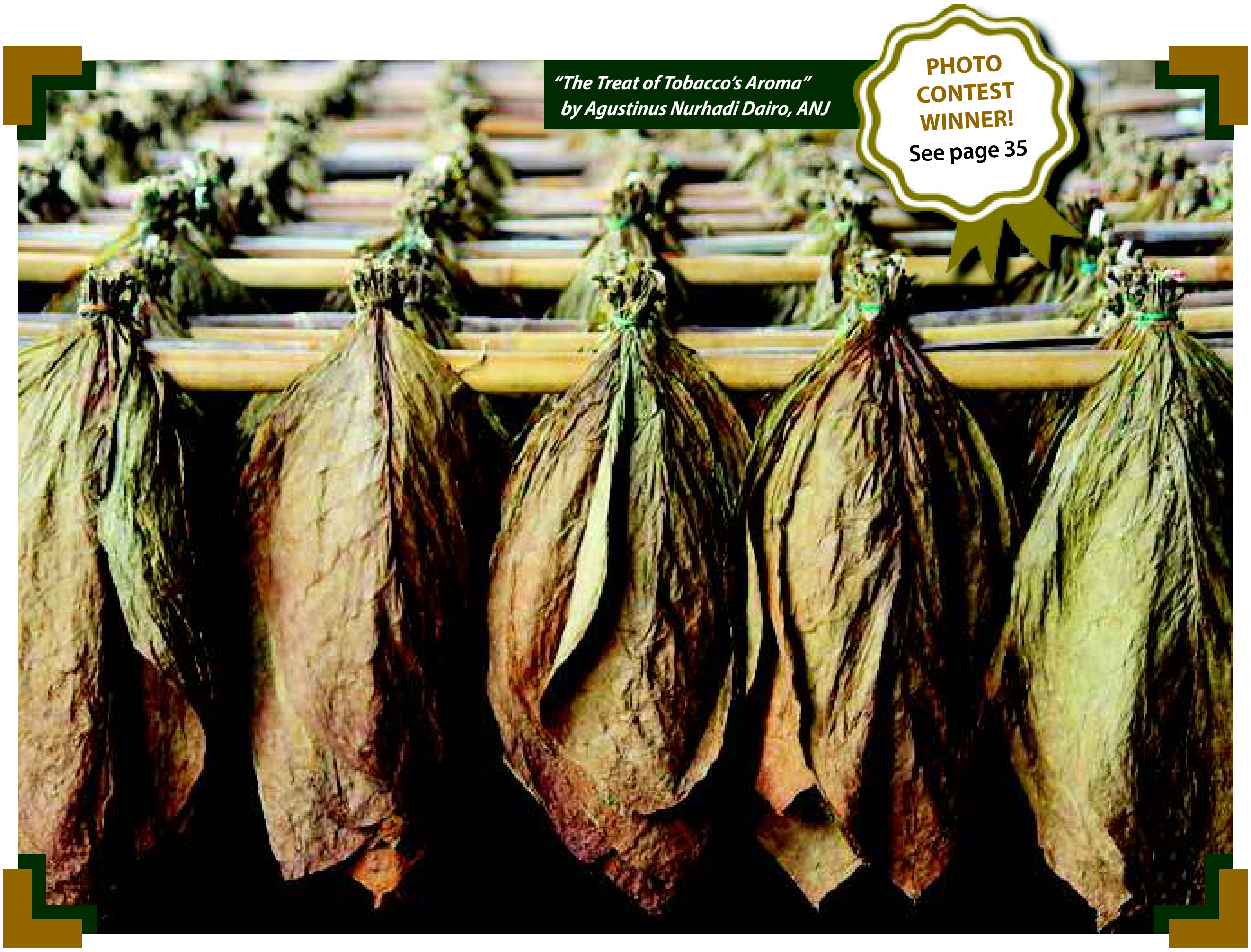
PRODUCT MARKETING

The renewable energy power sold by our subsidiaries, both in term of the volume supplied and the unit price, are governed by long-term contracts, either in the form of a power purchase agreement (PPA) with PLN (AANE) or a joint-operation contract with PGE.

ACHIEVEMENT AGAINST TARGET IN 2014

During 2014, our subsidiary AANE generated and sold 8,660MWh of biogas-generated power to PLN Belitung at a fixed price of Rp975 per kWh, marginally lower by 0.2% than the pre-year target sale of 8,676MWh.

Meanwhile, our subsidiary DGI's share of electricity sales from the Darajat II and Darajat III power plants was 83,342MWh in 2014, higher by 10% than our pre-year target due to the resumption of operations at Darajat II at full load capacity following its repair in stages from fire damage that necessitated a nine-month shutdown from April 2013.



"The Treat of Tobacco's Aroma"
by Agustinus Nurhadi Dairo, ANJ

OUR TARGET IN 2015

The biogas power produced by AANE in 2015 is expected to be 10% to 13% higher than in 2014 following the capacity extension of an additional 600kW, which is due to come online in the second half of 2015.

We also expect the volume of electricity produced from Darajat II and Darajat III geothermal power plants to increase by about 5% to 7% to resume the pre-damage levels achieved in 2013. We expect DGI's share in the proceeds to rise accordingly.

Other Business Segments

TOBACCO PROCESSING

In addition to our three core operational sectors, we have a legacy subsidiary, PT Gading Mas Indonesian Tobacco (GMIT), engaged in tobacco processing and trading. Established in 1970, GMIT's tobacco business consists primarily of the processing of tobacco purchased from individual farmers in Indonesia. This tobacco is then sold to cigar and cigarette producers in Indonesia, as well as in Europe and China.

In line with the shifting of ANJ's core businesses since 2012 to agribusiness (oil palm), emerging food (sago) and renewable energy, the management has reassessed the suitability of this tobacco business in ANJ's current and future businesses. It was concluded that this type of business was no longer an ideal fit, and the management decided to gradually exit the tobacco business and concentrate on higher-value agricultural products. Consequently, in 2014 tobacco sales revenue continued a gradual, planned decline to US$4.8 million from US$6.1 million in 2013.

In line with this planned exit from the tobacco business, the company's name has been amended to PT Gading Mas Indonesia Teguh as of March 12, 2015.

GMIT's management is in the process of exploring a selection of high-value agriculture products to determine the most suitable. In 2014, the management performed extensive trials in cultivating edamame. Edamame is a green vegetable, similar to a soybean, and is consumed as a snack or a vegetable dish, is used in soups or processed into sweets. The management is exploring the opportunity to harvest, process and freeze the edamame and then export it within Asia to countries such as Japan and China.

TRADITIONAL POWER GENERATION

We have investments in two traditional power plants, consisting of three 65MW coal-fired generators and one 215MW diesel-powered generator in West Papua. We own a 14.288% stake in the partnership with Freeport-McMoRan Gold and Copper Inc. In 2014, we received a dividend of US$797,842 from this investment.

Review of Financial Performance

Total income increased by 12.4% year-on-year to US$170.6 million on the back of higher sales volume of oil palm products and higher CPO selling price than in 2013.

Income before tax and impairment charges increased by 33.5% to US$44.6 million, but an impairment charge in our sago business meant that net income came to US$18.3 million, down 16.4%.

Our EBITDA margin rose sharply to 40.0%, from 33.4% in 2013, primarily due to the increase in sales and service concession revenue.

The Company recorded total income of US$170.6 million for the full year 2014, an increase of 12.4% year-on-year, principally as a result of a higher sales volume and higher average CPO selling price than in 2013.

Income before tax and impairment charges was US$44.6 million, an increase of 33.5% year-on-year. After deduction of a US$10.8 million fixed assets impairment charge, incurred on our sago starch processing machinery in May 2014, and income tax expense, the Company booked net income for the year of US$18.3 million, a decline of 16.4% over the same period last year.

The net income for the full year of 2014 attributable to the owners of the Company was US$18.4 million, a decline of 15.9% year-on-year.

The management discussion and analysis on the Company's financial performance in 2014 that follows is based on the Consolidated Financial Statements and Notes to the Financial Statements as of and for the years ended Dec. 31, 2014, and Dec. 31, 2013. These were audited by public accounting firm Osman Bing Satrio & Eny, which has given an unqualified opinion that they are a fair representation of the Company's financial position, financial performance and cashflows.

Financial Results

INCOME SOURCES

Total income was US$170.6 million in 2014, an increase of US$18.8 million, or 12.4%, from US$151.8 million in 2013.

Revenue from sales accounted for 89.2% of our total income in 2014. Revenue from sales of crude palm oil (CPO) and palm kernel (PK) accounted for 96.8% of this revenue, compared to 95.5% in 2013. The remainder represented revenue from sales of tobacco and other products.

The remaining 10.8% of our total income came from service concession revenues, shares in the net income of associates, dividend income, interest and other income.

Our income sources are detailed below.

Revenue from sales: Total revenue from sales in 2014 was US$152.2 million, an increase of 12.9% from US$134.8 million in 2013.

Our CPO sales revenue increased by 10.3%, from US$116.3 million in 2013 to US$128.3 million following a substantial increase in sales volume and modest increase in average selling price. CPO sales volume was 184,006 tonnes, a 9.0% increase on 168,781 tonnes in 2013, while the average CPO selling price was US$697 per tonne, up from US$689 in 2013.

PK sales revenue also increased, by 54.0% to US$19.1 million from US$12.4 million in 2013, due to a substantial increase in both sales volume and average selling price. Sales volume was 43,408 tonnes, a 20.1% increase from 36,158 tonnes in 2013, while the PK average selling price was US$439 per tonne, 28.0% higher than US$343 in 2013.

Tobacco sales revenue continued to decline, in line with the Company's strategy to gradually exit the tobacco business and focus on other higher-value agriculture products. Tobacco sales revenue was US$4.8 million, down 21.3% from US$6.1 million in 2013.

Service Concession Revenue: This comprises revenue from PT Darajat Geothermal Indonesia (DGI) and PT Austindo Aufwind New Energy (AANE).

DGI is a subsidiary that holds a 5% interest in a consortium with Chevron Group that acts as a contractor to PT Pertamina Geothermal Energy (PGE) to generate electricity from two geothermal power plants in West Java, which PGE sells to PLN.

AANE is a subsidiary engaged in generating electricity from biogas and selling it to PLN in Belitung Island.

Our total service concession revenue was US$6.2 million in 2014, a 72.2% increase on US$3.6 million in 2013, principally due to DGI being able to resume full commercial operations at the Darajat II power plant in January following a nine-month shutdown for repairs after a generator fire. During 2014, total power generated for PGE was 83,342MWh.

In addition, 2014 saw AANE's first sales of electricity to PLN from its biogas power plant at Belitung Island Plantation, with 8,660MWh sold during the year.

Share in net income of associates: This reflects our share of net income from companies where we hold a 20% or greater minority interest or companies over which we have a significant influence.

Amid improved conditions for the palm oil industry in Indonesia, ANJ's associated companies in this sector recorded better performance than in 2013, as demonstrated by a 32.0% increase in the share of income attributable to the Company to US$3.3 million in 2014 from US$2.5 million in 2013.

Dividend income: This primarily reflects dividends received from investments in entities in which we hold less than a 20% interest. Dividend income received in 2014 was US$4.9 million, 53.1% higher than US$3.2 million in 2013. This was chiefly due to a payment by PT Agro Muko of US$4.0 million.

Interest income: Interest income decreased to US$0.6 million, 45.5% down from US$1.1 million received in 2013 due to a lower cash balance in 2014 following expenditure on developing the Company's new estates in Papua.

Foreign exchange gain (loss): We incurred a foreign exchange loss of US$2.2 million in 2014, driven by US dollar-denominated bank loans drawn down by our subsidiaries which use rupiah as their reporting currency. This compares to a gain of US$3.2 million in 2013 because our cash and cash equivalents were held mainly in US dollars.

COSTS

Cost of Sales: This amounted to US$91.1 million in 2014, an increase of US$4.4 million, or 5.1%, from US$86.7million in 2013. The core component was costs relating to sales of CPO and PK, which totaled US$87.2 million in 2014, up from US$82.1 million in 2013. Factors in this increase included:

Harvesting and cultivation costs: Aggregate harvesting expenses increased by US$1.5 million, or 16.1%, to US$10.8 million in 2014 from US$9.3 million in 2013, in line with a higher FFB production of 726,292 tonnes in 2014 from 609,149 tonnes in 2013. Maintenance expenses of mature plantation decreased by US$0.8 million or 3.7% to US$20.8 million in 2014 from US$21.6 million in 2013, mainly from a lower fertilizer cost.

Indirect expenses: This includes depreciation of property, plant and equipment, salary and bonus of non-staff, and utility charges. These expenses increased by US$4.0 million, or 25.8%, to US$19.5 million in 2014 from US$15.5 million in 2013 largely as a result of an increase in activities at our West Kalimantan Plantation as a newly producing plantation.

Depreciation of mature plantation: This totaled US$8.4 million, unchanged from 2013.

Third-party FFB purchases: The cost of FFB purchases from third parties increased by US$3.3 million, or 20.6%, to US$19.3 million from US$16.0 million in 2013, as a result of a rise in the volume purchased in 2014 to 138,676 tonnes, up 13.6% from 122,113 tonnes in 2013.

Factory overhead costs: Depreciation of property, plant and equipment increased by US$0.7 million, or 8.4%, to US$9.0 million in 2014 from US$8.3 million in 2013; this was mainly driven by the overhead cost of the newly operated mini-mill at our West Kalimantan Plantation and the mill maintenance at our North Sumatra II Plantation.

On the other hand, the cost of sales in our tobacco business decreased to US$3.9 million from US$4.6 million in 2013 due to a smaller volume of tobacco sold in 2014 in line with our strategy to gradually exit the tobacco business.

Cost of service concession: This decreased by US$0.7 million, or 19.4%, to US$2.9 million in 2014 from US$3.6 million in 2013 following the resumption of Darajat II power station at full capacity and the absence of an extraordinary repair cost incurred in 2013 as a result of a generator fire.

Selling expenses: These were similar to 2013, totalling US$2.4 million.

Personnel expenses: These increased by US$2.6 million, or 23.0%, to US$13.9 million from US$11.3 million in 2013, primarily due to additional personnel hired to support our expansion program. For a breakdown of staff numbers in 2014, please see page 32.

General and administrative expenses: In 2014 we incurred general and administrative expenses of US$12.5 million, similar to the figure in 2013, due to depreciation of the Indonesian rupiah against the US dollar as well as efforts to manage our costs more efficiently.

Other expenses: These increased significantly in 2014 due to the inclusion of a one-off impairment charge on fixed assets of US$10.8 million incurred by ANJAP, our subsidiary developing our new business in producing sago starch.

The Company's decision to write down certain sago processing machinery by US$10.8 million, detailed in the Review of Operations section, was made after processing machinery failed to achieve the required performance despite improvements and management decided it was necessary to replace it.

Tax expense: Our tax expense increased by US$4.1 million or 35.7%, to US$15.6 million in 2014 from US$11.5 million in 2013 as a result of higher revenues than in 2013 and thus higher income before tax and impairment charge.

NET INCOME

Income before the sago mill machinery impairment charge of US$10.8 million came to US$44.6 million, a substantial increase of US$11.2 million, or 33.5%, on income of US$33.4 million in 2013 as a result of higher sales and concession revenue than last year.

After the inclusion of the impairment charge, our income before tax totalled US$33.8 million in 2014, which was still US$0.4 million, or 1.2%, higher than US$33.4 million in 2013.

After the deduction of tax expenses, our net income for the year totaled US$18.3 million, a decrease of US$3.6 million, or 16.4%, from US$21.9 million in 2013.

OTHER COMPREHENSIVE INCOME

Other comprehensive income, which chiefly comprises unrealized gains and losses on certain investments and foreign-currency adjustments, totaled US$1.6 million in 2014. This was due mainly to a change in fair value of available-for-sale investments of US$2.8 million (the Company's minority investment in Agro Muko and ARC Exploration Ltd.).

This compares with a loss of US$20.8 million in 2013, driven predominantly by foreign-exchange differentials as the US dollar equivalent value of our subsidiaries' equity, for which the book-keeping was in Indonesian rupiah.

CASH AND ASSETS

Net cash provided by or used in operating activities: A total of US$46.4 million was provided by operating activities in 2014, an increase of US$53.2 million compared to US$6.8 million used in operating activities in 2013. The positive cash position was chiefly due to more cash received from customers as a result of higher sales revenue from palm oil products. A contributing factor was a smaller corporate income tax payment in 2014 on lower 2013 net income.

Net cash used in investing activities: A total of US$73.7 million was used in investing activities in 2014, US$13.5 million more than the US$60.2 million used in 2013. The increase in net cash used was mainly due to the acquisition of a new landbank in West Papua and purchase of property, plant and equipment and assets relating to the land title (Hak Guna Usaha) of our two palm oil estates under development in Papua.

Net cash provided by financing activities: US$16.0 million was provided by financing activities in 2014, half of the US$31.9 million provided in 2013. In 2013, we had obtained US$36.5 million net proceeds from the issuance of shares during the Company's initial public offering.

ASSETS, LIABILITIES AND TOTAL EQUITY

Current assets: These decreased to US$65.5 million in 2014, a decrease of US$6.6 million from US$72.1 million in 2013. The decrease was primarily driven by the decrease in cash and cash equivalents.

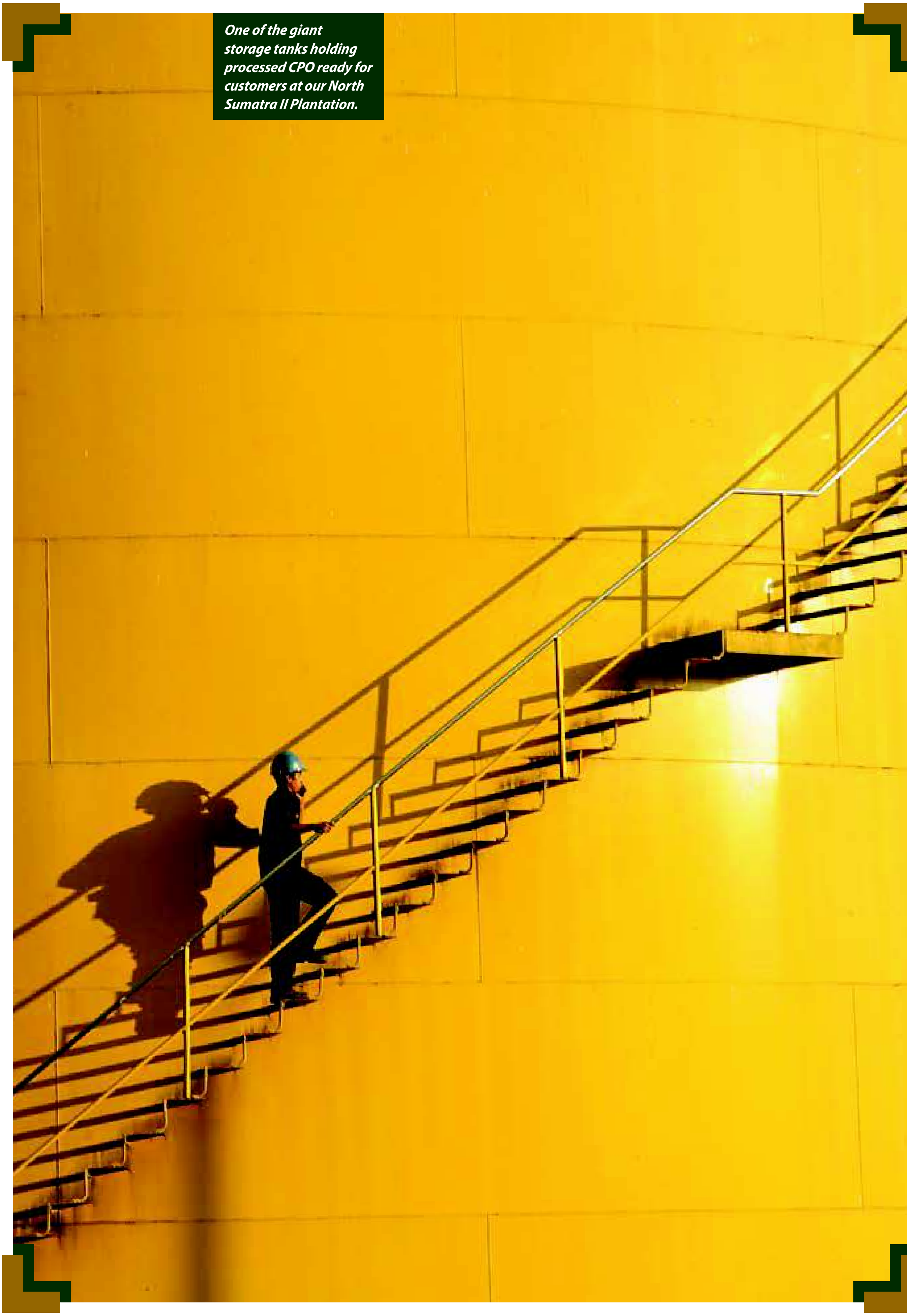
Non-current assets: These amounted to US$378.5 million in 2014, an increase of US$53.2 million from US$325.3 million in 2013, primarily due to the purchase of property, plant and equipment and a rise in palm plantation assets following the graduation of areas of our West Kalimantan Plantation from immature to mature plantation.

Consolidated Statements of Comprehensive Income

In US$ million except where stated	2014	2013	Difference	Change
Income	**170.6**	151.8	18.8	12.4%
Expenses	**126.0**	118.4	7.6	6.4%
Income before tax and impairment losses	**44.6**	33.4	11.2	33.5%
Impairment losses	**-10.8**	-	-10.8	n/a
Income before tax	**33.8**	33.4	0.4	1.2%
Net income for the year	**18.3**	21.9	-3.6	-16.4%
Net income attributable to the owners of the company	**18.4**	22.0	-3.6	-16.4%
Net income attributable to non-controlling interests	**-0.2**	-0.1	-0.1	-100%
EBITDA	**63.4**	46.2	17.2	37.2%
EBITDA margin (%)	**40.0**	33.4	6.6	19.8%

Assets, Liabilities and Total Equity

In US$ million except where stated	2014	2013	Difference	Change
Current assets	**65.5**	72.1	-6.6	-9.2%
Non-current assets	**378.5**	325.3	53.2	16.4%
Total assets	**444.0**	397.4	46.6	11.7%
Current liabilities	**53.6**	19.2	34.4	179.2%
Non-current liabilities	**14.9**	13.5	1.4	10.4%
Total liabilities	**68.5**	32.7	35.8	109.5%
Equity attributable to the owners of the compnay	**375.1**	364.2	10.9	3.0%
Total equity	**375.5**	364.7	10.8	3.0%



One of the giant storage tanks holding processed CPO ready for customers at our North Sumatra II Plantation.

Total Assets: The significant increase in non-current assets contributed to a significant rise in total assets to US$444.0 million in 2014, compared to US$397.4 million in 2013.

Current liabilities: These increased by US$34.4 million to US$53.6 million in 2014 from US$19.2 million in 2013. This was mainly due to short-term bank loans withdrawn in 2014. As of Dec. 31, 2014, ANJA, KAL, PMP, and PPM had collectively withdrawn US$21 million from Citibank N.A. and US$3.5 million from PT Bank OCBC NISP Tbk. The balance available from these two bank loan facilities was US$25.5 million at the end of 2014. In addition, GMIT withdrew Rp41.2 billion from its working loan facility with PT Bank Central Asia Tbk.

Non-current liabilities: These totaled US$14.9 million, US$1.4 million higher than US$13.5 million in 2013, mainly due to an increase in post-employment benefit.

Total liabilities: As of Dec. 31, 2014, total liabilities were US$68.5 million compared to US$32.7 million in 2013.

Total equity: Total equity was US$375.5 million in 2014, an increase of US$10.8 million from US$364.7 million in 2013 driven by an increase in profit in 2014.

Operating Ratios

Gross Margin: Due to the nature of ANJ's businesses, our gross profit is calculated by subtracting the sum of cost of sales and cost of service concession from the sum of revenue from sales and service concession revenue. Our gross margin is measured by dividing the gross profit with the sum of revenue from sales and service concession revenue.

Our gross margin in 2014 was 40.6% compared to 34.8% in 2013. This increase of 5.8 percentage points was primarily driven by higher revenue from sales and service concession revenue in 2014.

EBITDA Margin: 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 is measured by dividing EBITDA by the sum of revenue from sales and service concession revenue. Our EBITDA margin in 2014 was 40.0% compared to 33.4% in 2013. The increase in EBITDA margin of 6.6 percentage points was primarily due to the increase revenue from sales and service concession revenue in 2014.

Net Profit Margin: Our net income was US$18.3 million in 2014 compared to US$21.9 million in 2013, while total income was US$170.6 million and US$151.8 million in 2014 and 2013 respectively. Our net profit margin in 2014 was 10.7% in comparison to 14.4% in 2013.

Return on Assets and Equity: Return on assets (ROA) is calculated by dividing net income for the year by the total assets at the end of the year. ROA in 2014 was 4.1% compared to 5.5% in 2013 following a lower net income generated in 2014.

Return on equity (ROE) is calculated by dividing net income for the year by the total equity at the end of the year. ROE in 2014 was 4.9% compared to 6.0% in 2013 following a lower net income generated in 2014.

Receivables Turnover: This is a measure of the average number of days required by a company to turn receivables over into cash collected. This turnover is calculated by dividing the total days in the year (365) with the quotient of total revenue from sales during the period and trade receivable at the end of the period. The lower the number of days, the faster the receivable is turned over into cash.

Our trade receivables originate from our service concession revenue and tobacco sales only, because the sales of our CPO and PK are made on a tender basis, where cash advance payment is required of buyers before delivery, and consequently no trade receivables are incurred. In 2014, our receivables average turnover was 50 days, higher than the 28 days recorded in 2013, driven by a longer turnover in service concession revenue.

Financial Ratios

Current Ratio: Current ratio is measured by dividing total current assets by total current liabilities at the end of the period. Our current ratio in 2014 was 1.22x, lower than a ratio of 3.75x in 2013. This was because current liabilities were higher due to short-term bank loans drawn this year.
Cash Ratio: In 2014, 46% of our current assets were in the form of cash and cash equivalents, lower than the 57.5%

in 2013. Cash ratio is calculated by dividing total cash and cash equivalents with total current liabilities at the end of the period. Our cash ratio decreased to 0.56x in 2014 from 2.15x in 2013, demonstrating an effective use of cash to support our development and expansion programs in 2014.

Debt-to-Equity Ratio (DER): The ability to meet liabilities is reflected in the ratio of total liabilities to equity. The lower the ratio, the better the Company's ability to meet its liabilities. Our total liabilities in 2014 were US$68.5 million, an increase of US$35.8 million from 2013. Consequently, our debt-to-equity ratio in 2014 was higher at 0.18x than the 0.09x in 2013, but still clearly reflecting our strong capability to meet our liabilities.

Net Debt-to-Equity Ratio (Net DER): This is calculated by dividing net debt by equity, where net debt represents the interest-bearing liabilities minus cash and cash equivalents. We incurred negative net debt in 2014, as we did in 2013, as our cash and cash equivalents were greater than our interest-bearing liabilities. Our net debt-to-equity ratio in 2014 remained strong at -0.01x compared to -0.11x in 2013.

Capital Structure

During 2014 we continued an expansion strategy begun across the group in 2012 into palm oil, sago and renewable energy in an effort to drive shareholder value creation.

In order to finance this expansion, we have taken advantage of our strong liquidity from palm oil operations, cash balance from previous years, supplemented by the proceeds from our initial public offering (IPO) in May 2013 and from 2014 the introduction of a modest degree of leverage into the Company's capital structure.

As at Dec. 31, 2014, our outstanding loan balance was US$27.8 million. Out of this US$24.5 million was withdrawn from loan facilities secured with Citibank N.A. and PT Bank OCBC NISP Tbk totalling US$50 million. Consequently, our net debt to total equity ratio as at Dec. 31, 2014, was -0.01x.

We continue to believe that a strong balance sheet is essential to ensure our ability to sustain our businesses, and a sound capital structure is founded on a balanced mix in the use of equity and leverage.

From 2015 onwards, we will prudently continue to increase our leverage in our capital structure up to a level of no more than 0.5 times net debt to shareholders' equity, either from bank loans, bonds or other resources, to meet our requirements for funds for our oil palm planting program and other business expansion.

Material Commitments to Capital Expenditure

Our capital expenditure amounted to US$81.6 million in 2014. Of this, US$75.6 million was spent on developing our palm oil estates, US$5.9 million on developing our sago starch business and the remainder on developing our energy business. The spending was financed primarily by existing cash, by cash from operations and by short-term bank loans.

For 2014, we have made a number of material capital expenditure commitments in line with our commitment to grow our core businesses, particularly on the following:

- Land-clearing, nursery expenses, construction of infrastructure and planting of 4,500 hectares of new oil palms at PPM and PMP in West Papua;
- Replacing machinery and constructing a power plant for our sago project in West Papua through an EPC (turn-key) contractor, with the first-phase production capacity of 1,250 tonnes of starch per month;
- An expansion of the electricity-generating capacity of our biogas power plant in Belitung Island by 600kW;
- Compensation, land-clearing, nursery expenses and construction of infrastructure for a new oil palm plantation at our newly acquired landbank property at PAM in West Papua and at GSB in South Sumatra.

We anticipate 2015 capital expenditure of around US$80 million to US$100 million, financed primarily by cash from operations and external financing, including but not limited to bank loans.

Our overall expenditure levels and allocation among projects remain subject to many uncertainties. We may increase, reduce or suspend our planned capital expenditures or we may change the timing and area of our capital expenditure spending from the estimates as described above in response to market conditions or for other reasons.

Our actual capital expenditure may also be significantly higher or lower than the planned amount due to factors including, among others, unplanned cost overruns, our ability to generate sufficient cash flows from operations and our ability to obtain adequate external financing for planned capital expenditures.

Waste fiber from milled fruit bunches is collected for mulching at our North Sumatra II Plantation.

Use of IPO Proceeds

By June 2014, we had fully utilized the proceeds from our IPO, which amounted to Rp400.02 billion (US$41.07 million), or approximately Rp346,480 million (US$35.57 million) after deduction of fees and commissions and certain expenses incurred in connection with the offering.

There has been no change to the use of proceeds as stated in our IPO prospectus. The use of proceeds was as follows:

- US$21.57 million, or 60.64%, for the expansion and development of our existing palm oil plantations and newly acquired landbanks;
- US$10 million, or 28.11%, for repayment of loans in relation to the acquisition of landbanks in West Papua in 2013;
- US$3 million, or 8.43%, for construction of the processing mill and infrastructure for our sago starch business;
- US$1 million, or 2.81%, to complete the installation of electricity generators at our Belitung Island biogas plant and to establish a similar biogas electricity generation project at our North Sumatra I Plantation.

Material Information on Related-Party Transactions

ANJ has a minimal level of transactions with related parties. During 2014, we had related party transactions only within the ANJ group of companies. Related party transactions have been disclosed to the OJK and/or IDX in accordance with prevaling laws and regulations.

Related party transactions during 2014 were as follows:

- On March 18, ANJAS entered into separate loan agreements with PPM amounting to US$5.5 million and with PMP amounting to US$6.5 million, both for a three-year period. Both agreements were amended on August 15. The loan facilities were subject to an annual interest rate of 2.75% + LIBOR, payable on the anniversary of each drawdown. The facilities were to be used for the purpose of palm oil plantation development in West Papua. Both loan facilities have been settled and were terminated on March 31, 2015.
- On April 23, ANJAS and KAL entered into loan

agreement amounting to US$10 million for a three-year period. This agreement was amended on August 15. The loan facility was subject to an annual interest rate of 2.75% + LIBOR, payable on the anniversary of each drawdown. The facility was to be used for the purpose of palm oil plantation development in West Kalimantan. This loan facility has been settled and was terminated on March 31, 2015.

• On May 21, SMM and AANE entered into a management and technical services agreement, valid until Dec. 31, 2016. SMM charges management fees to AANE of Rp80 million per month.

• On June 27, ANJA and ANJAS amended an existing management and technical services agreement to increase the management fees. ANJA charges management fees to ANJAS of US$125,000 per month.

• On June 27, ANJA and SMM amended a management and technical service agreement to increase the management fees. ANJA charges management fees to SMM of US$225,000 per month.

• GMIT uses land and building owned by AKJ and MDN as its office, employee housing, training centre and warehouse in accordance with a lend and use agreement dated May 17, 2012. This agreement expired on May 17, 2014. On July 8, 2014, AKJ, MND and GMIT entered into a new lend and use agreement valid until May 17, 2016. Based on this agreement, GMIT has no obligation to pay anything to AKJ or MDN, but GMIT has to bear and pay 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 agreement period.

• Based on a management services agreement dated June 27, the Company charged management fees to subsidiaries at the following rates per annum for 2014:

ANJA, SMM, ANJAS and KAL	US$720,000
PPM, PMP, ANJAP	US$360,000
DGI	US$300,000
GSB	US$120,000
ATI and SM	US$48,000
AANE	US$24,000
GMIT	US$12,000
ANJB	US$3,600

On December 22, the Company and the subsidiaries entered into a new management services agreement for 2015. All rates were unchanged with the exception of AANE, which was amended to US$60,000 per annum.

• On October 15, ANJA and KAL entered into a management services agreement valid until Dec. 31, 2015. ANJA charges management fees to KAL of US$100,000 per month.

• On December 15, the Company and AANE entered into a shareholder loan agreement amounting to US$750,000 at an annual interest rate of 2.75% + LIBOR for a three-year period. This loan facility is to be used for the purpose of construction of a capacity extension to AANE's POME biogas plant.

Material Events and Information Occurring After the Accounting Reporting Date

• On Feb. 16, 2015, the Company's Board of Commissioners approved the appointment of Mr. Ridha Wirakusumah as a member of the Company's Audit Committee.

• On Jan. 14, 2015, the Company and PAM entered into a shareholder loan agreement amounting to US$500,000 at an annual interest rate of 2.75% for a one-year period. This loan facility is to be used for the purpose of palm oil development in Maybrat District, West Papua. On Feb. 6, this loan agreement was amended to increase the facility limit to US$5 million while the other terms and conditions remain the same.

• On April 1, 2015, ANJAS and ANJA entered into a loan agreement amounting to US$7 million for a three-year period. The loan facility is subject to an annual interest rate of 3%, payable on the anniversary of each drawdown. The facility is to be used to finance ANJA's operations.

Dividend Policy

Under Indonesian law, dividend payments are decided by a resolution at the annual or general meeting of shareholders based on the recommendation of the Board of Directors.

We may declare dividends in any 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 and our ability to pay dividends in the future will be subject to our cash flow, future retained earnings, financial condition, working capital requirements and investment plans, as well as regulatory restrictions and other requirements.

Dividends are paid in Indonesian rupiah. Shareholders of record on the applicable dates will be entitled to the

We may declare dividends in any 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.

full dividend amount approved, subject to any Indonesian withholding tax imposed. Dividends paid to shareholders not resident in Indonesia will be subject to 20% Indonesian withholding tax or a lower rate based on tax treaties.

Our dividend policy is a statement of present intention and is subject to modification by our Board of Directors with shareholders' approval at a general meeting of shareholders.

During the AGMS held on June 3, 2014, shareholders approved the distribution of a cash dividend of Rp35 per share for the year 2013 to all shareholders registered on the recording date of June 27, 2014. The cash dividend totaled Rp116.7 billion, equivalent to US$9.6 million, representing a 2.4% dividend yield. It was paid on July 14, 2014.

This was our first dividend payment as a public listed company. As stated in our IPO prospectus, we did not distribute any dividends in 2013 for the year 2012 because we had in 2013 received the IPO proceeds, which we used for purposes as stated in our prospectus instead of for dividend distribution.

Changes of Accounting Policy

The Financial Accounting Standard Board of the Indonesian Institute of Accountants issued the following new and revised standards that are effective for accounting period beginning on January 1, 2014:

- ISAK 27: Transfer of Assets from Customers.
- ISAK 28: Extinguishing Financial Liabilities with Equity Instruments.

ANJ's management has evaluated the standards above and has concluded that the application of the above raised standards has no effect on the amounts reported in the current and prior year because the Company has not entered into any transactions of this nature.

Changes of Rules and Regulations

On Oct. 17, 2014, the Government of Indonesia promulgated Law No. 39 of 2014 regarding Plantations (the "New Plantation Law"). The law replaces Law No. 18 of 2004 on the same matter.

The New Plantation Law states that in order to foster economic development from plantations, plantation companies should enter into mutually beneficial, respectful, reliable, consolidating, and reliant partnership with planters, employees and communities living around the plantation area. The form of partnership may be made through cooperation in:

1) Provision of production facilities;
2) Production;
3) Milling or processing and marketing;
4) Shareholdings/shareownership; and
5) Other supporting services which in this case could also be in the form of provision of transportation services to the local communities.

Plantation companies holding a plantation license or a land cultivation license must assist the development of at least 20% of its plantation land for the surrounding community.

The establishment of such a surrounding community plantation may be facilitated by credit system, sharecropping, or any other form of funding as agreed upon under the applicable laws and regulations.

This obligation should be met within three years following the company obtaining its land cultivation rights (HGU) for its plantation area.

The New Plantation Law also provides that a foreign investment in a plantation business will be limited based on certain parameters such as the type of plant in which the plantation business is conducted.

This restriction will be further stipulated in the future by government regulations (*peraturan pemerintah*).

Specifically, the New Plantation Law requires the government to issue these implementing regulations by Oct. 17, 2016.

Industry and Market Outlook

Palm oil is the world's lowest-priced and most consumed vegetable oil. In 2014, more than 59 million tonnes of CPO were produced, with Indonesia and Malaysia dominating global CPO output. Indonesia produced 31 million tonnes, about 52% of the global total, while Malaysia produced 19.7 million tonnes, about 33%.

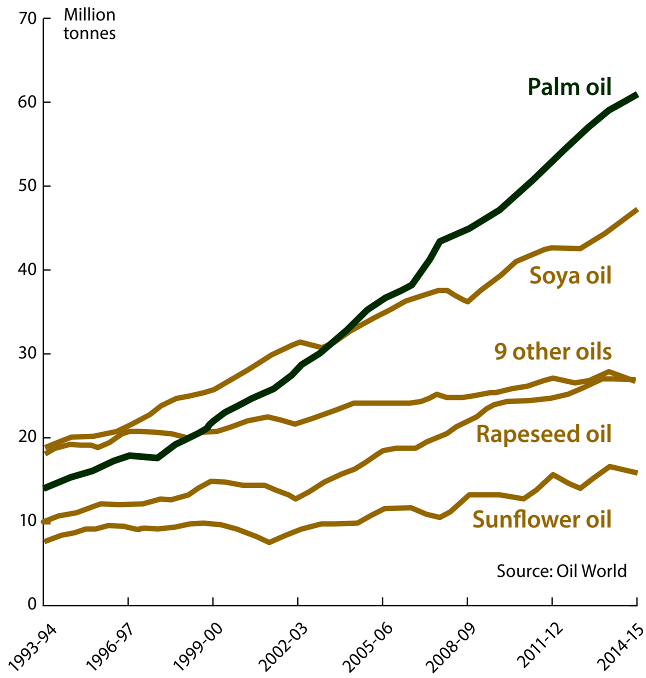
To put this into context, world consumption of all edible oils and fats was about 188 million tonnes in 2013.

Global CPO consumption is projected to continue its rapid rise of recent years. In 2002 consumption was about 22.5 million tonnes, by 2012 this was 52 million tonnes, and by 2025 it is expected to reach more than 90 million tonnes, according to forecasters Oil World.

The bulk of this growth is expected to be driven by population expansion and economic development in Asian countries, notably China, India, Indonesia and Malaysia, which are the key consuming markets of oil palm, as well as by global changes in dietary preferences and gradually increasing use of biofuels.

At ANJ we believe we are well positioned to benefit from this increased demand for CPO and other oil palm products.

World Production of Vegetable Oils



CPO USES AND CONSUMPTION

CPO is used in food and non-food products, and competes in these segments with other edible oils including soybean oil, rapeseed oil, sunflower oil, peanut oil and coconut oil.

It is used predominantly in cooking, notably for frying food where its chemical stability is valued, and as a baking and confectionery fat where its comparative hardness is valued. It is also used as a biofuel and as a feedstock for oleochemicals in fatty acid production.

Demand is dispersed internationally, but India, Indonesia, the EU and China each consume more than 10% of global CPO production annually, with Indonesia close to overtaking India as the largest consumer. Indonesian demand has been boosted in recent years by local manufacturing of biodiesel and oleochemicals, many of the end-products of which are exported, as Indonesian processors take advantage of export tax incentives for manufacturing for export.

EXPORTS

CPO is the most exported vegetable oil globally, with an estimated 62% market share. Exports grew at an average annual rate of 8.3% from 17.7 million tonnes in 2002 to 39.1 million in 2012. LMC estimates that CPO exports in 2015 will reach 45.7 million tonnes.

Most exports are of refined oils, since Indonesia and Malaysia both provide incentives for investment in refineries by applying higher export taxes on CPO than on downstream products, including refined oils, biodiesel and oleochemicals. Indonesia is the largest exporter of CPO. Its share has remained fairly constant since 2010 as domestic processing has expanded.

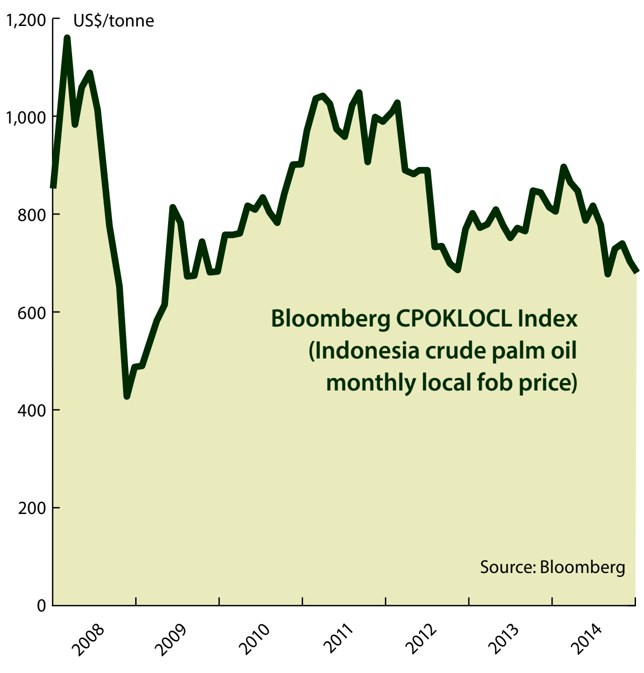
CPO is traded in the international commodity markets, and pricing is generally determined by supply and demand. As such, ANJ's competion with other CPO and PK producers generally regards quality, delivery time and logistics (the location of our plantations and mills).

CPO prices in Southeast Asia are closely linked to oil palm seed sales in Indonesia. Higher CPO prices, the trend seen over the past decade, encourage more plantings, which is reflected in higher germinated seed sales.

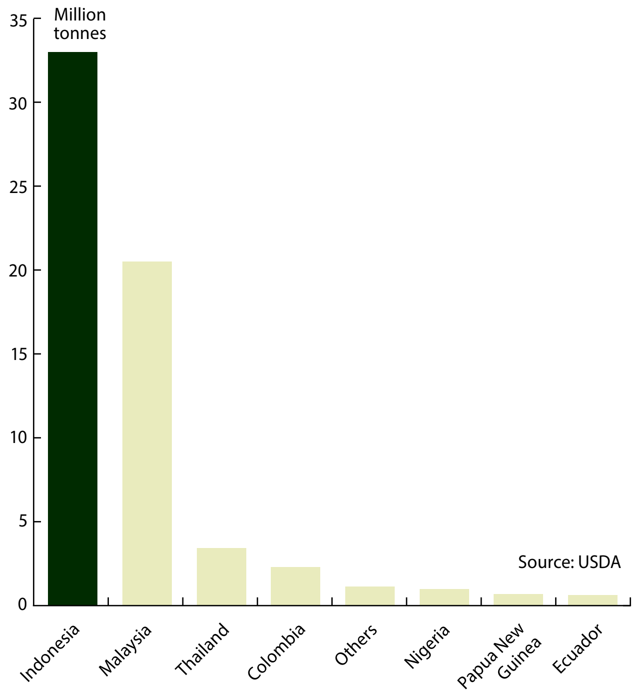
OUTLOOK

Long-term growth in CPO prices globally are driven, and should continue to be driven, by growth in global demand for palm oil along with other vegetable oils. Global vegetable oil production is expected to increase by more than 30% by 2020 (see chart). The OECD in a 2011-2020 outlook paper predicted palm oil output in Indonesia and Malaysia collectively expanding by almost 45%.

CPO Price 2008-2014



Estimated CPO Production 2015



CPO production costs are low in comparison to other crops of a similar nature, and as it is free of trans fats, palm oil is well positioned to benefit from the growth in consumption of vegetable oils worldwide.

Despite current short-term challenges to the CPO price (see chart) and volatile market conditions due to ongoing uncertainty over the short-term prospects for global economic growth, we see the long-term business prospects for palm oil as very encouraging. We expect demand to continue growing and drive long-term production growth.

Developing countries, including Indonesia, are set to dominate the benefits from the continuing rise in vegetable oil consumption and should see significant export growth opportunities.

The demand for sustainable palm oil, specifically, will increase as nations demand more sustainable sources for food. While there are at present only modest incentives for producers to commit to producing certifiably sustainable palm oil products, generally we expect tariffs and taxes to increase on non-sustainable certified commodities and market prices to adjust to favor sustainable products so that they become cheaper for consumers.

This will advantage producers such as ANJ, which is committed to producing sustainable palm oil products.

Sago Starch

Sago starch forms only a small part of world production of pure (native) starches that are used widely in the food and paper industries primarily for binding and thickening purposes.

Production is dominated by corn starch, produced mostly in the US and China, cassava starch mostly from Asia and potato and wheat starches mostly from Europe. China has long been the largest producer and consumer of native starch, although Indonesia is also a significant consumer.

Global commercial production of native starch rose from about 16.7 million tonnes in 2002 to 27 million tonnes in 2011, of which sago accounted for a stable 30,000-40,000 tonnes annually. Sago starch is currently produced in significant commercial volumes only in Malaysia.

World consumption is forecast to grow to 30.6 million by 2015, with China accounting for more than half of this growth. Indonesian demand is forecast to expand at about 4% annually from 2.4 million tonnes in 2011 to 2.8 million tonnes in 2015. Corn will continue as the main raw material for future native starch demand, supported by Asian cassava starch.

Trade in native starch rose at 5.5% annually from 2002 to 2011, with imports and exports each totalling just under 4 million tonnes in 2011.

Thailand and the EU are the principal exporters of native starch, with exports shifting increasingly in recent years in favor of cassava starch.

In 2011, China was the largest importer of native starch, followed by Indonesia, where native starch imports exceeded 0.5 million tonnes in 2010 and 2011, almost 15% of the aggregate global imports.

OUTLOOK

With increasing global demand for starch leading to increased production and demand in Asia particularly on the rise, we believe that there is a significant opportunity to build a food business based on commercial production of starch in Indonesia. While competition among starch producers is historically strong, we see a clear market opportunity as demand in Indonesia is not matched by domestic supply, making it a significant net importer of native starch.

We believe conditions are right for us to build a sustainable starch business from West Papua's natural wild sago palm forests for both domestic consumption and for export.

Biogas

As global support for renewable energy rises, more and more countries, including Indonesia and other Asian nations, are creating the necessary framework and regulatory conditions for a fast growth of the biogas industry and other developing renewable energy technologies.

Increased adoption of renewable energy sources in general is being driven by global trends focused on actions to control or mitigate climate change, along with volatility in the price and supply of fossil fuels and lower tolerance for fossil fuels' environmental hazards.

This scenario is set to foster a sharp rise in biogas, the most sustainable biofuel, with industry estimates suggesting increases of installed electricity generation capacity of 60% by 2020.

In Indonesia particularly, which faces dramatic electricity demand rises as tens of millions more people join the middle class in coming decades, we expect to see strong encouragement and an increasingly favorable regulatory regime for biogas power producers that help feed electricity into the national grid.

The long haul: we expect continued long-term growth and business opportunities in the palm oil sector.

Business Strategies and Future Plans

Until 2012, ANJ's core businesses included agribusiness, financial services and healthcare. In 2012, we shifted focus to our agribusiness interests as well as emerging food and renewable energy businesses and began a new chapter of growth to strengthen these businesses.

Having started by focusing on building sound business foundations, relationships and an advanced corporate social responsibility program, our strategic plan now stresses leveraging our business strengths to maintain growth and increase efficiencies.

We plan to implement the following business strategies and future plans:

1 SIGNIFICANTLY INCREASE LEVELS OF NEW OIL PALM PLANTINGS IN RESPONSIBLE WAYS

We intend to expand our oil palm plantations by developing existing plantable land that is not yet planted. As at Dec. 31, 2014, we had an estimated total plantable area of more than 90,000 hectares (nucleus only), of which more than 50,000 hectares remained unplanted.

Since 2014, we have focused on planting at our West Papua plantations, totalling 1,296 ha, and we planted an additional 137 hectares at our South Sumatra Plantation despite land compensation challenges.

Next year, we intend to continue planting at our West Papua and South Sumatra plantations and also begin the land-clearing process at our new landbank property in West Papua, acquired in October 2014.

Under our current planting strategy, we aim to plant about 6,000 to 8,000 hectares during 2015 through concurrent planting at our South Sumatra and West Papua estates.

We are advanced in pre-planting activities at all locations, including completing environmental assessments, engaging with local communities and land compensation, clearing plantable land, securing sufficient seedlings and developing nurseries.

We will continue to implement our growth strategy designed to maximize yields from planted areas. We have begun planting more next-generation hybrid clone palms, which allow for more dense planting and are easier to harvest and maintain due to their shorter height.

Our growth strategy also involves planting in a manner that better allows us to mechanize our harvesting. We implemented this strategy at our West Kalimantan Plantation and expect that implementing it at our West Papua and South Sumatra plantations will lead to increased yields and help lower maintenance and harvesting costs.

2 IMPROVE OUR OPERATIONAL EFFICIENCIES TO MAXIMIZE YIELDS

We believe that continuous improvement in our operational efficiencies has been, and will continue to be, instrumental to our success and long-term sustainability.

As part of this initiative, we have implemented a mechanically assisted infield collection (MAIC) program to increase harvester productivity, reduce harvesting costs and reduce the turnover of harvesters as well as our dependecy on them. MAIC has been implemented at our Belitung Island Plantation and our North Sumatra I Plantation. At the end of 2014, 6,680 hectares and 3,007 hectares were covered at these plantations respectively.

We intend to continue our disciplined implementation of best management practices, including scheduling of fertilizer application, harvesting of ripe FFB, harvesting of palms in predefined blocks, use of empty fruit bunches in immature areas and in poor soil conditions to improve soil fertility and soil structure and use of slow-release fertilizers.

We plan to maintain efficient irrigation systems, reduce soil erosion and minimize surface water run-off, as well as look at developing and using alternative fertilizers, such as breaking down empty fruit bunches as compost, in order to reduce our fertilizer requirements.

We intend also to continue upgrading our operating processes to optimize efficiency, including progressively mechanizing the process of loading, unloading and transporting FFB at all of our plantations.

We will continue to directly employ a high percentage of our harvesters, rather than using contract workers. We

Having started by focusing on building sound business foundations, relationships and an advanced corporate social responsibility program, our strategic plan now stresses leveraging our business strengths to maintain growth and increase efficiencies.

1 Significantly Increase Levels of New Oil Palm Plantings

2 Improve Our Operational Efficiencies to Maximize Yields

believe that this will enable us to increase supervision over, and training of, our harvesters, helping us to enforce our quality control procedures and maintain labor cost efficiency. We will continue to focus on training employees who we believe show potential for development and incentivize our plantation workers to achieve greater operational efficiencies by compensating them with performance bonuses. We will continue to refine our estate ranking system that tracks estate performance across a number of metrics, including productivity, cost control, and environmental responsibility and safety.

In addition, we intend to introduce certain quality improvement projects, as well as strive to continue developing innovations at our processing mills, such as our patented FFB cage pusher and condensate recovery tower, which we believe have reduced our labor costs.

3 EXPAND INTO COMPLEMENTARY BUSINESS LINES

We are currently developing our renewable energy businesses, which is complementary to our palm oil business, particularly in terms of providing cheap and green energy. In addition to allowing us to monetize an otherwise unused byproduct of our palm oil mills by generating electricity and selling it to PLN, the biogas facility also reduces the environmental impact of our operations.

Our first biogas facility at Belitung Island Plantation, run by our subsidiary AANE, had its full year of commercial operation in 2014. AANE has also signed a memorandum of understanding (MoU) with state power utility PT PLN (Persero) in Bangka Belitung regarding a capacity expansion from 1,200 kW to 1,800 kW in which PLN has agreed to purchase all extra electricity generated, including any excess electricity after the capacity increase. The expansion is expected to be completed by mid-year 2015.

AANE is focused on power generation from renewable sources. The primary focus is biomass available from the other plantations operated by ANJ group. We are now exploring the development of a second biogas facility at our North Sumatra I Plantation and plan over time to develop similar biogas power plants at all of our producing plantations to maximize use of their byproducts and generate additional value across the group's business units.

We expect that further expansion into food and renewable energy businesses will strengthen our overall performance

3 Expand into Complementary Business Lines

4 Expand Our Corporate Social Responsibility Initiatives

by opening access to new, less cyclical earnings. We believe these represent potentially high-growth businesses and will assist with our long-term sustainable growth.

4 EXPAND OUR CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

We have a rich history of corporate social responsibility and have continuously striven to develop community support platforms, conservation plans and sustainability initiatives. We plan to continue to implement additional support initiatives for employees and the community at our existing plantations and enter into similar initiatives at our future plantations. We also intend to continue our productive dialogues with non-governmental organizations to ensure that our operations are in line with international best practices relating to the responsible production of palm oil.

We have implemented a Plasma Program at our West Kalimantan Plantation, under which we have assisted local communities in forming co-operatives, which will hold land in or near our existing plantations. We then train them to maintain the plantations and purchase the resulting FFB from the co-operative for processing in our mills.

Total area assigned for the Plasma Program at our West Kalimantan Plantation is 2,431 hectares, 2,190 hectares of which were allocated in July 2014 to Koperasi Laman Mayang Sentosa and Koperasi Bina Satong Lestari following the signing of agreement between the management of the West Kalimantan Plantation and the members of those cooperatives. We have also supported the smallholders in obtaining bank financing by acting as a guarantor/catalyst for the loan financing program between the cooperatives and Bank Mandiri.

A similar program will also be implemented at our West Papua Plantations. The areas allocated for plasma have been assigned and legalized through HGU for plasma. The cooperatives have been formed and the finalization of eligible members are still in the process.

In addition to our mandatory Plasma Program, we have also implemented the Kemitraan programs at our Belitung Island Plantation, where we have no obligation to do so. We believe that this expanded community involvement will foster even greater relations with the surrounding communities and allow them to further raise their standard of living, while also aligning their interests with ours.

Corporate Governance

Governance Structures and Policies

We believe in the importance of sound corporate governance through detailed management reporting systems and high ethical standards in operating our business. This is in line with our core values of integrity, respect for people and the environment, and continuous improvement — values that we strive to instill in our employees and which we consider essential to our success.

We emphasize transparency in our corporate governance process, both within our group as well as in our interactions with our customers and suppliers. This has long been reflected in our policy of publishing annual reports for our business while still a private company; we have published one every year since 1994.

Our management team consists of experienced executives with proven abilities in managing the commercial, operational and financial aspects of our business. Members of our senior management team have an average of more than 25 years' experience in the industry and bring with them extensive knowledge of the plantation industry and valuable, long-standing relationships with customers, suppliers and other market participants.

Our management team has demonstrated a successful track record in managing our existing operations and in identifying and executing acquisition opportunities. We believe that the quality and expertise of our management team is critical to us achieving our goal of operating and maintaining our plantations in accordance with best management practices for plantation management.

This section describes the bodies, structures and policies that form our mechanisms of corporate governance.

Our management team consists of experienced executives with proven abilities in managing the commercial, operational and financial aspects of our business.

Examples of previous ANJ annual reports. Even as a private company, we published reports every year since 1994.

General Meeting of Shareholders

A general meeting of shareholders is an organ of the Company in which its shareholders make decisions relating to the Company, subject to the provisions of the Articles of Association and the applicable laws and regulations.

A general meeting of shareholders has authority not given to the Board of Directors or the Board of Commissioners pursuant to the Articles of Association and the applicable laws and regulations. In a general meeting of shareholders, the Board of Commissioners and the Board of Directors report and present their accountability on their performance to the shareholders. To protect the interests of the shareholders, the Company is committed to ensuring that general meetings of shareholders are convened on time as determined in the Company's Articles of Association and regulations of the Financial Services Authority (OJK).

A general meeting of shareholders is either an annual general meeting (AGM) or an extraordinary general meeting (EGM). An AGM should be convened once a year, at the latest six months after the end of the Company's financial year. An EGM may be convened at any time as deemed necessary for the interests of the Company.

In 2014, the Company convened one AGM, on June 3, and one EGM, on November 13.

AGM RESOLUTIONS

The AGM was convened on June 3, 2014, at Financial Club Jakarta, Graha CIMB Niaga, 2nd Floor, Jl. Jendral Sudirman Kav. 58, Jakarta 12910. From all of the total shareholders of the Company, 96.256% were present or were represented at the AGM. The summary of resolutions made is as follows:

1) To approve and ratify the annual report of the Company for the year ending Dec. 31, 2013 (including the operational report, the supervisory report of the Board of Commissioners and the consolidated financial statements), as well as to give full release and discharge of responsibilities (*acquit et de charge*) to the members of the Board of Directors and the Board of Commissioners for their management duties and supervisory duties carried out during the year ending on Dec. 31, 2013, to the extent that their actions were reflected in the annual report.

2) To approve the use of the net income of the Company for the year ending Dec. 31, 2013 as follows:

a) Rp6,667,000,000 or equivalent US$567,888 (using the Bank Indonesia middle exchange rate on June 2 of Rp11,740 per US$1) will be allocated and recorded as reserve funds.

b) Rp116,667,250,000 will be distributed as cash dividend to the shareholders so that each share will receive a cash dividend of Rp35. The exchange rate will use the middle exchange rate of Bank Indonesia on the recording date to determine the shareholders who are entitled to the cash dividend, namely on June 27, 2014.

c) The remaining balance will be recorded as retained earnings to be used for the Company's working capital.

3) To give authority and powers to the Compensation and Benefit Committee, one of the committees under the Board of Commissioners, to determine the salary and/or other allowances payable to the members of the Board of Commissioners and the Board of Directors for the 2014 financial year.

4) To appoint the firm of public accountants Osman Bing Satrio & Eny to carry out an audit on the Company for the financial year of 2014 and to give authorities to the Board of Directors to approve and determine its honorarium and the terms of appointment.

5) To approve Achmad Hadi Fauzan's resignation as Non-Affiliated/Independent Director, effective June 30, 2014.

6) To approve the report on the use of proceeds of the Company's initial public offering (IPO).

7) a) To give powers to the Board of Commissioners to carry out actions in relation to the increase of the issued and paid-up capital of the Company in relation to the implementation of the Management Stock Option Plan (MSOP) in accordance with the resolutions of the Extraordinary General Meeting of Shareholders as stated in Deed No. 161 of Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta, dated Jan. 17, 2013, in relation to the Company's IPO.

b) To reconfirm and approve the issuance of new shares of maximum 1.5% of the total issued and paid-up capital of the Company as well as to approve the amendment to the Articles of Association of the Company in relation to the increase of the issued and paid-up capital of the Company in conjunction with the implementation of the Management Stock Option Plan (MSOP).

c) To give powers to the Board of Commissioners and/or the Board of Directors and/or the Corporate Secretary to carry out all and any actions required with respect to the implementation of the issuance of new shares in relation to the Management Stock Option Plan (MSOP).

EGM RESOLUTIONS

The Company convened one EGM on Nov. 13, 2014, at IDX Tower II, 1st Floor, Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190. From all of the total shareholders of the Company, 95.07% were present or represented at the EGM. The following resolutions were made at the EGM:

1) To approve the appointment of Ridha Wirakusumah as a new independent commissioner and Lucas Kurniawan as a new independent director, effective as of the closing of the EGM until the closing of the third AGM after the appointment or the AGM in 2017. The terms of office for the other members of the Board of Directors and the Board of Commissioners are until the AGM in 2015.

EXECUTION OF SHAREHOLDER RESOLUTIONS

The Board of Directors and the Board of Commissioners have completed all resolutions stipulated by the shareholders at the AGM and EGM.

The Board of Commissioners

The Board of Commissioners has the task of supervising the management of the Company. Its principal function is to give advice, inputs and recommendations to the Board of Directors. The Board of Commissioners is also responsible for monitoring the policies adopted by and performance of the Board of Directors in executing its

The Board of Commissioners

Anastasius Wahyuhadi Commissioner	**Ridha Wirakusumah** Independent Commissioner*	**Josep Kristiadi** Independent Commissioner	**Istama Tatang Siddharta** Commissioner
Sjakon George Tahija Commissioner	**Adrianto Machribie** President Commissioner (Independent)	**George Santosa Tahija** Commissioner	**Arifin Mohamed Siregar** Independent Commissioner

*Appointed on Nov. 13, 2014

management duties in accordance with the provisions of the Articles of Association of the Company and applicable laws and regulations. The Board of Commissioners is tasked with ensuring that the Board of Directors has implemented good corporate governance at all levels.

Commissioners are appointed by the shareholders at a general meeting of shareholders. Under the Articles of Association of the Company, the Board of Commissioners is required to comprise at least two members, and one of them is to be appointed as the President Commissioner.

The term of office for the Board of Commissioners is up to the third AGM following their appointment, but is also subject to the ability of shareholders at a general meeting to dismiss a commissioner during his or her term of office or to re-appoint a commissioner whose term of office has expired.

As at Dec. 31, 2014, the composition of the Board of Commissioners was as shown in the photograph above.

COMMISSIONER PROFILES

For a full profile of each of the commissioners, please see pages 25-27.

INDEPENDENCE

The members of the Board of Commissioners have all met the qualification requirements as stipulated by the applicable laws and regulations, especially the capital market regulations, and they have a comprehensive understanding of the Company's business activities so that they can make decisions independently as part of their duty to supervise the Company's management.

The independence of the Board of Commissioners is essential to ensure its efficacy as a mechanism of checks and balances. In compliance with capital market regulations, consistently more than 30% of the members of the Board of Commissioners are independent commissioners. There are currently four independent commissioners, representing 50% of the Board of Commissioners.

The independent commissioners fulfill the qualification requirements set out in all prevailing laws and regulations.

The appointment of commissioners is made based on recommendations from the Company's Nomination and Remuneration Committee.

MEETINGS

Meetings of the Board of Commissioners may be held at any time if deemed necessary by one or more members of the board, or upon a written request from the Board of Directors, or upon written request of one or more of the shareholders jointly representing one-tenth of the total number of shares with valid voting rights.

Invitations to meetings of the Board of Commissioners are served by the President Commissioner, or if absent by a member of the board appointed by the President Commissioner.

The invitation must be sent at the latest three days prior to the date of the meeting, excluding the date of the invitation and the date of the meeting.

Meetings are held at the Company's place of domicile or place of business. Meetings are chaired by the President Commissioner, or if unable to be present by one of the board members present. A meeting of the board is valid and binding if more than one half of its members are present or represented in the meeting.

Resolutions of board meetings must be adopted based on deliberations aimed at reaching a consensus. If one cannot be reached, the resolutions may be adopted based on the affirmative votes of more than one half of the total number of votes validly exercised in the meeting. Each member of the board has equal voting rights in expressing his or her opinions in the meeting. Each member is entitled to cast one vote and up to one additional vote for another member whom he or she may be representing.

Meetings of the Board of Commissioners must be held at least four times a year. During the year ended Dec. 31, 2014, the Board of Commissioners convened six meetings, of which five were held jointly with the Board of Directors.

The table below lists attendance of board members at these six meetings:

	Meetings	Attendance
Adrianto Machribie	5	83.33%
George Santosa Tahija	6	100%
Sjakon George Tahija	6	100%
Arifin Mohamed Siregar	5	83.33%
Anastasius Wahyuhadi	6	100%
Istama Tatang Siddharta	6	100%
Josep Kristiadi	6	100%
Ridha Wirakusumah*	1	100%

*Appointed on Nov. 13, 2014

REMUNERATION

The Board of Commissioners receives a monthly honorarium, the amount of which is determined based on a recommendation from the Nomination and Remuneration Committee and subject to approval by shareholders at a general meeting of shareholders. Members of the Board of Commissioners are also covered by liability insurance.

Remuneration of commissioners is based on the market rates for such positions and is also determined based on the participation of individual commissioners in various committees under the Board of Commissioners.

During the year ended Dec. 31, 2014, the members of the Board of Commissioners and the Board of Directors were paid cumulative remuneration of US$2.9 million.

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

In carrying out its duties, the Board of Commissioners may form committees. Currently, it has established four:

1) Audit Committee.
2) Risk Management Committee.
3) Nomination and Remuneration Committee.
4) Corporate Social Responsibility and Sustainability Committee.

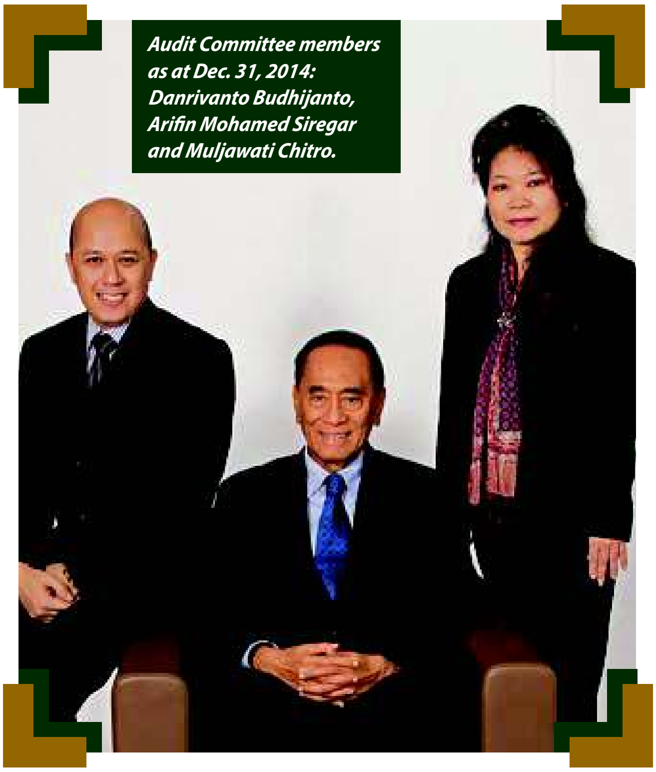
Under ANJ policy, all committees are also independent in their operations. A discussion of the roles, structure and activity of each of these committees follows below.

Audit Committee

The Audit Committee's responsibilities are to assist the Board of Commissioners in improving the quality of financial statements, to ensuring the effectiveness of the Company's internal control system (see page 78) to minimize operational risks and fraud risk in managing the Company, overseeing the qualifications and independence of internal and external auditors and identifying matters for the attention of the Board of Commissioners, including the Company's compliance with prevailing laws and regulations and adherence to ANJ's group values.

STRUCTURE AND MEMBERSHIP

The Audit Committee was formed by Resolution of the Board of Commissioners No. 001/ANJ/2013 dated Feb. 6, 2013, and is thereby accountable to and reports directly to the Board of Commissioners. It is independent of the Company's management.



The Audit Committee comprises a chairman and a member chosen from among the independent commissioners of the Company and two other members appointed by the Board of Commissioners. The current members were appointed on Feb. 6, 2013, and on Feb. 16, 2015, Ridha Wirakusumah was appointed as a fourth committee member. The members will serve until the third AGM following their appointment.

All Audit Committee members satisfy the membership criteria stated in Bapepam-LK Regulation No. IX.I.5. The chairman and members as at Dec. 31, 2014, were as follows:

Arifin Mohamed Siregar (Chairman)

A full profile of Mr Siregar can be found with the other commissioner profiles on page 26.

Muljawati Chitro

Ms Chitro is an Indonesian citizen aged 48. She was born in Jakarta on Feb. 27, 1967.

Experience: Ms Chitro has served as a member of the Audit Committee of ANJ since 2013.

She has also been a partner in Public Accountant Muljawati, Rini & Partner since 2000, a member of the audit committee at PT Asuransi Wana Artha since 2011 and at PT Samudera Indonesia Tbk. since 2009.

She has been a member of the Education Committee at the Institute of Public Accountants Indonesia since 2005.

Previously, she was a member of the audit committee at PT Asuransi Bintang Tbk. from 2005 to 2010, at PT Century Textile Industry Tbk. from 2002 to 2008, and at PT Metrodata Tbk. from 2002 to 2003. She was Associate Partner at public accountants Siddharta, Siddharta & Wijaya from 1988 to 2000.

Education: Ms Chitro earned a degree in economics from Atma Jaya University in 1990 and a master's degree in finance from PPM School of Management in 2002.

Danrivanto Budhijanto

Mr Budhijanto is an Indonesian citizen aged 43. He was born in Cimahi on Nov. 14, 1971.

Experience: Mr Budhijanto has served as a member of the Audit Committee of ANJ since 2013.

He has also been a arbitrator (FCBArb.) at the Indonesian National Board of Arbitration (BANI Arbitration Center) since 2010, a lecturer in the graduate program at Padjajaran University in Bandung since 2003 and a lecturer in the university's law faculty since 1998.

Previously, he was a member of the telecommunications regulatory committee in the Indonesian Telecommunication Regulatory Authority (BRTI) at the Ministry of Communication and Informatics from 2009 to 2012, a member of the audit committee at PT Kimia Farma Tbk. from 2005 to 2012, a lecturer in the master's program in the Management, Business and Management School, Bandung Institute of Technology, from 2007 to 2008, and an associate lawyer at Makes & Partners law firm from 1995 to 1997.

Education: Mr Budhijanto received a degree in international law from Padjajaran University, Bandung, in 1995; a master's degree in information technology law from John Marshall Law School, Chicago, in 2003; and a doctorate in science of law from Padjajaran University in 2009.

2014 ACTIVITY REPORT

In line with its responsibilities, in 2014 the Audit Committee performed oversight duties in 2014 by reviewing the implementation of risk management by the Company's Board of Directors, reviewing quarterly financial reports issued to the public and the authorities, reviewing the independence and performance of external auditors, reviewing the Company's compliance with applicable laws and regulations and reviewing the implementation of internal audit functions and management follow-ups.

The Audit Committee has confirmed that the external auditor of the Company, Osman Bing Satrio & Eny, only performed auditing servcies and did not provide any other consulting services for the Company during 2014.

During 2014, the Audit Committee held four meetings in collaboration with the Company's Risk Management and Compliance department. Three of those meetings were held with the management and one with the external auditors.

The attendance of the committee's members at meetings in 2014 is listed in the table on page 73.

Risk Management Committee

The role of the Risk Management Committee is to monitor, guide and advise the Board of Directors on the overall risk management of the Company and its subsidiaries.

The committee assists the Board of Commissioners in reviewing the risk management system, including the internal control system established by the Board of Directors and evaluating the Company's risk tolerance. Its responsibilities include advising to the Board of Directors on how to identify and document current and potential, external and internal risk management and compliance issues that might jeopardize the Company.

The Risk Management Committee was established based on Resolution of the Board of Commissioners No. 08/BOC/ANJ/GEN/2013 dated May 10, 2013. The current members appointed on that date will serve until the third AGM following their appointment.

The committee meets at least once a month. During 2014, the committee conducted 12 meetings. The committee's membership and meeting attendance in 2014 is listed in the table on the page opposite. For profiles and resumes of the members, please see pages 25-27.

Two members, Mr Machribie and Mr Kristiadi, are independent commissioners with no affiliation to any other commissioners, directors or major shareholders of the Company or its subsidiaries.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, previously known as the Compensation and Benefit Committee, was established based on Resolution of the Board of Commissioners No. 08/BOC/ANJ/Gen/2013 dated May 10, 2013. Its role is to approve senior management appointments, to review and approve senior management promotions and determine remuneration structure and amounts for senior management at ANJ and its subsidiary companies. The committee's duties and responsibilities include:

Regarding nominations

1) To provide recommendations to the Board of Commissioners relating to:

a) the composition of the Board of Directors and the Board of Commissioners; b) policy and criteria for nominations to the Board of Directors and Board of Commissioners; and c) policy on the performance review of the Board of Directors and the Board of Commissioners.

2) To assist the Board of Commissioners in conducting performance evaluations of the Board of Directors and the Board of Commissioners based on approved benchmarking.

3) To provide recommendations to the Board of Commissioners relating to the capability development program of the Board of Directors and the Board of Commissioners.

4) propose candidates who qualify as members of the Board of Directors and the Board of Commissioners.

5) review and propose the succession plan of the Board of Directors and the Board of Commissioners.

Regarding remuneration:

1) To provide recommendations to the Board of Commissioners relating to the structure, policy and amount of remuneration for the Board of Directors and the Board of Commissioners.

2) To assist the Board of Commissioners in evaluating performance against remuneration received by each member of the Board of Directors and Board of Commissioners.

The committee convenes a meeting at least four times a year. During 2014, the committee conducted four meetings.

During 2014, the members were not independent commissioners but worked according to strict guidelines as set down in the committee's charter.

The current committee members were appointed on May 10, 2013, and will serve until the third AGM following their appointment. On Feb. 16, 2015, Adrianto Machribie was appointed chairman of the Nomination and Remuneration Committee.

The committee's membership and meeting attendance in 2014 is listed in the table on the page opposite. For profiles and resumes of the members, please see pages 25-27.

Corporate Social Responsibility & Sustainability Committee

The Corporate Social Responsibility & Sustainability Committee, previously known as the Corporate Social Responsibility Committee, was established based on Resolution of the Board of Commissioners No. 08/BOC/ANJ/Gen/2013 dated May 10, 2013. Its role is to monitor and

Committees Under the Board of Commissioners: Membership and Attendance in 2014

Member	Attendance	%
AUDIT COMMITTEE		
Arifin Mohamed Siregar (Chairman)	4	100
Muljawati Chitro	4	100
Danrivanto Budhijanto	3	75
RISK MANAGEMENT COMMITTEE		
George Santosa Tahija (Chairman)	6	50
Adrianto Machribie	9	75
Anastasius Wahyuhadi	10	83
Josep Kristiadi	9	75
NOMINATION AND REMUNERATION COMMITTEE		
Sjakon George Tahija (Chairman)	4	100
George Santosa Tahija	4	100
Istama Tatang Siddharta	4	100
CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE		
Anastasius Wahyuhadi (Chairman)	4	100
Adrianto Machribie	3	75
Sjakon George Tahija	4	100
Josep Kristiadi	4	100

to provide guidance and advice to the Board of Directors on the development and execution of the corporate social responsibility and sustainability plans of ANJ group companies.

One member, Josep Kristiadi, is an independent commissioner with no affiliation to any other commissioners, directors or shareholders of the Company or its subsidiaries.

The current committee members were appointed on May 10, 2013, and will serve until the third AGM following their appointment.

The committee convenes at least four meetings a year. During 2014, the committee conducted four meetings. The committee's membership and meeting attendance in 2014 is listed in the table at left. For profiles and resumes of the members, please see pages 25-27.

The Board of Directors

The Board of Directors is responsible for managing the Company towards achieving its vision and mission in accordance with the Articles of Association and prevailing laws and regulations.

The Board of Directors manages the day-to-day operations of the Company and steers it towards the stated goals, objectives and business activities. The board is responsible for managing the business of the Company and appointing principal senior management.

Each member has responsibilities in accordance with his or her competency and experience. The Directors may be assigned with specific roles or duties, for example, finance, external affairs and risk management.

The board performs its duties in good faith, following prevailing rules and regulations and always placing the best interests of the Company first. It accounts to the shareholders for its activities through a general meeting of shareholders.

The members of the Board of Directors are appointed by the shareholders at a general meeting of shareholders based on a recommendation from the Nomination and Remuneration Committee. Under the Articles of Association of the Company, the board is required to comprise a President Director and at least one director. In the event that there is more than one director, one may be appointed as the Deputy President Director.

The term of office for the Board of Directors is up to the third AGM after their appointment, subject to the ability

The Board of Directors

Lucas Kurniawan
Independent (Finance) Director*

Suwito Anggoro
President Director

Istini Tatiek Siddharta
Deputy President Director

Sucipto Maridjan
Director

*Appointed on Nov. 13, 2014.

of shareholders at a general meeting to dismiss a director during his or her term of office or to re-appoint a director whose term of office has expired.

As at Dec. 31, 2014, the composition of the Board of Directors was as shown in the photograph above.

DIRECTOR PROFILES

For a full profile of each director, please see pages 28-29.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Board of Directors are as stipulated in the Articles of Association, the relevant prevailing laws and regulations as well as the job description of the relevant members of the Board of Directors as outlined below.

The members of the Board of Directors are jointly and severally liable for its actions, except where it is proven that a member does not agree with a decision of the Board of Directors and has communicated this disagreement with supporting arguments as to the reason in writing to the members (copied to the Board of Commissioners) before the decision was made.

The Board of Directors may seek and receive advice and recommendation from the Board of Commissioners. In the event that the Board of Directors does not share the view of the Board of Commissioners on such advice or recommendation, the Board of Directors and Board of Commissioners will discuss the matter together.

The duties and responsibilities of each member of the Board of Directors during 2014 were as follows:

President Director: Coordination, supervision and leadership of the Company's management, and for ensuring that all the Company's business activities are executed in accordance with the vision, mission and values of the Company. The President Director is also responsible for monitoring and reviewing the Company's risk management (see page 83) and internal control system (see page 78), corporate governance for the interests of the minority shareholders and other stakeholders and compliance to regulations.

Deputy President Director: Assisting the President Director in performing his duties and responsibilities; leading the Finance, Legal, Human Resources and Information Technology departments; ensuring that the Company complies with all reporting, accounting and audit requirements imposed by capital market regulations; and preparing and presenting an annual budget, other budgets and financial plans of the Company. The Deputy President Director relinquished certain of these duties in November 2014 after the appointment of a new Finance Director, and focused more on assisting the President Director.

External Affairs Director: Planning, coordinating, directing, controlling, implementing and evaluating operational tasks with respect to General Affairs, Corporate Social Responsibility and Government Liaison and Sustainability departments.

Independent (Finance) Director: Leading the Finance department to ensure that the Company complies with all reporting, accounting and audit requirements imposed by capital market regulations and to prepare an annual budget, other budgets and financial plans of the Company.

While the Board of Directors is authorized to carry out corporate actions for and on behalf of the Company, a number of corporate actions must have the prior approval of the Board of Commissioners, including:

- Acquisition of a new business;
- Approval of the acquisition of a new business by a subsidiary;
- Acquisition or sale of assets or properties representing more than 5% of the total assets of the Company;
- Approval of the acquisition of new assets or properties by a subsidiary;
- Approval of the transfer or encumbrance of more than 50% of the total net assets or properties of a subsidiary;
- Changes in the Company's business plan or budget;
- Approval of any change in the annual business plan and/or budget of a subsidiary;
- Approval of the appointment and dismissal of any member of a subsidiary's Board of Directors or Commissioners or its auditor;
- Incurrence of operating expenditures or indebtedness from a bank;
- Entry into any material contract other than in the ordinary course of business;
- Entry into an agreement with a director, commissioner or shareholder of the Company (or their affiliates) other than on bona fide arms-length terms;
- 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 SUBSIDIARIES

One particular strength of ANJ's governance is that the Board of Commissioners of each of the Company's subsidiaries always includes one or more director of the Company (to the extent permitted by prevailing laws and regulations). In addition, some of the Company's directors also serve as directors of subsidiaries of the Company. (For full details of commissioners and directors of subsidiaries, please see pages 18-19).

This means that the Company's Board of Directors is at all times fully informed about significant actions of the Company's subsidiaries, as one or more members of the board will usually have been required to have approved any such actions in their capacity as a commissioner or director of the subsidiary.

MEETINGS

Meetings of the Board of Directors may be held at any time if deemed necessary by one or more board members, or upon a written request from the Board of Commissioners or one or more of the shareholders jointly representing 10% of the total number of shares with valid voting rights.

Invitations to board meetings are served by any member authorized to represent the board, and must be sent at the latest three days prior to the date of the meeting, excluding the date of the invitation and the date of the meeting. Meetings are held at the Company's place of domicile or place of business.

Meetings are to be chaired by the President Director, or if he is not present by one of the board members present. A meeting of the board is valid and binding if more than one half of its members are present or represented in the meeting.

Resolutions of board meetings must be adopted based on deliberations to reach a consensus. If a consensus cannot be reached, the resolutions may be adopted based on the affirmative votes of more than one half of the total number of votes validly exercised in the meeting. Each member of the board has equal voting rights in expressing his or her opinions in the meeting. Each member is entitled to cast one vote and up to one additional vote for another member he or she is representing.

The Board of Directors holds the following meetings:

A) A combined meeting with the Board of Commissioners, at least once every three months. In 2014 there were five meetings.

B) A meeting with the president directors of the subsidiaries and invitees, at least monthly. In 2014 there were 12 meetings.

C) A meeting with directors of subsidiaries of the Company once a week wherever possible. In 2014 there were 47 meetings.

The table below sets out the attendance of board members at the various meetings during 2014:

Member	Meeting attendance					
	A	%	B	%	C	%
Suwito Anggoro	5	100	12	100	42	89
Istini Tatiek Siddharta	5	100	11	92	39	83
Sucipto Maridjan	5	100	10	83	40	85
Lucas Kurniawan*	1	100	1	100	4	66

*Appointed on Nov. 13, 2014

REMUNERATION

Members of the Board of Directors receive a salary and/or an allowance and benefits, the amount of which is determined based on a recommendation from the Nomination and Remuneration Committee and is subject to approval by the shareholders at a general meeting of shareholders.

The remuneration of the Board of Directors comprises a basic salary, performance bonus, management stock options, BPJS workers' social security program contributions, allowances and benefits. All directors are also covered by liability insurance.

During the year ended Dec. 31, 2014, the members of the Board of Directors and the Board of Commissioners were paid cumulative remuneration of US$2.9 million.

PERFORMANCE EVALUATION

The remuneration received by the Board of Directors is based on the achievement of performance targets of the Company. Reviews of remuneration for the Board of Directors include consideration of the following aspects:

1) Financial performance, in particular the level of Economic Value Added (EVA), and achievement of corporate key performance indicators (KPIs). These include area planted as well as other non-financial indicators including leadership in developing and maintaining the internal structures and organization of the Company and its subsidiaries as well as achievement in guiding the Company towards its strategic objectives.

2) Individual performance, as assessed by the Nomination and Remuneration Committee.

3) Fairness with other peer companies.

4) Consideration of the Company's long-term goals and objectives, including strategic development.

Performance assessment of the Board of Commissioners and Board of Directors is done internally or through self-assessment. No independent party was appointed to conduct a performance assessment of the Board of Commissioners or the Board of Directors in 2014.

Corporate Secretary

The Corporate Secretary functions as a liaison, connecting the Company to external parties, especially in managing the public perceptions of the Company's image and compliance with the Company's responsibilities.

One particular strength of ANJ's governance is that the Board of Commissioners of each of the Company's subsidiaries always includes one or more director of the Company, to the extent permitted by prevailing laws.

DUTIES AND RESPONSIBILITIES

The Corporate Secretary is responsible for helping the Company implement good corporate and legal governance and for ensuring that the Company complies with prevailing laws and regulations, especially capital market regulations. He is also responsible for communications between the Company and the capital market authorities and the public, as well as ensuring that information disclosures and publications are made as required by the capital market regulations and other applicable laws and regulations.

The Corporate Secretary is responsible for timely and accurate communication and disclosure of information or data by the Company. In addition, the Corporate Secretary has a role in facilitating internal coordination within organs of the Company.

Particular duties and responsibilities of the Corporate Secretary during 2014 were as follows:

1) Ensuring full compliance with applicable laws and regulations, especially to prevailing IDX and capital market regulations.

2) Providing input and recommendations to the Company's Board of Directors in respect of the Company's compliance with and observance of applicable laws and regulations, particularly in the capital markets.

3) Liaising with and assuming responsibility for correspondence with the OJK, IDX and other relevant parties.

4) Keeping abreast of developments and changes in capital market regulations.

5) Giving input and recommendations to the Company's Board of Directors regarding legal matters of the Company and corporate action plans.

6) Being responsible for organizing meetings of the Board of Directors, Board of Commissioners and shareholders, as well as the Company's annual public exposé.

The appointment period of the Corporate Secretary is from the appointment date until such time as a new Corporate Secretary is appointed by the Board of Directors.

PROFILE

The Company's Corporate Secretary during 2014 and as at Dec. 31, 2014, was Naga Waskita. He was appointed as Corporate Secretary pursuant to a Letter of Appointment No. 001/FAD/ANJ/2013 dated Jan. 3, 2013. Below is the profile and resume of Mr. Waskita.

Naga Waskita

Mr Waskita is an Indonesian citizen, aged 41, born in Tanjung Pinang on Jan. 31, 1974.

Experience: Mr Waskita has served as the Corporate Secretary of ANJ since Jan. 3, 2013. Before joining the Company in September 2012, Mr Waskita worked for 15 years for Indonesian law firm Mochtar Karuwin Komar.

Education: Mr Waskita graduated from the Faculty of Law, Gadjah Mada University, Yogyakarta, in 1997. He earned a master's degree from the University of Groningen in the Netherlands in 2008.

TRAINING

Training or development programs attended by the Corporate Secretary in 2014 included:

1) Media handling skills, conducted by communications agency Maverick on Oct. 14.

2) Crucial conversation training, conducted by Dunamis on Aug. 18-19.

3) Various seminars and workshops on developments in Indonesia's capital market.

Internal Audit Unit

The Internal Audit Unit (IAU) is a strategic partner for shareholders and management and supports the Company in managing resources productively and effectively to improve results for stakeholders and uphold ANJ's values.

The purpose of the IAU is to review and improve the effectiveness of the Company's financial and operational policies and its internal control system, risk management and good corporate governance. This is primarily achieved through:

a) Testing the effectiveness of policies, systems and procedures adopted by management and assessing compliance with them;

b) Safeguarding the Company's assets and preventing fraud by evaluating and assessing the adequacy and effectiveness of the internal control system, including transaction assessments, special reviews and assessment of regulations;

c) Giving recommendations and consultation to provide added value and improve the performance of the Company's activities.

The results of the IAU's evaluations are formally and regularly reported to the management and the Audit Committee.

RESPONSIBILITIES

The IAU's principal responsibilities include to:

a) Review the Company's internal control system to achieve organizational goals, including testing and evaluating internal control and risk management systems.

b) Formulate and implement an annual internal audit plan.

c) Provide accountability reports of implementation and achievement of the annual internal audit plan.

d) Evaluate the relevance, reliability and integrity of financial and management information.

e) Perform audits and assess the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology and other functions.

f) Verify the existence of assets and assess the effectiveness of asset safeguarding.

g) Assess compliance with internal instruction and relevant law.

h) Develop an internal audit report and submit it to the President Director, Audit Committee and Board of Commissioners.

i) Give suggestions and recommendations for improving systems and procedures to prevent inefficiency and fraud at all management levels.

j) Give advice and consultation on effective and strong operational and financial systems.

k) Monitor, analyze and report on the implementation of suggested improvements.

l) Coordinate with appropriate management levels to execute investigative and corrective action in the event of any indications of fraud or systems failure.

m) Perform specific tasks as requested by the President

Director and/or Audit Committee with regard to valuation, inspection, investigation, observation or review.

n) Establish and maintain effective communication and cooperation with the Audit Committee.

o) Prepare programs to evaluate the quality of internal audit tasks.

STRUCTURES

The IAU is part of the independent management structure, reporting directly to the President Director and the Audit Committee, in accordance with Bapepam Regulation No. IX.I.7, regarding the formation and charter compilation of corporate internal audit units. Therefore it is not allowed to undertake concurrent tasks and positions in operations at the Company or its subsidiaries.

Auditors in the IAU have direct responsibilities to the Head of the IAU. To perform its duties, the IAU cooperates with the Audit Committee, as described in the Audit Committee Charter.

Internal audit functions are divided into west and east regions and our IAU team consists of 11 members with academic backgrounds in either accounting or agriculture, but none is yet a certified internal auditor.

The Head of the IAU is appointed and dismissed by the President Director with the approval of the Board of Commissioners. Any appointment, replacement or dismissal of the Head of the IAU is promptly notified to the OJK.

The present head of the IAU is Edwin Darmawan. He was appointed based on Board of Commissioners Resolution No. 15/BOC/ANJ/GEN/2014 dated April 15, 2014. Below is the profile of Mr. Darmawan.

Edwin Darmawan

Mr Darmawan is an Indonesian citizen aged 43, born in Jakarta on June 24, 1971.

Experience: Mr Darmawan has served as the Head of Internal Audit Unit of the Company since April 15, 2014. He joined ANJ in May 2013 as Head of Risk Management & Compliance.

Before joining ANJ he had more than 18 years of experience managing audit and control functions at a range of companies within Sinarmas group across various industries including agribusiness, real estate, pulp and paper and financial services. His last position in 2013 was as Head of Internal Audit in Sinarmas Agribusiness Downstream Division.

Education: Mr Darmawan earned a degree in economics from Tarumanagara University, Jakarta, in 1994.

ACTIVITIES IN 2014

During 2014, the IAU conducted 23 operational audit assessments across seven subsidiaries within the group. The outcomes were all reported to the Company's President Director and Audit Committee. In addition, it also conducted a project focusing on the assessment of upkeep, manuring, harvesting and head office functions at one of the Company's estates.

IAU members also participated in a range of training activities, including forensic auditing, corporate governance and logging business management.

Internal Control System

Our internal control system is a set of processes designed to provide reasonable assurance that the Company's objectives are being achieved and its financial reporting is accurate and comprehensive through identifying relevant business risks and obstacles, analysing their impact and managing or mitigating them where appropriate.

Our internal control system is focused on four areas:

1) Operational effectiveness and efficiency;
2) Asset management and monitoring;
3) Timely reporting;
4) Compliance with laws and regulations.

In 2014, the Company improved and strengthened all components of the internal control system based on the internal control framework approach advocated by COSO (the Committee of Sponsoring Organizations of the Treadway Commission), a US joint initiative of five private-sector organizations dedicated to global excellence in corporate governance, business ethics, internal control, enterprise risk management, fraud and financial reporting.

This approach focuses on internal control environment, risk assessment, internal control activities, information and communication.

Internal Control Environment: The Company's core values and code of conduct are well established, and we continously run related internal promotion programs, facilitated by our Value Champion team members at each of the estates and offices of the Company and its subsidiaries (see page 80). We believe that the behaviour of every individual across every level of the Company is a significant component of our internal control system.

Risk Assessment: We have identified and assessed potential risks that could hinder the achievement of the

Company's objectives. This has been conducted at both operational and strategic management levels and is under continuous review.

Internal Control Activities: We have planned a number of internal control and operational activities to mitigate the impact of potentially significant risks. The Company continously improves both existing procedures and policies in accordance with the following principles:

- Segregation of duties
- Limited access, authority and responsibility
- Adequate documentation
- Gradual review system

All internal control system activities are aimed to ensure the achievement of the above internal control objectives.

Information and Communication: We regularly and systematically disseminate communication and information in relation to the structures and status of our internal control system, including challenges to it and improvements made, principally through the following activities:

- Quarterly meeting of the Audit Committee
- Monthly report from the Value Champion team
- Report of the outcome of internal audit assignment
- Other management meetings.

MONITORING AND EVALUATION OF THE INTERNAL CONTROL SYSTEM

The internal control system is formally monitored by a number of business units, both internally and externally.

Internally, the system and daily operational activities of the Company are assessed by the Internal Audit Unit, Corporate Secretary, Value Champion Committee and Risk Management Committee.

Externally, the internal control system is assessed by the Audit Committee and by an independent auditor appointed by the shareholders. The assessment of the Audit Committee is conducted on a quarterly basis, while an audit by an external auditor is performed annually.

In 2014, we significantly strengthened and broadened the scope of our internal control system, as detailed above. This has given us an improved and more responsive internal control environment and both clarified and formalized the project management process.

In addition, the members of the Internal Audit Unit have increased, and we are committed to raising the skills, experience and capabilities of our internal auditors to meet the rising standards required as the Company grows.

With specific regard to financial control, our financial statements are generated from appropriate, tailored computer software, which minimizes the risk of error, financial transactions are reviewed by the Internal Audit Unit on a sample basis, and complete financial reports are reviewed by the Audit Committee on a quarterly basis. Finally, our overall financial internal control system and financial statements are audited by a reputable external auditor. Financial results are reported regularly to the Board of Commissioners, Board of Directors and Audit Committee for control purposes.

The Company has plans to further improve the quality of its IT systems and to further integrate its code of conduct in daily business operations, as well as implement control mechanisms in operational activities.

We believe that our internal control system as detailed above provides reasonable assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

No internal control system can provide absolute assurance in this regard, however, or against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Code of Conduct and Corporate Culture

CODE OF CONDUCT

The Company developed a Corporate Code of Ethics in the Conduct of Business in 2013 as a reflection of its corporate values. This code of conduct is applicable to all members of the Board of Commissioners, the Board of Directors and employees of the Company and its subsidiaries. It emphasizes the importance of maintaining a good reputation with our stakeholders by upholding the principles of transparency, accountability, objectivity and equality.

The code was finalized and formally adopted by the Company's Board of Directors and Board of Commissioners on Jan. 1, 2014. It has been socialized to all general manager level staff and has gradually been socialized to all employees during 2014, as well as being embedded as a part of the learning and development curriculum at our new ANJ Learning Center.

The code of conduct is the primary source of guidance for employees in performing their duties effectively, safely and legally. All employees and all levels of management are committed to adhering to the code to further strengthen our reputation for strong corporate governance. This commitment also applies where relevant to investors, stakeholders and business partners.

The articles of the code of conduct cover:

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

The code is reviewed periodically to ensure it is always relevant to and compatible with the Company's business growth.

CORPORATE CULTURE

The articles of corporate culture that are the foundation of the code of conduct relate to the Company's three core values that embody the corporate culture in our business operations and strategy. The values are: Integrity, Respect for People and the Environment and Continuous Improvement.

Our management team consists of experienced executives with proven abilities in managing the commercial, operational and financial aspects of our business.

Value Champions

At ANJ we are proud of our active Value Champions program, which helps us ensure that the core values of the Company are upheld and strengthened.

Currently we have 23 employees enrolled as Value Champions across our various estates and offices. They all report to an organizing committee that comprises a chairman and two secretaries.

The committee has duties, among others, to consolidate and analyze monthly feedback submitted by the Value Champions. Its report is submitted to the Company's "Value Guardians," who are at present George Santosa Tahija and Anastasius Wahyuhadi, both commissioners of the Company.

The monthly report aims to provide highlights of actions and behaviors in the ANJ group that have displayed or promoted the Company's core values, namely integrity, respect for people and respect for the environment, as well as continuous improvement. This is far-reaching, as it may involve third parties, for example the people living around our operational areas and our contractors or vendors.

Additionally, the report details actions and behaviors in conflict with our core values and thus need to be rectified. The report states rectification action already taken and any proposals for rectification by our Value Champions.

In some instances, when a matter requires urgent attention, Value Champions are encouraged to channel a report to appropriate personnel, possibly including management and the Head of Internal Audit.

Other than reporting, the main duty of the Value Champions is to act as a guide to how to live by the Company's core values. They must be able to serve as an intermediary between the management or the Company and its employees, for example, in terms of facilitating employees in making complaints or voicing grievances.

The Value Champions are not expected to know all of the company's policies but they should be able to tell employees how to find appropriate assistance.

Whistleblowing system

We do not currently have a named whistle-blowing system. The Company is committed to the highest ethical standards, and the ANJ Code of Conduct, as described above, serves as a set of guidelines for business practices in the Company. It underlines the importance that the Company attaches to preventing abuses such as fraud, corrupt practices or violations of business ethics or company rules. It explicitly empowers all employees to report any such activities in the best interest of the Company.

In addition our "Value Champion" program described above helps us translate the Company's core values and business ethics into daily practice and reduce potential violations. It also explicitly provides a channel and guidances for employees who wish to bring a problem to light or resolve a complaint or grievance.

Lawsuits and Administrative Sanctions

The Company, its subsidiaries and the commissioners and directors of the Company and its subsidiaries were not involved in any material case in civil, criminal, bankruptcy, taxation or arbitration proceedings with any court or arbitration board during the financial year 2014.

No administrative sanctions from the capital market authorities or any other authorities were imposed on the Company, the Board of Commissioners or the Board of Directors during the financial year 2014.

Stock Ownership Programs

EMPLOYEE STOCK ALLOCATION PROGRAM

In relation to the IPO in 2013, the shareholders of the Company approved a share ownership program for certain employees, including managers and assistant managers, who satisfied administrative requirements specified by the Company in the form of an Employee Stock Allocation Program (ESA Program).

Pursuant to this program, a fixed allotment of up to 1% of the shares offered in our IPO was offered and allotted to ESA Program participants in accordance with Bapepam-LK Regulation No. IX.A.7.

Under the ESA Program, the Company sold shares to program participants during the IPO at a 20% discount to the offer price. The Company provided loans to ESA Program participants to finance the purchase of shares allocated to them. These loans are to be repaid in four annual installments with funds deducted from the ESA Program participants' bonuses.

The ESA Program shares are subject to a lock-up period of at least 12 months commencing from the listing date or until such time as an ESA Program participant's loan has been repaid in full, after which the ESA Program participant will be able to sell or otherwise transfer his or her ESA Program shares.

If any of the ESA Program participants resigns before his or her loan is repaid in full, then upon such resignation the shares can be sold or transferred, and the ESA Program participant will be required to repay his or her ESA Program loan in full.

MANAGEMENT STOCK OPTION PLAN

In relation to the IPO in 2013, the shareholders of the Company approved a Management Stock Option Plan (MSO Plan) for certain of the Company's senior management and directors, including the management and directors of its subsidiaries.

The MSO Plan is an incentive program which gives 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 can issue in relation to the MSO Plan is 1.5% of the Company's subscribed and paid-up capital following the Company's initial public offering.

The MSO Plan has been implemented in accordance with IDX rules, which state that the exercise price of the options must be at least 90% of the average closing price of the shares over the 25 trading days before the stock option implementation plan is reported to the IDX.

The Company's Board of Directors will determine the terms and conditions for the exercise of the options issued under the MSO Plan with due observance to applicable laws and regulations.

The stock options are granted as follows: 40% of the stock options to be granted at the Company's IPO; 30% at the first anniversary of the IPO; and 30% at the second anniversary. Stock options issued under the MSO Plan are valid for three years after they are issued, which includes a one-year vesting period from the date that they are issued, during which time option holders will not have the right to exercise their stock options. Upon the expiry of the vesting period, the options may be exercised at specifically determined periods of up to 30 trading days, up to two times per year.

Exercise of MSO Plan phase I: On November 3, 2014, the Company opened the window for a first phase of options to be exercised under the MSO Plan. Based on the IPO prospectus of the Company, 40% of the stock options (equivalent to 20,000,000 shares) could be exercised. The MSO Plan participants exercised 1,550,000 shares in total at an exercise price of Rp1,095 per share. The Company notified the IDX of the exercise of the options on December 8, 2014.

Inspecting one of AANE's biogas collection chambers at our Belitung Island Plantation.

Risk Management

In common with all businesses, the Company faces risks. The management of risk in our business activities is the cornerstone of our continuing success, and we place extreme priority on understanding and proactively managing perceived risks.

Our main aim is to safeguard long-term business continuity by ensuring reliable product supply to our customers at a margin adequate to safeguard future growth and ensure shareholder returns. Due to the long-term and capital-intensive nature of plantation growing and harvesting, we take a proactive, conservative approach to anticipating and where possible neutralizing risks.

In accordance with the good corporate governance framework issued by the Financial Services Authority (OJK), the primary responsibility for risk management is taken by the Board of Directors. The Board of Commissioners established a Risk Management Committee in 2013 to guide and advise the directors in the risk management process.

Risk management activities are defined annually, based on the following steps:

1) Determine corporate-wide risk appetite. In 2014 we focused on refining our risk map, particularly with regard to our plan to focus ANJ's future development in Papua.

2) Each significant business unit internally assesses risks and control initiatives. For example, our subsidiaries in Papua focused in 2014 on controlling quality-related risks in their planting programs, and our sago subsidiary in Papua on completing the first phase of its manufacturing plant and preparing the surrounding community for development.

3) An internal audit plan is drawn up to include high-risk areas and enable timely identification of areas for follow-up by management to improve operations, especially in improving productivity and controlling development costs.

The management of risk in our business activities is the cornerstone of our continuing success, and accordingly we place extreme priority on understanding and proactively managing perceived risks.

Risks to Our Business

The following paragraphs summarize our core business risks in 2014 at operational and strategic level and specific efforts taken, where possible, to control or mitigate such risks. Any of the following risks, as well as additional risks and uncertainties not currently known to us, could adversely affect our business, cash flows, results of operations, financial condition and prospects. This summary should not be seen as an exhaustive list of all risks to our business.

RISK OF INTERNATIONAL CPO PRICE FLUCTUATIONS INFLUENCING THE PRICES OF OUR PALM OIL PRODUCTS

CPO prices have in the past been characterized by a high volatility and cyclicality, and a number of factors affect international prices for our products.

These include changes in: world production, supply and demand levels for palm oil and other vegetable oils; world consumption and stock levels of CPO and other vegetable oils; import and export tariffs, including Indonesian export taxes and import tariffs applicable to the countries which import CPO; prices of other vegetable oils; environmental and conservation regulations; economic developments, as well as population growth, per capita consumption and food demand; weather conditions and other natural influences; and the world economy generally.

ANJ RESPONSE: *Management anticipated and has been prepared for the low selling price since 2013, and as a result we have been focusing on efficiency and reducing production cost to mitigate the effect. During 2014, we successfully pushed down our production costs by 14.5% by improving efficiencies and production planning.*

Additionally, under a low-price regime, our Board of Commissioners has authorized management to sell our product by entering into forward contracts if we believe that the CPO price trend is declining. This authorization has limitations: (i) total volume of outstanding forward contracts may not exceed 30% of CPO production per month; (ii) the forward contract period may not exceed six months; and (iii) contracts may exceed 30% of CPO production per month or the contract period may exceed six months only with the approval of the Board of Commissioners.During 2014, however, we did not use this strategy as we experienced a better selling price environment than in 2013.

Thirdly, we also enjoy some upside for our own CPO price, as a significant proportion of our product has ISCC and RSPO certification. This premium amounted to US$780,901 in 2014.

RISK OF DELAYS OR DIFFICULTIES IN DEVELOPING OUR PLANTATION LAND OR ACQUIRING, USING, RENEWING OR EXPANDING LAND RIGHTS FOR IT

Government policies could limit or delay our ability to obtain adequate land rights to additional land that we may acquire for the development of new plantations or the expansion of our current plantations. To develop a plantation, we need to obtain land cultivation rights, or *Hak Guna Usaha* (HGU), for the plantation, which is a complex process and can take a significant time to be approved, thus there is a risk that we will meet delays in obtaining HGU.

ANJ RESPONSE: *During 2014, we obtained HGU for our subsidiaries, PPM and PMP, eliminating the risk of not obtaining land cultivation rights for our new acquisitions in West Papua. We hold location permits for our third new acquisition, PAM, and we have already commenced the process of obtaining HGU.*

We also ensure that we enter into the extension process for all permits and titles well in advance of their expiry date.

We have developed good relationships based on mutual benefit and respect with all stakeholders, including government agencies and representatives, and we work hard to maintain these relationships.

We ensure that we follow applicable laws and regulations and adhere to the principles of sustainable plantation business in order to reduce the potential for legal obstacles.

RISK OF DELAYS IN DEVELOPING PLANTATIONS DUE TO LAND COMPENSATION DIFFICULTIES

To develop our plantations, we must release the land we plan to use from third-party claims. This usually involves challenging negotiations with local stakeholders (such as communities, tribes and influential figures). It is mandatory for plantation owners to resolve any compensation issues that may exist in relation to the land in order for land cultivation rights (HGU) to be granted.

Achieving resolution can be hard and time-consuming, impacting the plantation's development and operation.

ANJ RESPONSE: *We aim to offer attractive but reasonable compensation values for land. In areas where we aim to develop a plantation, we establish a land compensation committee that includes community leaders, local authorities and neighboring industries to accelerate the compensation process amicably and improve communication.*

We work to publicize and explain the benefits of our company's business to the community, including through employment opportunities, improved infrastructure, corporate social responsibility and its multiplier effects.

We have completed the land compensation process at our West Papua landbanks. While we have yet to complete land compensation in GSB, we will follow the principles stated above and will continue to put effort into developing mutually agreeable land compensation conditions at GSB.

RISK OF SOCIAL CONFLICTS AND DISPUTES OVER LAND RIGHTS RELATING TO OUR PLANTATION LAND

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.

ANJ RESPONSE: *We strive to develop and maintain community relationships based on mutual benefit and respect while maintaining our standards, and we ensure that we use fair processes and proper administration procedures.*

We have developed sustainable corporate social responsibility initiatives to support social and economic development of communities around our business operations. We also foster cooperation with NGOs and accept input from various organizations to improve our program.

We engage in regular communication and dialogue with community members to socialize the benefits of the Company's presence in their communities. We have designed a tailored communication system to be implemented in 2015.

RISK OF DIFFICULTIES IN ATTRACTING OR RETAINING QUALIFIED PERSONNEL AND SKILLED LABOR

Our business success and growth depends on our ability to attract and retain highly qualified, skilled and experienced personnel in the palm oil industry. In particular, we are heavily dependent upon our senior management team in relation to their expertise in the palm oil industry, and such key personnel would be difficult to replace.

The departure of any senior management team member or our inability to attract, recruit, train and retain sufficiently qualified key personnel, such as plantation or mill managers, field assistants, engineers and other qualified personnel could have a material adverse effect on our business, financial condition and operations.

In addition, oil palm plantations require extensive manpower. Harvesters and other plantation workers are increasingly mobile as it has become easier for them to move between plantations to take advantage of higher wages. If we are unable to hire and retain sufficient workers to maintain our labor force, or if the minimum wage rate is increased significantly, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Due to the long-term and capital-intensive nature of plantation growing and of harvesting, we take a proactive and conservative approach to anticipating and where possible neutralizing risks.

ANJ RESPONSE: *We continually monitor our remuneration and benefit programs, referencing them to the market, and improving our performance-related pay program to help retain our employees and attract new ones.*

We aim to ensure that our employees enjoy a good quality of life while working on our plantations, with a healthy and safety environment, comfortable living standards, transportation, water, electricity, health care, clubhouse facilities, childcare facilities, training facilities and schooling.

We also regularly make improvements to our learning and development capabilities, with emphasis on leadership development. We run a dedicated management training program for recent graduates and ensure continuous improvement of internal capabilities through intensive training and career path programs.

We also provide various retention programs for qualified personnel and senior management.

RISK OF TRANSPORT OR LOGISTICS DISRUPTIONS OR MISHAPS

We typically sell our products on an ex-mill, ex-jetty or FOB basis, and our customers are responsible for transporting the products they purchase from us from our palm oil processing mills, jetty or ports close to our plantations.

In doing so, our customers depend on sea and land transportation, any disruption of these transportation services because of weather-related problems, strikes, lock-outs or other events could impair their ability to take delivery of our products or increase their freight costs, thereby making our products more expensive for them.

Such disruptions may also result in storage problems at our plantations. It is our practice only to sell CPO once it is available for supply in our storage facilities, thus we rely on efficient transportation for timely off-take by our customers.

Our Papua projects also present logistics and construction challenges, as those project areas are located mainly in the interior of West Papua (palm oil) and in swampland (sago). Both are relatively far from any town or city and, consequently, remote from reliable infrastructure and electricity supplies.

ANJ RESPONSE: *We have invested in building flexible and reliable transportation systems and enter into transport contract agreements only with experienced and proven transportation companies.*

In our Papua projects, we well understood that our large and remote development plan area would create logistical challenges, and with regard to the considerable economic investment that we are making we have formed a specific department to reduce disruption risks by improving our logistics planning, developing integrated logistics systems and creating logistical synergies between our estates.

ADVERSE WEATHER, CLIMATE, CROP DISEASE AND PESTS, NATURAL DISASTERS AND OTHER FACTORS CAN AFFECT FFB HARVEST AND PRODUCTION

Due to the nature of our business, we are vulnerable to adverse weather conditions, natural disasters, disease, crop pests and other factors that affect FFB production and the harvesting of FFB that are outside our control.

Weather conditions, in particular, can have a significant impact on us as insufficient rainfall causes oil palms to produce fewer flowers that develop into FFB, and too much rain inhibits the effective fertilizing of oil palms, which results in reduced harvests of FFB and may delay fertilizing schedules. In addition, disease, crop pests and haze can damage our oil palms.

If any of the events summarized above were to occur, our supply of FFB would be adversely affected, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

ANJ RESPONSE: *We manage weather and climatic disruption risk by using a range of agronomical best practices, including:*

- *Using high-resilience seeds with the best quality in all new plantation development;*
- *Managing the water volume through the use of water gates;*
- *Applying FFB waste to the plantation land as mulch;*
- *Soil conservation and anti-erosion measures;*
- *Planting the cover crop Mucuna bracteata to reduce weeds and pests.*

RISK OF DISRUPTION TO OUR OPERATIONS FROM ENVIRONMENTAL GROUPS, NON-GOVERNMENTAL ORGANIZATIONS AND INTERESTED INDIVIDUALS

Environmental groups, charities, NGOs or interested individuals may seek to challenge or impair the ability of the Company to engage in lawful plantation activities.

Such groups support a variety of causes, such as forest and wildlife preservation and the protection of indigenous wildlife from land clearance. There is a risk that they could influence the relevant authorities to change current regulations and impose more onerous conditions upon our operations, or that they could directly influence public opinion regarding plantation activities, or that they could organize disruptive protest activities at or near our operations.

Such activities may generate negative press about us and plantation companies in general and potentially delay production activities, adversely affecting our reputation and disrupting our operations, which in turn may affect our financial results.

ANJ RESPONSE: *We recognize the importance of conservation and environmental stewardship in our operations, and we are committed to striking a balance between this and commercial development, which includes national social development as a goal.*

We are rigorous in applying the highest standards of sustainability to our operations, including by adherence to RSPO guidelines; compliance in all material respects with applicable Indonesian environmental laws, regulations and standards such as ISPO; commissioning independent, RSPO-certified environmental assessments of our landbanks to ensure that development is feasible; and voluntarily setting aside areas of our plantation for conservation initiatives, particularly for orangutan habitats. In this way we minimize the risk of disruption by ensuring responsible environmental management and biodiversity.

We also proactively attempt to maintain good relationships and dialogue with all groups such as non-governmental organizations and charities with an interest in plantation activities, and welcome them to work with us as partners in ensuring the needs of agribusiness are always balanced with conservation concerns.

RISK OF LOW UNDERSTANDING OF OUR PLASMA PROGRAM ACTIVITIES BY LOCAL COMMUNITIES

The Indonesian Government's Plasma Program policy requires oil palm plantation companies obtaining a plantation business licence (IUP) since 2007 to develop part of the plantation to be operated by local small landholders.

Accordingly, our West Kalimantan Plantation currently has a Plasma Program. In developing our West Papua and South Sumatra landbanks we will plant set aside 20% of the area for planting for the local community's future participation in a Plasma Program.

Plasma programs may deliver inferior quality of FFB, and to mitigate this risk we develop our programs through co-operative structures to reduce that risk. However, there is an attendant risk that these programs will not be accepted by the communities surrounding our plantations and, as such, we may be forced to purchase FFB harvested from oil palms grown and maintained by the communities instead of by us.

ANJ RESPONSE: *Our Plasma Program is based on cooperative ownership, which we believe is in the best interests of both smallholders and ANJ. The cooperatives have management service agreements with us to ensure that our standard of maintenance and harvesting is preserved in our plasma area.*

We are continuing to develop a capacity-building program for co-operative members and continue our coaching program as part of our corporate social responsibility initiatives, to enable smallholders to grow together with us.

We will also engage in regular socialization and training programs to develop co-operative members' plantation, agronomic and business operating knowledge.

"Harmony in the Factors of Production"
by Agustinus Nurhadi Dairo, ANJ

FOREIGN EXCHANGE RATE FLUCTUATIONS RISK

Our financial reporting currency is the US dollar, and substantially all of our sales are denominated in US dollars, whereas our expenditures, including labor costs, are primarily denominated in Indonesian rupiah.

Due to the mismatch between the dollars we receive through our sales and the rupiah we pay for some of our operating expenses, any appreciation of the rupiah against the dollar will reduce our net income in US dollar terms and adversely effect our expenditures and net profits in US dollars.

On the other hand, many of our subsidiaries that are still in planting stage must use rupiah as their operating currency, while their borrowing, if any, is denominated in US dollars. Appreciation of the US dollar exchange rate will result in foreign exchange losses for these entities.

ANJ RESPONSE: *We have a policy in which we may enter into forward exchange rate contracts to hedge against foreign exchange rate fluctuations as long as the duration of any contract does not exceed six months and as long as the value of the contracts does not exceed the amount of rupiah needed for three months operational expenses.*

In terms of cash holdings, our general policy is only to hold enough rupiah for two weeks of our operational requirements, however our policy permits us to increase our rupiah cash holdings up to a maximum amount adequate to cover up to three months' operational expenses, if and only if we consider that the future direction or trend of the rupiah is not favorable.

As our sales and earned revenue is denominated in US dollars, we made a decision that any bank borrowing should be also in US dollars, limiting our exposure to foreign exchange risk by matching the currencies of our borrowing and future repayments.

Additionally, the interest rate for US dollar borrowing is much lower than rupiah borrowing, and we keep monitoring the total financing cost in US dollars in comparison to rupiah borrowing.

Most of the foreign exchange loss in our 2014 report came from KAL, which still uses rupiah as its reporting currency. However, KAL has just evolved into a mature plantation and is due to change its functional currency in the near future.

"Off to School" by Alvino Martha, West Kalimantan Plantation

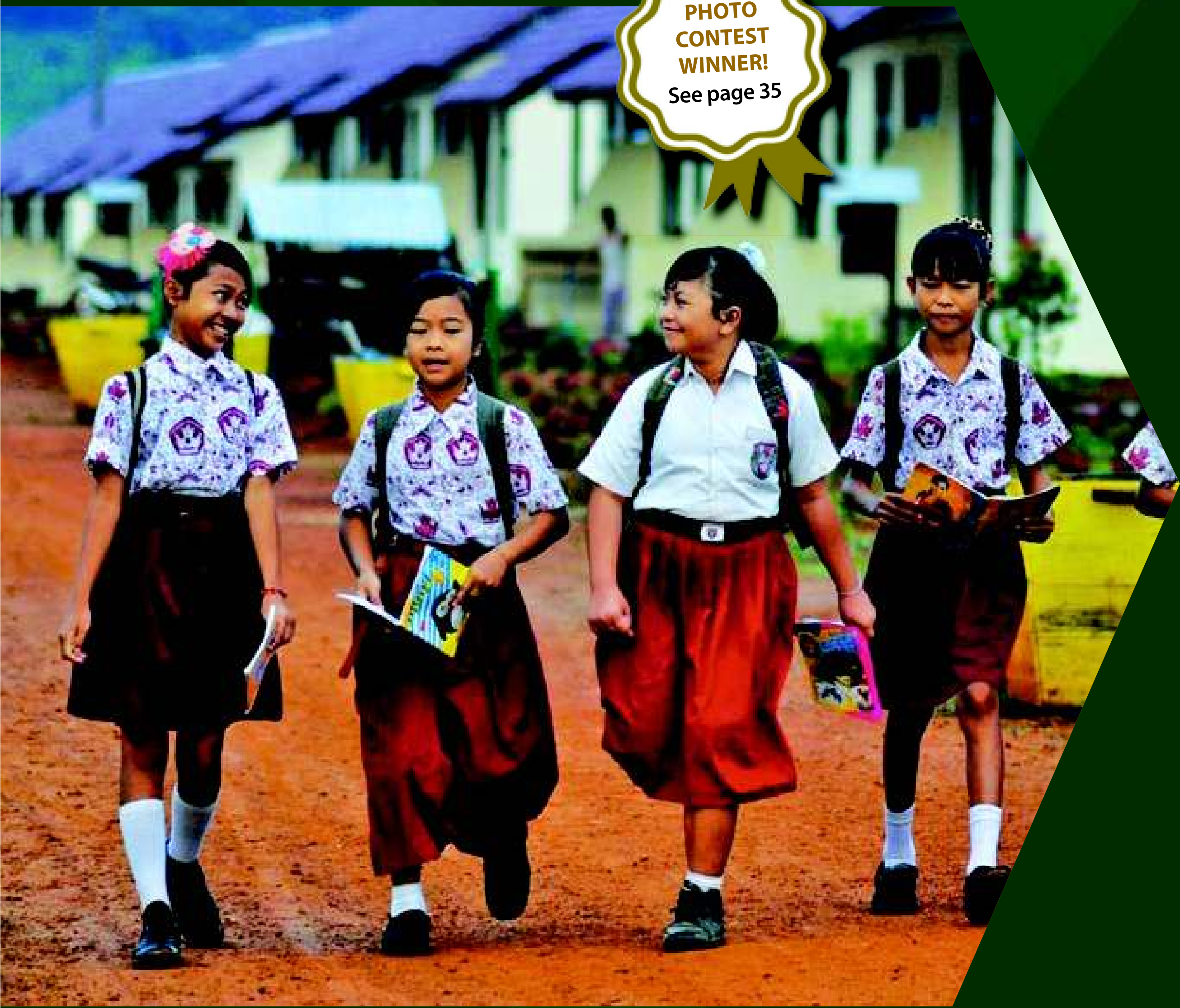


PHOTO CONTEST WINNER!
See page 35

Corporate Social Responsibility

Overview

We believe that corporate social responsibility (CSR) is vital for the long-term success of our operations. We thus aim to promote and implement practices that minimize potential adverse effects on the environment from our plantations and operations and that promote our employees' wellbeing and minimize the risk of harm to them and to surrounding communities.

Indonesian law imposes a corporate social and environmental responsibility regime on "natural resource-based" and "natural resource-related" companies. In line with international norms, it declares generally that every company has social and environmental responsibilities. It places on a company's board of directors the responsibility of implementing a CSR regime, and requires the preparing of an annual CSR operations plan, including a budget. It broadly intends that the higher a company's profits and the greater its environmental impact, the more resources that it should allocate to CSR.

At ANJ, we have long taken this responsibility seriously and aim to go far beyond our mandated duties. We believe, in fact, that regardless of legislation it is crucial that we give back to the communities around our plantations by developing and improving their economic and social condition. We see these efforts as integral to the stability and sustainable development of our business and operations.

SUSTAINABILITY AND ENVIRONMENT

Key features of our pledge to operate in an environmentally responsive manner include:

■ We have a zero-burning policy in our land-clearing activities and we do not use incinerators.

■ We have introduced a range of environmentally-friendly management practices for the conservation and maintenance of biodiversity at our plantations, including an integrated pest management system.

■ We recycle all of our empty fruit bunches as mulch in our plantations and use kernel shells to power generators in remote areas of our plantations. We aim to further enhance the health of our soil by planting beneficial crops and by recycling organic waste as fertilizer.

■ We operate a commercial biogas power plant at our Belitung Island Plantation. The methane from our palm oil mill effluent is burned to reduce greenhouse gas emissions and to generate renewable electricity. The electricity generated is supplied to PT PLN (Persero) for the regional community and economy. The biogas plant was the first Indonesian biogas independent power producer and has attracted significant public attention as a positive example for the palm oil industry.

■ We are committed to meeting best practices and abiding by the highest standards in relation to sustainable palm oil production. Details of our certification at each plantation — including Roundtable on Sustainable Palm Oil (RSPO), International Sustainability and Carbon Certification (ISCC) and ISO 14001 — are summarized in the table on page 93.

COMMUNITY AND EMPLOYEES

Key features of our pledge to develop the communities in which we operate and provide amenities and opportunities for our employees include:

■ We maintain strong relationships with our employees and local communities through community development programs. These include helping develop and maintain public works such as roads and bridges, providing a resident doctor to provide check-ups and treatment for the community surrounding our plantations, providing schools for children and building of places of worship.

■ In our relationships with local governments and the national government, the Company strives always to be aligned with policies and programs above and beyond proper compliance with tax, licensing and permit regimes.

■ We offer significant support for our employees and their families, providing a training center and training programs, housing, medical care, daycare and schooling for their children beside our operation sites.

■ Furthermore, in 2014 we started to enhance the skills of our employees and their families to boost their empowerment as participants in the local economy.

For details of our community and employee development activities, please see page 98.

OCCUPATIONAL HEALTH AND SAFETY

We have a dedicated Environment, Health and Safety (EHS) department that seeks to minimize accidents and health threats. We maintain a stringent internal safety index at our plantations and adhere where possible to international safety benchmarks.

Three of our producing plantations have been awarded with SMK3, the highest Indonesian Government certification measuring health and safety management standards.

We provide professional emergency response teams and ensure that all workers are equipped properly and trained to understand and prevent safety risks.

For details, of our health and safety activities, please see page 102.

Sustainability and Environment

We are careful to follow stringent environmental standards both in cultivating oil palms at our plantations and in processing the fresh fruit bunches (FFB) at our mills and managing waste from the process.

CULTIVATION

With respect to cultivation, we have a zero-burning policy for land clearance in developing or preparing plantation land, whereby trees and plants on land to be cleared are shredded and left to decompose naturally, enhancing soil fertility and avoiding the adverse environmental impacts of burning such as pollution and greenhouse gas emission.

We continually aim to minimize our use of pesticides and seek to use "natural predator" methods of controlling pests and preventing diseases, in order to minimize any adverse impact on the environment. We have implemented a variety of integrated pest management methods with the objective of minimizing the use of harmful pesticides in our operations.

Integrated pest management involves the use of biological methods to control pest infestation. For example, to control pests such as fire caterpillars and bagworms, we use only natural biological pesticides such as *Bacillus thuringiensis* and *Beauveria bassiana*. We also control pest populations by introducing and encouraging beneficial plants such as *Turnera sabulata*, *Antigonon leptopus*, *Cassia cobanensis*, *Cassia tora* and others, which attract natural predators of pests and parasitoids to control the growth in population of leaf-eating pests. We also rear and train barn owls to control larger pests such as rats and mice.

PROCESSING AND WASTE MANAGEMENT

Processing of FFB to extract CPO does not involve the use of chemicals but consists only of physical processes such as steaming, pressing and centrifuging. However, oil palm plantations and mills do generally produce large quantities of palm oil mill effluent, fiber from empty fruit bunches and kernel shells.

In managing this waste, the Company uses the "4Rs" principle: reduce, reuse, recycle and recover. Accordingly, alongside inorganic fertilizers such as urea, rock phosphate, NPK and muriate of potash, we reuse by-products from our mills as fertilizer substitutes.

All of the solid waste generated by our palm oil processing mills is reused, with kernel shells and fiber used as fuel for our boilers and empty fruit bunches recycled to the plantations as mulch.

Applying empty fruit bunches on the land provides a good environment for growth by promoting moisture and enhancing soil quality as they decay naturally, as well as helping to bind the soil and reduce soil erosion.

By reusing our mill byproducts in this way, we lower our fertilizing costs and reduce the amount of polluting effluent released into the environment.

Palm oil mill effluent is the main pollutant arising as a byproduct of our palm oil mill operations. Each of our mills operates a self-contained biological waste water treatment system whereby effluent is moved through a sequence of large anaerobic treatment ponds where bacteria break down the effluent. The treated effluent has a high nutrient content and is subsequently applied in the fields. Although treated effluent can be useful as a fertilizer, the treatment process does result in the emission of methane and other greenhouse gases. We are developing a biogas business to capture the methane and use it to generate electricity.

SUSTAINABILITY STANDARDS AND CERTIFICATION

We are committed to managing our operations according to the highest national and international sustainability standards in order to ensure the best balance in our treatment of the environment and social and economic responsibilities.

Our core principles:

- We aim to balance economic and community development with environmental sustainability;
- We aim to be 100% RSPO-certified across our plantation operations;
- We conserve voluntarily;
- We conduct HCV assessments and respect the results in our planning;
- We develop renewable energy to minimize our carbon emissions.

"Endangered Species" by Nardiyono, West Kalimantan Plantation

Status of Environmental Certification for our Palm Oil Plantations

Certification and description	Plantation			
	North Sumatra I	North Sumatra II	Belitung Island	West Kalimantan
RSPO: International certification measuring economic viability as well as environmental, social and legal standards in management and operations.	November 2012	September 2014	January 2011	Scheduled for 2016
ISPO: Indonesian Government regulation on plantation management, processes, environmental management, employee and community development responsibilities.	In progress	In progress	December 2014	Audit process in 2015
SMK3: Indonesian Government certification measuring standards of health and safety management (prerequisite for ISPO certification).	April 2013	May 2014	April 2012	-
ISCC: European standard that assesses greenhouse gas emissions, preservation of biodiversity, agricultural practices and respect for labour and land rights.	September 2014	-	January 2014	-
PROPER: Indonesian Government award program assessing environmental performance in production processes and social responsibility.	Blue certificate for 2013-14	-	Blue certificate for 2013-14	-
ISO 14001: International standard for assessing environmental management systems.	July 2014	November 2014	April 2012	-

"First Harvest" by Nardiyono, West Kalimantan Plantation

Standards that we have adopted or are working towards include ISO 14001, ISO 18001/OHSAS, RSPO, ISCC, ISPO, SMK3 and PROPER.

Environmental standards: We believe our operations are in compliance with all applicable international, national and local Indonesian environmental rules and regulations and that effluents meet stringent standards for biochemical oxygen demand (BOD), a measure of organic pollution in water. We ensure that BOD meets or is well within maximum levels as mandated under Indonesian law.

We also believe that our operations are in compliance with all applicable local and national Indonesian environmental rules, regulations and guidelines.

As required under Government Regulation No. 27 of 1999 and Ministry of Environmental Affairs Decree No. 16 of 2012, we have also completed specific mandated processes such as receiving Environmental Impact Assessment (AMDAL) certification and preparing an Environmental Monitoring Plan and an Environmental Management Plan.

ISPO certification: ANJ's plantation companies also all operate under the framework of specific Indonesian Ministry of Agriculture regulations on sustainability standards in palm oil production, known as Indonesian Sustainable Palm Oil (ISPO). Under these mandatory regulations, imposed in 2011, plantation companies operating under Izin Usaha Perkebunan (IUP) licenses must adhere to and demonstrate high standards in criteria including legality, management, plantation, process, social, economic, environmental and reporting.

Plantations are evaluated every three years by a certified government official in a process leading to ISPO certification; plantations who fail to meet the certification criteria and do not improve after warnings may lose their IUPs.

Our Belitung Island Plantation has attained ISPO certification, and our North Sumatra I and North Sumatra II plantations have completed the audit process leading to certification and are awaiting its review by the ISPO committee. Our West Kalimantan Plantation only began producing in mid-2014 and will undergo the audit process in 2015.

RSPO certification: In addition to our sustainable development initiatives, we are a member of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit association formed in 2004 that comprises more than 2,000 member companies from over 50 countries around the world. It proactively engages with oil palm growers, oil processors, food companies, retailers, NGOs, banks and investors to work together to develop and implement global standards for sustainable palm oil produced in a socially and environmentally responsible way.

Specifically, it promotes palm oil production practices that help reduce deforestation, preserve biodiversity, and respect the livelihoods of rural communities in oil-producing countries. It ensures that no high conservation value areas are opened for palm oil plantations, that plantations apply accepted best practices and that the basic rights and living conditions of millions of plantation workers, smallholders and indigenous people are wholly respected.

Our Belitung Island, North Sumatra I and North Sumatra II plantations have all obtained RSPO certification, which allows us to sell RSPO-certified palm oil products from the plantations. Our newly mature West Kalimantan Plantation has been developed and is operated wholly according to RSPO principles and is in the process of earning certification. It is scheduled to complete the certification process in 2016.

In 2010, RSPO instituted its New Planting Procedure (NPP) for all members' new oil palm plantings, defined as lands planned or proposed for oil palm plantings but not yet developed as at Jan. 1, 2010. The key steps of NPP are:

1) An impact assessment must be conducted, with HCV assessment by a licensed HCV assessors.

2) An implementation plan prepared.

3) Verification by certification body.

4) Public notification on the RSPO website for at least 30 days. Planting may begin if no comments are received; if comments are made, the company has to resolve them before planting begins.

NPP has been applicable to our South Sumatra and West Kalimantan plantations and to our West Papua landbank currently under development. At all of these areas we have fully implemented the NPP framework.

ISCC certification: Both our Belitung Island Plantation and our North Sumatra I Plantation have also met the European sustainability standard International Sustainability and Carbon Certification (ISCC), approved by certification bodies TüV Nord German.

ISO 14001 certification: Our Belitung Island Plantation has also maintained international certification for its environment management systems in the form of ISO 14001: 2004 since its issuance in 2012; our North Sumatra I Plantation received certification in July 2014 and North Sumatra II Plantation in November 2014. Our West Kalimantan Plantation is scheduled for certification assessment in 2016.

OHSAS 18001 certification: Our North Sumatra I Plantation received certification for OHSAS 18001 in 2013. Our West Kalimantan Plantation is scheduled for assessment in 2015. Our other plantations are not yet scheduled.

CONSERVATION

We place a strong emphasis on conservation practices and perform assessments and monitoring as well as engaging in collaborative projects with environmental experts to design and manage our plantation areas in such a way as to conserve biodiversity and safeguard ecosystems from the surrounding landscape.

We regularly perform assessments of high conservation value (HCV) areas, social environment impact and implementation of new planting procedure (NPP) in all of our applicable plantations, and also manage and monitor HCV areas continually using HCV indexes to describe the condition of HCV management.

We collaborated on conservation projects with several

Conservation Initiatives at Our Plantations and Landbanks

Work plan	North Sumatra I	North Sumatra II	South Sumatra	Belitung Island	West Kalimantan	West Papua
Socialization and publication of RSPO's New Planting Procedure (NPP)	n/a	n/a	✔	n/a	✔	✔
Protection for orangutan habitats	n/a	n/a	n/a	n/a	✔	n/a
Management and monitoring of high conservation value (HCV) areas	✔	✔	✔	✔	✔	✔
Peer review of HCV practices by an HCV expert	✔	✔	-✔	✔	✔	✔
Implementation of HCV index	✔	✔	✔	✔	✔	✔
Nursery and planting program for forest plants	-	✔	-	-	✔	-

environmental agencies and NGOs in 2014, including with the Nature Conservation Agency West Kalimantan, Daemeter Consulting and International Animal Rescue.

We have in recent years engaged third parties to conduct detailed surveys on wildlife population, in particular orangutans, and other exotic species of flora and fauna in order to minimize the environmental impact of our operations and to preserve such flora and fauna.

In this respect, we have asked the Indonesian Government to allocate 2,949 hectares from our West Kalimantan Plantation as a conservation area principally for orangutans, proboscis monkeys, Malayan sun bears, grey woodpeckers, rhinocerous hornbills and black hornbills.

In addition, we set aside another 657 hectares of land within our West Kalimantan Plantation that we consider to be environmentally important and we are managing it on our own as a preserve.

During 2014, 16 orangutans were confirmed as living in the area, and we have established a nursery for food crops to be planted in the conservation area for them, including duku, langsat, durian and a range of other plants, predominantly fruits.

During 2014, we also began socializing our conservation area, hosting parties of workers, schoolchildren and older students to study the habitat.

THE PROPER PROGRAM

The Indonesian Government's Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup — Company Environmental Management Appraisal and Ranking Program, known as PROPER — is a scheme initiated by the Ministry of the Environment to encourage companies to exercise good environmental management in compliance with the law. The scheme is also intended to promote transparency and encourage public involvement in environmental management.

Under the PROPER program, companies are rated based on five designations/categories:

- Gold, for those whose operations have consistently shown environmental excellence in service and/or production processes and who perform ethical business and are responsible to the community;
- Green, for those whose environmental management has exceeded the statutory requirements through the implementation of environmental management systems, efficient resource utilization and the "4Rs" (Reduce, Reuse, Recycle and Recovery) and who demonstrate corporate social responsibility;

Balancing Conservation and Oil Palm Development: ANJ's Sustainable Approach

ANJ recognizes the merits of arguments on whether more land should be developed for oil palm cultivation in countries such as Indonesia.

Proponents of development say oil palm has the highest yield per hectare of any crop plant and it is therefore well suited to help satisfy the food and energy requirements of a developing nation. To this end, the Government of Indonesia has allocated more than 9 million hectares of land for conversion to oil palm cultivation by 2030, together with land use plans that provide a template for sustainable development.[1]

Land use plans for West Papua, for example, cover 10 million hectares, of which up to 24% could be developed for agricultural purposes with the balance set aside for sustainable forestry (34%) and permanent conservation forests (40%).[2]

DEFINITIONS MATTER

Stakeholders with alternative land use proposals argue that further cultivation of palm oil will inevitably involve deforestation and should therefore be resisted. They recognize that even within areas set aside for cultivation, there may be forest areas whose destruction would materially harm biodiversity. To address this situation, the term "intact forests" was coined. This is defined as an "unbroken expanse of natural ecosystems within the zone of current forest extent, showing no signs of significant human activity and large enough that all native biodiversity, including viable populations of wide-ranging species, could be maintained." [3]

This definition, however, gives rise to several possible interpretations, including that by proponents who have relied on satellite imagery to declare that expanses of vegetation with no apparent cleared areas are "intact forests".

Reliance on such satellite imagery has also been responsible for a misinterpretation of ANJ's activities in West Papua as it does not take into account the steps ANJ has taken to strike a sustainable balance between development and conservation.

Within ANJ's allocated land concessions of 54,321 ha in West Papua, the company commissioned certified consultants to conduct high conservation value

(HCV) and social impact assessments (SIA) in accordance with RSPO procedures. The assessments indicated that development was feasible, and accordingly land clearance commenced in February 2014.

On July 21, 2014, Greenomics Indonesia, an environmental policy group, issued a report entitled "Busy Years Ahead until 2017" in which it stated that ANJ was clearing areas of intact forest in West Papua. Greenomics stated that such clearance would be in conflict with the policies of Musim Mas (effective from 2017) and Wilmar for no development of *high carbon stock* forest and *high conservation value* forests (effective 2013); both major buyers of crude palm oil from ANJ.

As ANJ takes such allegations seriously, we conducted a review of the process and permits obtained by ANJ leading up to the commencement of land clearance. The review confirmed that all the requisite assessments were valid and had been carried out correctly, with the exception that ANJ had at the time, not fully completed adherence to the RSPO's New Planting Procedures (NPP) framework before commencing with land clearing at its West Papua subsidiaries PMP and PPM. Accordingly, ANJ imposed a voluntary moratorium on all development at both locations until complete NPP requirements were met.

Notes

1) Greenomics Indonesia, http://image.greenpeace.or.id/Indonesia-Map/
2) Government of Indonesia, Table of Extent of Primary Forest in Papua Barat and Planned Land Use.
3) Intact Forest Landscapes, www.intactforests.org/concept.html
4) www.rspo.org/certification/new-planting-procedures/public-consultations/pt-austindo-nusantara-jaya-agri-pt-permata-putera-mandiri

Among the NPP requirements was that a 30-day public consultation period be given, and relevant HCV, SIA and EIA reports be posted on the RSPO website.[4] No stakeholder comments or concerns were raised during this period. Following confirmation from RSPO that it was in compliance with the NPP, ANJ resumed development at its sites.

BEYOND COMPLIANCE

Following on from this, ANJ has commissioned a second round of HCV and SIA assessments conducted by a different, but also RSPO accredited, assessor. These reports will be used in the preparation of a comprehensive development plan for the ANJ concessions to help ensure that those areas of forest deemed critical for regional biodiversity will as far as possible be conserved.

These measures aim to go above and beyond the requirements of the RSPO standard and underline ANJ's belief that agribusiness, done properly, can address the purpose of sustainability, and strike a balance between the need for development at both national and local levels and the conservation of biological diversity, and sustaining environmental goods and services.

This is an approach also evident at ANJ's other estates. For example, at the Siais plantation in Sumatra, a 1,500 ha forest area within the estate, more than 15% of the concession, has been voluntarily conserved and actively protected. This contrasts with the surrounding areas, including those within a national park, which have received no management protection and are severely depleted. Meanwhile, at ANJ's Kalimantan estate, 600 ha has been set aside to establish an orangutan conservation area and the company is also working with the government to protect an additional 2,900 ha adjacent to the property in order to establish a second orangutan conservation area.

Not all will agree with our approach to economic development and conservation as the most practical course for a sustainable future, but we believe responsible agribusinesses and environmental stakeholders both seek to strike a balance between development and conservation. ANJ welcomes constructive feedback and input on its activities in the interests of all stakeholders.

If you have any opinions on this issue please write to us at *corsec@anj-group.com*.

Examples of the range of flora around our West Kalimantan Plantation. Clockwise from top left: Tunera Subulata, Psidium Guajava, Macaranga Gigantea and Nepenthes Sp.

• Blue, for those whose environmental management has met all the statutory requirements of the prevailing laws and regulations;

• Red, for those whose environmental management has not satisfied the minimum statutory requirements; and

• Black, for those who deliberately or negligently have caused environmental pollution and/or damage and breach of statutory requirement or do not comply with administrative sanctions.

Companies ranked in the Gold and Green categories are awarded with trophies and certificates, and Blue companies are presented with certificates, thereby helping to enhance their environmental credentials.

Our Belitung Island and North Sumatra I plantations both received a Blue certificate for 2013-14, both having fully complied with PROPER requirements for emissions management, water management and hazardous waste management. Our North Sumatra II and West Kalimantan plantations have not yet been included in PROPER program assessment.

REDUCING GREENHOUSE GAS EMISSIONS

As part of our long-term strategy to reduce the release of the methane gas generated by the decomposition of effluent from our palm oil production processes, our renewable energy-focused subsidiary PT Austindo Aufwind New Energy (AANE) developed a biogas plant at our Belitung Island Plantation under a joint venture between ANJ and Aufwind Schmack Asia Holding GmbH.

This initiative is primarily aimed at reducing our greenhouse gas emissions, and is registered under the Clean Development Mechanism (CDM), a framework of emission mitigation measures under the United Nations Framework Convention for Climate Change (UNFCCC).

Under conventional waste water treatment processes, palm oil mill effluent is collected and treated in a series of anaerobic digestion ponds, where the decomposing organic matter releases methane into the atmosphere. In a biogas power plant, sealed fabric domes are placed over the ponds to capture the methane, which is used to fuel a boiler that powers a electricity-generating turbine.

The electricity supplied by the Company's pioneering biogas power plant is fed into the PLN grid for supply to its customers on the island.

AANE is the first biogas independent power producer (IPP) in Indonesia to have a power purchase agreement with state utility PT PLN (Persero) and is also the first to begin commercial operations supplying electricity. It was commissioned on Dec. 31, 2013.

The electricity generated is estimated to be sufficient for more than 2,500 households using standard 450kVA connections on the Island of Belitung and will help reduce PLN's consumption of diesel for power generation by approximately 2.5 million liters per year.

Altogether, the project aims to reduce emissions by an average of 35,000 tons of carbon dioxide equivalent per year.

The construction of the biogas power generation plant has set a landmark for the Company in the renewable energy business in line with our vision to become a world-class food and renewable energy company that elevates the status of the Indonesian people.

In 2014, plans were advanced to expand the capacity of the generator to 1,800kW, a project expected to be completed in 2015. PLN has agreed to buy all of the extra electricity produced, further reducing its regional diesel consumption.

We are currently exploring the development of a second biogas facility, to be located at our North Sumatra I Plantation, and we expect in the medium term to implement biogas projects at each of our producing plantations to further reduce greenhouse gas emissions attributable to the company, maximize use of their byproducts and generate additional value across the group's business units.

OUR PAPUA SAGO PROJECT

PT ANJ Agri Papua (ANJAP) received a license in 2010 from the local government of South Sorong, West Papua, to use sago palms for harvest and extraction of sago starch. The infrastructure for its sago project is under development and during 2014 ANJAP performed some trial harvesting to prepare for commercial operation in 2016. All management of our sago forest and sago harvesting is in accordance with sustainable practices.

Sago palms are harvested using the silviculture system TPTI (*Tebang Pilih Tanam Indonesia*), under which mature palms are cut down, leaving younger trees intact, in a two-year rotation.

We are committed to ensuring protection of our forest and preventing destruction through illegal logging, erosion, land or forest burning, forest clearance for illegal agricultural activities and protection of endangered and rare wildlife and their habitat.

Our environmental management and monitoring focus is on protected areas, production areas and non-production areas, combining technological, social economic and institutional approaches.

Employee and Community Development

Respect for people and the environment is one of the Company's core values, and in line with this we have a rich history of corporate social responsibility (CSR) and have continuously striven to develop community support platforms, conservation plans and sustainability initiatives.

We see CSR as an integral part of our business operations and an activity perceived as adding value to the Company's businesses. As a socially responsible company, we are committed to engaging in a comprehensive program through all of our subsidiaries, and community development lies at the heart of our efforts. We plan to continue to implement additional employee and community support initiatives at our existing plantations and enter into similar initiatives at our future plantations.

The Company deals with a range of stakeholders in the community involved in and surrounding our operations. As well as considering our employees as vital assets, we see them also as one of two key stakeholder groups qualified to benefit from our programs. The other key group is the community at large around our operations.

The Company continually aims to deepen its commitments to being a good corporate citizen through better implementing community development programs, and to that end we adopted ISO 26000 and the Roundtable on Sustainable Palm Oil (RSPO) framework as guides to how businesses and organizations should operate in a socially responsible way, acting in an ethical and transparent way that contributes to the health and welfare of society in palm oil sector.

Our community development program has five core elements: education, health, economic empowerment, social and cultural support and infrastructure support. Each is inter-related and supports one another's success, improving community wellbeing.

In 2014 we made a financial contribution of Rp7.4 billion to these internal and external key stakeholders through our community development program, which consists of five core elements: education, health, economic empowerment, social and cultural support and infrastructure support.

Each of these five elements is inter-related and support one another's success, driving improvements to community wellbeing.

HEALTH

We believe mothers and children should be the most important focus of our health program, as in our experience at our operational sites, they are disproportionately likely to suffer illness and disease, particularly respiratory infections, stomach and skin ailments. The root cause of many problems in such areas is a lack of relevant medical knowledge in mothers, who often have little education, and our focus is on improving maternal health, wellbeing and knowledge as well as preventing childhood illnesses.

Our health program in 2014 involved communities at both of our North Sumatra plantations, our Belitung Island Plantation and our West Kalimantan Plantation as well as our West Papua operations, and included a range of activities, including blood donation events, spotlights on children's nutrition, free check-ups and medicine dispensary, support for the government's family planning program, and mass circumcision programs.

More than 1,500 mothers and children benefited from the above activities, in which we invested Rp232 million. Although our financial contribution appears less than in some of our other social support activities, it is effective and well targeted, and is supplemented by our efforts to provide clean water infrastructure.

EDUCATION

Education is targeted as the main theme of our CSR program over the next five years, due in large part to the poor attainment and opportunities for students in rural settings, such as are found where we operate, as shown in human development index (HDI) assessments.

Most young people in families surrounding our operations attend elementary and junior high schools, but have typically ineffective teaching and leave with poor skills and knowledge. Parents often do not see education as a priority and have a poor understanding of the principles of good education. Additionally, local government policies and programs are often insufficiently robust. The cumulative effect is a marked deficit in ability for rural students compared to their urban counterparts.

School students in class near our West Papua estates. Supporting education is a key part of our commitment to community development.

Contributing to education is a part of ANJ's core value of respect for the people and the environment, and we contribute to providing educational opportunities and facilities in our communities, particularly basic education, in the belief that better education contributes to the competitiveness and betterment of the Indonesian people.

In order to maximize the effectiveness of our CSR contribution and introduce a strategic element to our approach to supporting education, in 2014 we engaged a consultant to assess priority educational needs across all four of our producing plantations: North Sumatra I, North Sumatra II, Belitung Island and West Kalimantan.

The broad findings included problems among local schools in the quality of buildings and facilities; in teachers' pay, with up to three-quarters of teachers being part-time (*guru honorer*) and earning on average just Rp850,000 per quarter; and low parental involvement and monitoring of education and schooling.

The findings prompted us to identify two core educational priorities.

The first is developing model schools at our plantations that demonstrate high levels of stakeholder involvement including local government, school staff, parents and the broader community. Our existing schools now rank among the region's best.

The second priority is improving support functions, such as through teachers' and principals' working groups to provide individual teachers and principals with practical support and spread best practice knowledge.

We invested Rp1.8 billion in our education program in 2014 across the group, and there were 844 direct beneficiaries from our North Sumatra, Belitung Island, West Kalimantan and West Papua estates.

- Scholarships were given to 100 students at various levels from elementary to high-school level, including rewards for high-achieving students based on their school results.
- An incentive scheme was offered to 50 part-time teachers from playgroups to junior high in communities near ANJ businesses to enhance teaching quality.
- We donated books, visual aids and educational toys as well as equipment from playgroups to high schools.
- We sponsored educational competitions between schools to help develop students' learning capacities and experiences.

Time off and a game of marbles for children of employees at our West Kalimantan Plantation.

ECONOMIC EMPOWERMENT

Our economic empowerment program is aimed at increasing the household income of the communities around our plantations through developing income-generating activities in palm oil and non-palm oil businesses.

Palm oil businesses: Under the Indonesian Government's Plasma Program, large oil palm plantation enterprises established since 2007 have been required to earmark and develop land on their concessions for smallholders to cultivate. While our Plasma Program obligations are not part of our CSR activities, we can offer extra support and training as part of our CSR economic empowerment program.

We focused in 2014 on developing farmer groups to help them succeed as part of a Plasma Program or our equivalent partnership program, in particular by training farmers to increase productivity, quality — and thus income — by following RSPO and ISPO guidelines, which we see in the context of palm oil as the bedrock of good agricultural practice (GAP). We also worked to help formalize and legalize farmer groups into co-operatives to facilitate their access to finance.

Non-palm oil businesses. We have focused on a horticulture program at several of our plantations. The program is complex to develop as it requires close collaboration with local government agencies, technical partners and commercial companies such as seed suppliers and traders. It also requires experienced people to implement it.

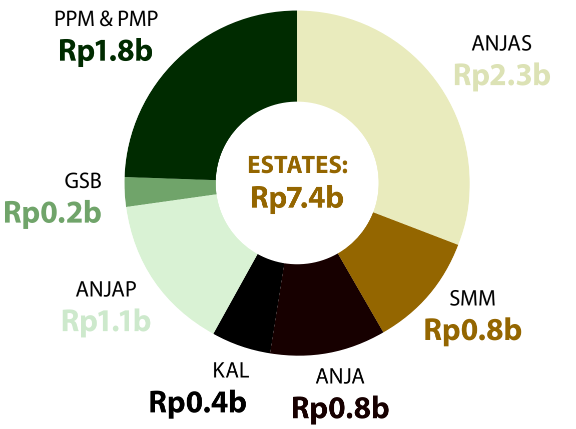
During 2014 we invested Rp428 million in expanding a pilot phase of the project, and while we have not yet rolled out programs across all of our plantations, there have so far been 62 families directly benefiting, up from 12 in 2013.

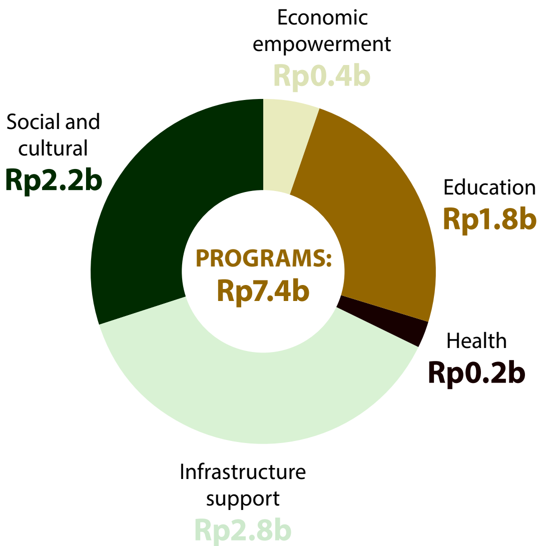
Through the early phases, we have learned one key lesson that training or coaching program members in technical skills is insufficient, thus must be followed up with training in entrepreneurship and general management skills to make businesses viable.

We successfully implemented pilot projects under the horticulture program, predominantly involving groups of women as cultivators. However, training participants to apply good agricultural practices (GAP) relevant to their chosen products was inadequate, and we found that commercial and product management skills also had to be part of the training. This was especially true in pricing, where confusion often arose regarding production costs and product sales prices.

These valuable lessons in our economic empowerment program's early stages will help us implement it at a full scale, and we believe it has significant potential to improve social welfare and help reduce unemployment in the communities where we operate.

Employee and Community CSR Program Spending in 2014





INFRASTRUCTURE

Infrastructure is one of the biggest challenges faced by the Company in its operations, especially in remote areas. The better the infrastructure, the bigger the benefit for our business operations and for surrounding communities.

While we see local and national governments as having the core in providing major infrastructure developments, particularly roads and bridges, the Company contributes where possible to local needs.

In 2014, the Company invested Rp 2.8 billion in infrastructure projects across all of our plantations, with about half invested in our West Papua estates. Among projects undertaken in 2014 were roads and bridges, church, mosque and school buildings, traditional houses (*rumah adat*), government buildings and other community facilities.

In total we provided improvements and new facilities that will be used by an estimated 8,000 community members in more than 25 villages surrounding our operations.

In terms of social responsibilities and development, the needs of our employees, as key internal stakeholders and the principal assets of the Company, are our priority consideration. We have a permanent plan for building and renovating functional buildings specifically for our workers and their families, and in some cases for the benefit of the community at large. These have recently included school, mosque and church buildings, a mini-market, polyclinic and childcare facilities. More than 5,000 employees and their families at our established plantations potentially use and benefit from these facilities.

SOCIAL, CULTURAL AND RELIGIOUS

Mindful of the benefits of maintaining good relationships with key external stakeholders, the Company also provides support for a range of activities related to sports, arts and culture, national celebrations and other events.

Our support for these programs in 2014 reached Rp2.2 billion: Rp 1.1 billion across our four producing plantations in North Sumatra, Belitung Island and West Kalimantan, and Rp1.1 billion across our developing plantations in West Papua and South Sumatra. The budget was significantly increased from 2013's Rp835 million due to the inclusion for the first time of our new Papuan estates.

Among activities funded were: Ramadhan gifts; donation of sacrificial animals for religious ceremonies; other religious events including Christmas gift-giving; sponsorship for an arts and culture festival and sports events for elementary and junior high school students; sponsorship for Independence Day events; sponsorship for local churches and Christmas events in West Papua.

Occupational Health and Safety

ANJ's corporate values incorporate an unambiguous commitment to ensure a safe, healthy and environmentally sound workplace. Through our commitment to respect for people and the environment we undertake continuous monitoring and improvement of workplace conditions and policies to protect our people and ensure there is no compromise in occupational health and safety or "K3" (*kesehatan dan keselamatan kerja*).

Our Operations Department incorporates an established Environment, Health and Safety (EHS) Department that seeks to minimize accidents in our operations, prevent unsafe working practices and equipment damage and maintain the balance of the environmental ecosystem in and around our plantation areas. In doing so, it continually looks into refining and implementing more comprehensive safety measures and devices and ensuring that our employees are provided with equipment necessary for comprehensive personal protection.

For example, as part of our health and safety policy, we ensure that our operations employees are routinely provided with all necessary safety gear and equipment, such as helmets, boots and covers for harvesting blades, and our operational plantations have medical clinics which are permanently staffed with doctors and nurses and serviced by ambulances.

We have established regulations and policies regarding standards and safety procedures that must be maintained in the workplace.

We also have a safety committee comprising staff and workers that supports the EHS department and holds regular health and safety training, including courses on first aid and fire drills, as well as promotional campaigns through demonstrations, posters and educational literature.

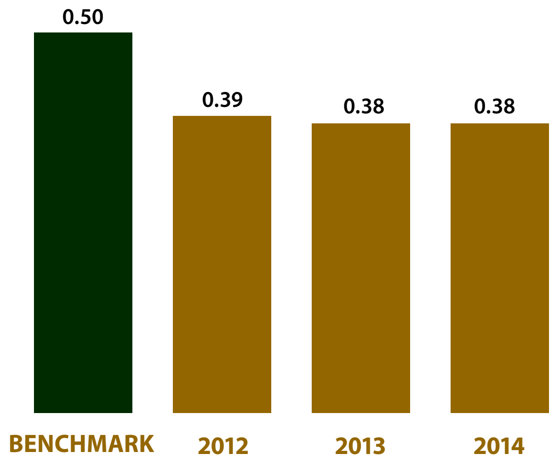
SAFETY INDEX AND STANDARDS

While we target an accident rate of zero, even in the most stringently controlled workplace environment it is impossible to eradicate accidents altogether. However, our four operational plantations have an established internal safety index that incorporates all reported accident data.

Both of our North Sumatra plantations, Belitung Island Plantation and our newly mature West Kalimantan Plantation analyze separate data for both estate activities and processing mill activities. In the case of our West Kalimantan Plantation, the mill data is for the mini-mill currently in operation until a full-scale mill is constructed.

Consistently Strong Safety Standards

Safety Index performance against benchmark



Our employment policies give us a natural advantage in enhancing health and safety at work, in that we directly employ a high percentage of our harvesters rather than using contract workers. We believe that this enables us to increase supervision over them and offer them better training.

A health checkup in the polyclinic opened during 2014 at our West Kalimantan Plantation.

In all cases, our safety index benchmark is well beyond minimum standards. The index records the number of accidents in two categories: incidents requiring medical aid and lost-time injuries. The benchmark is set to 0.5, and over the past three years the cumulative index across our businesses was 0.39 in 2012 (with one fatality), 0.38 in 2013 and 0.38 in 2014.

Our Belitung Island Plantation has maintained international certifications for its environmental, health and safety systems in the form of ISO 14001:2004 since 2012, our North Sumatra I Plantation adopted this standard in 2014, and we are in the process of rolling out compliance to our other plantations, with West Kalimantan scheduled for full compliance in 2015.

We also work to adhere to the standards of OHSAS 18001, a British standard widely seen as the world's most recognized for occupational health and safety management systems. So far our North Sumatra I Plantation has been certified, and it is intended to earn certification for our other plantations when practical.

In addition, Indonesian law obliges companies to uphold occupational health and safety standards through SMK3 certification; so far our Belitung Island Plantation and both of our North Sumatra plantations have this certification.

HEALTHCARE

In terms of our health programs and on-site health facilities, the clinics provided for staff and their families comprise both outpatient and inpatient facilities, and doctors are also make referrals where necessary to designated full-service hospitals.

Employees also receive regular medical checkups and have access to integrated health advice centers and family planning services. We hold regular counseling on health issues, conduct training in prevention of infectious diseases, promote healthy living education and provide sports facilities where feasible.

In 2014 we were pleased to open a new polyclinic for staff at our West Kalimantan Plantation.

STAFF TRAINING AND ESTATE MONITORING

Our employment policies give us a natural advantage in enhancing health and safety at work, in that we directly employ a high percentage of our harvesters rather than using contract workers. We believe that this enables us to increase supervision over them and to offer them better training.

This allows us to better ensure our quality control procedures and maintain labor cost efficiency, but also

A quality control inspection of the CPO under production at our North Sumatra II Plantation.

gives us more control and monitoring over safety issues and allows us to swiftly identify and mitigate any problem areas. We plan to continue this policy.

We have also developed an estate ranking system that tracks estate performance across a number of metrics, including productivity and cost control, as well as environmental responsibility and safety, providing us with more insight into areas that require further attention and improvement.

New employees must all undergo a comprehensive safety induction program, including understanding and learning company rules and guidelines on safety at work. Development and refresher training is then given continuously, most regularly in the use of personal protective equipment.

With regard to our emergency response capability, defined procedures are in place for dealing with workplace accidents or health threats such as chemical/biological spills, burns, explosions or natural disasters. We regularly review standard operating procedures for emergency response and house emergency response teams at each of our operational estates.

Regular training is provided in dedicated facilities, and emergency simulations are conducted at least once in a year. Training in emergency response is concentrated in the areas of fire-fighting, first aid and site evacuation.

Product Safety

The Company's principal line of business is oil palm cultivation, harvesting and processing. The main end product is CPO, mostly for use in foodstuffs, and thus we have clearly defined responsibilities to ensure our product meets all necessary quality and hygiene standards.

In addition we are developing a business in sago starch to be used in the manufacture of foods, and the same considerations apply.

IN THE FIELD

Our attention to quality and food safety starts with our approach to growing. We use only high-grade fertilizers imported from reputable producers, where we can be sure of quality and the integrity of ingredients. We use fertilizers such as urea, rock phosphate, NPK and muriate of potash, which are applied according to strict schedules and nutrient requirements. We also reuse organic by-products from our mills as fertilizer substitutes.

We dramatically reduce the need for potentially harmful pesticides through integrated pest management, involving biological methods and the propagation of planting of beneficial plants which attract natural predators and parasitoids to control leaf-eating pests (see page 90).

MILLING AND PROCESSING

After harvesting, fresh fruit bunches at our processing mills are subject to continual evaluation and monitoring through dedicated quality control inspection teams at each of our palm oil processing mills. They monitor the quality of our products as well as the production process.

Fruit bunches are processed as quickly as possible to keep them as fresh as possible, and no materials are recycled in the milling process. All waste material is segregated for later decomposition in ponds or for application as fertilizer.

Food safety standards are applied continually in the processing cycle, especially with regard to avoiding chemical or biological contaminants. CPO under storage is monitored for contamination, and tanker trucks used for transporting oil are also tested for cleanliness and contaminants.

Our estate and mill workers are comprehensively trained in food hygiene and safety procedures and obliged to report any suspected cases of contamination, spoilage or physical degradation.

ANJ received no reports of contamination claims or complaints regarding the quality or safety of our products either internally or from customers during 2014.

With regard to our developing sago starch business in West Papua, we are building a mill fully equipped with sterilizing and cleaning mechanisms to ensure the integrity of the sago products we will process there.

We will apply the same standards of product safety to our sago business as we have in our palm oil business.

Statement of Responsibility

By the Members of the Board of Directors and the Board of Commissioners for the 2014 Annual Report of PT Austindo Nusantara Jaya Tbk.

Jakarta, April 14, 2015. We, the undersigned, declare that the information contained in the 2014 Annual Report of PT Austindo Nusantara Jaya Tbk. is complete and we are responsible for the accuracy of the content of the 2014 Annual Report. Thus, this statement is duly made by the Board of Directors and Board of Commissioners.

Board of Directors

Suwito Anggoro
President Director

Istini Tatiek Siddharta
Deputy President Director

Sucipto Maridjan
Director

Lucas Kurniawan
Independent Director

Board of Commissioners

Adrianto Machribie
President Commissioner (Independent)

George Santosa Tahija
Commissioner

Sjakon George Tahija
Commissioner

Istama Tatang Siddharta
Commissioner

Anastasius Wahyuhadi
Commissioner

Arifin Mohamed Siregar
Independent Commissioner

Josep Kristiadi
Independent Commissioner

Ridha Wirakusumah
Independent Commissioner

PT Austindo Nusantara Jaya Tbk.
and Subsidiaries

Consolidated Financial Statements

and supplementary information for the years ended Dec. 31, 2014 and 2013 and Independent Auditors' Report

Contents

PT AUSTINDO NUSANTARA JAYA Tbk.

ATRIUM MULIA, 3A FLOOR, SUITE 3A-02
JL. H. R. RASUNA SAID KAV. B10-11 JAKARTA - 12910, INDONESIA
P.O. BOX 6146-MT, JAKARTA 10310, INDONESIA
TEL : (62-21) 2965 1777 FAX : (62-21) 2965 1788

DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON THE
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED
DECEMBER 31, 2014 AND 2013

PT AUSTINDO NUSANTARA JAYA Tbk AND ITS SUBSIDIARIES

We the undersigned:

1.	Name	:	Suwito Anggoro
	Office Address	:	Atrium Mulia 3A Floor, Suite 3A-02 Jl. H.R. Rasuna Said Kav.B10-11, Jakarta
	Domicile as in ID card	:	Jl. Panglima Polim II No. 36, Kebayoran Baru
	Phone number	:	(021) 29651777
	Position	:	President Director
2.	Name	:	Lucas Kurniawan
	Office Address	:	Atrium Mulia 3A Floor, Suite 3A-02 Jl. H.R. Rasuna Said Kav.B10-11, Jakarta
	Domicile as in ID card	:	Jl. Pulau Pelangi II No.7, Kembangan Utara
	Phone number	:	(021) 29651777
	Position	:	Director

State that :

1. We are responsible for the preparation and presentation of the consolidated financial statements;
2. The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements has been completely and correctly disclosed;
   b. The consolidated financial statements do not contain materially misleading information or facts, and do not conceal any material information and facts;
4. We are responsible for the internal control system of PT Austindo Nusantara Jaya Tbk and its subsidiaries.

This statement letter has been made truthfully.

Jakarta, February 23, 2015

Suwito Anggoro President Director	Lucas Kurniawan Director

Deloitte.

Osman Bing Satrio & Eny
Registered Public Accountants
License: KMK No. 1423/KM.1/2012
The Plaza Office Tower 32nd Floor
Jl. M.H. Thamrin Kav 28 - 30
Jakarta 10350, Indonesia

Tel: +62 21 29923100
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Independent Auditors' Report

No. GA115 0053 ANJ OS

The Stockholders, Boards of Commissioners and Directors
P.T. Austindo Nusantara Jaya Tbk

We have audited the accompanying consolidated financial statements of P.T. Austindo Nusantara Jaya Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of P.T. Austindo Nusantara Jaya Tbk and its subsidiaries as of December 31, 2014, and their consolidated financial performance and cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Osman Bing Satrio & Eny

Osman Bing Satrio & Eny

Other Matters

Our audit of the consolidated financial statements of P.T. Austindo Nusantara Jaya Tbk and i subsidiaries as of December 31, 2014 and for the year then ended was performed for the purpose forming an opinion on such consolidated financial statements taken as a whole. The accompanyir financial information of the Company (Parent Entity), which comprises the statement of financi position as of December 31, 2014, and the statement of comprehensive income, statement of change in equity, and statement of cash flows for the year then ended, and other explanatory notes (collective referred to as "Parent Entity Financial Information"), which is presented as a supplementary informatic to the accompanying consolidated financial statements, is presented for purposes of additional analys and is not a required part of the accompanying consolidated financial statements under Indonesia Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of th Company's management and was derived from and relates directly to the underlying accounting ar other records used to prepare the accompanying consolidated financial statements. The Parent Enti Financial Information has been subjected to the auditing procedures applied in the audit of th accompanying consolidated financial statements in accordance with Standards on Auditing establishe by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financi Information is fairly stated, in all material respects, in relation to the accompanying consolidate financial statements taken as a whole.

OSMAN BING SATRIO & ENY

Drs. Osman Sitorus
Public Accountant License No. AP.0567

February 23, 2015

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	Notes	31/12/2014	31/12/2013
		US$	US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	30,134,307	41,438,142
Restricted time deposits	6	236,466	331,837
Investment in trading securities at fair value	7	290,227	2,283,304
Receivable from service concession arrangement - current	49	143,002	131,092
Trade accounts receivable	8	1,499,481	741,057
Other receivable - net of allowance for impairment losses of US$ 45,082 as of December 31, 2014 and US$ 53,613 as of December 31, 2013	9	1,702,707	1,439,772
Inventories - net of allowance for decline in value of inventories of US$ 103,439 as of December 31, 2014 and US$ 120,878 as of December 31, 2013	10	12,718,960	10,414,277
Prepayments and advances	11	18,785,978	15,330,794
Total Current Assets		65,511,128	72,110,275
NON-CURRENT ASSETS			
Long-term receivable from service concession arrangement	49	7,946,736	8,127,703
Investment in associates	12	22,235,090	18,441,784
Other investments	13	24,231,198	20,569,709
Deferred tax assets	42	8,742,933	5,908,145
Palm plantation - net of accumulated depreciation of US$ 90,771,545 as of December 31, 2014 and US$ 82,435,097 as of December 31, 2013	14	148,530,019	141,660,411
Property, plant and equipment - net of accumulated depreciation and impairment of US$ 62,692,036 as of December 31, 2014 and US$ 45,391,230 as of December 31, 2013	15	125,130,064	88,572,085
Intangible asset - landrights - net of accumulated amortization of US$ 22,491 as of December 31, 2014 and US$ 21,268 as of December 31, 2013	16	817,421	816,218
Advances	17	24,936,667	34,428,582
Goodwill	18	4,967,579	4,967,579
Claims for tax refund	19	-	63,282
Other assets	20	10,980,626	1,691,490
Total Non-current Assets		378,518,333	325,246,988
TOTAL ASSETS		444,029,461	397,357,263

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

P.T. AUSTINDO NUSANTARA JAYA Tbk. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013 (Continued)

	Notes	31/12/2014 US$	31/12/2013 US$
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	21	27,808,589	1,440,700
Trade accounts payable	22	6,260,242	3,276,845
Taxes payable	23	4,511,398	2,414,865
Other payable	24,48m	6,047,534	5,664,646
Accrued expenses	25	8,101,433	4,821,492
Lease liabilities - current maturities	26	149,204	278,043
Deferred revenue - current maturities	27	670,058	1,340,115
Provision for service concession arrangement - current maturities	49	90,627	-
Total Current Liabilities		53,639,085	19,236,706
NON-CURRENT LIABILITIES			
Lease liabilities - net of current maturities	26	-	149,201
Deferred revenue - net of current maturities	27	-	670,058
Long-term other payable	48m	253,993	998,468
Provision for service concession arrangement - net of current maturities	49	1,442,358	1,099,622
Deferred tax liabilities	42	3,223,998	2,986,654
Post-employment benefits obligation	28	10,009,231	7,558,716
Total Non-current Liabilities		14,929,580	13,462,719
EQUITY			
Capital stock - Rp 100 par value per share Authorized -12,000,000,000 shares Issued and paid-up - 3,334,900,000 shares as of December 31, 2014 and 3,333,350,000 shares as of December 31, 2013	29	46,593,718	46,581,073
Additional paid in capital	30	45,329,389	45,151,418
Management stock options	31	728,435	344,299
Difference in value due to changes in equity of subsidiaries	32	30,607,591	30,607,591
Other comprehensive income		(20,934,702)	(22,517,494)
Retained earnings			
Appropriated		6,794,072	6,226,184
Unappropriated		265,989,206	257,751,831
Equity attributable to the owners of the Company		375,107,709	364,144,902
Non-controlling interests	33	353,087	512,936
Total Equity		375,460,796	364,657,838
TOTAL LIABILITIES AND EQUITY		444,029,461	397,357,263

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

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013

	Notes	2014	2013
		US$	US$
INCOME			
Revenue from sales	34	152,174,742	134,798,060
Service concession revenue	49	6,158,130	3,641,277
Share in net income of associates	35	3,319,594	2,513,084
Dividend income	36	4,882,044	3,202,854
Interest income	37	637,025	1,112,889
Foreign exchange gain		-	3,188,359
Other income	38	3,417,889	3,297,018
Total Income		170,589,424	151,753,541
EXPENSES			
Cost of sales	39	91,115,342	86,668,051
Cost of service concession	49	2,866,314	3,556,557
Selling expenses		2,424,824	2,398,767
Personnel expenses	40	13,923,849	11,342,654
General and administrative expenses	41	12,490,177	12,490,103
Loss from liquidation of a subsidiary	1c	-	959,556
Foreign exchange loss		2,156,137	-
Interest expenses		533,134	425,015
Other expenses	15	11,257,283	562,043
Total Expenses		136,767,060	118,402,746
INCOME BEFORE TAX		33,822,364	33,350,795
TAX EXPENSE	42	(15,554,160)	(11,488,955)
NET INCOME FOR THE YEAR		18,268,204	21,861,840
OTHER COMPREHENSIVE INCOME:			
Change in fair value of available-for-sale investments	13	2,792,902	(797,542)
Actuarial gain	28	12,639	1,643,076
Deferred tax benefit (expense)	42	6,551	(440,246)
Foreign exchange differentials from translation of subsidiaries' financial statements		(1,212,558)	(21,191,938)
Total other comprehensive income (loss) - net of tax		1,599,534	(20,786,650)
TOTAL COMPREHENSIVE INCOME		19,867,738	1,075,190
NET INCOME ATRIBUTABLE TO:			
Owners of the Company		18,425,605	21,920,789
Non-controlling interests		(157,401)	(58,949)
Net income for the year		18,268,204	21,861,840
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		20,027,587	1,269,414
Non-controlling interests		(159,849)	(194,224)
Total Comprehensive Income		19,867,738	1,075,190
BASIC EARNINGS PER SHARE	43		
Basic earnings per share		0.00553	0.00680
Diluted earnings per share		0.00549	0.00678

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

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2014 AND 2013

	Notes	Capital stock	Additional paid in capital	Difference in value from restructuring transaction between entities under common control	Management stock options	Difference in value due to changes in equity of subsidiaries	Other Comprehensive Income: Available for sale investment revaluation	Other Comprehensive Income: Translation adjustments	Retained Earnings: Appropriated	Retained Earnings: Unappropriated	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance as of January 1, 2013		43,158,940	-	13,004,333	-	30,607,591	2,856,111	(3,519,400)	675,566	240,178,830	326,961,971	707,160	327,669,131
Increase in paid in capital:													
Initial Public Offering	29, 30	3,422,133	32,147,085	-	-	-	-	-	-	-	35,569,218	-	35,569,218
Management stock options	31	-	-	-	344,299	-	-	-	-	-	344,299	-	344,299
Difference in value from restructuring transaction between entities under common control presented as additional paid in capital	30	-	13,004,333	(13,004,333)	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2013		-	-	-	-	-	-	-	-	21,920,789	21,920,789	(58,949)	21,861,840
Other Comprehensive Income:													
Change in fair value of available-for-sale investments	13	-	-	-	-	-	(797,542)	-	-	-	(797,542)	-	(797,542)
Actuarial gain	28	-	-	-	-	-	-	-	-	1,643,076	1,643,076	-	1,643,076
Deferred tax expense from actuarial gain	42	-	-	-	-	-	-	-	-	(440,246)	(440,246)	-	(440,246)
Foreign exchange differentials from translations of subsidiaries' financial statements		-	-	-	-	-	-	(21,056,663)	-	-	(21,056,663)	(135,275)	(21,191,938)
Total comprehensive income (loss)		-	-	-	-	-	(797,542)	(21,056,663)	-	23,123,619	1,269,414	(194,224)	1,075,190
Appropriation of retained earnings	44	-	-	-	-	-	-	-	5,550,618	(5,550,618)	-	-	-
Balance as of December 31, 2013		46,581,073	45,151,418	-	344,299	30,607,591	2,058,569	(24,576,063)	6,226,184	257,751,831	364,144,902	512,936	364,657,838
Additional paid in capital from stock options exercised	31	12,645	177,971	-	(52,013)	-	-	-	-	-	138,603	-	138,603
Management stock options	31	-	-	-	436,149	-	-	-	-	-	436,149	-	436,149
Net income for the year ended December 31, 2014		-	-	-	-	-	-	-	-	18,425,605	18,425,605	(157,401)	18,268,204
Other Comprehensive Income:													
Change in fair value of available-for-sale investments	13	-	-	-	-	-	2,792,902	-	-	-	2,792,902	-	2,792,902
Actuarial gain	28	-	-	-	-	-	-	-	-	12,639	12,639	-	12,639
Deferred tax expense from actuarial gain	42	-	-	-	-	-	-	-	-	6,551	6,551	-	6,551
Foreign exchange differentials from translations of subsidiaries' financial statements		-	-	-	-	-	-	(1,210,110)	-	-	(1,210,110)	(2,448)	(1,212,558)
Total comprehensive income (loss)		-	-	-	-	-	2,792,902	(1,210,110)	-	18,444,795	20,027,587	(159,849)	19,867,738
Appropriation of retained earnings	44	-	-	-	-	-	-	-	567,888	(567,888)	-	-	-
Cash dividend	45	-	-	-	-	-	-	-	-	(9,639,532)	(9,639,532)	-	(9,639,532)
Balance as of December 31, 2014		46,593,718	45,329,389	-	728,435	30,607,591	4,851,471	(25,786,173)	6,794,072	265,989,206	375,107,709	353,087	375,460,796

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

P.T. AUSTINDO NUSANTARA JAYA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
	US$	US$
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	157,574,873	139,009,933
Cash received from interest income	690,103	1,138,469
Payment of post-employment benefits	(769,603)	(1,062,751)
Income taxes paid	(16,336,551)	(41,102,145)
Payments for other operating activities	(8,270,729)	(19,336,423)
Payments to suppliers	(58,293,137)	(55,767,849)
Payments to employees	(28,188,401)	(29,688,347)
Net Cash Provided by (Used in) Operating Activities	46,406,555	(6,809,113)
CASHFLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of trading securities	1,991,617	2,544,252
Dividends received	4,149,738	4,102,854
Proceeds from sale of property, plant and equipment	203,735	1,621,961
Proceeds from sale of other investments	747,603	-
Placement of restricted time deposits	(236,466)	(331,837)
Withdrawal of restricted time deposits	331,837	1,500,000
Acquisition and additional investment in subsidiaries, associates and other investments	(14,746,635)	(23,591,764)
Acquisition of property, plant and equipment	(29,653,578)	(21,508,242)
Addition to palm plantations	(22,215,078)	(17,533,136)
Addition in advances	(4,962,506)	(6,342,998)
Addition to other assets	(9,289,136)	(695,616)
Net Cash Used in Investing Activities	(73,678,869)	(60,234,526)
CASHFLOWS FROM FINANCING ACTIVITIES		
Issuance of shares through Initial Public Offering	-	36,518,722
Issuance of shares through Management Stock Options	138,603	-
Payment of lease liabilities	(278,040)	(1,772,756)
Payment for interest expense	(620,441)	(462,604)
Payment of dividends	(9,639,532)	-
Proceeds from bank loans	87,817,333	57,998,434
Payment of short-term bank loans	(61,449,444)	(60,398,773)
Net Cash Provided by Financing Activities	15,968,479	31,883,023
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,303,835)	(35,160,616)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	41,438,142	76,598,758
CASH AND CASH EQUIVALENTS AT END OF YEAR	30,134,307	41,438,142

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

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

1. GENERAL

a. Establishment and General Information

P.T. Austindo Nusantara Jaya Tbk (the Company), formerly P.T. Austindo Teguh Jaya, was established by Deed No. 72 of Notary Mr. Sutjipto, S.H. dated April 16, 1993 which was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-3479.HT.01.01.TH.93 dated May 21, 1993, and was published in Supplement No. 4010 to the State Gazette No. 70, dated August 31, 1993. The Articles of Association have been amended several times, among others, by Deed No. 161 of Notary Dr. Irawan Soerodjo, S.H., Msi. dated January 17, 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 Sevice Authority ("*OJK*", formerly Bapepam-LK). The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-03796.AH.01.02.Tahun 2013 dated January 31, 2013. The latest amendment by Deed No. 304 of notary Dr. Irawan Soerodjo, S.H., Msi. dated December 23, 2014, pertaining to the approval for issuance of new shares from the Company's portfolio in relation with the share allocation program to employees and the management stock option program. The deed was accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his Notification Letter of the Changes to the Article of Association No. AHU-10247.40.21.2014 dated December 24, 2014.

In accordance with Article 3 of the Company's Articles of Association, the scope of its activities is to engage in the general trading and services. 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 and also operates as a holding company of its subsidiaries and associates operating in the agribusiness industry, which are palm oil plantation, sago processing and tobacco processing as well as renewable energy.

As of December 31, 2014 and 2013, the Company and its subsidiaries (the Group) had 6,472 and 5,172 permanent employees, respectively.

The Company is domiciled in Jakarta and since May 24, 2013, its head office is located at Atrium Mulia 3A floor, Suite 3A-02, Jl. H.R. Rasuna Said Kav. B10-11, Jakarta 12910.

As of December 31, 2014 and 2013, the composition of the Company's Board of Commissioners and Board of Directors were as follows:

	31/12/2014	31/12/2013
President Commissioner	Mr. Adrianto Machribie Reksohadiprodjo	Mr. Adrianto Machribie Reksohadiprodjo
Commissioners	Mr. George Santosa Tahija	Mr. George Santosa Tahija
	Mr. Sjakon George Tahija	Mr. Sjakon George Tahija
	Mr. Arifin Mohamed Siregar	Mr. Arifin Mohamed Siregar
	Mr. Istama Tatang Siddharta	Mr. Istama Tatang Siddharta
	Mr. Anastasius Wahyuhadi	Mr. Anastasius Wahyuhadi
	Mr. Josep Kristiadi	Mr. Josep Kristiadi
	Mr. Ridha D. M. Wirakusumah	
President Director	Mr. Suwito Anggoro	Mr. Suwito Anggoro
Deputy President Director	Mrs. Istini Tatiek Siddharta	Mrs. Istini Tatiek Siddharta
Directors	Mr. Sucipto Maridjan	Mr. Sucipto Maridjan
	Mr. Lucas Kurniawan	Mr. Ahmad Hadi Fauzan

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The Company paid benefits to its Commissioners and Directors as follows:

	31/12/2014	31/12/2013
	US$	US$
Short-term benefits	2,882,876	2,157,478
Stock options	24,960	-
Total	2,907,836	2,157,478

The members of the Audit Committee as of December 31, 2014 and 2013 were as follows:

	31/12/2014 and 31/12/2013
Chairman	Mr. Arifin Mohamed Siregar
Members	Mr. Danrivanto Budhijanto
	Mrs. Muljawati Chitro

b. Initial Public Offering

On May 1, 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 May 8, 2013, all of these shares were listed on the Indonesia Stock Exchange.

Based on Deed No. 100 of notary Dr. Irawan Soerodjo, S.H., Msi. dated June 14, 2013, in accordance with the shareholders register dated May 31, 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 his decision letter No. AHU-AH.01.10-25577 dated June 24, 2013.

c. Subsidiaries

The Company has ownership interests of more than 50%, directly or indirectly, in the following subsidiaries:

Subsidiaries and principal activities	Location	Year of commercial operation	Equity interest 31/12/2014	Equity interest 31/12/2013	Total Assets Before Elimination 31/12/2014	Total Assets Before Elimination 31/12/2013
			%	%	US$	US$
Direct subsidiaries						
Renewable Energy						
PT Darajat Geothermal Indonesia (DGI)	Darajat, West Java	1998	99.99	99.99	11,856,789	11,138,469
PT Austindo Aufwind New Energy (AANE)	Belitung,Bangka Belitung	2013	99.18	98.99	2,432,027	2,634,661
Agribusiness						
PT Pusaka Agro Makmur (PAM)	Maybrat, Papua	Pre-operating	100.00	-	2,041,586	-
PT Aceh Timur Indonesia (ATI)	Jakarta	1998	99.99	99.99	4,624,016	3,996,123
PT Surya Makmur (SM)	Medan	1998	99.99	99.99	6,070,116	5,214,568
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga, North Sumatera	1995	99.99	99.99	267,111,776	221,371,543
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	Pre-operating	99.99	99.99	18,610,836	26,407,391
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	2014	99.99	99.99	301,184	392,152
PT Gading Mas Indonesian Tobacco (GMIT)	Jember	2000	99.96	99.96	8,631,909	7,846,707
Financial services						
PT Prima Mitra Nusatama (PMN) (in liquidation)	Jakarta	1994	-	-	-	86,795

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Subsidiaries and principal activities	Location	Year of commercial operation	Equity interest 31/12/2014	Equity interest 31/12/2013	Total Assets Before Elimination 31/12/2014	Total Assets Before Elimination 31/12/2013
			%	%	US$	US$
Indirect subsidiaries						
Agribusiness						
PT Sahabat Mewah dan Makmur (SMM) (1)	Belitung,Bangka Belitung	1994	99.99	99.99	29,966,303	27,079,350
PT Austindo Nusantara Jaya Agri Siais (ANJAS) (1)	South Angkola, North Sumatera	2009	99.99	99.99	75,022,739	66,047,498
PT Kayung Agro Lestari (KAL) (1)	Ketapang, West Kalimantan	2014	99.99	99.99	61,779,461	51,202,247
PT Galempa Sejahtera Bersama (GSB) (3)	South Sumatera	Pre-operating	99.99	99.99	3,081,328	2,191,831
PT Putera Manunggal Perkasa (PMP) (3)	South Sorong and Maybrat, Papua	Pre-operating	99.99	99.99	22,134,732	6,090,391
PT Permata Putera Mandiri (PPM) (3)	South Sorong, Papua	Pre-operating	99.99	99.99	19,664,800	4,484,875
PT Lestari Sagu Papua (LSP) (2)	South Sorong, Papua	Pre-operating	51.00	51.00	692,414	1,029,318

(1) Owned by ANJA
(2) Owned by ANJAP
(3) 95.00% is owned by ANJA and 5.00% is owned by the Company

PT Austindo Aufwind New Energy (AANE)

Based on Deed No. 124 of notary Mala Mukti, S.H. dated July 23, 2013, the shareholders of AANE approved the increase in issued and paid up capital from US$ 4,350,000 to US$ 5,350,000 by issuing 1,000 new shares. This deed has been subsequently restated by Deed No. 95 of notary Mala Mukti, S.H. dated June 19, 2014 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-03444.40.21.2014 dated June 25, 2014. The Company's direct ownership in AANE increased from 98.99% to 99.18%.

PT Pusaka Agro Makmur (PAM)

Based on Deed No. 56 of notary Mala Mukti, S.H. dated October 15, 2014, the Company and Wodi Kaifa Ltd. entered into a sale and purchase agreement, whereas Wodi Kaifa Ltd. sold and transferred 8,550,000 shares or 95% ownership interest in PAM to the Company at a price of US$ 11,692,000 plus a maximum contingent purchase price component of US$ 6,292,309. The contingent purchase price component paid by the Company to Wodi Kaifa Ltd. until December 31, 2014 was US$ 1,188,462. In accordance with the sale and purchase agreement, the Company has also paid US$ 302,092 to Wodi Kaifa Ltd., which represented 95% of the Net Asset Value of PAM as of September 30, 2014.

Based on Deed No. 55 of notary Mala Mukti, S.H. dated October 15, 2014, the Company and PT Pusaka Agro Sejahtera (PAS) entered into a sale and purchase agreement, whereas PAS sold and transferred 450,000 shares or 5% ownership interest in PAM to the Company at a price of US$ 615,600. In accordance with the sale and purchase agreement, the Company has also paid US$ 15,900 to PAS, which represented 5% of the Net Asset Value of PAM as of September 30, 2014.

The acquisition cost (including the contingent purchase price component) represents the fair value of net asset acquired, which is a location permit for 40,000 hectares of land located in Maybrat, Papua. There is no goodwill arising from this transaction.

Cash flows arising from the acquisition of PAM is as follows:

	US$
Acquisition cost, before payment of contingent purchase price	12,625,591
Cash balance received from the acquisition	(6,393)
Payment for acquisition of subsidiary - net before payment of contingent purchase price	12,619,198
Payment of contingent purchase price as of December 31, 2014	1,188,462
Payment for acquisition of subsidiary - net	13,807,660

Based on Deed No. 110 of notary Desman, S.H., M.Hum. dated December 23, 2014, the Company approved the increase in authorized capital from Rp 20,000,000,000 to Rp 100,000,000,000 and the increase in issued and paid up capital from Rp 9,000,000,000 to Rp 25,391,100,000 (or equivalent to US$ 1,348,428). The Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-13622.40.20.2014 dated December 29, 2014.

PT Austindo Nusantara Jaya Agri (ANJA)

Based on Deed No. 40 of notary Desman, S.H., M.Hum. dated December 9, 2013, the shareholders of ANJA approved the increase in issued and paid up capital from 2,525,528,924 shares to 4,728,961,424 shares, all of which was subscribed and paid by the Company. The increase in paid up capital was accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.10-55716 dated December 23, 2013.

PT ANJ Agri Papua (ANJAP)

Based on Deed No. 38 of notary Desman, S.H., M.Hum. dated September 10, 2013, the shareholders of ANJAP approved the increase in issued and paid up capital from Rp 329,000,000,000 to Rp 385,578,000,000 by issuing 56,578 new shares, all of which was subscribed and paid by the Company. This Deed has been subsequently restated by Deed No. 70 of notary Desman, S.H., M.Hum. dated November 22, 2013 and was accepted by the Minister of Law and Human Rights in his decision letter No. AHU-AH.01.10-55049 dated December 18, 2013. The Company's direct ownership in ANJAP increased from 99.50% to 99.575%.

Based on Deed No. 107 of notary Desman, S.H., M.Hum. dated December 23, 2014, the shareholders of ANJAP approved the increase of authorized capital from Rp 400 billion to Rp 1 trillion and the increase of issued and paid up capital from Rp 385,578,000,000 to Rp 485,695,000,000 by issuing 100,117 new shares, all of which was subscribed and paid by the Company. As of December 31, 2014, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase was still in process. The Company has paid US$ 8,234,165 capital advance to ANJAP.

This deed has been subsequently restated by Deed No. 79 of notary Sofiany, S.E., S.H. dated January 30, 2015 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-0001590.AH.01.02.Tahun 2015 dated January 30, 2015. The Company's direct ownership in ANJAP increased from 99.575% to 99.868%.

PT Austindo Nusantara Jaya Boga (ANJB)

Based on Deed No. 98 of Notary Mala Mukti, S.H. dated April 25, 2013, the Company established ANJB, a company which will operate in, among others, general trading, processing of plantation or forestry crops, acting as an agent of other companies and providing services, with an authorized capital of Rp 20,000,000,000 consisting of 20,000,000 shares at par value of Rp 1,000 per share and issued capital of Rp 5,000,000,000 consisting of 5,000,000 shares. Of the above mentioned issued capital, 4,999,999 shares were subscribed by the Company and 1 share was subscribed by Yayasan Tahija. This deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-25809.AH.01.01. Tahun 2013 dated May 14, 2013.

PT Gading Mas Indonesian Tobacco (GMIT)

Based on Deed No. 5 of notary Desman, S.H., M.Hum. dated December 2, 2013, the shareholders of GMIT approved the sale and transfer of one share owned by Mr. Koh Bing Hock and 61 shares owned by the Company to Mr. Thomas Andrew Marshall at a selling price of Rp 310,000 per share. The transfer of shares was accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.10-55947 dated December 24, 2013. The Company’s direct ownership in GMIT decreased from 99.99% to 99.96%.

PT Prima Mitra Nusatama (PMN)

Based on Deed No. 5 of notary Mala Mukti, S.H. dated April 1, 2013, the shareholders of PMN approved the payment of the remaining net assets post liquidation of PMN to the shareholders. On April 23, 2013, PMN has transferred its remaining net assets post liquidation of equivalent to US$ 9,645,660 as dividend and capital repayment to the shareholders. Following the liquidation, the Company recognized realization of PMN’s cumulative translation adjustments of US$ 959,556 as loss from liquidation in 2013. On September 29, 2014, PMN distributed the remaining post liquidation net assets of US$ 75,009 to the shareholders, that was previously provided for expenses which might incur during the liquidation process.

PT Austindo Nusantara Jaya Agri Siais (ANJAS)

Based on Deed No. 8 of notary Mala Mukti, S.H. dated July 2, 2013, the shareholders of ANJAS approved the decrease in issued and paid up capital from 623,570 shares to 550,570 shares. The decrease in paid up capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-48628.AH.01.02.Tahun 2013 dated September 16, 2013.

PT Kayung Agro Lestari (KAL)

Based on Deed No. 122 of Mala Mukti, S.H. dated July 23, 2013, the shareholders of KAL approved the increase in issued and paid up capital from Rp 552,500,000,000 to Rp 601,190,000,000 by issuing 97,380 new shares, of which 97,331 shares were subscribed and paid by ANJA and 49 shares were subscribed and paid by SMM. This Deed has been subsequently restated by Deed No. 44 of notary Desman, S.H., M.Hum. dated November 14, 2013 and was accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.10-50162 dated November 22, 2013.

Based on Deed No. 86 of notary Mala Mukti, S.H. dated October 23, 2013, the shareholders of KAL approved the increase in issued and paid up capital from Rp 601,190,000,000 to Rp 658,365,000,000 by issuing 114,350 new shares, of which 114,293 shares were subscribed and paid by ANJA and 57 shares were subscribed and paid by SMM. This deed has been subsequently restated by Deed No. 10 of notary Mala Mukti, S.H. dated November 4, 2014 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-08188.40.21.2014 dated November 6, 2014.

PT Galempa Sejahtera Bersama (GSB)

Based on Deed No. 25 of notary Mala Mukti, S.H. dated May 4, 2012, the Company and ANJA entered into a deed of sale and purchase with Mr. Syamsi and Mr. Muksin, whereas Mr. Syamsi and Mr. Muksin agreed to sell and transfer their respective 100,000 and 20,000 shares of GSB. The sale and purchase agreement resulted in 114,000 shares or 95% ownership transferred to ANJA and 6,000 shares or 5% ownership transferred to the Company. From the maximum agreed purchase price of Rp 44,625,000,000, the Company and ANJA had made the first payment amounting to Rp 22,837,500,000 and had paid capital increase amounting to Rp 12,000,000,000 in 2012. The remaining balance of contingent liability of Rp 9,787,500,000 (equivalent to US$ 1,061,246) was paid to the previous shareholders after the approval of Environmental Impact Assessment (AMDAL) and Plantation Business License (IUP) was obtained on May 13, 2013.

Based on Deed No. 126 of notary Mala Mukti, S.H. dated September 26, 2013, the Company and ANJA, among others, approved the increase in authorized capital from Rp 12,000,000,000 to Rp 100,000,000,000 and the increase in issued and paid up capital from Rp 12,000,000,000 to Rp 26,598,000,000 by issuing 145,980 new shares, of which 95% was subscribed and paid by ANJA and 5% was subscribed and paid paid by the Company.

Based on Deed No. 3 of notary Mala Mukti, S.H. dated April 1, 2014, the shareholders of GSB approved the increase in issued and paid up capital from Rp 26,598,000,000 to Rp 50,000,000,000 by issuing 234,020 new shares, of which 95% was subscribed and paid by ANJA and 5% was subscribed and paid by the Company.

Deeds No. 126 and 3 have been subsequently restated by Deed No. 46 of notary Mala Mukti, S.H. dated December 15, 2014 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-12960.40.20.2014 dated on December 17, 2014.

PT Putera Manunggal Perkasa (PMP)

Based on Deed No. 16 of notary Mala Mukti, S.H. dated January 7, 2013, ANJA and Xinyou Plantation Pte. Ltd. (Xinyou) entered into a sale and purchase agreement, whereas Xinyou sold and transferred 8,100,000 shares or 90% ownership interest in PMP to ANJA at a price of US$ 6,632,145 plus a maximum contingent purchase price component of US$ 7,369,050. In accordance with the sale and purchase agreement, ANJA has also paid US$ 111,362 to Xinyou, which represented 90% of the Net Asset Value of PMP as of December 31, 2012.

Based on Deed No. 17 of notary Mala Mukti, S.H. dated January 7, 2013, the Company, ANJA and PT Pusaka Agro Sejahtera (PAS) entered into a sale and purchase agreement, whereas PAS sold and transferred to the Company and ANJA each of 450,000 shares or 5% ownership interest in PMP for a total consideration of US$ 736,905. In accordance with the sale and purchase agreement, the Company and ANJA have also paid US$ 6,187 each to PAS, which individually represented 5% of the Net Asset Value of PMP as of December 31, 2012.

The acquisition cost (including the contingent purchase price component) represents the fair value of net assets acquired, which is a location permit for 22,195 hectares of land located in South Sorong and Maybrat. There is no goodwill arising from this transaction.

Cash flows arising from the acquisition of PMP is as follows:

	US$
Acquisition cost, before payment of contingent purchase price	7,492,786
Cash balance received from the acquisition	(162,582)
Payment for acquisition of subsidiary - net before payment of contingent purchase price	7,330,204
Payment of contingent purchase price until December 31, 2013	2,749,622
Payment for acquisition of subsidiary - net until December 31, 2013	10,079,826
Payment of contingent purchase price as of December 31, 2014	4,122,288
Payment for acquisition of subsidiary - net	14,202,114

Based on Deed No. 12 of notary Mala Mukti, S.H. dated July 3, 2013, the shareholders of PMP approved the increase in authorized capital from Rp 20,000,000,000 to Rp 150,000,000,000 and the increase in issued and paid up capital from Rp 9,000,000,000 (9,000,000 shares) to Rp 38,195,980,000 (38,195,980 shares). Of the 29,195,980 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

Based on Deed No. 52 of notary Mala Mukti, S.H. dated November 13, 2013, the shareholders of PMP approved the increase in issued and paid up capital from Rp 38,195,980,000 (38,195,980 shares) to Rp 65,740,980,000 (65,740,980 shares). Of the 27,545,000 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

Deeds No.12 and 52 have been subsequently restated by Deed No. 4 of notary Mala Mukti, S.H. dated October 1, 2014, accepted and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-075258.40.21.2014 and No. AHU-09373.40.20.2014 dated October 10, 2014.

Based on Deed No. 109 of notary Desman, S.H., M.Hum. dated December 23, 2014, the shareholders of PMP approved the increase in issued and paid up capital from Rp 65,740,980,000 (65,470,980 shares) to Rp 105,520,980,000 (105,520,980 shares). Of the 39,780,000 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively. As of December 31, 2014, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase is still in process. The Company has paid US$ 162,686 capital advance to PMP.

This deed has been subsequently restated by Deed No. 27 of notary Sofiany, S.E., S.H. dated February 12, 2015 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.03-0009674 dated February 13, 2015.

PT Permata Putera Mandiri (PPM)

Based on Deed No. 14 of notary Mala Mukti, S.H. dated January 7, 2013, ANJA and Xinfeng Plantation Pte. Ltd. (Xinfeng) entered into a sale and purchase agreement, whereas Xinfeng sold and transferred 13,500,000 shares or 90% ownership interest in PPM to ANJA at a price of US$ 9,402,998 plus a maximum contingent purchase price component of US$ 2,089,555. Total actual contingent purchase price component paid was US$ 1,989,555. In accordance to the sale and purchase agreement, ANJA has also paid US$ 89,732 to Xinfeng, which represented 90% of Net Asset Value of PPM as of December 31, 2012.

Based on Deed No. 15 of notary Mala Mukti, S.H. dated January 7, 2013, the Company, ANJA and PT Pusaka Agro Sejahtera (PAS) entered into a sale and purchase agreement, whereas PAS sold and transferred to the Company and ANJA each of 750,000 shares or 5% ownership interest in PPM for a total consideration of US$ 1,044,777. In accordance with the sale and purchase agreement, the Company and ANJA have also paid US$ 4,985 each to PAS, which individually represented 5% of the Net Asset Value of PPM as of December 31, 2012.

The acquisition cost (including the contingent purchase price component) represents the fair value of net asset acquired, which is a location permit for 40,000 hectares of land located in South Sorong. There is no goodwill arising from this transaction.

Cash flows arising from the acquisition of PPM is as follows:

	US$
Acquisition cost, before payment of contingent purchase price	10,547,477
Cash balance received from the acquisition	(86,340)
Payment for acquisition of subsidiary - net before payment of contingent purchase price	10,461,137
Payment of contingent purchase price as of December 31, 2013	1,989,555
Payment for acquisition of subsidiary - net	12,450,692

There was no payment of contingent purchase price in 2014.

Based on Deed No. 11 of notary Mala Mukti, S.H. dated July 3, 2013, the shareholders of PPM approved the increase in authorized capital from Rp 40,000,000,000 to Rp 175,000,000,000 and the increase in issued and paid up capital from Rp 15,000,000,000 (15,000,000 shares) to Rp 44,195,980,000 (44,195,980 shares). Of the 29,195,980 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

Based on Deed No. 53 of notary Mala Mukti, S.H. dated November 13, 2013, the shareholders of PPM approved the increase in issued and paid up capital from Rp 44,195,980,000 (44,195,980 shares) to Rp 61,485,679,000 (61,485,679 shares). Of the 17,289,699 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

Deeds No. 11 and 53 have been subsequently restated by Deed No. 5 of notary Mala Mukti, S.H. dated October 1, 2014, accepted and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-07257.40.21.2014 and No. AHU-09372.40.20.2014 dated October 10, 2014.

Based on Deed No. 108 of notary Desman, S.H., M.Hum. dated December 23, 2014, the shareholders of PPM approved the increase in the issued and paid up capital from Rp 61,485,679,000 (61,485,679 shares) to Rp 111,455,679,000 (111,455,679 shares). Of the 49,970,000 new issued shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively. As of December 31, 2014, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase is still in process. The Company has paid US$ 204,359 capital advance to PPM.

This deed has been subsequently restated by Deed No. 7 of notary Sofiany, S.E., S.H. dated February 4, 2015 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.03-0008383 dated February 9, 2015.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Standards effective in the current period

In the current year, the Group adopted the following new ISAK issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on January 1, 2014.

- ISAK 27: Transfer of Assets from Customers

  ISAK 27 addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognize the asset at its fair value on the date of the transfer, with the credit being recognized as revenue in accordance with PSAK 23, Revenue.

  The application of ISAK 27 has no effect on the amounts reported in the current and prior year because the Group has not entered into any transactions of this nature.

- ISAK 28: Extinguishing Financial Liabilities with Equity Instruments

  ISAK 28 provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, ISAK 28 requires that equity instruments issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognized in profit or loss.

  The application of ISAK 28 has no effect on the amounts reported in the current and prior year because the Group has not entered into any transactions of this nature.

b. Standards and interpretation in issue, but not yet adopted

The following PSAK are effective for periods beginning on or after January 1, 2015, with early application not permitted:

- PSAK 1 (revised 2013), Presentation of Financial Statements

  The amendments to PSAK 1 introduce new terminology for the statement of comprehensive income. Under the amendments to PSAK 1, the statement of comprehensive income is renamed as a "statement of profit or loss and other comprehensive income". The amendments to PSAK 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to PSAK 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (2) items that may be reclassified subsequently to profit or loss when specific conditions are met.

- PSAK 4 (revised 2013), Separate Financial Statements

  PSAK 4 (revised 2009), "Consolidated and Separate Financial Statements" has been renamed PSAK 4 (revised 2013), "Separate Financial Statements" which continues to be a standard dealing solely with separate financial statements. The existing guidance for separate financial statements remains unchanged.

- PSAK 15 (revised 2013), Investment in Associates and Joint Ventures

  PSAK 15 (revised 2009), "Investments in Associates" has been renamed PSAK 15 (revised 2013), "Investments in Associates and Joint Ventures". The scope of the revised standard was expanded to cover entities that are investors with joint control of, or significant influence over, an investee.

- PSAK 24 (revised 2013), Employee Benefits

  The amendments to PSAK 24 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

- PSAK 46, Income Taxes

  The amendments to PSAK 46: (1) remove references to final tax which was previously scoped in the standard; and (2) establish a rebuttable presumption that the carrying amount of an investment property measured using the fair value model in PSAK 13, Investment Property will be recovered entirely through sale.

  Under the amendments, unless the presumption is rebutted, the measurement of the deferred tax liability or deferred tax asset is required to reflect the tax consequences of recovering the carrying amount of the investment property through sale. The "sale" presumption is rebutted if the investment property is depreciable and the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

- PSAK 48, Impairment of Assets

  PSAK 48 has been amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 50, Financial Instruments: Presentation

  The amendments to PSAK 50 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legal enforceable right of set-off" and "simultaneous realization and settlement." The amendments also clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with PSAK 46.

- PSAK 55, Financial Instruments: Recognition and Measurement

  The amendments to PSAK 55 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. Further, the amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the "fair value through profit or loss" category – see discussion in ISAK 26.

  This standard is also amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 60, Financial Instruments: Disclosures

  The amendments to PSAK 60 increase the disclosure requirements for transactions involving transfers for financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. Further, entities are required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforeceable master netting agreement or similar arrangement.

- PSAK 65, Consolidated Financial Statements

  PSAK 65 replaces the part of PSAK 4 (Revised 2009), Consolidated and Separate Financial Statements, that deals with consolidated financial statements, and ISAK 7, Consolidation – Special Purpose Entities.

  Under PSAK 65, there is only one basis for consolidation for all entities, and that basis is control. A more robust definition of control has been developed that includes three elements: (a) power over an investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) ability to use its power over the investee to affect the amount of the investor's returns. PSAK 65 also adds application guidance to assist in assessing whether an investor controls an investee in complex scenarios.

  PSAK 65 requires investors to reassess whether or not they have control over the investees on transition, and requires retrospective application.

- PSAK 66, Joint Arrangements

  PSAK 66 replaces PSAK 12, Interest in Joint Ventures. PSAK 66 deals with how a joint arrangement should be classified where two or more parties have joint control. Under PSAK 66, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under PSAK 12, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

  The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Joint ventures under PSAK 66 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under PSAK 12 can be accounted for using the equity method of accounting or proportionate consolidation.

  The transition provisions of PSAK 66 require entities to apply the standard at the beginning of the earliest period presented upon adoption.

- PSAK 67, Disclosures of Interests in Other Entities

  PSAK 67 is applicable to entities that have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities. The standard establishes disclosure objectives and specifies minimum disclosures that entities must provide to meet those objectives. The objective of PSAK 67 is that an entity should disclose information that helps users of financial statements evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial statements.

- PSAK 68, Fair Value Measurements

  PSAK 68 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard does not change the requirements regarding which items should be measured or disclosed at fair value.

PSAK 68 defines fair value, establishes a framework for measuring fair value, and requires disclosure about fair value measurements. The scope of PSAK 68 is broad; it applies to both financial instrument items and non-financial instrument items for which other PSAK require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in PSAK 68 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under PSAK 60, Financial Instruments: Disclosures will be extended by PSAK 68 to cover all assets and liabilities within its scope.

PSAK 68 is applied prospectively; the disclosure requirements need not be applied in comparative information provided for periods before initial application of the standard.

- ISAK 26, Reassessment of Embedded Derivatives

The amendments to ISAK 26 clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the “fair value through profit or loss” category.

The management anticipates that these standards will be adopted in the Group’s consolidated financial statements for the annual period beginning January 1, 2015. The application of these standards may have significant impact on amounts reported in the consolidated financial statements.

The application of PSAK 1 will impact the presentation of the Other Comprehensive Income items of the Group’s consolidated financial statements. The application of PSAK 65 may result in the Group no longer consolidating some of its investees, and consolidating investee that were not previously consolidated. In addition, the application of PSAK 66 may result in changes in the accounting of the Group’s jointly controlled entity that is currently accounted for using proportionate consolidation.

However, the management have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards. Such consolidated financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Basic of Preparation

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting. The presentation currency used in the preparation of the consolidated financial statements is the United States Dollar (US$), while the measurement basis is the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

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 special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

When necessary, adjustments were made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately and presented within equity. The interest of non-controlling shareholders maybe initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the fair value of the acquiree's identifiable net asset. The choice of measurement is made on acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus non-controlling interests' share of subsequent changes in equity. 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 deficit balance.

Changes in the Group's interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group'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 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 interest. When assets of the subsidiary are carried at revalued amount or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by 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 55 (revised 2011), Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

The Company has presented the outstanding balance relating to the effect of prior year capital transaction of subsidiaries with third parties as a separate item in equity.

d. Business Combinations

Acquisition of business 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.

Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

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 after reporting dates and its subsequent settlement is accounted for as equity. Contingent consideration that is classified as an asset or liability is remeasured after reporting dates in accordance with relevant accounting standards, as appropriate, with the corresponding gain or loss being recognized in profit or loss or in other comprehensive income.

When a business combination is done in stages, the Group's previously held equity interest in the acquiree is remeasured to the 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 was previously recognized in other comprehensive income are reclassified to profit or loss, a treatment that 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. Foreign Currency Transactions and Translation

The individual books of accounts of the Company and subsidiaries: ANJA, SMM, ANJAS, DGI, ATI and SM are maintained in United States Dollar as the functional currency.

Books of accounts of KAL, GSB, PPM, PMP, PAM, GMIT, PMN, ANJAP, LSP, ANJB and AANE (subsidiaries) are maintained in Rupiah as the functional currency.

Transactions during the year involving currencies other than the functional currencies are recorded at the exchange rates prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in currencies other than functional currencies are adjusted to reflect the exchange rate prevailing at that date. The resulting foreign exchange gains or losses are credited or charged to profit or loss. Non monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

For consolidated financial statements presentation purposes, assets and liabilities of subsidiaries which their books of accounts are maintained in currencies other than United States Dollar are translated to United States Dollar using the exchange rates at the end of reporting period, their equity accounts are translated using the historical rates, while their revenues and expenses are translated at the rates of exchange prevailing at the time the transactions are made. The resulting translation adjustments are presented as part of other comprehensive income.

f. 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, subsidiary and fellow subsidiary 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).

All 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.

g. Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All financial assets are recognized and derecognized on trade date if the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the time frame established by regulation or convention in the market.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments other than those financial assets classified as at fair value through profit or loss.

<u>Financial Assets at Fair Value Through Profit or Loss (FVTPL)</u>

Financial assets are classified as at FVTPL when the financial asset is either held for trading or designated as at FVTPL.

A financial asset is classified as held for trading, if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition, if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and which performance is evaluated based on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis to the key management personnel.

Financial assets at FVTPL are stated at fair value, with any gain or loss on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned, on the financial asset, and is included in dividend income and interest income in the consolidated statements of comprehensive income.

Available-for-sale (AFS)

Listed shares and bonds held by the Group that are traded in an active market are classified as AFS and are stated at fair value.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in equity as AFS investment revaluation, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. When the investment is disposed or is determined to be impaired, the cumulative gain or loss previously accumulated in unrealized gain on AFS investment is reclassified to profit or loss.

Investments in unlisted equity instruments that are not quoted in active market and whose fair value cannot be reliably measured are also classified as AFS, measured at cost less impairment.

Dividends from AFS equity instruments, if any, are recognized in profit or loss when the Group's right to receive the dividends are established.

Loans and receivable

Cash and cash equivalents, trade accounts receivable and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivable" and measured at amortized cost using the effective interest method less impairment.

Interest income is recognized by applying the effective interest rate method, except for short-term receivable when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is an objective evidence that, (i) there is decline in value of the assets as a result of one or more events that occurred after the initial recognition of the asset, (ii) the estimated future cash flows of the investment have been affected and (iii) the impairment value can be measured reliably.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, an objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization.

Financial assets, that are assessed as not impaired individually, will be also assessed for impairment on a collective basis. The objective evidence of impairment for a portfolio of receivable could include the Group past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivable.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

With respect to AFS equity investments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the assets's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced directly by the impairment loss for all financial assets, except for receivables, which the carrying amount is reduced by impairment loss through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payable, bank loans and other borrowings are subsequently measured at amortized cost, using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative instruments

The Group uses derivative financial instruments to manage their exposures to interest rate and foreign exchange rate fluctuations. Further details on the use of derivatives are disclosed in Note 46.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately as these derivatives are not designated and do not qualify as hedge accounting although they were entered into as economic hedge of exposures against interest rate fluctuation risk and foreign exchange rate risks.

Netting of Financial Assets and Financial Liabilities

The Group only offsets financial assets and liabilities and present the net amount in the statements of financial position when they:

- currently have a legal enforceable right to set-off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h. Cash and Cash Equivalents

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.

i. Time Deposits

Time deposit 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.

Interest income on time deposit is recognized when earned, based on outstanding principal and prevailing interest rate.

j. Receivable from Service Concession Arrangement

Receivable due from concession project represents service provided in connection with 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.

k. 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 all costs incurred in estates (such as upkeeping, cultivating and harvesting cost), an allocation of indirect cost using hectares as a basis of allocation, and processing cost. 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.

l. Investment in Associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results of operation, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58 (revised 2009), Non-current Assets Held for Sale and Discontinued Operations. Investments in associates are carried in the consolidated statements of financial position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of the individual investments. Losses of the associates in excess of the Group's interest in those associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition, is recognized as goodwill. Goodwill is included within the carrying amount of the investment and assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition after reassessment, are recognized immediately in profit or loss.

The requirements of PSAK 55 (revised 2011), Financial Instruments: Recognition and Measurement are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PSAK 48 (Revised 2009), Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized is not allocated to individual asset which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 of the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with PSAK 55. The difference between the previous carrying amount of the associate attributable to the retained interest and the fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When the Group transacts with an associate, profits and losses from the transactions are eliminated to the extent of their interest in the relevant associate.

m. Other Investments

Investment in shares with ownership interest of less than 20% is stated at fair value net of impairment (Note 3g). If the stock has no quotation in an active market or if its fair value can not be measured reliably, then the investment is measured at cost.

n. Interests in Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e., when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

When a group entity undertakes its activities under a joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associate with the transaction will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities is combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

o. Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administration purposes are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized as a write-off against the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings, roads and bridges	4 - 20
Leasehold improvement	3
Machinery and equipment	4 - 8
Computer and communication equipment	4
Office equipment, furniture and fixtures	4 - 8
Motor vehicles	4 - 8

Assets held under finance leases are depreciated over their expected economic useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

The estimated useful lives, residual values and depreciation method are reviewed at each year end. The effect of any changes in estimate is accounted for on a prospective basis.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently related to addition, replacement or service of property, plant and equipment are recognized as asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in progress is stated at cost, which include borrowing costs during construction on debts incurred to finance the construction. Accumulated cost will be transferred to the respective property, plant and equipment account when the construction is completed and the asset is ready for use.

Land

Land is presented at cost and is not depreciated.

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

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

p. Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the fair value amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest (if any) in the entity over the net amount of the identifiable assets acquired and the liabilities assumed at the acquisition-date.

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

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 a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Company's policy regarding goodwill arising from acquisition of associates is explained in Note 3l.

q. Palm Plantations

Palm plantation are classified as immature and mature plantations.

Immature plantations are stated at cost which represents accumulated costs incurred on 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.

Palm plantations are considered mature when more than 70% of the area is ready for harvest and the average bunch weight exceeds 3.5 kg, which is normally achieved within three to four years after planting. At the time palm plantations are considered matured, immature plantations are reclassified to mature plantations account and depreciated from the date of transfer.

Mature plantations are stated at cost as of the date of transfer, less accumulated depreciation. Mature plantations are depreciated using the straight line method based on the estimated productive lives of the mature plantations which is 20 years.

r. Intangible asset - Landrights

Deferred charges for landrights consisting of cost of renewal or extension of the landrights is amortized using the straight-line method over the legal term of the renewal or extension or over the economic life of the asset, whichever is shorter.

s. Impairment of of Non-Financial Assets except Goodwill

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.

Accounting policy for impairment of financial assets is discussed in Note 3g; while impairment for goodwill is discussed in Note 3p.

t. Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfers all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a lessee

Finance Lease

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statements of financial position as lease liabilities.

Lease payments are apportioned between financing charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Financing charges are charged in the periods in which they are incurred.

Operating Lease

Operating lease payments are recognized as an expense on straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as expense in the period in which they are incurred.

Sale and Leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.

- If the sale and leaseback transaction results in an operating lease, and the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately, except if the loss is compensated by future lease payments that are lower than market price. In this case, the loss is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value is recognized immediately.

For finance leases, no adjustment is necessary unless there has been impairment in value, in which case the carrying amount is reduced to the recoverable amount.

u. Provision

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 DGI's concession arrangement, as part of its obligations under the Joint Operation Contract (JOC), the consortium will assume responsibility for the major maintenance and inspections or overhauls of the Field Facilities and Electricity Generation Facilities they manage. In addition, the consortium is also responsible for managing the heat resource through make up well drilling and injection wells to ensure sufficient steam is available to meet power plant needs. Make up well programs have generally been conducted at approximately four years intervals including drilling of injection wells as needed.

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 for every 64,000 hours (approximately 8 years) of its operation.

Since DGI's consortium and 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.

v. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, 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.

w. Revenue and Expense Recognition

Revenue is measured at fair value of the consideration received or receivable.

Sales of Goods

Revenue from sales of goods is recognized when all of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Service Concession Arrangement

Construction services related to service concession arrangement are recognized as revenue in accordance with PSAK 34, Construction Contracts using the percentage of completion method. If the results of construction contracts cannot be reliably estimated, revenue is calculated using the zero profit method at the amount of the costs incurred and probable recoverable.

Under the service concession arrangement, DGI and AANE received only one consideration for their services. Management is of the opinion that the consideration should be split into two different activities i.e. (1) financing activities and (2) operating and maintenance activities. DGI and AANE employed the residual value method in allocating revenue between financing and operating and maintenance activities. DGI and AANE adopted an implicit interest rate to account for its financing revenue. The implicit interest rate is the discount rate that drives the aggregate present value of minimum guaranteed payment to be equal to the carrying value of the financial assets from service concession at the initial application date. DGI and AANE have used an implicit interest rate of 15% and 6.7%, respectively.

Dividend Income

Dividend income from other 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.

Expenses

Expenses are recognized when incurred.

x. Post Employment Benefits

The Group provides post-employment benefits to their employees in accordance with Labor Law No. 13/2003. Except for the Company and DGI, no funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are directly recognized in full in other comprehensive income. Accumulated actuarial gains and losses are recorded in retained earnings. Past service cost is recognized immediately to the extent that the benefits are already vested. Otherwise, it is amortized on a straight-line basis over the average period until the benefits become vested.

The post-employment benefit obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation, as for adjusted unrecognized past service cost and as reduced by the fair value of plan assets.

y. Share-based Payments

The Company provides Management Stock Option Plans (MSOP) for the Group's eligible management. The MSOP will be settled through issuance of shares of the Company (equity-settled share-based payment arrangement).

The cost of equity-settled share-based payment transactions is measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share based payments is recorded as expense by the Group on a straight line basis over the vesting period, based on the Company's estimation of equity instruments value that will eventually vest. The same amount corresponds to increase in equity. At the end of each reporting period, the Company revises its estimated number of equity instruments expected to vest. The impact of the revision against the original estimates, if any, is recognized in profit or loss, so that the cumulative expense will reflect the revised estimation, and its corresponding adjustment to the Company's equity.

z. Income Tax

Income tax consists of current tax and deferred tax expense.

Current tax expense is determined based on the taxable income for the period computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in consolidated financial statements with their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in the future period against which the deductible temporary differences can be utilized.

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 is realized, based on tax rates (and tax laws) 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 its assets and liabilities.

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 asset to be recovered.

Deferred tax assets and liabilities are offset when (1) there is legally enforceable right to set off current tax assets against current tax liabilities, (2) when they relate to income taxes levied by the same taxation authority and (3) the Group intends to settle its current tax assets and current tax liabilities on a net basis.

Current and deferred tax are recognized as an expense or benefit in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity respectively. In the case of business combination, the tax effect is included in the accounting for business combination.

aa. Earnings per Share

Basic earnings per share is calculated by dividing net income attributable to the owner 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.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

bb. 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 accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are made based on historical experience and other relevant factors. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the 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

The key assumptions concerning future and other key sources of estimation related to uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Impairment Loss on Loans and Receivable

The Group assesses its loans and receivable for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, management makes judgement as to whether there is objective evidence that loss event has occurred (see Note 3g on impairment of financial assets). Management also makes judgement as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivable are disclosed in Notes 8 and 9.

ii) Estimated Useful Lives of Palm Oil Plantation 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 palm plantations and property, plant and equipment are disclosed in Notes 14 and 15.

iii) 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 the present value.

The carrying amount of goodwill is disclosed in Note 18.

iv) 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 10.

v) 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 42.

vi) Employment Benefits

The determination of employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, the discount rate and the rate of salary increase. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's post-employment benefit obligations.

The carrying amount of post-employment benefits obligation is disclosed in Note 28.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

vii) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is calculated based on the available data from binding sales transactions done at an arm's length term of similar assets or observable market price less incremental costs for disposing the asset. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the specific risks to the asset.

The carrying value of non-financial assets after impairment is disclosed in Notes 14 and 15.

5. CASH AND CASH EQUIVALENTS

	31/12/2014	31/12/2013
	US$	US$
Cash	94,546	39,669
Bank - third parties		
Rupiah		
PT Bank Mandiri (Persero) Tbk	6,221,058	3,722,637
PT Bank Syariah Mandiri	300,795	-
PT Bank CIMB Niaga Tbk	138,464	89,428
Citibank N.A.	49,083	9,194
PT Bank Central Asia Tbk	27,574	8,599
PT ANZ Panin Bank	9,138	12,136
PT Bank Internasional Indonesia Tbk	6,197	64,872
PT Bank Rabobank International Indonesia	2,414	1,903
PT Bank Negara Indonesia (Persero) Tbk	2,036	281,681
PT Bank Permata Tbk	2,013	2,409
PT Bank OCBC NISP Tbk	1,801	3,227
The Hongkong and Shanghai Banking Corporation Ltd.	1,541	8,006
PT Bank Bukopin	-	24
U.S. Dollar		
J.P. Morgan International Bank Ltd.	3,747,934	2,267,279
PT Bank Mandiri (Persero) Tbk	3,035,745	3,958,781
PT Bank CIMB Niaga Tbk	1,806,703	437,316
PT Bank Rabobank International Indonesia	1,549,439	1,198,817
Citibank N.A.	266,124	14,478
PT Bank OCBC NISP Tbk	116,681	9,986
PT Bank Permata Tbk	70,245	1,052
The Hongkong and Shanghai Banking Corporation Ltd.	49,637	52,533
Bank OCBC Singapore	43,147	43,171
Credit Suisse Singapore	29,553	29,593
PT Bank International Indonesia Tbk	7,097	7,164
PT Bank Central Asia Tbk	5,881	3,925
PT ANZ Panin Bank	4,483	5,305
Royal Bank of Canada (Asia) Ltd.	4,110	-
PT Bank Negara Indonesia (Persero) Tbk	545	575
Barclays Bank Plc	-	603,242
PT Bank Danamon Indonesia Tbk	-	57,231
Euro		
PT Bank Mandiri (Persero) Tbk	4,169	229,237
PT Bank Permata Tbk	2,056	6,201
PT Bank Central Asia Tbk	1,702	2,334
PT Bank International Indonesia Tbk	1,617	1,937
Australian Dollar		
J.P. Morgan International Bank Ltd.	-	2,318

	31/12/2014	31/12/2013
	US$	US$
Time deposits - third parties		
Rupiah		
PT Bank UOB Buana Tbk	263,574	373,017
PT Bank Permata Tbk	98,757	93,182
PT Bank Mandiri (Persero) Tbk	72,348	20,510
PT Bank Danamon Indonesia Tbk	-	164,838
PT Bank CIMB Niaga Tbk	-	38,559
PT Bank OCBC NISP Tbk	-	8,394
U.S. Dollar		
PT Bank Rabobank International Indonesia	7,032,393	5,502,140
PT Bank Permata Tbk	4,005,759	3,255,129
PT Bank UOB Buana Tbk	799,948	12,508,168
PT Bank Mandiri (Persero) Tbk	258,000	1,258,350
PT ANZ Panin Bank	-	4,005,720
Royal Bank of Canada (Asia) Ltd.	-	1,033,875
Total	30,134,307	41,438,142
Interest rate per annum of time deposits		
Rupiah	4.25% - 10.50%	3.75% - 9.25%
U.S. Dollar	0.50% - 3.5%	0.05% - 3.50%

Cash and cash equivalents are classified as loans and receivable. The fair value of cash and cash equivalents are their carrying value.

6. RESTRICTED TIME DEPOSITS

	31/12/2014	31/12/2013
	US$	US$
Rupiah		
PT Bank Mandiri (Persero) Tbk	55,466	73,837
U.S. Dollar		
PT Bank Mandiri (Persero) Tbk	181,000	258,000
Total	236,466	331,837
Interest rate per annum of time deposits		
Rupiah	4.25%	4.25%
U.S. Dollar	0.50%	0.50%

In 2013, time deposit placed with PT Bank Mandiri (Persero) Tbk represented PMP's time deposit used as collateral for the issuance of bank guarantee for the period from September 11, 2013 to September 11, 2014 in relation with Timber Use License ("Ijin Pemanfaatan Kayu" / IPK) issued by Provincial and District Forestry Services of West Papua amounting to Rp 900,000 thousand and US$ 258,000. As of December 31, 2014, this time deposit is no longer used as collateral for issuance of bank guarantee and have been classified as cash and cash equivalents.

In 2014, the placement of time deposit with PT Bank Mandiri (Persero) Tbk represented PPM's time deposit used as collateral for the issuance of bank guarantee for the period from January 24, 2014 to January 24, 2015 in relation with Timber Use License ("Ijin Pemanfaatan Kayu" / IPK) issued by Provincial and District Forestry Services of West Papua amounting to Rp 690,000 thousand and US$ 181,000.

Time deposits are classified as loans and receivable. The fair value of time deposit is its carrying value.

All time deposits are placed with third party banks.

7. INVESTMENT IN TRADING SECURITIES - AT FAIR VALUE

Investment in trading securities is classified as FVTPL. The fair value of the money market fund and bonds is based on market value at the end of reporting period.

	31/12/2014		
	Amortized acquisition cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	290,227	-	290,227
Bonds	65,000	(65,000)	-
Total	355,227	(65,000)	290,227

	31/12/2013		
	Amortized acquisition cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	281,844	-	281,844
Bonds	2,065,164	(63,704)	2,001,460
Total	2,347,008	(63,704)	2,283,304

All investments in trading securities are placed with third parties.

8. TRADE ACCOUNTS RECEIVABLE

	31/12/2014	31/12/2013
	US$	US$
Third parties		
Electricity power	1,186,418	591,403
Tobacco	308,459	149,654
Sago cookies	4,604	-
Total	1,499,481	741,057

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

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

	31/12/2014	31/12/2013
	US$	US$
U.S. Dollar	1,149,563	741,057
Euro	178,289	-
Rupiah	171,629	-
Total	1,499,481	741,057

Trade accounts receivable is classified as loans and receivable and measured at amortized cost using the effective interest method. The fair value of trade accounts receivable is its carrying value.

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

	31/12/2014	31/12/2013
	US$	US$
< 30 days	1,449,599	591,403
31 - 60 days	49,882	149,654
Total	1,499,481	741,057

Management believes that all accounts receivable are collectible. As of December 31, 2014, credit risk concentration in trade accounts receivable is primarily from Pertamina Geothermal and Perusahaan Listrik Negara (see Notes 48d and 48e). Receivable from these customers contributes 79% (2013: 80%) of total trade accounts receivable and are presented as trade accounts receivable from electricity power.

9. OTHER RECEIVABLE

As of December 31, 2014 and 2013, this account mainly consisted of employees' receivable. Employees' receivable is non-interest bearing and paid through deduction of monthly salary.

In connection with the initial public offering, the Group provided a fixed allotment of up to 1.0% of the shares offered to public for the Employee Stock Allocation (ESA) program for the Group's eligible employees. The number of shares issued for the ESA program was 3,295,500 shares. Under the ESA program, the Company sold the shares with a discount of 20%. The Group provided non-interest bearing loans to finance the purchase of the shares, which will be repaid in four annual installments. The ESA program shares are subject to a lock up period of at least 12 months commencing from the listing date or until such time when the loan is fully repaid. If an ESA program participant resigns before the loan is fully repaid then upon such resignation, the shares can be sold or transferred and the employee will be required to fully repay the loan.

As of December 31, 2014 and 2013, this account also included the current portion of the Employee Stock Allocation (ESA) receivable amounting to US$ 63 thousand and US$ 65 thousand, respectively. The ESA receivable which falls due after one year amounted to US$ 126 thousand as of December 31, 2014 and US$ 195 thousand as of December 31, 2013 and are presented as part of other assets (Note 20).

The management believes that the allowance for impairment losses as of December 31, 2014 and 2013 of US$ 45,082 and US$ 53,613, respectively is adequate to cover any possible losses from uncollectible receivables.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

10. INVENTORIES - NET

	31/12/2014	31/12/2013
	US$	US$
Tobacco	7,615,599	6,553,478
Palm oil	2,404,597	1,940,481
Sago cookies	3,320	-
Supplementary materials, spareparts, and others	2,798,883	2,041,196
Total	12,822,399	10,535,155
Allowance for decline in value of inventories	(103,439)	(120,878)
Net	12,718,960	10,414,277

	31/12/2014	31/12/2013
	US$	US$
Changes in the allowance for decline in value of inventories:		
Beginning balance	120,878	134,994
Addition	29,006	26,080
Reversal	(46,445)	(40,196)
Ending balance	103,439	120,878

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

As of December 31, 2014 and 2013, GMIT's tobacco inventories amounting to Rp 15 billion were used as collateral for the bank loan obtained from PT Bank Central Asia Tbk (Note 21).

Palm oil inventories were insured against losses from fire and other risk under a blanket policy amounting to US$ 14.4 million and Rp 6 billion in 2014 and US$ 14.5 million and Rp 10.5 billion in 2013. Tobacco inventories were insured against fire, theft, earthquake, flood and other risks. The insurance coverage for tobacco inventories in 2014 and 2013 amounted to Rp 70.4 billion and Rp 76.0 billion, respectively. Management believes that the insurance coverage is adequate to cover possible losses of the Group.

11. PREPAYMENTS AND ADVANCES

	31/12/2014	31/12/2013
	US$	US$
Prepaid expenses		
Insurance	243,732	199,394
Rent	402,805	363,078
Other	322,809	169,186
Value added taxes	9,982,675	6,811,444
Overpayment of corporate income tax	7,484,491	7,580,620
Advances	349,466	207,072
Total	18,785,978	15,330,794

In 2013, ANJA, SMM and DGI incurred an overpayment in corporate income tax (current tax) balance. ANJA and SMM have asked for restitution in 2014 but the outcome has not been obtained to date.

DGI has compensated tax overpayment period 2013 in 2014.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

12. INVESTMENT IN ASSOCIATES

	31/12/2014		
	Acquisition cost	Accumulated equity in net income less dividends received	Carrying amount
	US$	US$	US$
PT Pangkatan Indonesia	2,959,700	8,358,541	11,318,241
PT Bilah Plantindo	533,775	5,454,978	5,988,753
PT Simpang Kiri Plantation Indonesia	496,988	4,025,799	4,522,787
PT Evans Lestari	488,998	(83,689)	405,309
Total	4,479,461	17,755,629	22,235,090

	31/12/2013		
	Acquisition cost	Accumulated equity in net income less dividends received	Carrying amount
	US$	US$	US$
PT Pangkatan Indonesia	2,959,700	6,586,952	9,546,652
PT Bilah Plantindo	533,775	4,531,286	5,065,061
PT Simpang Kiri Plantation Indonesia	496,988	3,333,083	3,830,071
Total	3,990,463	14,451,321	18,441,784

PT Evans Lestari

Based on Deed No. 7 of Notary Novita Puspitarini, S.H. dated November 25, 2013, the Company subscribed and paid for 12,000 shares for 20% ownership interest in PT Evans Lestari at a price of Rp 6,000,000,000 (equivalent to US$ 488,998). Approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase was obtained on January 2, 2014.

Details of the Group’s associates, percentage of ownership interest and their principal activities are as follows:

	Ownership interest		
Associate companies	31/12/2014	31/12/2013	Main activities
	%	%	
PT Bilah Plantindo	20.00	20.00	Agribusiness
PT Simpang Kiri Plantation Indonesia	20.00	20.00	Agribusiness
PT Pangkatan Indonesia	20.00	20.00	Agribusiness
PT Evans Lestari	20.00	20.00	Agribusiness

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The summary of associates' financial information is set out below:

	31/12/2014				
	Total assets	Total liabilities	Net assets	Total revenue for the year	Net income for the year
	US$	US$	US$	US$	US$
PT Pangkatan Indonesia	61,381,862	3,638,887	57,742,975	35,127,650	9,188,895
PT Bilah Plantindo	31,621,646	1,641,573	29,980,073	9,739,610	4,740,890
PT Simpang Kiri Plantation Indonesia	24,072,133	1,401,492	22,670,641	7,419,806	3,437,970
PT Evans Lestari	10,826,482	8,671,787	2,154,695	-	(418,445)
Total	127,902,123	15,353,739	112,548,384	52,287,066	16,949,310

	31/12/2013				
	Total assets	Total liabilities	Net assets	Total revenue for the year	Net income for the year
	US$	US$	US$	US$	US$
PT Pangkatan Indonesia	51,762,056	4,047,233	47,714,823	29,297,256	6,820,090
PT Bilah Plantindo	27,223,031	1,799,930	25,423,101	9,502,679	3,228,590
PT Simpang Kiri Plantation Indonesia	21,119,798	1,722,273	19,397,525	8,148,083	2,516,745
Total	100,104,885	7,569,436	92,535,449	46,948,018	12,565,425

13. OTHER INVESTMENTS

This account represents the Group's long-term investments in shares of other investees with ownership interest of less than 20%.

	31/12/2014		
	Acquisition cost	Fair value adjustment and allowance	Fair value or acquisition cost
	US$	US$	US$
PT Agro Muko	7,108,324	4,937,269	12,045,593
PT Puncakjaya Power	10,271,880	-	10,271,880
PT Prima Mitrajaya Mandiri	692,437	-	692,437
PT Moon Lion Industries Indonesia	1,026,225	(600,000)	426,225
PT Chevron Geothermal Suoh Sekincau	300,000	-	300,000
PT Teguh Jayaprima Abadi	234,038	-	234,038
PT Sembada Sennah Maju	222,411	-	222,411
ARC Exploration Ltd. (ARC)	2,911,153	(2,885,039)	26,114
PT Chevron Geothermal Sekincau Selatan	12,500	-	12,500
Others	41,964	(41,964)	-
Net	22,820,932	1,410,266	24,231,198

	31/12/2013		
	Acquisition cost	Fair value adjustment and allowance	Fair value or acquisition cost
	US$	US$	US$
PT Puncakjaya Power	10,271,880	-	10,271,880
PT Agro Muko	7,108,324	2,113,747	9,222,071
PT Moon Lion Industries Indonesia	1,026,225	(600,000)	426,225
PT Sembada Sennah Maju	222,411	-	222,411
Paramount Life & General Holdings Corporation, Philippines	220,388	-	220,388
PT Chevron Geothermal Suoh Sekincau	150,000	-	150,000
ARC Exploration Ltd. (ARC)	2,911,153	(2,854,419)	56,734
Lain-lain	41,964	(41,964)	-
Net	21,952,345	(1,382,636)	20,569,709

Other investments are classified as available-for-sale investments. Except for PT Agro Muko and ARC Exploration Ltd., the Group adopts the acquisition cost approach in measuring its other investments, since they are non-listed shares and there is no readily available measure of fair value of the shares.

PT Agro Muko

For the year ended December 31, 2014 and 2013, the increase (decrease) in the fair value of PT Agro Muko of US$ 2,823,522 and (US$ 800,440), respectively was recognized by the Group in other comprehensive income.

PT Prima Mitrajaya Mandiri

Based on Deed No. 6 of notary Novita Puspitarini, S.H. dated July 8, 2014, the Company subscribed and paid for 4,500 share at a price of US$ 692,437 for 5% ownership interest in PT Prima Mitrajaya Mandiri, a company operating in palm-oil plantation, with 95% of its shares owned by MP Evans Group. The approval from the Minister of Law and Human Rights of the Republic of Indonesia related to this investment was obtained on July 10, 2014.

PT Chevron Geothermal Suoh Sekincau

Based on Deed No. 39 of notary Buchari Hanafi, S.H. dated November 21, 2013, the Company subscribed and paid for additional 1,500 new C-series shares at a price of US$ 150,000 in PT Chevron Geothermal Suoh Sekincau. Approval from Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase was obtained on January 7, 2014.

PT Teguh Jayaprima Abadi

Based on Deed No. 1 of notary Novita Puspitarini, S.H. dated November 3, 2014, the Company subscribed and paid for 3,200 shares at a price of US$ 234,038 for 5% ownership in PT Teguh Jayaprima Abadi, a company operating in palm-oil plantation, with 95% of its shares owned by MP Evans Group. The approval of the Minister of Law and Human Rights of the Republic of Indonesia in relation to this investment was obtained on November 7, 2014.

ARC Exploration Ltd. (ARC)

For the years ended December 31, 2014 and 2013, based on the quoted market price of ARC shares, the increase (decrease) in the fair value of ARC amounting to (US$ 30,620) and US$ 2,898, respectively, was recognized by the Group in other comprehensive income.

PT Chevron Geothermal Sekincau Selatan

Based on Deed No. 14 of notary Buchari Hanafi, S.H. dated May 8, 2014, the Company subscribed 125 shares for 5% ownership in PT Chevron Geothermal Sekincau Selatan at a price of Rp 143,687,500 (equivalent to US$ 12,500). Approval from Minister of Law and Human Rights of the Republic of Indonesia was obtained on May 9, 2014.

Paramount Life & General Holdings Corporations Philippines

Based on Sale and Purchase Agreement dated December 8, 2014, the Company, as the owner of 327,593 shares in Paramount Life & General Holdings Corporation with par value PhP 100 per share, agreed to sell all of its shares to Feldeen Holdings Corporation at a selling price of PhP 33,328,160 (or equivalent to US$ 747,603). The difference between the acquisition cost and the selling price amounting to US$ 527,215 which is recorded as gain on sale of other investment (Note 38).

14. PALM PLANTATION

	01/01/2014	Additions	Deductions	Relcassification	Translation adjustments	31/12/2014
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	184,867,462	-	-	11,080,412	-	195,947,874
Accumulated depreciation	(82,435,097)	(8,349,537)	-	-	13,089	(90,771,545)
Net book value	102,432,365	(8,349,537)	-	11,080,412	13,089	105,176,329
Immature plantation - at cost	39,228,046	24,435,089	(7,669,170)	(11,080,412)	(1,559,863)	43,353,690
Total	141,660,411					148,530,019

	01/01/2013	Additions	Deductions	Reclassification	Translation adjustments	31/12/2013
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	184,867,647	-	(185)	-	-	184,867,462
Accumulated depreciation	(74,040,362)	(8,394,871)	136	-	-	(82,435,097)
Net book value	110,827,285	(8,394,871)	(49)	-	-	102,432,365
Immature plantation - at cost	30,137,360	17,866,456	-	-	(8,775,770)	39,228,046
Total	140,964,645					141,660,411

Depreciation expense allocated to cost of sales for the year ended December 31, 2014 and 2013 amounted to US$ 8,349,537 and US$ 8,394,871, respectively.

The deductions in palm plantation for immature plantation in 2014 were related to allocations to nucleus plantations at KAL as plasma plantation for a total area of 2,190 hectares. The balance of the cost transferred for plasma plantation after deduction with amount paid to the Group is recorded as plasma receivables in other assets (Note 20).

In July 2014, 2,999 hectares of KAL immature plantations (nucleus) were reclassified to mature plantations account and were depreciated from the date of transfer.

Borrowing cost capitalized to the acquisition cost of immature plantations as of December 31, 2014 and 2013 amounted to US$ 321,469 and nil, respectively.

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

	31/12/2014		
	Mature plantation (Hectare)	Immature plantation (Hectare)	Total planted area (Hectare)
Binanga, North Sumatera	9,813	-	9,813
Belitung, Bangka Belitung	14,229	-	14,229
Batang Angkola, North Sumatera	7,912	-	7,912
Ketapang, West Kalimantan	2,999	6,872	9,871
Empat Lawang, South Sumatera	-	294	294
South Sorong, West Papua	-	1,296	1,296
Total	34,953	8,462	43,415

	31/12/2013		
	Mature plantation (Hectare)	Immature plantation (Hectare)	Total planted area (Hectare)
Binanga, North Sumatera	9,813	-	9,813
Belitung, Bangka Belitung	14,229	-	14,229
Batang Angkola, North Sumatera	7,912	-	7,912
Ketapang, West Kalimantan	-	12,061	12,061
Empat Lawang, South Sumatera	-	157	157
Total	31,954	12,218	44,172

Management believes that there are no events or changes in circumstances that indicate any impairment on immature plantations and mature plantations as of December 31, 2014 and 2013.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

15. PROPERTY, PLANT AND EQUIPMENT

	January 1, 2014	Additions	Deductions	Reclassifications	Translation adjustments	December 31, 2014
	US$	US$	US$	US$	US$	US$
At cost:						
Direct acquisition						
Land	16,638,644	36,048,066	-	-	(589,249)	52,097,461
Buildings, roads and bridges	46,743,531	59,969	(91,664)	6,272,069	(231,838)	52,752,067
Machinery and equipment	38,004,202	2,237,350	(616,839)	1,679,696	(70,015)	41,234,394
Computer and communication equipment	426,275	37,611	(34,548)	-	(41)	429,297
Office equipment, furniture and fixtures	4,896,219	485,461	(294,425)	47,482	(26,615)	5,108,122
Motor vehicles	6,376,794	511,611	(546,381)	1,047,027	(86,423)	7,302,628
Construction in progress	16,877,650	17,793,466	-	(9,046,274)	(726,711)	24,898,131
Leased assets	4,000,000	-	-	-	-	4,000,000
Total cost	133,963,315	57,173,534	(1,583,857)	-	(1,730,892)	187,822,100
Accumulated depreciation and impairment losses:						
Direct acquisition						
Buildings, roads and bridges	13,351,649	2,752,466	(48,784)	-	(29,062)	16,026,269
Machinery and equipment	24,278,123	2,971,715	(519,966)	-	(30,320)	26,699,552
Computer and communication equipment	100,478	88,120	(34,548)	-	-	154,050
Office equipment, furniture and fixtures	3,118,502	572,337	(285,593)	-	(12,688)	3,392,558
Motor vehicles	3,108,043	665,929	(397,293)	-	(16,904)	3,359,775
Construction in progress	-	10,751,870	-	-	(459,807)	10,292,063
Leased assets	1,434,435	1,333,334	-	-	-	2,767,769
Total accumulated depreciation and impairment losses	45,391,230	19,135,771	(1,286,184)	-	(548,781)	62,692,036
Net carrying amount	88,572,085					125,130,064

	January 1, 2013	Acquisition of subsidiaries	Additions	Deductions	Reclassifications	Translation adjustments	December 31, 2013
	US$	US$	US$	US$	US$	US$	US$
At cost:							
Direct acquisition							
Land	15,210,476	-	2,637,462	-	-	(1,209,294)	16,638,644
Buildings, roads and bridges	39,466,288	-	737,856	(347,447)	7,650,728	(763,894)	46,743,531
Machinery and equipment	36,427,239	6,867	1,569,455	(223,367)	765,178	(541,170)	38,004,202
Computer and communication equipment	195,348	-	250,272	(19,345)	-	-	426,275
Office equipment, furniture and fixtures	3,675,403	587	1,128,568	(63,804)	290,496	(135,031)	4,896,219
Motor vehicles	5,941,288	30,307	912,848	(216,677)	38,690	(329,662)	6,376,794
Construction in progress	11,950,814	-	16,973,828	-	(8,745,092)	(3,301,900)	16,877,650
Leased assets	4,000,000	-	-	-	-	-	4,000,000
Total	116,866,856	37,761	24,210,289	(870,640)	-	(6,280,951)	133,963,315
Accumulated depreciation and impairment losses:							
Direct acquisition							
Buildings, roads and bridges	11,317,747	-	2,367,594	(159,785)	-	(173,907)	13,351,649
Machinery and equipment	21,921,421	5,785	2,629,193	(140,823)	-	(137,453)	24,278,123
Computer and communication equipment	63,658	-	56,165	(19,345)	-	-	100,478
Office equipment, furniture and fixtures	2,856,290	384	383,427	(61,614)	-	(59,985)	3,118,502
Motor vehicles	2,730,794	14,542	639,787	(185,159)	-	(91,921)	3,108,043
Leased assets	111,111	-	1,323,324	-	-	-	1,434,435
Total	39,001,021	20,711	7,399,490	(566,726)	-	(463,266)	45,391,230
Net carrying amount	77,865,835						88,572,085

In May 2014, the Group performed impairment assessment on the construction in progress recorded in ANJAP (sago segment). This impairment assessment was triggered by an impairment indicator because certain machinery and equipment for sago production did not function in line with their technical performance specifications. The Group determined the production facilities of ANJAP which comprise of buildings, machinery and equipment as one cash generating unit and used fair value less cost to sell in determining the recoverable amount of the cash generating unit. Following this assessment, the Group recognized impairment loss of US$ 10.8 million which was recorded as other expenses in profit or loss and reported under sago segment in the segment information disclosure.

At December 31, 2014 and 2013, the estimated fair value of land, buildings, roads and bridges and machinery and equipment is US$ 454.2 million and US$ 417.3 million, respectively. The estimated fair value of other property, plant and equipment is not significantly different from the carrying amount of those property, plant and equipment.

Depreciation expenses for the year ended December 31, 2014 and 2013 were allocated as follows:

	2014	2013
	US$	US$
Cost of sales (Note 39)	7,294,977	6,315,154
General and administrative expenses (Note 41)	959,226	1,045,840
Capitalized to immature plantation	129,698	13,503
Capitalized to construction in progress	-	24,993
Total	8,383,901	7,399,490

ANJA and its subsidiaries own several parcels of land with cultivation rights title (HGU) totaling to 93,857 hectares in Binanga, Ramba, Batang Angkola and Siais (North Sumatera Province), Gantung and Dendang (Bangka and Belitung Province), Laman Satong, Kuala Satong and Kuala Tolak (West Kalimantan Province), Metamani, Kais, North Kokoda and South Aifat (West Papua Province) and land with building use rights title (HGB) covering a total area of 31 hectares in Dendang, in addition to the 523 hectares non-HGU land in Binanga. Those HGU and HGB are valid for 30 to 85 years period, expiring in 2039 until 2091.

GMIT owns several parcels of land with HGB in Jember and Lumajang. This HGB is valid for period of 20 years, expiring in 2028.

Construction in progress represents buildings, roads and bridges under construction as well as machinery and equipment under installation which belong to subsidiaries, including ANJAP's assets with impairment loss. This construction in progress is estimated to be completed in 2015 and 2016.

As of December 31, 2014 and 2013, all land and buildings owned by GMIT were used as collateral for the bank loans obtained from BCA (Note 21).

Property, plant and equipment, except land, were insured against fire, theft, earthquake, flood and other possible risks for a total coverage of US$ 64,686 thousand and Rp 175,863,136 thousand as of December 31, 2014 and US$ 66,709 thousand and Rp 104,477,417 thousand as of December 31, 2013. 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 operations as of December 31, 2014 and 2013 amounting to US$ 16,513,481 and US$ 12,620,714, respectively.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

16. INTANGIBLE ASSET- LANDRIGHTS

	31/12/2014	31/12/2013
	US$	US$
Cost	884,772	884,772
Addition	6,029	-
Accumulated amortization	(22,491)	(21,268)
Translation adjustments	(50,889)	(47,286)
Net carrying amount	817,421	816,218

Amortization expense charged to operations amounted to US$ 1,223 and US$ 1,120 for the years ended December 31, 2014 and 2013, respectively.

17. ADVANCES

	31/12/2014	31/12/2013
	US$	US$
Third parties:		
Advances for legal processing of landrights	18,901,498	31,157,258
Advances for palm plantation	2,881,852	1,821,401
Advances for purchase of property, plant and equipment	2,166,720	810,925
Advances for long-term investment	242,047	638,998
Advances for rent	19,650	-
Advances others	724,900	-
Total	24,936,667	34,428,582

In 2014, advances for legal processing of landrights represents payment to obtain HGU at numerous estates: ANJAS (1,639 hectares), GSB (20,000 hectares) and PAM (36,725 hectares), while in 2013, advances for legal processing of landrights represent payment to obtain HGU at numerous estates: KAL (10,920 hectares nucleus and 2,798 hectares plasma), ANJAS (1,639 hectares), GSB (20,000 hectares), PPM (40,000 hectares) and PMP (22,195 hectares).

On February 4, 2014, KAL obtained the land right certificate title (Hak Guna Usaha) for its 10,920 hectare land (nucleus plantation) located in Laman Satong, Kuala Satong and Kuala Tolak, Ketapang for a period of 35 years.

In October and November 2014, PMP and PPM obtained the land right certificate title (Hak Guna Usaha) for its 22,678 and 26,571 hectares of land, respectively, located in South Sorong, West Papua for a period of 35 years.

The related advances have been reclassified and recorded as part of Land (Note 15).

In 2014, advances for long term investment represent the advance payments for purchase of 10,000 m^2 (Note 48h) and 600 m^2 land in Sorong, West Papua Province.

In 2013, advances for long term investment represent the payments for investment in PT Evans Lestari and PT Chevron Geothermal Suoh Sekincau, whose legal documents were only completed in 2014, therefore in 2014 the advances for long term investment have been reclassified as investment in associates (Note 12) and other investments, respectively (Note 13).

Advances for palm plantation represent down payments paid to third party contractors for land clearing and other activities related to the immature plantation.

Advances others mainly represent down payments paid for timber costs.

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 December 31, 2014 and 2013.

19. CLAIMS FOR TAX REFUND

In September 2010, KAL received two tax assessment letters from Directorate General of Taxation (DGT) dated September 21, 2010 with regard to VAT underpayment for the period of January to October 2009 amounting to Rp 771,342 thousand (equivalent to US$ 85,790) and VAT overpayment for the period of November 2009 amounting to Rp 385,671 thousand (equivalent to US$ 42,895). The net underpayment totaling to Rp 385,671 thousand was paid by KAL in October 2010.

On November 1, 2010, KAL filed an objection on those assessments of VAT underpayment for the period of January to October 2009 to DGT and claimed for a tax refund of Rp 771,342 thousand (or equivalent to US$ 63,282 as of December 31, 2013). In May 2011, DGT in its decision letter dated July 27, 2011 rejected the objection of KAL. In October 2011, KAL filed an appeal to the Tax Court. Based on Tax Court's Decision No. PUT-56082/PP/M. VIIA/16/2014 dated October 13, 2014, tax appeal regarding VAT overpayment for period January to October 2009 was accepted. The refund amounting to Rp 771,342 thousand was received by KAL on December 4, 2014.

20. OTHER ASSETS

	31/12/2014	31/12/2013
	US$	US$
Security deposits	8,592,164	659,004
Advances for plasma plantation project - net	1,140,155	-
Plasma receivables - net	718,818	-
ESA receivables (Note 9)	126,289	194,664
Others	403,200	837,822
Total	10,980,626	1,691,490

In 2014, security deposits mainly represents transactional deposits relating to security deposit for the aircraft charter agreement with Airfast (Note 48b), and the office lease agreement with PT Bumi Mulia Perkasa Development (Note 48c) amounting to US$ 8,500 thousand and US$ 92 thousand, respectively.

Advances for plasma plantation project represents payments made to develop palm oil plantation partnership by SMM, while plasma receivables represent all payments made to develop palm oil plasma plantation by KAL, located in Ketapang, West Kalimantan, net of proceeds from loan facility for plasma financing. KAL has commitments on this plasma plantation project (Note 48k).

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

21. SHORT-TERM BANK LOANS

	31/12/2014	31/12/2013
	US$	US$
Rupiah		
PT Bank Central Asia Tbk	3,308,589	1,440,700
U.S. Dollar		
Citibank N.A.	21,000,000	-
PT Bank OCBC NISP Tbk.	3,500,000	-
Total	27,808,589	1,440,700
Interest rate per annum		
Rupiah	11.50%	11.50% - 11.75%
U.S. Dollar	3.00% - 3.24%	-

Bank loans are classified as other financial liabilities measured at amortized cost using the effective interest rate. The fair value of short-term bank loans are their carrying value.

PT Bank Central Asia Tbk (BCA)

On January 29, 2010, GMIT obtained credit facilities from PT Bank Central Asia Tbk (BCA) which consisted of:

- Local credit facility of Rp 2 billion.
- Time loan revolving facility of Rp 20 billion.
- Time loan incidental facility of Rp 3 billion.

On December 10, 2013, the loan facilities have been amended to the following:

- Local credit facility, with a maximum limit of Rp 2 billion.
- Time loan revolving facility, with a maximum limit of Rp 43 billion.

The credit facilities obtained from BCA are secured by GMIT's inventories (Besuki N.O. tobacco) amounting to Rp 15 billion and all of GMIT's land and buildings (Notes 10 and 15). These credit facilities were extended until April 29, 2015.

Interest expenses in 2014 and 2013 amounting to Rp 2,021,345,451 and Rp 1,455,888,952, respectively.

The loan agreements relating to the above facilities contain certain covenants which among others restrict GMIT to obtain new loans or credit from other parties and/or become a guarantor, to lend money (except lending in relation to their normal course of operation), to be involved in consolidation, merger, liquidation and to change its institutional status.

The outstanding bank loan in GMIT was Rp 41.2 billion (equivalent to US$ 3,308,589) and Rp 17.6 billion (equivalent to US$ 1,440,700) as of December 31, 2014 and 2013, respectively. This loan was due on January 29, 2015 and has been further extended until April 29, 2015.

PT Bank OCBC NISP Tbk

On November 20, 2013, ANJA obtained credit facilities in the form of Demand Loan 1 of US$15 million which can be used to finance acquisition of company and/or capital expenditure, Demand Loan 2 of US$10 million to finance its working capital needs and foreign exchange transaction facility of US$ 20 million for foreign currency hedging from PT Bank OCBC NISP Tbk. The interest rate for those credit facilities is 3% above LIBOR. ANJA should fulfill several financial and non-financial covenants, such as to maintain debt to equity ratio at a maximum of 1.5x, interest service coverage ratio of not less than 2x and debt to earning before interest, tax, depreciation and amortization (EBITDA) of not more than 2x. These facilities are valid until November 19, 2014. As of December 16, 2014, these facilities were extended until November 19, 2015 and are extendable. As of December 31, 2013, there was no outstanding balance of the credit facilities.

On January 30, 2014, ANJA drawdown US$ 6,000,000 from its credit facility. The loan was due on April 30, 2014 and can be rolled over quarterly. On February 21, 2014, ANJA made an additional drawdown of US$ 4,000,000, which will be due on May 22, 2014 and can be rolled over each quarter. On October 30, 2014 and November 19, 2014, ANJA has paid the related loan.

On May 9, 2014, the loan agreement between ANJA and PT Bank OCBC NISP Tbk was amended, whereas ANJA, PPM, and PMP become the joint parties for the credit facility of US$ 15 million from PT Bank OCBC NISP Tbk.

On December 23, 2014, PPM and PMP drawdown US$ 2,000,000 and US$ 1,500,000, respectively, from its credit facility with PT Bank OCBC NISP Tbk. The bank loan will be due on November 19, 2015.

The loan facilities of PPM and PMP are guaranteed with corporate guarantee from ANJA.

Citibank N.A.

On November 12, 2013, ANJA obtained a revolving credit facility of US$ 25 million from Citibank N.A. with an interest rate at 2.75% above LIBOR. The term of the loan ranges from one to three months. This facility is valid until November 12, 2014 and is extendable. As of December 31, 2013, there was no outstanding balance of the credit facility.

On February 14, 2014, the loan agreement between ANJA and Citibank N.A. was amended, whereas KAL and ANJA became the joint parties for the credit facility of US$ 25 million from Citibank N.A.

On April 10, 2014, the loan agreement between ANJA, KAL and Citibank N.A. was further amended, whereas KAL, ANJA, PPM and PMP became the joint parties for the credit facility of US$ 25 million from Citibank N.A.

As of December 31, 2014, KAL, PPM and PMP have utilized US$ 9 million, US$ 5.5 million and US$ 6.5 million, respectively from the total loan facility. The loan will be due on various dates from February to April 2015 which can be rolled over on a quarterly basis.

This loan facility is guaranteed with corporate guarantee from ANJA, SMM and ANJAS.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

22. TRADE ACCOUNTS PAYABLE

	31/12/2014 US$	31/12/2013 US$
Third parties		
Palm plantation	5,897,892	2,832,396
Electricity power	352,857	444,449
Tobacco	9,493	-
Total	6,260,242	3,276,845

Based on currencies:

	31/12/2014 US$	31/12/2013 US$
U.S. Dollar	3,624,049	1,564,490
Rupiah	2,636,193	1,712,355
Total	6,260,242	3,276,845

Based on creditors:

	31/12/2014 US$	31/12/2013 US$
PT Sentana Adidaya Pratama	2,730,050	494,712
PT Bumi Tani Subur	501,132	123,133
PT Probesco Disatama	254,213	324
PT Meroke Tetap Jaya	198,524	-
PT Hanampi Sejahtera Kahuripan	179,212	-
PT Agro Tradisi	166,540	-
Koperasi Eka Lestari	106,918	92,132
Koperasi ANJA Lestari	73,680	58,452
PT Hatika Patra Persada	70,368	74,406
PT Pertamina Patra Niaga	69,293	-
Mackenzie Industri Sdn. Bhd.	61,500	-
CV Sumber Buana Perkasa	57,468	-
PT Asher Indonesia	55,573	-
CV Mitra Utama Traktor Indonesia	50,030	-
PT Agrotama Tunas Sarana	16,732	117,779
PT Mest Indonesiy	-	183,926
PT Putera Fajar Jaya	-	101,702
A . Rivai Hanan	-	42,431
PT Pupuk Hikay	-	427,307
PT Sasco Indonesia	-	257,888
PT Agro Tunas Mandiri	-	67,471
Others	1,669,009	1,235,182
Total	6,260,242	3,276,845

23. TAXES PAYABLE

	31/12/2014	31/12/2013
	US$	US$
Corporate income tax		
The Company	15,687	4,651
Subsidiaries	3,649,161	373,248
Income taxes		
Article 21	400,019	221,271
Article 25	180,584	1,492,466
Article 4 (2)	80,509	47,942
Article 23/26	157,438	37,769
Article 22	3,776	4,275
Article 15	11,307	1,501
Value Added Tax	12,917	33,870
Tax assessment	-	197,872
Total	4,511,398	2,414,865

ANJ

On July 22, 2013, the Company received tax audit notification letters regarding its taxation for the years of 2004, 2005, 2006, 2007, 2008 and 2009. The audit process has been completed on December 18, 2013 with the following results:

- VAT underpayment (SKPKB) for the period of January to December 2004 amounting to Rp 567,994,354 (equivalent to US$ 46,599).
- VAT underpayment (SKPKB) and tax penalty (STP) for the period of January to December 2005 amounting to Rp 489,502,248 (equivalent to US$ 40,159).
- VAT underpayment (SKPKB) for the period of January to December 2006 amounting to Rp 703,540,222 (equivalent to US$ 57,719).
- VAT underpayment (SKPKB) and tax penalty (STP) for the period January to December 2007 amounting to Rp 621,851,901 (equivalent to US$ 51,017).
- No correction on VAT for the period of January to December 2008.
- VAT underpayment (SKPKB) and tax penalty for the period of January to December 2009 amounting to Rp 28,975,708 (equivalent to US$ 2,378).

The Company has recorded the entire tax assessments as other expenses in 2013 and paid the entire obligation related to the tax assessments in January 2014.

24. OTHER PAYABLE

	31/12/2014	31/12/2013
	US$	US$
Payable to third parties	4,545,279	2,372,428
Advance received from customers	1,502,255	3,292,218
Total	6,047,534	5,664,646

Payable to third parties is classified as financial liabilities and is measured at amortized cost. The fair value of payable to third parties is its carrying amount.

All other payable is payable to third parties.

Payable to third parties mainly consists of payable to contractors related to the construction of plant and equipment, development of immature plantation and processing of landrights.

As of December 31, 2014, payable to third parties also included contingent liability to PMN's previous shareholders which amounted to Rp 6,319 million and will be due in 2015 (Note 48m). In January 2015, the Company has paid Rp 997 million of the total contingent liability.

Advance received from customers represents receipt of cash from several customers for purchase of tobacco and crude palm oil which deliveries will be made based on further instructions from those customers.

25. ACCRUED EXPENSES

	31/12/2014	31/12/2013
	US$	US$
Salaries, bonuses and allowances	4,851,770	2,531,711
Professional fees	264,035	217,185
Others	2,985,628	2,072,596
Total	8,101,433	4,821,492

26. LEASE LIABILITIES

SMM has entered into a sale and lease back arrangement on certain buildings, machineries and equipment with PT Mitra Pinasthika Mustika Finance on December 7, 2012. SMM has determined, based on an evaluation of the terms and conditions of the arrangement, that the sale and leaseback transaction was qualified for finance lease. The sales proceeds of US$ 4,000,000 was established at fair value and received on December 7, 2012. The excess of sales proceeds over the carrying amount of the assets amounting to US$ 3,350,288 was recorded as deferred revenue (Note 27).

The summary of the sale and lease back terms and condition is as follows:

Net to Finance	:	US$ 2,200,000
Interest Rate	:	9.5% p.a. effective floating rate (determined every 6 months in arrears)
Tenor	:	30 months
Installment	:	US$ 1,557,418 (1st payment), US$ 25,561 (2nd - 30th month)
Provision expense	:	US$ 11,000 (0.5% of Net to Finance)
Insurance	:	Insured by Lessee

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The future minimum lease payments based on the lease agreement are as follows:

	31/12/2014	31/12/2013
	US$	US$
Payment due in:		
Less than a year	153,362	306,732
More than a year to five years	-	153,362
Minimum lease payments	153,362	460,094
Interest	(4,161)	(32,850)
Present value of minimum lease payments	149,201	427,244
Current maturities	(149,201)	(278,043)
Lease payable - net of current maturities	-	149,201

27. DEFERRED REVENUE

Deferred revenue represents the difference between proceeds from sales and book value of assets related to the sales and lease back transaction by SMM (Note 26) at a total amount of US$ 3,350,288, which will be amortized over 30 month period.

	31/12/2014	31/12/2013
	US$	US$
Current maturities portion	670,058	1,340,115
Long-term portion	-	670,058
Total	670,058	2,010,173

28. POST-EMPLOYMENT BENEFITS OBLIGATION

The Group provides post-employment benefits for their qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits was 6,472 in 2014 and 5,172 in 2013.

The Company's pension plan is managed by Dana Pensiun Lembaga Keuangan (DPLK) Manulife Indonesia, whose deed of establishment was approved by the Minister of Finance of the Republic of Indonesia in his decision letter No. KEP-231/KM.17/1994 dated August 5, 1994.

Amounts charged to profit or loss with respect to these post-employment benefits are as follows:

	2014	2013
	US$	US$
Current service cost	2,334,996	2,290,707
Termination cost, curtailment and settlement	310,590	475,934
Liability transferred from other companies	-	(152,174)
Interest cost	596,442	410,539
Past service cost	263,531	29,587
Expected return on plan assets	(5,226)	-
Amortization of past service cost	10,183	11,558
Total	3,510,516	3,066,151

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The amount included in the consolidated statements of financial position arising from the Group's obligations with respect to the post-employment benefits is as follows:

	31/12/2014	31/12/2013
	US$	US$
Present value of defined benefits obligation	10,313,176	7,708,896
Unrecognized past service cost	(44,464)	(55,290)
Fair value of plan assets	(259,481)	(94,890)
Post-employment benefits obligation	10,009,231	7,558,716

Movements in the present value of the defined benefits obligation in the current year are as follows:

	31/12/2014	31/12/2013
	US$	US$
Balance at beginning of the year	7,708,896	9,331,520
Current service cost	2,334,996	2,290,707
Liability transferred from other company	-	(593,006)
Interest cost	596,442	410,539
Past service cost	263,531	29,587
Benefits payment	(285,491)	(918,932)
Actuarial gain	(27,924)	(899,625)
Translation adjustment	(277,274)	(1,941,894)
Balance at end of year	10,313,176	7,708,896

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

	2014	2013
	US$	US$
Beginning balance	94,890	137,058
Contributions from the employer	173,522	(12,686)
Benefit payments from plan assets	(13,111)	(19,208)
Expected return on plan assets	151	-
Actual return on plan assets	7,355	14,897
Exchange difference	(3,326)	(25,171)
Balance at end of year	259,481	94,890

Plan assets consist of time deposits placed in the Government Banks and investments in money market. The actual return on plan assets as at December 31, 2014 and 2013 was US$ 7,355 and US$ 14,897, respectively.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Movements in the net liability recognized in the consolidated statements of financial position are as follows:

	31/12/2014	31/12/2013
	US$	US$
Balance at beginning of the year	7,558,687	9,112,277
Expense for the year	3,510,516	3,066,151
Benefit payments	(596,081)	(1,062,751)
Actuarial gain recorded as other comprehensive income	(27,924)	(1,643,076)
Contribution to plan assets	(173,522)	-
Translation adjustments	(262,445)	(1,913,885)
Balance at end of the year	10,009,231	7,558,716

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

	31/12/2014	31/12/2013
	US$	US$
Cumulative amounts at beginning of year	1,038,504	(604,572)
Actuarial gain for the year	27,924	1,643,076
Actuarial loss from investment in associates	(15,285)	-
Cumulative amounts at end of year	1,051,143	1,038,504

The history of experience adjustments is as follows:

	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
	US$	US$	US$	US$	US$
Present value of defined benefits obligation	10,313,176	7,708,896	9,331,520	15,299,635	10,744,329
Experience adjustments on plan liabilities	863,377	1,378,518	(1,418,364)	1,066,827	1,011,721

The cost of providing post-employment benefits is calculated annually by an independent actuary of PT Dayamandiri Dharmakonsilindo with its latest report dated January 15, 2015. The actuarial valuation was carried out using the following key assumptions:

	31/12/2014	31/12/2013
Mortality rate	CSO - 1980 & Indonesia Mortality Table 2011	CSO - 1980 & Indonesia Mortality Table 1999
Normal pension age	55 - 60 years old	56 - 60 years old
Rate of salary increase per annum	8.00% - 10.00%	8.00% - 10.00%
Discount rate per annum	7.90% - 9.25%	8.35% - 9.25%

29. CAPITAL STOCK

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

	31/12/2014			
	Number	Percentage of	Total paid-in capital stock	
Name of shareholders	of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,343,804,685	40.2952%	134,380,468,500	14,037,446
PT Austindo Kencana Jaya	1,343,804,685	40.2952%	134,380,468,500	14,037,446
Mr. George Santosa Tahija	156,242,000	4.6851%	15,624,200,000	7,544,278
Mr. Sjakon George Tahija	156,147,130	4.6822%	15,614,713,000	7,539,697
Yayasan Tahija	1,500	0.0000%	150,000	73
Public (each below 5%)	334,900,000	10.0423%	33,490,000,000	3,434,778
Total	3,334,900,000	100.0000%	333,490,000,000	46,593,718

	31/12/2013			
	Number	Percentage of	Total paid-in capital stock	
Name of shareholders	of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,343,804,685	40.3139%	134,380,468,500	14,037,446
PT Austindo Kencana Jaya	1,343,804,685	40.3139%	134,380,468,500	14,037,446
Mr. George Santosa Tahija	156,242,000	4.6872%	15,624,200,000	7,544,278
Mr. Sjakon George Tahija	156,147,130	4.6844%	15,614,713,000	7,539,697
Yayasan Tahija	1,500	0.0001%	150,000	73
Public (each below 5%)	333,350,000	10.0005%	33,335,000,000	3,422,133
Total	3,333,350,000	100.0000%	333,335,000,000	46,581,073

Based on Deed No. 100 of notary Dr. Irawan Soerodjo, S.H., Msi. dated June 14, 2013, in accordance with the announcement from the Indonesian Stock Exchange dated May 7, 2013 and the shareholders' register dated May 31, 2013, the shares issued by the Company to the public at the Initial Public Offering were 333,350,000 shares, representing 10% of the outstanding shares.

Based on Deed No. 304 of notary Dr. Irawan Soerodjo, S.H., Msi. dated December 23, 2014, in accordance with the announcement to the Indonesian Stock Exchange dated December 9, 2014, the Company issued 1,550,000 shares with total nominal value of Rp 155,000,000 (equivalent to US$ 12,645) in relation with Management Stock Option Program. The Company has also recorded an amount US$ 177,971 as additional paid in capital (Note 30) as a result of this transaction.

30. ADDITIONAL PAID IN CAPITAL

	31/12/2014 US$	31/12/2013 US$
Net excess of IPO proceeds over paid in capital:		
Excess of IPO price over par value	37,643,466	37,643,466
Share issuance costs	(5,496,381)	(5,496,381)
Management Stock Option Plan exercised	177,971	-
Subtotal	32,325,056	32,147,085
Difference 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	45,329,389	45,151,418

In 2013, the differences in value from restructuring transactions between entities under common control amounting to US$ 13,004,333 was reclassified to additional paid in capital.

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 May 7, 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 July 23, 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 in properties

On August 14, 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 September 5, 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 December 6, 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 May 16, 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 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 June 29, 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.

31. MANAGEMENT STOCK OPTIONS

The Company provides a management stock option plans (MSOP) for eligible management within the Group. The option in MSOP program can be used to buy the Company's new shares up to 1.5% of paid in capital after the Initial Public Offering or at a maximum of 50,000,000 (fifty million) common shares.

The options in this program will be granted in three phases, (i) 40% on the listing date, (ii) 30% on the first anniversary of the listing and the remaining (iii) 30% on the second anniversary of the listing. Each of the distributed option can be used to buy one new share of the Company during the option period, which is within two years after the vesting date, under condition that the vesting period of the option is one year since the grant date. During the vesting period, the participants cannot use their rights to buy the Company's shares.

The shared-based payment arrangements during the current year is as follows:

Option series	Number of shares	Grant date	Expiry date	Fair value at grant date per option
				Rp
Tranche 1	13,600,000	8-May-13	8-May-16	417.45
Tranche 2	12,675,000	8-May-14	8-May-17	518.85

The exercise price for the option is 90% of average closing price of the Company's share during 25 trading days before the notification date to the Indonesian Stock Exchange regarding the exercise period for the options. Exercise period for Tranche 1 in 2014 is from November 3, 2014 until December 12, 2014 at exercise price of Rp 1,095.

<u>Fair value of share options granted</u>

The fair value of the stock options on the grant date was measured using the Black and Scholes model. For the years ended December 31, 2014 and 2013, the fair value of options recognized as general and administrative expenses in profit or loss was US$ 436,149 and US$ 344,299, respectively. As of December 31, 2014 and 2013, the fair value of the stock option recorded in statements of changes in equity was US$ 728,435 and US$ 344,299, respectively.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Key assumptions used in calculating the fair value of the options are as follows:

	31/12/2014	31/12/2013
Risk free interest rate	8.28%	5.50%
Option period	3 years	3 years
Expected stock price volatility	37.77%	35.00%
Expected dividend	3.00%	0.00%

Movements in outstanding options are as follows:

	Number of options	
	2014	2013
Outstanding option at begininng of year	13,600,000	-
Options granted	12,675,000	13,600,000
Options forfeited	(2,600,000)	-
Options exercised	(1,550,000)	-
Outstanding option at end of year	22,125,000	13,600,000

32. DIFFERENCES IN VALUE DUE TO CHANGES IN EQUITY OF SUBSIDIARIES

	31/12/2014	31/12/2013
	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 interest	(469,794)	(469,794)
Total	30,607,591	30,607,591

33. NON-CONTROLLING INTERESTS

	31/12/2014	31/12/2013
	US$	US$
PT Lestari Sagu Papua	324,387	485,299
PT Austindo Aufwind New Energy	18,707	19,486
PT Austindo Nusantara Jaya Agri	8,234	7,852
PT Gading Mas Indonesian Tobacco	1,382	88
Others	377	211
Total	353,087	512,936

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

34. REVENUE FROM SALES

	2014	2013
	US$	US$
Palm oil and palm kernel	147,359,552	128,722,987
Tobacco	4,805,003	6,075,073
Sago cookies	10,187	-
Total	152,174,742	134,798,060

The details of customers with net sales exceeding 10% of the revenue from sales are as follows:

	2014		2013	
Name	Amount	Percentage to consolidated net sales	Amount	Percentage to consolidated net sales
	US$	%	US$	%
PT Pasific Indopalm Industries	20,889,480	14	18,458,005	14
PT Musim Mas	19,005,340	13	13,295,228	10
PT Pacific Palmindo Industri	17,980,985	12	11,374,535	8
PT Nubika Jaya	8,139,410	5	16,178,982	12
PT Synergy Oil Nusantara	6,446,400	4	17,522,800	13
Total	72,461,615	48	76,829,550	57

35. SHARE IN NET INCOME OF ASSOCIATES

	2014	2013
	US$	US$
PT Pangkatan Indonesia	1,771,589	1,364,017
PT Bilah Plantindo	929,620	645,718
PT Simpang Kiri Plantation Indonesia	702,074	503,349
PT Evans Lestari	(83,689)	-
Total	3,319,594	2,513,084

36. DIVIDEND INCOME

	2014	2013
	US$	US$
Investments in stocks	4,882,000	3,200,568
Money market funds	44	2,286
Total	4,882,044	3,202,854

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

37. INTEREST INCOME

	2014	2013
	US$	US$
Time deposits and current accounts	629,651	1,065,749
Others	7,374	47,140
Total	637,025	1,112,889

38. OTHER INCOME

	2014	2013
	US$	US$
Gain on sale and leaseback transaction (Note 27)	1,340,115	1,340,115
Gain from sale of RSPO certificate	780,901	-
Gain on sale of other investment (Note 13)	527,215	-
Management service income from plasma	325,645	-
Gain on sale of properties, plant and equipment	9,365	1,310,895
Others	434,648	646,008
Total	3,417,889	3,297,018

39. COST OF SALES

	2014	2013
	US$	US$
Palm oil and palm kernel	87,183,553	82,107,561
Tobacco	3,924,588	4,560,490
Sago cookies	7,201	-
Total	91,115,342	86,668,051

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	2014	2013
	US$	US$
Fresh Fruit Bunches (FFB) Costs		
Harvesting expenses	10,753,992	9,333,355
Maintenance expenses of mature plantations	20,820,124	21,605,854
Indirect expenses including depreciation of property, plant and equipment (Note 15)	19,470,125	15,538,901
Depreciation of mature plantation (Note 14)	8,349,537	8,394,871
Purchases of FFB	19,280,735	16,025,254
Total FFB Costs	78,674,513	70,898,235
Factory overhead costs including depreciation of property, plant and equipment (Note 15)	8,973,156	8,320,128
Total palm oil production costs	87,647,669	79,218,363
Tobacco Cost		
Purchase of tobacco	3,590,604	4,345,143
Tobacco processing cost	1,581,692	519,017
Total tobacco production cost	5,172,296	4,864,160
Sago Cookies Cost		
Purchase of sago cookies	10,669	-
Finished goods:		
Beginning of year		
Palm oil	1,940,481	4,829,678
Tobacco	6,553,478	7,931,089
End of year		
Palm oil	(2,404,597)	(1,940,481)
Tobacco	(7,615,599)	(6,553,478)
Sago cookies	(3,320)	-
Translation adjustment of tobacco and sago cookies inventories	(185,735)	(1,681,280)
Cost of sales	91,115,342	86,668,051

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The details of suppliers with purchases exceeding 10% of the consolidated net fresh fruit bunches (FFB) purchases are as follows:

	2014		2013	
Name	Amount	Percentage of net purchases	Amount	Percentage of net purchases
	US$	%	US$	%
PT Sentana Adidaya Pratama	6,722,810	16	4,296,576	10
UD Riri	5,115,985	12	3,071,807	9
Abdul Somat Pulungan	3,245,547	8	4,551,958	11
Total	15,084,342	36	11,920,341	30

40. PERSONNEL EXPENSES

This account represents salaries, allowances, bonuses and post-employment benefit expenses (Note 28).

41. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
	US$	US$
Travel and transportation	4,362,022	3,932,971
Professional fees	2,526,132	2,635,782
Depreciation (Note 15)	959,226	1,045,840
Office rent	899,990	824,839
Repairs and maintenance	695,379	656,711
Office expenses	596,025	825,121
Share-based compensation (Note 31)	436,149	344,299
Training, seminars and meeting	391,239	349,599
Communication and electricity	268,076	276,757
Membership and subscription fees	180,254	121,470
Custodian fees and bank charges	120,620	56,800
Donation	102,525	136,523
Others	952,540	1,283,391
Total	12,490,177	12,490,103

42. INCOME TAXES

Tax expense of the Group consists of the following:

	2014	2013
	US$	US$
Current tax	18,311,618	12,324,373
Deferred tax	(2,757,458)	(835,418)
Total tax expenses	15,554,160	11,488,955

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Current Tax

The reconciliation between income before tax per consolidated statements of comprehensive income and taxable income is as follows:

	2014	2013
	US$	US$
Income before tax per consolidated statements of comprehensive income	33,822,364	33,350,795
Income before tax of subsidiaries	(32,394,776)	(35,642,039)
Income adjustment based on cost method	22,695,573	12,825,511
Income before tax of the Company	24,123,161	10,534,267
Tax adjustments:		
Temporary differences:		
Bonus	(250,000)	250,000
Post-employment benefits (including foreign exchange effects)	265,422	323,824
Total	15,422	573,824
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Personnel expenses	998,179	709,832
Share based compensation	169,792	136,707
Gain on sale of property and equipment	(1,382)	(1,305,586)
Gain on sale of trading securities	(4,440)	(56,360)
Interest income	(203,638)	(300,713)
Gain on sale of other investment	(447,365)	-
Dividend income from subsidiaries	(21,499,567)	(13,827,676)
Loss from liquidation of a subsidiary	-	4,385,821
Gain on payable write-off	-	2,611,030
Donation	-	44,046
Interest expense	-	113,049
Other	193,562	184,864
Total	(20,794,859)	(7,304,986)
Total taxable income	3,343,724	3,803,105

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	2014	2013
	US$	US$
Current income tax expense - the Company	835,931	950,776
Current income tax expense - subsidiaries		
PT Austindo Nusantara Jaya Agri and its subsidiaries	16,416,221	10,878,298
PT Darajat Geothermal Indonesia	1,058,290	199,033
PT Gading Mas Indonesian Tobacco	1,176	216,119
PT Aceh Timur Indonesia	-	29,964
PT Surya Makmur	-	25,991
PT Prima Mitra Nusatama	-	11,066
PT Lestari Sagu Papua	-	13,126
Total income tax expense - current	18,311,618	12,324,373

The Company has submitted its corporate income tax return for the year 2013 in April 2014. The amount of taxable income is in accordance with the amount reported in the corporate income tax return. As of the issuance date of the consolidated financial statements, the Company has not submitted its corporate income tax for the year 2014.

Deferred Tax

In 2014 and 2013, the Company had deductible temporary differences from bonus accrual and post-employment benefit obligation. The Group only recognized the deferred tax assets over which balance management believe can be utilized in future periods to compensate future taxable income.

The details of deferred tax assets and liabilities of the Group are as follows:

	January 1, 2014	Credited (charged) to income for the year	Credited (charged) to other comprehensive income	Translation adjustments	December 31, 2014
	US$	US$	US$	US$	US$
Deferred tax assets					
The Company	175,836	3,855	3,854	-	183,545
PT Gading Mas Indonesian Tobacco	117,349	35,935	(363)	(3,889)	149,032
PT Austindo Nusantara Jaya Agri	3,537,073	2,710,838	(46,132)	(108,204)	6,093,575
PT ANJ Agri Papua	1,863,078	318,746	8,163	(51,572)	2,138,415
PT Austindo Aufwind New Energy	214,809	(34,069)	526	(2,900)	178,366
Total	5,908,145	3,035,305	(33,952)	(166,565)	8,742,933
Deferred tax liabilities					
PT Darajat Geothermal Indonesia	(817,887)	143,827	36,682	-	(637,378)
PT Surya Makmur	(1,238,776)	(238,526)	1,482	-	(1,475,820)
PT Aceh Timur Indonesia	(929,991)	(183,148)	2,339	-	(1,110,800)
Total	(2,986,654)	(277,847)	40,503	-	(3,223,998)
Net		2,757,458	6,551		

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	January 1, 2013	Credited (charged) to income for the year	Credited (charged) to other comprehensive income	Translation adjustments	December 31, 2013
	US$	US$	US$	US$	US$
Deferred tax assets					
The Company	30,662	143,455	1,719	-	175,836
PT Gading Mas Indonesian Tobacco	176,437	12,441	(38,721)	(32,808)	117,349
PT Austindo Nusantara Jaya Agri	4,555,367	(464,084)	(266,733)	(287,477)	3,537,073
PT ANJ Agri Papua	1,503,992	800,639	(22,532)	(419,021)	1,863,078
PT Austindo Aufwind New Energy	972	251,315	(2,705)	(34,773)	214,809
Total	6,267,430	743,766	(328,972)	(774,079)	5,908,145
Deferred tax liabilities					
PT Darajat Geothermal Indonesia	(983,600)	276,987	(111,274)	-	(817,887)
PT Surya Makmur	(1,127,346)	(111,430)	-	-	(1,238,776)
PT Aceh Timur Indonesia	(856,086)	(73,905)	-	-	(929,991)
Total	(2,967,032)	91,652	(111,274)	-	(2,986,654)
Net		835,418	(440,246)		

A reconciliation between tax expense and the amount computed by applying the prevailing tax rates to income before tax is as follows:

	2014	2013
	US$	US$
Income before tax of the Company	24,123,161	10,534,267
Tax expense at prevailing tax rates	(6,030,790)	(2,633,567)
Effect of non-tax-deductible expenses (non-taxable income/subject to final tax):		
Personnel expenses	(249,545)	(177,458)
Share based compensation	(42,448)	(34,177)
Gain on sale of property and equipment	346	326,397
Gain on sale of trading securities	1,110	14,090
Interest income	50,909	75,178
Gain on sale of other investment	111,841	-
Dividend income from subsidiaries	5,374,892	3,456,919
Loss from liquidation of a subsidiary	-	(1,096,455)
Gain on payable write-off	-	(652,758)
Donation	-	(11,012)
Interest expense	-	(28,262)
Others	(48,391)	(46,216)
Total	5,198,714	1,826,246
Total tax expense - the Company	(832,076)	(807,321)
Tax expense of subsidiaries	(14,722,084)	(10,681,634)
Total tax expenses	(15,554,160)	(11,488,955)

43. EARNINGS PER SHARE

The computation of basic earnings per share is based on the following data:

	2014	2013
	US$	US$
Earnings		
Net income attributable to owners of the Company	18,425,605	21,920,789
Number of shares		
Weighted average number of ordinary shares outstanding for basic earning per share computation	3,333,479,167	3,222,233,333
Weighted average number of ordinary shares outstanding for diluted earning per share computation	3,353,391,667	3,231,300,000
Earnings per share		
Basic	0.00553	0.00680
Diluted	0.00549	0.00678

As of December 31, 2014 and 2013, the Company has potential dilutive common share resulting from stock options (Note 31) totaling to 22,125,000 shares and 13,600,000 shares, respectively.

44. APPROPRIATED RETAINED EARNINGS

In the Annual General Shareholders' Meetings held on June 3, 2014 and February 22, 2013, the shareholders of the Company approved to allocate additional appropriated retained earnings amounting to Rp 6,667,000,000 (equivalent to US$ 567,888) and Rp 53,752,187,400 (equivalent to US$ 5,550,618) for the year 2014 and 2013, respectively.

45. CASH DIVIDEND

In the Annual General Shareholders' Meeting held on June 3, 2014, the shareholders of the Company approved the distribution of cash dividends of Rp 116,667.25 million or Rp 35 (full amount) per share (equivalent to US$ 9,639,532 or US$ 0.003 per share) from the profit of year 2013 to the shareholders recorded on the shareholders register on June 27, 2014 (recording date). This dividend was paid to the shareholders on July 14, 2014.

46. DERIVATIVE INSTRUMENTS

a) ANJA entered into forward currency contract facilities with Citibank N.A., PT Bank OCBC NISP Tbk and PT Rabobank International Indonesia 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 December 31, 2014 and 2013, there was no outstanding balance of the facility.

b) On October 1, 2010, GMIT entered into a foreign exchange line agreement with PT Bank Permata Tbk, whereas the Bank agreed to provide a derivative transaction facility of a maximum amount of US$ 1,000,000, with maximum transaction terms of 6 months with the latest validity until October 6, 2015. As of December 31, 2014 and 2013, there was no outstanding balance of the facility.

47. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

- Mr. George Santosa Tahija, Mr. Sjakon George Tahija, Yayasan Tahija, PT Memimpin Dengan Nurani (MDN) dan PT Austindo Kencana Jaya (AKJ) are the Company's shareholders.

- PT Austindo Nusantara Jaya Husada Cemerlang is a subsidiary of PT Austindo Kencana Jaya.

Transactions with related parties

- The Company donated US$ 34 thousand for Corporate Social Responsibility (CSR) activities to Yayasan Tahija which represented 0.27% of total general and administrative expenses for the year ended December 31, 2013. There was no donation made to Yayasan Tahija for the year ended December 31, 2014.

- GMIT utilizes land and building owned by AKJ and MDN as its office, employee housing, training centre and warehouse in accordance with the lend and use agreement dated May 17, 2012. This agreement expired on May 17, 2014 and has been renewed until May 17, 2016. 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.

48. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

a. The Group provides the economic value added (EVA) incentive plan to its management. The first cycle of the plan started from January 1, 2007 to December 31, 2009, the second cycle started from January 1, 2010 to December 31, 2012, while the third cycle started from January 1, 2013 to December 31, 2015. The bonus is calculated annually based on a certain formula as specified in the EVA manual.

b. On December 7, 2012, the Company entered into an Aircraft EJ-135 Charter Services Agreement with PT Airfast Indonesia (Airfast) for providing aviation service to carry passengers and/or cargo. The agreement is valid for a minimum period of five (5) years, extendable by providing a three-month prior written notice before the expiration date. On January 27, 2014, the agreement was novated so that the agreement was entered between Airfast with ANJA, ANJAP, PPM and PMP as the users of the aircraft. The agreement will be effective from January 1, 2014 to January 1, 2019. Starting from February 2014, the Group is committed to pay a fixed charter fee of US$ 88,400 and Rp 746,875 thousand plus all operational expenses billed based on the usage of the aircraft.

   Based on the agreement, Airfast irrevocably grants to ANJA, ANJAP, PPM and/or PMP a call option to purchase the aircraft from Airfast at the current market price at the purchase date upon expiration of the charter period or upon termination of the agreement.

   On February 3 and 4, 2014, ANJA, ANJAP, PPM and PMP paid refundable security deposits of US$ 8,500,000 to Airfast in accordance to the aircraft charter agreement. The security deposit of US$ 8,500,000 will be refunded by Airfast in five installments from 2015-2019 on January 15th each year. On January 15, 2015, ANJA, ANJAP, PPM, and PMP received the refundable deposit from Airfast of US$ 550,000.

   On November 28, 2014, the agreement was amended, whereas ANJA, ANJAP, PPM, PMP and PAM become the users of the aircraft. The fixed charter fee becomes US$ 100,275 and Rp 784,219 thousand per month plus all operational expenses billed according to the usage of the aircraft. This amendment will be effective from January 1, 2015.

c. On December 18, 2012, the Company entered into a lease agreement with PT Bumi Mulia Perkasa Development, for leasing of 1,755.50 square meters office space at Gedung Atrium Mulia. The agreement was amended on December 10, 2013, whereas effective on January 1, 2014, the lessees become the Company, SMM, ANJAP, AANE, PPM, PMP and ANJ Boga with certain office space charged to each entity. Total rental fee and service charges for the Group of US$ 92,164 should be paid quarterly. The Group has paid US$ 92,164 of security deposits, which is recorded as other non-current assets (Note 20). The lease period is effective until April 3, 2016, with an option to extend the contract for the next three years. This option could be exercised not earlier than 4 months, and not later than 2 months, before the due date of the lease contract.

d. DGI has a 5% participation in a consortium with Chevron Geothermal Indonesia (formerly Chevron Texaco Energy Indonesia Ltd.) to develop Darajat Unit II Power Project and all subsequent units, operated by Chevron Geothermal Indonesia. These parties have the following commitments with Perusahaan Pertambangan Minyak dan Gas Bumi Negara ("PERTAMINA") and Perusahaan Listrik Negara ("PLN"):

  i. Joint Operation Contract - On November 16, 1984, PERTAMINA as the first party, Chevron Darajat Limited and Texaco Darajat Limited (jointly called "Contractor") as the second party entered into a Joint Operation Contract ("JOC"). This contract was amended and restated on January 15, 1996 and February 7, 2003. Under this contract, PERTAMINA will be responsible for the management of the geothermal field operation for the existing unit owned and operated by PLN, and the geothermal field operation and the electricity generation operations for the next and all subsequent units, which will be built, owned and operated by the contractor. The Contractor shall finance all expenditures for the existing unit of geothermal field operation owned and operated by PLN and geothermal field operation and electricity generation operation for the next and all subsequent units built. The Contractor shall also bear the risk, and be responsible for the conduct of such geothermal field operation and electricity generation operation and is appointed as the exclusive Contractor for all geothermal field operation and electricity generation in the Darajat West Java Area (Contract Area).

     The original term of this contract shall be 564 months commencing on the effective date, provided that if a production period of 360 months for any unit will not be achieved within the period ending 564 months following the effective date, then an extension period shall be added. Based on amendment dated February 7, 2003, in the event that either PLN and the contractor exercises the option to extend the ESC contract (Note 48d.ii) term from 432 months to 552 months, the term of this contract will be automatically amended from 564 months to 684 months since the effective date. The contractor has constructed Darajat Unit II and III. Darajat Unit II and III started to sell electricity from June 2000 and July 2007, respectively.

  ii. Energy Sales Contract - The Energy Sales Contract ("ESC") was entered into by PLN as a buyer and PERTAMINA, as the seller, and Chevron Darajat Limited and Texaco Darajat Limited as the deliverer and serving as contractor to PERTAMINA under the JOC. This contract was amended and restated on January 15, 1996 and subsequently amended on May 1, 2000. Under the ESC, PLN has agreed to purchase and pay for geothermal energy and for electricity generated from geothermal energy as delivered and/or made available from the Darajat West Java Area (contract area), and PERTAMINA has agreed to sell such geothermal energy and electricity to PLN pursuant to a Joint Operation with Chevron Darajat Limited and Texaco Darajat Limited.

     The term of this contract shall be for a period ending 432 months, however, either PLN or Chevron Texaco Indonesia Limited and Darajat shall have the option, exercisable any time during the first 372 months from the effective date, to amend the term of this contract from 432 months after the effective date to 552 months after the effective date. Furthermore, should any production period extend beyond the term of this contract, then the term of this contract will be automatically extended until the end of such production period.

The production period for delivery of geothermal energy shall be at least 360 months; however, either PLN or Darajat shall have the option, exercisable at any time during the period of 300 months from the effective date, to amend the 360 months period to 480 months.

e. On November 29, 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 East Belitung. 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 December 31, 2013.

   On October 16, 2014, PLN and AANE signed Memorandum of Understanding whereas AANE will increase its electricity production capacity up to 1,800 kW by June 30, 2015. Increase in electricity production from this capacity will be sold to PLN.

f. On June 10, 2013, ANJAS and ANJA, each entered into a security service agreement with PT Jaga Nusantara (JANUS) whereas JANUS would provide security services to safeguard respectively ANJAS' and ANJA's assets, employees and facilities. The agreement is valid for three years and is extendable for maximum one year. The estimated maximum costs related to the service for ANJAS and ANJA are respectively Rp 6,165,435 thousand and Rp 6,260,634 thousand for the first year, Rp 6,659,052 thousand and Rp 6,761,160 thousand for the second year and Rp 7,202,030 thousand and Rp 7,311,740 thousand for the third year.

g. Based on Deed No. 58 of notary Mala Mukti, S.H., dated October 15, 2014, PAM and PAS entered into consultancy agreement to provide consulting services and assistance to PAM related to the process of land compensation payment, land area mapping and other licensing processes for obtaining HGU of 30,679 hectares of land. The consultancy fee to be paid by PAM is divided into 4 phases, each US$ 350,000. The Company has paid consultancy fees for phase 1 of US$ 350,000 to PAS. On February 10, 2015, PAM has paid consultancy fees for phase 2 and 3 each of US$ 350,000 to PAS.

h. On October 8, 2014, the Company signed a Conditional Sale and Purchase Agreement (CSPA) with PT. Papua Sport Holidays whereas the latter will sell a 10,000 m^2 land in Sorong, West Papua Province to the Company for Rp 4,170 milllion. The Company has paid advance for land acquisition amounting to Rp 2,919 million until December 31, 2014.

i. On December 3, 2014, ANJAP and PT Mitra Adyaniaga entered into EPC agreement for the construction of ANJAP's power plant and its supporting facilities. The contract amount was US$ 4,031,500, payable in several stages based on the delivery progress. As of December 31, 2014, ANJAP has paid US$ 1,209,450, such amount was recorded as construction in progress (Note 15).

j. On December 1, 2014, ANJAP and PT Asindo Tech entered into EPC agreement for revamping of ANJAP's sago mill. The contract amount was Rp 51,700 million, payable in several stages based on the delivery progress. As of December 31, 2014, ANJAP has paid Rp 15,510 million, such amount was recorded as construction in progress (Note 15).

k. Based on the Ministry of Agriculture Regulation No. 26 in year 2007, KAL has plasma obligation for a minimum 20% of hectarage. In July 2014, KAL allocate 2,431 hectares for plasma plantation that are owned by Bina Satong Lestari Cooperative, Laman Mayang Sentosa Cooperative, and Kuala Tolak Village. Management cooperation agreements between KAL with Bina Satong Lestari Cooperative and Laman Mayang Sentosa Cooperative were signed on August 19, 2014, whereas the KAL (referred to as the Nucleus) is required to perform the following, among others:

- Act as business partner to develop the plantation for smallholders based on the mutual agreement between the Nucleus and the cooperatives.
- Purchase the fresh fruit bunches (FFB) produced by plasma plantations at prevailing price in West Kalimantan Province.
- Plasma financing is derived from bank loan. Loan agreement is made between bank and cooperatives.

The agreement period is 30 years.

Meanwhile, the loan agreements between both Cooperatives and PT Bank Mandiri (Persero) Tbk were signed on August 22, 2014. The loan facility was Rp 31.6 billion and Rp 130.3 billion, respectively and guaranteed by KAL and SMM. The loan period is until 2025 with floating interest rate.

l. 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 2015 or 2016, but may be extended with agreements from both parties. The total significant contracts commitment is as follows:

	Contract value	Total amount have been paid
US$	1,310,738	656,238
IDR	320,655,149,200	139,955,773,293
EUR	96,392	19,278

CONTINGENCIES

m. The Company purchased 22,825,100 shares or 35.09% ownership in PT Prima Mitra Nusatama (PMN) from other shareholders in 2012. There is a contingent liability of maximum Rp 9,479 million which will be paid during period of 2015-2016, if, and only if, the Company does not receive any claims from the buyer of PT Asuransi Indrapura (AI)'s shares, who obtained a guarantee from the Company for the claims' settlement. AI was a subsidiary of PMN, which was sold to a third party in 2012 (Note 24).

Subsequently, on January 30, 2015, the Company paid a contingent liability of Rp 997 million. The payment was made because there was no claim from the buyer of AI.

n. As of December 31, 2014, DGI is in the process of tax audit, GMIT is in the process of filling tax objection and KAL is in the judicial review process relating to the request filed by the tax authorities with the Supreme Court. The Group has not recorded additional tax liabilities in relation to those ongoing tax assessment process because the Group assessed that the Group has technical ground to support its tax position.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

49. SERVICE CONCESSION ARRANGEMENT

The Joint Operation Contract (JOC) and Energy Sales Contract (ESC) of DGI (Note 48d) and AANE (Note 48e) 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:

	31/12/2014	31/12/2013
	US$	US$
Balance at beginning of year	8,258,795	6,344,186
Addition	-	1,960,077
Repayment	(132,948)	(45,468)
Translation adjustment	(36,109)	-
Balance at end of year	8,089,738	8,258,795
Less:		
Current maturity	143,002	131,092
Non-current portion	7,946,736	8,127,703

Provision for Services 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 statements of financial position is as follows:

	31/12/2014	31/12/2013
	US$	US$
Balance at beginning of year	1,099,622	294,243
Provision during the year	423,895	786,612
Increase in provision due to the passage of time	9,468	18,767
Balance at end of year	1,532,985	1,099,622
Less:		
Current maturities	90,627	-
Non-current portion	1,442,358	1,099,622

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The discount rate used in calculating the present value of the above provision as follows

	31/12/2014	31/12/2013
DGI (US$)	1.16%	1.69%
AANE (Euro)	3%	-

Service Concession Revenue

	31/12/2014	31/12/2013
	US$	US$
Service concession revenue	5,083,245	2,691,297
Financing revenue from service concession	1,074,885	949,980
Total	6,158,130	3,641,277

Service Concession Expenses

This account mainly represents the maintenance and geothermal well drilling costs in order to maintain production capacity according to the service concession contract, which amounted to US$ 2,866,314 and US$ 3,556,557 for the years ended December 31, 2014 and 2013, respectively.

50. 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 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 segment exclusive operate in Indonesia.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Belows is the operating segment information:

a. Segment Results

	2014						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
INCOME							
Segment income:							
Revenue from sales	147,359,552	-	10,187	4,805,003	152,174,742	-	152,174,742
Revenue from service concession	-	6,158,130	-	-	6,158,130	-	6,158,130
Share in net income of associates	3,319,594	-	-	-	3,319,594	-	3,319,594
Dividend income	3,966,508	797,842	-	117,650	4,882,000	-	4,882,000
Interest income	283,681	41,508	94,496	6,500	426,185	-	426,185
Other income	2,732,478	3,004	44,486	12,669	2,792,637	-	2,792,637
Total segment income	157,661,813	7,000,484	149,169	4,941,822	169,753,288	-	169,753,288
Unallocated income					5,351,736	(4,515,600)	836,136
TOTAL INCOME					175,105,024	(4,515,600)	170,589,424
EXPENSE							
Segment Expense:							
Cost of goods sold	87,183,553	-	7,201	3,924,588	91,115,342	-	91,115,342
Cost of service concession	-	2,866,314	-	-	2,866,314	-	2,866,314
Selling expense	2,361,291	-	79	63,454	2,424,824	-	2,424,824
Personnel expense	6,240,897	217,806	1,854,769	609,893	8,923,365	-	8,923,365
General & administrative expense	9,313,740	684,449	4,068,560	277,386	14,344,135	(4,515,600)	9,828,535
Foreign exchange loss	2,114,951	(13,203)	106,083	160,513	2,368,344	-	2,368,344
Interest expense	363,387	-	-	169,747	533,134	-	533,134
Other expense	115,239	89,695	10,751,870	139,540	11,096,344	-	11,096,344
Total segment expense	107,693,058	3,845,061	16,788,562	5,345,121	133,671,802	(4,515,600)	129,156,202
Unallocated expense					7,610,858	-	7,610,858
TOTAL EXPENSE					141,282,660	(4,515,600)	136,767,060
Income before tax					33,822,364	-	33,822,364
Tax expense:							
Segment	14,127,057	948,533	(318,746)	(34,760)	14,722,084	-	14,722,084
Unallocated					832,076	-	832,076
Total tax expense					15,554,160	-	15,554,160
Net income for the year					18,268,204	-	18,268,204
Net income attributable to:							
Owners of the Company					18,425,605	-	18,425,605
Non-controlling interest					(157,401)	-	(157,401)
Net income for the year					18,268,204	-	18,268,204
Comprehensive income:							
Owners of the Company					20,027,587	-	20,027,587
Non-controlling interest					(159,849)	-	(159,849)
Total comprehensive income					19,867,738	-	19,867,738

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	2013						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
INCOME							
Segment income:							
Revenue from sales	128,722,987	-	-	6,075,073	134,798,060	-	134,798,060
Revenue from service concession	-	3,641,277	-	-	3,641,277	-	3,641,277
Share in net income of associates	2,513,084	-	-	-	2,513,084	-	2,513,084
Dividend income	2,378,722	821,846	-	2,286	3,202,854	-	3,202,854
Interest income	348,553	46,040	244,023	118,255	756,871	-	756,871
Foreign exchange gain	1,978,013	3,107	832,086	512,280	3,325,486	-	3,325,486
Other income	1,957,708	-	-	36,491	1,994,199	-	1,994,199
Total segment income	137,899,067	4,512,270	1,076,109	6,744,385	150,231,831	-	150,231,831
Unallocated income					26,280,600	(24,758,890)	1,521,710
TOTAL INCOME					176,512,431	(24,758,890)	151,753,541
EXPENSE							
Segment Expense:							
Cost of goods sold	82,107,561	-	-	4,560,490	86,668,051	-	86,668,051
Cost of service concession	-	3,556,557	-	-	3,556,557	-	3,556,557
Selling expense	2,284,684	-	-	114,083	2,398,767	-	2,398,767
Personnel expense	4,346,095	246,901	2,046,110	725,494	7,364,600	-	7,364,600
General & administrative expense	6,630,619	495,004	2,382,508	359,791	9,867,922	-	9,867,922
Loss from liquidation of subsidiary	-	-	-	-	-	959,556	959,556
Interest expense	173,231	-	-	138,735	311,966	-	311,966
Other expense	372,941	59,744	33,925	25,868	492,478	-	492,478
Total segment expense	95,915,131	4,358,206	4,462,543	5,924,461	110,660,341	959,556	111,619,897
Unallocated expense					6,671,621	111,228	6,782,849
TOTAL EXPENSE					117,331,962	1,070,784	118,402,746
Income before tax					58,942,937	(25,592,142)	33,350,795
Tax expense:							
Segment	11,583,671	(329,268)	(787,513)	214,744	10,681,634	-	10,681,634
Unallocated					807,321	-	807,321
Total tax expense					11,488,955	-	11,488,955
Net income for the year					47,691,514	(25,829,674)	21,861,840
Net income attributable to:							
Owners of the Company					47,750,463	(25,829,674)	21,920,789
Non-controlling interest					(58,949)	-	(58,949)
Net income for the year					47,691,514	(25,829,674)	21,861,840
Comprehensive income:							
Owners of the Company					27,099,088	(25,829,674)	1,269,414
Non-controlling interest					(194,224)	-	(194,224)
Total comprehensive income					26,904,864	(25,829,674)	1,075,190

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

b. Segment Assets and Liabilities

	31/12/2014						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSET							
Segment assets	365,179,895	24,560,697	18,912,020	9,091,625	417,744,237	-	417,744,237
Unallocated assets	-	-	-	-	260,052,865	(233,767,641)	26,285,224
Total consolidated assets							444,029,461
LIABILITIES							
Segment liabilities	56,532,248	3,635,828	830,506	5,252,763	66,251,345	-	66,251,345
Unallocated liabilities	-	-	-	-	3,073,287	(755,967)	2,317,320
Total consolidated liabilities							68,568,665
Capital expenditure							
Segment	75,649,507	3,560	5,866,840	32,362	81,552,269	-	81,552,269
Unallocated	-	-	-	-	56,354	-	56,354
Total capital expenditure							81,608,623
Depreciation, impairment losses and amortization							
Segment	15,940,009	3,470	11,205,806	96,531	27,245,816	-	27,245,816
Unallocated	-	-	-	-	243,130	-	243,130
Total depreciation, impairment and losses and amortization							27,488,946

	31/12/2013						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSET							
Segment assets	296,067,875	13,773,128	26,407,391	8,794,836	345,043,230	-	345,043,230
Unallocated assets	-	-	-	-	277,336,870	(225,022,837)	52,314,033
Total consolidated assets							397,357,263
LIABILITIES							
Segment liabilities	22,593,314	3,511,158	598,469	3,861,107	30,564,048	-	30,564,048
Unallocated liabilities	-	-	-	-	2,135,377	-	2,135,377
Total consolidated liabilities							32,699,425
Capital expenditure							
Segment	33,332,682	1,137	7,410,499	533,827	41,278,145	-	41,278,145
Unallocated	-	-	-	-	798,600	-	798,600
Total capital expenditure							42,076,745
Depreciation and amortization							
Segment	15,153,621	228	405,008	98,723	15,657,580	-	15,657,580
Unallocated	-	-	-	-	136,781	-	136,781
Total depreciation and amortization							15,794,361

51. RECLASSIFICATION OF THE 2013 CONSOLIDATED FINANCIAL STATEMENTS

The Company has reclassified the following accounts in the consolidated financial statements for the year ended December 31, 2013 to reflect the balance of appropriated retained earnings in accordance to Annual General Shareholders' Meetings dated February 22, 2013.

	31/12/2013	
	Before reclassification	After reclassification
	US$	US$
Retained earnings		
Appropriated	675,566	6,226,184
Unappropriated	263,302,449	257,751,831

52. EVENTS AFTER THE REPORTING PERIOD

On February 16, 2015, the Company's Board of Commissioners approved the appointment of Mr. Ridha D. M. Wirakusumah as a member of the Company's audit committee.

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

As of December 31, 2014 and 2013, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows:

	31/12/2014		31/12/2013	
	Foreign currencies	Equivalent to	Foreign currencies	Equivalent to
		US$		US$
Assets				
Cash and cash equivalents				
Rupiah	90,703,883,960	7,291,309	60,241,511,865	4,942,285
Euro	7,845	9,544	173,696	239,709
Australian Dollar	-	-	2,598	2,318
Restricted time deposits				
Rupiah	690,000,000	55,466	900,000,000	73,837
Investment in trading securities at fair value				
Rupiah	-	-	3,412,920	280
Trade accounts receivable				
Rupiah	2,135,064,760	171,629	-	-
Euro	146,559	178,289	-	-
Other receivable				
Rupiah	15,638,212,040	1,257,091	11,201,617,866	918,994
Prepaid expenses - Value Added Taxes				
Rupiah	124,184,477,000	9,982,675	83,024,690,916	6,811,444
Claim for tax refund				
Rupiah	-	-	771,344,298	63,282
Other assets				
Rupiah	29,712,467,280	2,388,462	2,868,744,768	235,355
Total		21,334,465		13,287,504

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	31/12/2014		31/12/2013	
	Foreign currencies	Equivalent to US$	Foreign currencies	Equivalent to US$
Liabilities				
Short-term bank loans				
Rupiah	41,158,848,308	3,308,589	17,560,697,098	1,440,700
Trade accounts payable				
Rupiah	32,794,240,920	2,636,193	20,871,895,095	1,712,355
Taxes payable				
Rupiah	8,393,554,120	674,723	8,702,543,763	713,967
Other payable				
Rupiah	43,321,491,400	3,482,435	24,554,472,342	2,014,478
Euro	-	-	129,028	178,065
Accrued expenses				
Rupiah	60,537,443,760	4,866,354	43,060,787,262	3,532,758
Euro	-	-	11,505	15,877
Post employment benefit obligation				
Rupiah	124,514,833,640	10,009,231	94,030,427,040	7,558,716
Total		24,977,525		17,166,916
Total liabilities, net		(3,643,060)		(3,879,412)

As of December 31, 2014 and 2013, the conversion rates used by the Group as well as the exchange rates, prevailing on February 23, 2015 were as follows:

	23/02/2015	31/12/2014	31/12/2013
	US$	US$	US$
Currencies:			
1 Rupiah	0.00008	0.00008	0.00008
1 Euro	1.13890	1.21650	1.38005
1 Australian Dollar	0.78400	0.82140	0.89225

In relation to the fluctuation of the U.S. Dollar exchange rate against foreign currencies, the Group recorded the foreign exchange net gain (loss) of (US$ 2,156,137) and US$ 3,188,359, respectively during the years ended December 31, 2014 and 2013.

54. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values either because of their short-term maturities, insignificant impact of discounting or they carry market rates of interest.

Valuation technique and assumptions used for the purpose 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 in active markets are determined with reference to the quoted market prices.

- The fair value of derivative instruments are calculated using quoted market price. If market price is not available, a discounted cash flow analysis using the applicable yield curve for the duration of the instruments is performed for non-option derivatives, and option pricing models is used for option derivatives. Foreign currency forward contracts are measured using the quoted forward exchange rates and yield curve of the quoted market interest rates applicable for similar maturities of the contracts.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined using pricing models generally applicable based on discounted cash flow analysis using current market prices.

Fair value measurements recognized in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, which are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurement is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities at the end of reporting period.

- Level 2: fair value measurement is derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: fair value measurement is derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets at FVTPL				
Investment in trading securities				
Money market	290,227	-	-	290,227
Available-for-sale financial assets				
Other investments	26,114	-	12,045,593	12,071,707
Total	316,341	-	12,045,593	12,361,934

Other investments are classified as available-for-sale investments. Except for PT Agro Muko and ARC Exploration Ltd, the Company adopts the acquisition cost in measuring its other investment, since these are non-listed shares and there is no readily available measure of fair value of the shares.

b. 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, differences 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.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The debt to equity ratio as of December 31, 2014 and 2013 were as follows:

	31/12/2014	31/12/2013
	US$	US$
Debts		
Short term bank loans	27,808,589	1,440,700
Lease liabilities - current maturities	149,204	278,043
Lease liabilities - net of current maturities	-	149,201
Total debt	27,957,793	1,867,944
Equity attributable to the owners of the Company	375,107,709	364,144,902
Debt to equity ratio	7.45%	0.51%

Categories and classes of financial Instruments

	Loans and receivable	Available for sale	Assets at fair value through profit or loss	Liabilities at amortized cost
	US$	US$	US$	US$
December 31, 2014				
Current Financial Assets				
Cash and cash equivalents	30,134,307	-	-	-
Restricted time deposits	236,466	-	-	-
Investment in trading securities at fair value	-	-	290,227	-
Receivable from service concession arrangement - current	143,002	-	-	-
Trade accounts receivable	1,499,481	-	-	-
Other receivable - net	1,702,707	-	-	-
Non-Current Financial Assets				
Long-term receivable from service concession arrangement	7,946,736	-	-	-
Other investments	-	24,231,198	-	-
Other assets	10,980,626	-	-	-
Current Financial Liabilities				
Short-term bank loans	-	-	-	27,808,589
Trade accounts payable	-	-	-	6,260,242
Other payable	-	-	-	4,545,279
Accrued expenses	-	-	-	8,101,433
Lease liabilities - current maturities	-	-	-	149,204
Provision for service consession arrangement - current maturities	-	-	-	90,627
Non-Current Financial Liabilities				
Long-term other payable	-	-	-	253,993
Provision for service concession arrangement - net of current maturities	-	-	-	1,442,358
Total	52,643,325	24,231,198	290,227	48,651,725

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	Loans and receivable	Available for sale	Assets at fair value through profit or loss	Liabilities at amortized cost
	US$	US$	US$	US$
December 31, 2013				
Current Financial Assets				
Cash and cash equivalents	41,438,142	-	-	-
Restricted time deposits	331,837	-	-	-
Investment in trading securities at fair value	-	-	2,283,304	-
Receivable from service concession arrangement - current	131,092	-	-	-
Trade accounts receivable	741,057	-	-	-
Other receivable - net	1,439,772	-	-	-
Non-Current Financial Assets				
Long-term receivable from service concession arrangement	8,127,703	-	-	-
Other investments	-	20,569,709	-	-
Other assets	1,691,490	-	-	-
Current Financial Liabilities				
Short-term bank loans	-	-	-	1,440,700
Trade accounts payable	-	-	-	3,276,845
Other payable	-	-	-	2,372,428
Accrued expenses	-	-	-	4,821,492
Lease liabilities - current maturities	-	-	-	278,043
Non-Current Financial Liabilities				
Lease liabilities - net of current maturities	-	-	-	149,201
Long-term other payable	-	-	-	998,468
Provision for service concession arrangement - net of current maturities	-	-	-	1,099,622
Total	53,901,093	20,569,709	2,283,304	14,436,799

c. Financial risk management objectives and policies

The Group's financial risk management 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, price risk and credit 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.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuates following changes in foreign exchange currency rates.

The majority of the Group transactions are done in United States Dollar (U.S. Dollar) currency, which is also its functional and reporting currency.

The Group has monetary assets and liabilities denominated in currencies other than U.S. Dollar (mostly Rupiah) as presented in Note 53. 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.

The Group manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. To help manage the risk, the Group also entered into forward foreign exchange contracts within established parameters (Note 46).

Foreign currency sensitivity

The following table details the Group's sensitivity to 3% and 6% as well as 8% increase and decrease in U.S. Dollar rate against the relevant foreign currencies in 2014 and 2013, respectively. 3% and 6% (2013 : 8%) increase or decrease represent management's assessment of reasonable possible change in foreign exchange rates after considering the current economic conditions. The sensitivity analysis includes only outstanding foreign denominated monetary assets and liabilities and shows their translation effects at period end for a 3% and 6% change in the foreign currency rates of Rupiah and Euro, respectively at December 31, 2014.

	31/12/2014			
	Impact on Rupiah		Impact on other currencies	
	3%	-3%	6%	-6%
	US$	US$	US$	US$
Assets				
Cash and cash equivalents	(218,739)	218,739	(573)	573
Restricted time deposits	(1,664)	1,664	-	-
Trade accounts receivable	(5,149)	5,149	(10,697)	10,697
Other receivable	(37,713)	37,713	-	-
Prepayments	(299,571)	299,571	-	-
Other assets	(71,654)	71,654	-	-
Total *)	(634,490)	634,490	(11,270)	11,270
Liabilities				
Short-term bank loan	99,258	(99,258)	-	-
Trade accounts payable	79,086	(79,086)	-	-
Taxes payable	20,242	(20,242)	-	-
Other payable	104,473	(104,473)	-	-
Accrued expenses	145,991	(145,991)	-	-
Post employment benefit obligation	300,277	(300,277)	-	-
Total *)	749,327	(749,327)	-	-
Total assets (liabilities) net	114,837	(114,837)	(11,270)	11,270

*) included the translation effect of assets and liabilities amounted to Rp 150.7 billion and Rp 102.6 billion, respectively, from subsidiaries with Rupiah reporting currency.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	31/12/2013			
	Impact on Rupiah		Impact on other currencies	
	8%	-8%	8%	-8%
	US$	US$	US$	US$
Assets				
Cash and cash equivalents	(395,383)	395,383	(19,363)	19,363
Restricted time deposits	(5,907)	5,907	-	-
Investment in trading securities at fair value	(22)	22	-	-
Other receivable	(73,520)	73,520	-	-
Prepayments	(526,335)	526,335	-	-
Claim for tax refund	(5,063)	5,063	-	-
Other assets	(18,828)	18,828	-	-
Total *)	(1,025,058)	1,025,058	(19,363)	19,363
Liabilities				
Short-term bank loan	115,256	(115,256)	-	-
Trade accounts payable	136,988	(136,988)	-	-
Taxes payable	57,117	(57,117)	-	-
Other payable	161,158	(161,158)	14,245	(14,245)
Accrued expenses	282,621	(282,621)	1,271	(1,271)
Post employment benefit obligation	604,697	(604,697)	-	-
Total *)	1,357,837	(1,357,837)	15,516	(15,516)
Total assets (liabilities) net	332,779	(332,779)	(3,847)	3,847

*) included the translation effect of assets and liabilities amounted to Rp 69.2 billion and Rp 55.0 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 books in U.S. Dollar. This impact is recorded as 'Foreign Exchange Differentials from Translation of Subsidiaries' Financial Statements' (part of other comprehensive income).

The following table shows changes in other comprehensive income from translation adjustments if the U.S. Dollar increases or decreases by 3% and 8% against Rupiah, respectively for the years ended December 31, 2014 and 2013:

	31/12/2014		31/12/2013	
	+3%	-3%	+8%	-8%
	US$	US$	US$	US$
Other comprehensive income - translation adjustments	(2,558,129)	2,558,129	(7,564,353)	7,564,353

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.

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - 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:

	31/12/2014				
	Maturity date				
	< 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	US$	US$	US$	US$	US$
Financial assets:					
Floating rate					
Cash and cash equivalents	17,509,012	-	-	-	17,509,012
Investment in trading securities at fair value	290,227	-	-	-	290,227
Total	17,799,239	-	-	-	17,799,239
Fixed rate					
Cash and cash equivalent	-	12,530,749	-	-	12,530,749
Restricted time deposits	236,466	-	-	-	236,466
Receivable from service concession arrangement	34,471	108,531	670,532	7,276,204	8,089,738
Total	270,937	12,639,280	670,532	7,276,204	20,856,953
Financial liabilities:					
Floating rate					
Provision for service concession arrangement	22,657	67,970	1,427,943	14,415	1,532,985
Lease liabilities	73,720	75,484	-	-	149,204
Total	96,377	143,454	1,427,943	14,415	1,682,189
Fixed rate					
Short-term bank loan	27,808,589	-	-	-	27,808,589
Total	27,808,589	-	-	-	27,808,589

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	31/12/2013				
	Maturity date				
	< 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	US$	US$	US$	US$	US$
Financial assets:					
Floating rate					
Cash and cash equivalents	13,136,591	-	-	-	13,136,591
Investment in trading securities at fair value	281,844	-	-	-	281,844
Total	13,418,435	-	-	-	13,418,435
Fixed rate					
Cash and cash equivalents	-	28,261,882	-	-	28,261,882
Restricted time deposits	331,837	-	-	-	331,837
Receivable from service concession arrangement	31,809	99,283	678,045	7,449,658	8,258,795
Investment in trading securities at fair value	-	2,001,460	-	-	2,001,460
Total	363,646	30,362,625	678,045	7,449,658	38,853,974
Financial liabilities:					
Floating rate					
Provision for service concession arrangement	-	-	1,099,622	-	1,099,622
Lease liabilities	67,064	210,979	149,201	-	427,244
Total	67,064	210,979	1,248,823	-	1,526,866
Fixed rate					
Short-term bank loan	1,440,700	-	-	-	1,440,700
Total	1,440,700	-	-	-	1,440,700

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 sensitivity analysis has been determined based on the exposure to interest rates for the Group 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 50 basis points on the relevant interest rates with other variables held constant. The 50 basis points increase and decrease represents the management's assessment on rational interest rate changes after considering the current economic conditions.

	31/12/2014	
	+ 50 Basis Points	- 50 Basis Points
	US$	US$
Financial Assets		
Cash and cash equivalents	87,545	(87,545)
Investment in trading securities at fair value	1,451	(1,451)
Financial Liabilities		
Provision for service concession arrangement	(7,665)	7,665
Lease liabilities	(746)	746
Total	80,585	(80,585)

	31/12/2013	
	+ 50 Basis Points	- 50 Basis Points
	US$	US$
Financial Assets		
Cash and cash equivalents	65,683	(65,683)
Investment in trading securities at fair value	1,409	(1,409)
Financial Liabilities		
Provision for service concession arrangement	(5,498)	5,498
Lease liabilities	(2,136)	2,136
Total	59,458	(59,458)

iii. Price Risk

The Group is exposed to price risks arising from investment in trading securities classified as FVTPL. Investment in trading securities is held for trading purposes. To manage price risk arising from investment in trading securities, the Group diversifies its portfolio. Diversification of the portfolio is performed within the limits set by the Board of Directors.

The Group investment in trading securities (consisting of money market funds and listed bonds) is described in Note 7.

The Group is also exposed to the price risk arising from other investments classified as AFS. Equity investments are held for strategic purpose rather than trading purpose. The Group does not actively trade these investments (Note 13).

The Group faces commodity price risk because CPO and PK are commodity products traded in global markets. CPO 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 and PK prices are principally dependent on the supply and demand dynamics of CPO and PK in global export market. The Group has not entered into any CPO and PK pricing agreements to hedge its exposure to fluctuation in CPO and PK prices but may do so in the future. However, in order to minimize the risk, CPO and PK prices are negotiated with the customers to obtain favorable prices. ANJA and its subsidiaries entered into certain derivatives transactions for the purpose of economic hedge against commodity price risk.

i. 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 sales of fresh fruit bunches by plasma plantation (Note 48k).

Trade accounts receivable age analysis is disclosed in Note 8.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses represents the Group' exposure to credit risk.

ii. Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitor forecast and actual cash flows and matching the maturity profiles of its financial assets and liabilities.

The following tables detail the Group contractual financial assets and liabilities based on the remaining maturity profile as of December 31, 2014 and 2013. The tables represent the undiscounted cash flow of financial assets and liabilities based on the earliest required payment date:

	31/12/2014				
	Weighted average effective interest rate	Less than 1 year	1 - 5 years	Over 5 years	Total
		US$	US$	US$	US$
Financial assets:					
Cash and cash equivalents	-	30,134,307	-	-	30,134,307
Restricted time deposits					
Rupiah	4.25%	55,466	-	-	55,466
U.S. Dollar	0.50%	181,000	-	-	181,000
Investment in trading securities at fair value	-	290,227	-	-	290,227
Receivable from service concession arrangement	-	143,002	670,532	7,276,204	8,089,738
Trade accounts receivable	-	1,499,481	-	-	1,499,481
Other receivable	-	1,702,707	-	-	1,702,707
Other assets	-	-	10,980,626	-	10,980,626
Total Financial Assets		34,006,190	11,651,158	7,276,204	52,933,552
Financial liabilities:					
Short-term bank loan					
Rupiah	11.50%	3,308,589	-	-	3,308,589
U.S. Dollar	3.00 -3.24%	24,500,000	-	-	24,500,000
Trade accounts payable	-	6,260,242	-	-	6,260,242
Provision for service concession	-	-	1,442,358	-	1,442,358
Lease liabilities	-	153,362	-	-	153,362
Other payable	-	4,545,279	253,993	-	4,799,272
Accrued expenses	-	8,101,433	-	-	8,101,433
Total Financial Liabilities		46,868,905	1,696,351	-	48,565,256
Total Net Assets (Liabilities)		(12,862,715)	9,954,807	7,276,204	4,368,296

P.T. AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	31/12/2013				
	Weighted average effective interest rate	Less than 1 year	1 - 5 years	Over 5 years	Total
		US$	US$	US$	US$
Financial assets:					
Cash and cash equivalents	-	41,438,142	-	-	41,438,142
Restricted time deposits					
Rupiah	4.25%	76,191	-	-	76,191
U.S. Dollar	0.50%	258,968	-	-	258,968
Investment in trading securities at fair value	-	2,283,304	-	-	2,283,304
Receivable from service concession arrangement	-	131,092	678,045	7,449,658	8,258,795
Trade accounts receivable	-	741,057	-	-	741,057
Other receivable	-	1,439,772	-	-	1,439,772
Other assets	-	895,099	195,000	-	1,090,099
Total Financial Assets		47,263,625	873,045	7,449,658	55,586,328
Financial liabilities:					
Short-term bank loan					
Rupiah	11.25%	1,455,558	-	-	1,455,558
Trade accounts payable	-	3,276,845	-	-	3,276,845
Provision for service concession	-	-	1,099,622	-	1,099,622
Lease liabilities	9.5%	306,732	153,362	-	460,094
Other payable	-	2,372,428	998,468	-	3,370,896
Accrued expenses	-	4,821,492	-	-	4,821,492
Total Financial Liabilities		12,233,055	2,251,452	-	14,484,507
Total Net Assets (Liabilities)		35,030,570	(1,378,407)	7,449,658	41,101,821

55. SUPPLEMENTAL DISCLOSURES FOR NON-CASH FINANCING AND INVESTING ACTIVITIES

	31/12/2014	31/12/2013
	US$	US$
Financing and investing activities:		
Addition of long-term other receivable through advance	-	904,846
Addition of property, plant and equipment through:		
Other payable	449,257	667,550
Advance for legal processing of land	26,552,107	-
Advance for purchase of property, plant and equipment	518,592	2,065,040
Addition of palm plantation through:		
Other accounts payable	2,090,313	319,817
Capitalization of fixed asset depreciation	129,698	-
Acquisition and additional investment in subsidiaries, associates and other investments through:		
Advance for investment	638,998	-
Addition of advance through:		
Other payable	84,590	-
Reclassification of deferred IPO expense to additional paid in capital	-	949,504

56. MANAGEMENT RESPONSIBILITY AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements on pages 3 to 92 were the responsibility of the management, and were approved by the President Director and Director and authorized for issuance on February 23, 2015.

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P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE I - STATEMENTS OF FINANCIAL POSITION
PARENT ENTITY ONLY
DECEMBER 31, 2014 AND 2013

	Notes	31/12/2014	31/12/2013
		US$	US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1	6,494,303	14,310,915
Investment in trading securities at fair value	2	290,227	2,283,304
Other receivable - net		849,227	219,295
Prepayment and advances		188,566	203,236
Total Current Assets		7,822,323	17,016,750
NON-CURRENT ASSETS			
Investment in subsidiaries	3	238,630,135	222,251,893
Investment in associates	4	3,448,698	2,959,700
Other investments	5	26,139,865	21,751,751
Advances for long-term investment	6	8,843,213	2,212,727
Deferred tax assets	20	183,545	175,836
Property and equipment - net of accumulated depreciation of US$ 463,037 as of December 31, 2014 and US$ 272,420 as of December 31, 2013	7	528,748	717,899
Other assets		221,737	786,136
Total Non-current Assets		277,995,941	250,855,942
TOTAL ASSETS		285,818,264	267,872,692
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Taxes payable	8	284,180	295,907
Other payable	9	558,478	-
Accrued expenses	10	1,287,155	387,640
Total Current Liabilities		2,129,813	683,547
NON-CURRENT LIABILITIES			
Post-employment benefit obligation	11	734,181	453,345
Long-term other payable	9	209,291	998,468
Total Non-current Liabilities		943,472	1,451,813
TOTAL LIABILITIES		3,073,285	2,135,360
EQUITY			
Capital stock - Rp 100 par value per share Authorized - 12,000,000,000 shares Issued and paid-up - 3,334,900,000 shares as of December 31, 2014 and 3,333,350,000 shares as of December 31, 2013	12	46,593,718	46,581,073
Additional paid in capital	13	36,158,244	35,980,273
Management stock options	14	728,435	344,299
Other comprehensive income		6,149,120	3,356,218
Retained earnings			
Appropriated		6,794,072	6,226,184
Unappropriated		186,321,390	173,249,285
Total Equity		282,744,979	265,737,332
TOTAL LIABILITIES AND EQUITY		285,818,264	267,872,692

Presented using cost method.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE II - STATEMENTS OF COMPREHENSIVE INCOME
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013

	Notes	2014 US$	2013 US$
INCOME			
Dividend income	15	26,382,331	20,414,754
Interest income	16	210,840	355,384
Rental income		-	48,304
Revenue from management services	21	4,515,600	78,000
Foreign exchange gain		212,206	-
Other income	17	625,252	1,323,647
Total Income		31,946,229	22,220,089
EXPENSES			
Personnel expenses	18	5,000,483	4,001,458
General and administrative expenses	19	2,661,643	2,819,290
Loss from liquidation of a subsidiary	3	-	4,385,821
Interest expense		-	113,049
Foreign exchange loss		-	130,913
Other expense		160,942	235,291
Total Expenses		7,823,068	11,685,822
INCOME BEFORE TAX		24,123,161	10,534,267
TAX EXPENSE	20	(832,076)	(807,321)
NET INCOME FOR THE YEAR		23,291,085	9,726,946
OTHER COMPREHENSIVE INCOME :			
Change in fair value of available-for-sale investments		2,792,902	(797,542)
Actuarial loss	11	(15,414)	(6,874)
Deferred tax benefit	20	3,854	1,719
Total other comprehensive income - net of tax		2,781,342	(802,697)
TOTAL COMPREHENSIVE INCOME		26,072,427	8,924,249

Presented using cost method.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE III - STATEMENTS OF CHANGES IN EQUITY
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013

						Other comprehensive income		Retained Earnings		
	Notes	Capital stock	Additional paid in capital	Difference in value from restructuring transaction between entities under common control	Management stock options	Available-for-sale investment revaluation	Translation adjustments	Appropriated	Unappropriated	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance as of January 1, 2013		43,158,940	-	3,833,188	-	2,856,111	1,297,649	675,566	169,078,112	220,899,566
Paid up capital from Initial Public Offering	12,13	3,422,133	32,147,085	-	-	-	-	-	-	35,569,218
Management stock options	14	-	-	-	344,299	-	-	-	-	344,299
Difference in value from restructuring transaction between entities under common control presented as additional paid in capital		-	3,833,188	(3,833,188)	-	-	-	-	-	-
Net income for the year ended December 31, 2013		-	-	-	-	-	-	-	9,726,946	9,726,946
Other Comprehensive Income:										
Change in fair value of available-for-sale investments	5	-	-	-	-	(797,542)	-	-	-	(797,542)
Actuarial loss	11	-	-	-	-	-	-	-	(6,874)	(6,874)
Deferred tax benefit	20	-	-	-	-	-	-	-	1,719	1,719
Total comprehensive income		-	-	-	-	(797,542)	-	-	9,721,791	8,924,249
Appropriation for retained earnings		-	-	-	-	-	-	5,550,618	(5,550,618)	-
Balance as of December 31, 2013		46,581,073	35,980,273	-	344,299	2,058,569	1,297,649	6,226,184	173,249,285	265,737,332
Paid up capital from management stock options	12,13	12,645	177,971	-	(52,013)	-	-	-	-	138,603
Management stock options	14	-	-	-	436,149	-	-	-	-	436,149
Net income for the year ended December 31, 2014		-	-	-	-	-	-	-	23,291,085	23,291,085
Other Comprehensive Income:										
Change in fair value of available-for-sale investments	5	-	-	-	-	2,792,902	-	-	-	2,792,902
Actuarial loss	11	-	-	-	-	-	-	-	(15,414)	(15,414)
Deferred tax benefit	20	-	-	-	-	-	-	-	3,854	3,854
Total comprehensive income		-	-	-	-	2,792,902	-	-	23,279,525	26,072,427
Appropriation for retained earnings		-	-	-	-	-	-	567,888	(567,888)	-
Cash dividend		-	-	-	-	-	-	-	(9,639,532)	(9,639,532)
Balance as of December 31, 2014		46,593,718	36,158,244	-	728,435	4,851,471	1,297,649	6,794,072	186,321,390	282,744,979

Presented using cost method.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE IV - STATEMENTS OF CASH FLOWS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	4,515,600	126,304
Payment to employees	(4,041,579)	(6,355,559)
Payment for other operating activities	(2,061,491)	(2,974,674)
Income taxes paid	(824,896)	(19,056,679)
Payment of post-employment benefits	(160,836)	-
Interest received	236,562	389,205
Net Cash Used in Operating Activities	(2,336,640)	(27,871,403)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of trading securities	1,991,617	2,544,253
Dividends received	26,382,331	20,414,754
Withdrawal (placement) of restricted time deposits	-	1,500,000
Acquisition of property and equipment	(56,354)	(798,600)
Additions to other assets	-	(574,375)
Proceeds from sale of property and equipment	2,682	1,401,575
Acquisition and additional investment in subsidiaries, associates and other investments	(16,203,709)	(27,134,719)
Addition advances for long-term investments	(8,843,213)	(2,212,727)
Proceeds from sale of other investments	747,603	-
Proceeds from liquidation of subsidiary	-	7,817,732
Net Cash Provided by Investing Activities	4,020,957	2,957,893
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares through Initial Public Offering	-	36,518,722
Issuance of shares through management stock options	138,603	-
Proceeds from bank loan	-	35,000,000
Payments of bank loan	-	(35,000,000)
Payment of interest on bank loan	-	(113,049)
Payment of dividend	(9,639,532)	-
Net Cash Provided by (Used in) Financing Activities	(9,500,929)	36,405,673
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,816,612)	11,492,163
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,310,915	2,818,752
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,494,303	14,310,915

Presented using cost method.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013

1. CASH AND CASH EQUIVALENTS

	31/12/2014	31/12/2013
	US$	US$
Cash on hand	458	468
Cash in banks	2,488,086	757,328
Cash equivalents - Time deposits		
U.S. Dollar	4,005,759	13,544,725
Rupiah	-	8,394
Total	6,494,303	14,310,915
Interest rates per annum on time deposits		
Rupiah	5.00% - 6.95%	3.25% - 6.60%
U.S. Dollar	0.12% - 3.50%	0.05% - 3.50%

2. INVESTMENT IN TRADING SECURITIES AT FAIR VALUE

	31/12/2014		
	Amortized cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	290,227	-	290,227
Bonds	65,000	(65,000)	-
Total	355,227	(65,000)	290,227

	31/12/2013		
	Amortized cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	281,844	-	281,844
Bonds	2,070,900	(69,440)	2,001,460
Total	2,352,744	(69,440)	2,283,304

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

3. INVESTMENT IN SUBSIDIARIES

This account represents the Company's long-term investment in shares with ownership interest of more than 50%, accounted for using the cost method.

	31/12/2014		31/12/2013	
	Percentage of ownership	Acquisition cost	Percentage of ownership	Acquisition cost
	%	US$	%	US$
PT Pusaka Agro Makmur	100.00	15,162,481	-	-
PT Austindo Nusantara Jaya Agri	99.99	163,373,565	99.99	163,214,381
PT Darajat Geothermal Indonesia	99.99	6,505,263	99.99	6,505,263
PT Aceh Timur Indonesia	99.99	1,284,181	99.99	1,284,181
PT Surya Makmur	99.99	827,505	99.99	827,505
PT Austindo Nusantara Jaya Boga	99.99	486,476	99.99	486,476
PT Gading Mas Indonesian Tobacco	99.96	6,248,371	99.96	6,228,133
PT ANJ Agri Papua	99.57	39,949,152	99.57	39,922,931
PT Austindo Aufwind New Energy	99.18	4,793,141	98.99	3,783,023
PT Prima Mitra Nusantara (in liquidation)		-	-	-
Total		238,630,135		222,251,893

PT Pusaka Agro Makmur (PAM)

Based on Deed No. 56 of notary Mala Mukti, S.H. dated October 15, 2014, the Company and Wodi Kaifa Ltd. entered into a sale and purchase agreement, whereas Wodi Kaifa Ltd. sold and transferred 8,550,000 shares or 95% ownership interest in PAM to the Company at a price of US$ 11,692,000 plus a maximum contingent purchase price component of US$ 6,292,309. The contingent purchase price component paid by the Company to Wodi Kaifa Ltd. until December 31, 2014 was US$ 1,188,462. In accordance with the sale and purchase agreement, the Company has also paid US$ 302,092 to Wodi Kaifa Ltd., which represented 95% of the Net Asset Value of PAM as of September 30, 2014.

Based on Deed No. 55 of notary Mala Mukti, S.H. dated October 15, 2014, the Company and PT Pusaka Agro Sejahtera (PAS) entered into a sale and purchase agreement, whereas PAS sold and transferred 450,000 shares or 5% ownership interest in PAM to the Company at a price of US$ 615,600. In accordance with the sale and purchase agreement, the Company has also paid US$ 15,900 to PAS, which represented 5% of the Net Asset Value of PAM as of September 30, 2014.

The acquisition cost (including the contingent purchase price component) represents the fair value of net asset acquired, which is a location permit for 40,000 hectares of land located in Maybrat, Papua. There is no goodwill arising from this transaction.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Cash flows arising from the acquisition of PAM is as follows:

	US$
Acquisition cost, before payment of contingent purchase price	12,625,591
Cash balance received from the acquisition	(6,393)
Payment for acquisition of subsidiary - net before payment of contingent purchase price	12,619,198
Payment of contingent purchase price as of December 31, 2014	1,188,462
Payment for acquisition of subsidiary - net	13,807,660

Based on Deed No. 110 of notary Desman, S.H., M.Hum. dated December 23, 2014, the Company approved the increase in authorized capital from Rp 20,000,000,000 to Rp 100,000,000,000 and the increase in issued and paid up capital from Rp 9,000,000,000 to Rp 25,391,100,000 (or equivalent to US$ 1,348,428). The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-13622.40.20.2014 dated December 29, 2014.

PT Austindo Nusantara Jaya Agri (ANJA)

Based on Deed No. 40 of notary Desman, S.H., M.Hum. dated December 9, 2013, the shareholders of ANJA approved the increase in issued and paid up capital from 2,525,528,924 shares to 4,728,961,424 shares, all of which was subscribed and paid by the Company. The increase in paid up capital was accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.10-55716 dated December 23, 2013.

PT Austindo Nusantara Jaya Boga (ANJB)

Based on Deed No. 98 of Notary Mala Mukti, S.H. dated April 25, 2013, the Company established ANJB, a company which will operate in, among others, general trading, processing of plantation or forestry crops, acting as an agent of other companies and providing services, with an authorized capital of Rp 20,000,000,000 consisting of 20,000,000 shares at par value of Rp 1,000 per share and issued capital of Rp 5,000,000,000 consisting of 5,000,000 shares. Of the above mentioned issued capital, 4,999,999 shares were subscribed by the Company and 1 share was subscribed by Yayasan Tahija. This deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-25809.AH.01.01. Tahun 2013 dated May 14, 2013.

PT Gading Mas Indonesian Tobacco (GMIT)

Based on Deed No. 5 of notary Desman, S.H., M.Hum. dated December 2, 2013, the shareholders of GMIT approved the sale and transfer of one share owned by Mr. Koh Bing Hock and 61 shares owned by the Company to Mr. Thomas Andrew Marshall at a selling price of Rp 310,000 per share. The transfer of shares was accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.10-55947 dated December 24, 2013. The Company's direct ownership in GMIT decreased from 99.99% to 99.96%.

PT ANJ Agri Papua (ANJAP)

Based on Deed No. 38 of notary Desman, S.H., M.Hum. dated September 10, 2013, the shareholders of ANJAP approved the increase in issued and paid up capital from Rp 329,000,000,000 to Rp 385,578,000,000 by issuing 56,578 new shares, all of which was subscribed and paid by the Company. This Deed has been subsequently restated by Deed No. 70 of notary Desman, S.H., M.Hum. dated November 22, 2013 and was accepted by the Minister of Law and Human Rights in his decision letter No. AHU-AH.01.10-55049 dated December 18, 2013. The Company's direct ownership in ANJAP increased from 99.50% to 99.575%.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

PT Austindo Aufwind New Energy (AANE)

Based on Deed No. 124 of notary Mala Mukti, S.H. dated July 23, 2013, the shareholders of AANE approved the increase in issued and paid up capital from US$ 4,350,000 to US$ 5,350,000 by issuing 1,000 new shares. As of December 31, 2013, the related approval from the Minister of Law and Human Rights of the Republic of Indonesia was still in process and the amount was still recorded as advances for long term investment (Note 6).

This deed has been subsequently restated by Deed No. 95 of notary Mala Mukti, S.H. dated June 19, 2014 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-03444.40.21.2014 dated June 25, 2014. The Company's direct ownership in AANE increased from 98.99% to 99.18%.

PT Prima Mitra Nusatama (PMN)

Based on Deed No. 5 of notary Mala Mukti, S.H. dated April 1, 2013, the shareholders of PMN approved the payment of the remaining net assets post liquidation of PMN to the shareholders. On April 23, 2013, PMN has transferred its remaining net assets post liquidation of equivalent to US$ 9,645,660 as dividend and capital repayment to the shareholders. Following the liquidation, the Company recognized realization of PMN's cumulative translation adjustments of US$ 959,556 as loss from liquidation in 2013. On September 29, 2014, PMN distributed the remaining post liquidation net assets of US$ 75,009 to the shareholders, that was previously provided for expenses which might incur during the liquidation process.

Additions in investment through Management Stock Option Plan (MSOP)

The Company provides management stock option plan (MSOP) for the eligible management within Austindo Group, including the subsidiaries' management. The MSOP will be settled through issuance of shares of the Company (equity-settled share-based payment arrangement).

On May 8, 2013, the Company has granted 3,800,000 shares to ANJA's management, 900,000 shares to SMM's management, 1,100,000 shares to ANJAP's management, 300,000 shares to AANE's management, and 600,000 shares to GMIT's management. On December 31, 2013, the Company recorded an additional investment amounting to US$ 96,201, US$ 22,784, US$ 27,848, US$ 7,595 and US$ 15,190 in ANJA, SMM, ANJAP, AANE and GMIT, respectively, related to the MSOP.

On May 8, 2014, the Company has granted 4,350,000 shares to ANJA's management, 450,000 shares to SMM's management, 1,200,000 shares to ANJAP's management, 225,000 shares to AANE's management, and 450,000 shares to GMIT's management. For the year ended December 31, 2014, the Company recorded an additional investment amounting to US$ 146,187, US$ 12,997, US$ 26,221, US$ 10,118 dan US$ 20,238 in ANJA, SMM, ANJAP, AANE dan GMIT, respectively.

4. INVESTMENT IN ASSOCIATES

This account represents the Company's long-term investment, on which the Company has a significant influence over the investee, stated using the cost method.

	31/12/2014	31/12/2013
	US$	US$
PT Pangkatan Indonesia	2,959,700	2,959,700
PT Evans Lestari	488,998	-
Total	3,448,698	2,959,700

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

PT Evans Lestari

Based on Deed No. 7 of Notary Novita Puspitarini, S.H. dated November 25, 2013, the Company subscribed and paid for 12,000 shares or a 20% ownership interest in PT Evans Lestari at the price of Rp 6,000,000,000 (equivalent to US$ 488,998). On December 31, 2013, the related approval from the Minister of Law and Human Rights of the Republic of Indonesia is still in process and the amount was still recorded as advances for long term investments (Note 6). The approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase was obtained on January 2, 2014.

5. OTHER INVESTMENTS

This account represents the Company's long-term investment in shares with the ownership interest of less than 20%.

	31/12/2014		
	Acquisition cost	Fair value adjustment and allowance	Fair value
	US$	US$	US$
PT Agro Muko	7,108,324	4,937,269	12,045,593
PT Puncakjaya Power	10,271,880	-	10,271,880
PT Permata Putera Mandiri	792,025	-	792,025
PT Putera Manunggal Perkasa	702,782	-	702,782
PT Prima Mitrajaya Mandiri	692,437	-	692,437
PT Moon Lion Industries Indonesia	1,026,225	(600,000)	426,225
PT Galempa Sejahtera Bersama	413,860	-	413,860
PT Chevron Geothermal Suoh Sekincau	300,000	-	300,000
PT Teguh Jaya Prima Abadi	234,038	-	234,038
PT Sembada Sennah Maju	222,411	-	222,411
ARC Exploration Ltd.	2,911,153	(2,885,039)	26,114
PT Chevron Geothermal Sekincau Selatan	12,500	-	12,500
Others	41,964	(41,964)	-
Net	24,729,599	1,410,266	26,139,865

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	31/12/2013		
	Acquisition cost	Fair value adjustment and allowance	Fair value
	US$	US$	US$
PT Puncakjaya Power	10,271,880	-	10,271,880
PT Agro Muko	7,108,324	2,113,747	9,222,071
PT Permata Putera Mandiri	542,564	-	542,564
PT Moon Lion Industries Indonesia	1,026,225	(600,000)	426,225
PT Putera Manunggal Perkasa	397,423	-	397,423
PT Galempa Sejahtera Bersama	242,055	-	242,055
PT Sembada Sennah Maju	222,411	-	222,411
Paramount Life & General Holdings Corporation, Phillipines	220,388	-	220,388
PT Chevron Geothermal Suoh Sekincau	150,000	-	150,000
ARC Exploration Ltd.	2,911,153	(2,854,419)	56,734
Others	41,964	(41,964)	-
Net	23,134,387	(1,382,636)	21,751,751

Other investments are classified as available-for-sale investments. Except for PT Agro Muko and ARC Exploration Ltd., the Group adopts the acquisition cost approach in measuring its other investments, since they are non-listed shares and there is no readily available measure of fair value of the shares.

PT Agro Muko

For the year ended December 31, 2014 and 2013, the increase (decrease) in the fair value of PT Agro Muko of US$ 2,823,522 and (US$ 800,440), respectively was recognized by the Group in other comprehensive income.

PT Permata Putera Mandiri (PPM)

Based on Deed No. 15 of notary Mala Mukti, S.H. dated January 7, 2013, the Company, ANJA and PT Pusaka Agro Sejahtera (PAS) entered into a sale and purchase agreement, whereas PAS sold and transferred to the Company and ANJA each of 750,000 shares or 5% ownership interest in PPM for a total consideration of US$ 1,044,777. In accordance with the sale and purchase agreement, the Company and ANJA have also paid US$ 4,985 each to PAS, which individually represented 5% of the Net Asset Value of PPM as of December 31, 2012.

Based on Deed No. 11 of notary Mala Mukti, S.H. dated July 3, 2013, the shareholders of PPM approved the increase in authorized capital from Rp 40,000,000,000 to Rp 175,000,000,000 and the increase in issued and paid up capital from Rp 15,000,000,000 (15,000,000 shares) to Rp 44,195,980,000 (44,195,980 shares). Of the 29,195,980 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

Based on Deed No. 53 of notary Mala Mukti, S.H. dated November 13, 2013, the shareholders of PPM approved the increase in issued and paid up capital from Rp 44,195,980,000 (44,195,980 shares) to Rp 61,485,679,000 (61,485,679 shares). Of the 17,289,699 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

As of December 31, 2013, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to Deed No. 11 and 53 were still in process and the amount was still recorded as advances for long term investments (Note 6).

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Deeds No. 11 and 53 have been subsequently restated by Deed No. 5 of notary Mala Mukti, S.H. dated October 1, 2014, and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-09372.40.20.2014 dated October 10, 2014 and accepted in decision letter No. AHU-07257.40.21.2014 dated October 10, 2014.

In relation with MSOP program (Note 14), the Company has distributed 450,000 shares and 600,000 shares to PPM's management and recorded additional investment in PPM amounted to US$ 20,238 and US$ 15,190, respectively, on December 31, 2014 and 2013.

PT Putera Manunggal Perkasa (PMP)

Based on Deed No. 17 of notary Mala Mukti, S.H. dated January 7, 2013, the Company, ANJA and PT Pusaka Agro Sejahtera (PAS) entered into a sale and purchase agreement, whereas PAS sold and transferred to the Company and ANJA each of 450,000 shares or 5% ownership interest in PMP for a total consideration of US$ 736,905. In accordance with the sale and purchase agreement, the Company and ANJA have also paid US$ 6,187 each to PAS, which individually represented 5% of the Net Asset Value of PMP as of December 31, 2012.

Based on Deed No. 12 of notary Mala Mukti, S.H. dated July 3, 2013, the shareholders of PMP approved the increase in authorized capital from Rp 20,000,000,000 to Rp 150,000,000,000 and the increase in issued and paid up capital from Rp 9,000,000,000 (9,000,000 shares) to Rp 38,195,980,000 (38,195,980 shares). Of the 29,195,980 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

Based on Deed No. 52 of notary Mala Mukti, S.H. dated November 13, 2013, the shareholders of PMP approved the increase in issued and paid up capital from Rp 38,195,980,000 (38,195,980 shares) to Rp 65,740,980,000 (65,740,980 shares). Of the 27,545,000 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively.

As of December 31, 2013, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to Deeds No. 12 and 52 were still in process and the amount was still recorded as advances for long term investments (Note 6).

Deeds No.12 and 52 have been subsequently restated by Deed No. 4 of notary Mala Mukti, S.H. dated October 1, 2014 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-09373.40.20.2014 dated October 10, 2014 and accepted in decision letter No. AHU-075258.40.21.2014 dated October 10, 2014.

In relation with MSOP program (Note 14), the Company has distributed 675,000 shares and 900,000 shares to PMP's management and recorded US$ 30,359 and US$ 22,784 additional investment in PMP, respectively, on December 31, 2014 and 2013.

PT Prima Mitrajaya Mandiri

Based on Deed No. 6 of notary Novita Puspitarini, S.H. dated July 8, 2014, the Company subscribed and paid for 4,500 share at a price of US$ 692,437 for 5% ownership interest in PT Prima Mitrajaya Mandiri, a company operating in palm-oil plantation, with 95% of its shares owned by MP Evans Group. The approval from the Minister of Law and Human Rights of the Republic of Indonesia related to this investment was obtained on July 10, 2014.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

PT Galempa Sejahtera Bersama (GSB)

Based on Deed No. 126 of notary Mala Mukti, S.H. dated September 26, 2013, the Company and ANJA, among others, approved the increase in authorized capital from Rp 12,000,000,000 to Rp 100,000,000,000 and the increase in issued and paid up capital from Rp 12,000,000,000 to Rp 26,598,000,000 by issuing 145,980 new shares, of which 95% was subscribed and paid by ANJA and 5% was subscribed and paid by the Company. As of December 31, 2013, the related approval from the Minister of Law and Human Rights of the Republic of Indonesia was still in process and the amount was still recorded as advances for long term investments (Note 6).

Based on Deed No. 3 of notary Mala Mukti, S.H. dated April 1, 2014, the shareholders of GSB approved the increase in issued and paid up capital from Rp 26,598,000,000 to Rp 50,000,000,000 by issuing 234,020 new shares, of which 95% was subscribed and paid by ANJA and 5% was subscribed and paid by the Company.

Deeds No. 126 and 3 have been subsequently restated by Deed No. 46 of notary Mala Mukti, S.H. dated December 15, 2014 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-12960.40.20.2014 dated on December 17, 2014.

PT Chevron Geothermal Suoh Sekincau

Based on Deed No. 39 of notary Buchari Hanafi, S.H. dated November 21, 2013, the Company subscribed and paid for additional 1,500 new C-series shares at a price of US$ 150,000 in PT Chevron Geothermal Suoh Sekincau. As of December 31, 2013, the related approval from the Minister of Law and Human Rights of the Republic of Indonesia was still in process and the amount was still recorded as advances for long term investments (Note 6). Approval from Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase was obtained on January 7, 2014.

PT Teguh Jayaprima Abadi

Based on Deed No. 1 of notary Novita Puspitarini, S.H. dated November 3, 2014, the Company subscribed and paid for 3,200 shares at a price of US$ 234,038 for 5% ownership in PT Teguh Jayaprima Abadi, a company operating in palm-oil plantation, with 95% of its shares owned by MP Evans Group. The approval of the Minister of Law and Human Rights of the Republic of Indonesia in relation to this investment was obtained on November 7, 2014.

ARC Exploration Ltd. (ARC)

For the year ended December 31, 2014 and 2013, based on the quoted market price of ARC shares, the increase (decrease) in the fair value of ARC amounted to (US$ 30,620) and US$ 2,898, respectively, was recognized by the Group in other comprehensive income.

PT Chevron Geothermal Sekincau Selatan

Based on Deed No. 14 of notary Buchari Hanafi, S.H. dated May 8, 2014, the Company subscribed 125 shares for 5% ownership in PT Chevron Geothermal Sekincau Selatan at a price of Rp 143,687,500 (equivalent to US$ 12,500). Approval from Minister of Law and Human Rights of the Republic of Indonesia was obtained on May 9, 2014.

Paramount Life & General Holdings Corporations Philippines

Based on Sale and Purchase Agreement dated December 8, 2014, the Company, as the owner of 327,593 shares in Paramount Life & General Holdings Corporation with par value PhP 100 per share, agreed to sell all of its shares to Feldeen Holdings Corporation at a selling price of PhP 33,328,160 (or equivalent to US$ 747,603). The difference between the acquisition cost and the selling price amounted to US$ 527,215 which is recorded as gain on sale of other investment (Note 38).

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

6. ADVANCES FOR LONG TERM INVESTMENTS

	31/12/2014	31/12/2013
	US$	US$
Advance for land acquisition	242,003	-
PT ANJ Agri Papua	8,234,165	-
PT Permata Putera Mandiri	204,359	229,223
PT Putera Manunggal Perkasa	162,686	275,000
PT Austindo Aufwind New Energy	-	1,000,000
PT Evans Lestari	-	488,998
PT Chevron Geothermal Suoh Sekincau	-	150,000
PT Galempa Sejahtera Bersama	-	69,506
Total	8,843,213	2,212,727

Advance for land acquisition

In October 2014, the Company signed a Conditional Sale and Purchase Agreement (CSPA) with PT Papua Sport Holidays whereas the latter will sell 10,000 m^2 and 600 m^2 land in Sorong, West Papua to the Company for Rp 4,170 million and Rp 50 million, respectively. The Company has paid advance for land acquisition amounting to Rp 2,919 million and Rp 50 million until December 31, 2014, respectively.

PT ANJ Agri Papua (ANJAP)

Based on Deed No. 107 of notary Desman, S.H., M.Hum. dated December 23, 2014, the shareholders of ANJAP approved the increase of authorized capital from Rp 400 billion to Rp 1 trillion and the increase of issued and paid up capital from Rp 385,578,000,000 to Rp 485,695,000,000 by issuing 100,117 new shares, all of which was subscribed and paid by the Company. As of December 31, 2014, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase was still in process. The Company has paid US$ 8,234,165 capital advance to ANJAP.

This deed has been subsequently restated by Deed No. 79 of notary Sofiany, S.E., S.H. dated January 30, 2015 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-0001590.AH.01.02.Tahun 2015 dated January 30, 2015. The Company’s direct ownership in ANJAP increased from 99.575% to 99.868%.

PT Permata Putera Mandiri (PPM)

Based on Deed No. 108 of notary Desman, S.H., M.Hum. dated December 23, 2014, the shareholders of PPM approved the increase in the issued and paid up capital from Rp 61,485,679,000 (61,485,679 shares) to Rp 111,455,679,000 (111,455,679 shares). Of the 49,970,000 new issued shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively. As of December 31, 2014, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase is still in process. The Company has paid US$ 204,359 capital advance to PPM.

This deed has been subsequently restated by Deed No. 7 of notary Sofiany, S.E., S.H. dated February 4, 2015 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.03-0008383 dated February 9, 2015.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

PT Putera Manunggal Perkasa (PMP)

Based on Deed No. 109 of notary Desman, S.H., M.Hum. dated December 23, 2014, the shareholders of PMP approved the increase in issued and paid up capital from Rp 65,740,980,000 (65,470,980 shares) to Rp 105,520,980,000 (105,520,980 shares). Of the 39,780,000 new shares, ANJA and the Company subscribed and paid for 95% and 5% ownership, respectively. As of December 31, 2014, the approval from the Minister of Law and Human Rights of the Republic of Indonesia related to the capital increase is still in process. The Company has paid US$ 162,686 capital advance to PMP.

This deed has been subsequently restated by Deed No. 27 of notary Sofiany, S.E., S.H. dated February 12, 2015 and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.03-0009674 dated February 13, 2015.

7. PROPERTY AND EQUIPMENT

	January 1, 2014	Addition	Deduction	December 31, 2014
	US$	US$	US$	US$
At cost :				
Leasehold improvements	159,540	4,483	-	164,023
Computer and communication equipment	424,040	37,183	34,548	426,675
Office equipment, furniture and fixtures	406,290	14,688	19,891	401,087
Motor vehicles	449	-	449	-
Total	990,319	56,354	54,888	991,785
Accumulated depreciation:				
Leasehold improvements	25,929	53,917	-	79,846
Computer and communication equipment	177,933	87,767	34,548	231,152
Office equipment, furniture and fixtures	68,109	101,446	17,516	152,039
Motor vehicles	449	-	449	-
Total	272,420	243,130	52,513	463,037
Net Carrying Value	717,899			528,748

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	January 1, 2013	Addition	Deduction	December 31, 2013
	US$	US$	US$	US$
At cost :				
Buildings	192,795	-	192,795	-
Leasehold improvements	-	159,540	-	159,540
Computer and communication equipment	194,250	249,135	19,345	424,040
Office equipment, furniture and fixtures	17,900	389,925	1,535	406,290
Motor vehicles	449	-	-	449
Total	405,394	798,600	213,675	990,319
Accumulated depreciation:				
Buildings	95,796	2,967	98,763	-
Leasehold improvements	-	25,929	-	25,929
Computer and communication equipment	141,137	56,141	19,345	177,933
Office equipment, furniture and fixtures	17,900	51,744	1,535	68,109
Motor vehicles	449	-	-	449
Total	255,282	136,781	119,643	272,420
Net Carrying Value	150,112			717,899

Depreciation expense charged to operation for the year ended December 31, 2014 and 2013 amounted to US$ 243,130 and US$ 136,781, respectively (Note 19).

Property and equipment were insured against fire, theft and other risk to PT Asuransi Indrapura with a total coverage of US$ 799 thousand in 2014 and US$ 780 thousand in 2013.

8. TAXES PAYABLE

	31/12/2014	31/12/2013
	US$	US$
Current tax (Note 20)	15,687	4,651
Income tax		
Article 21	247,416	63,227
Article 23/26	3,052	406
Article 4 (2)	8,191	8,092
Article 15	8,363	1,373
Value Added Taxes	1,471	20,286
Tax assessment	-	197,872
Total	284,180	295,907

On July 22, 2013, the Company has received a tax audit notification letter regarding its taxation for the years 2004, 2005, 2006, 2007, 2008 and 2009. The audit process has been completed on December 18, 2013 with the following results:

- VAT underpayment (SKPKB) for January -December 2004 of Rp 567,994,354 (equivalent to US$ 46,599)
- VAT underpayment (SKPKB) and tax penalty (STP) for January - December 2005 of Rp 489,502,248 (equivalent to US$ 40,159)

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

- VAT underpayment (SKPKB) for January-December 2006 of Rp 703,540,222 (equivalent to US$ 57,719)
- VAT underpayment (SKPKB) and tax penalty for January - December 2007 of Rp 621,851,901 (equivalent to US$ 51,017)
- No correction on VAT for January - December 2008
- VAT underpayment (SKPKB) and tax penalty for January - December 2009 of Rp 28,975,706 (equivalent to US$ 2,378).

The Company has recorded the entire tax assessments as other expenses in 2013 and paid the entire obligation related to the tax assessments in January 2014.

9. OTHER PAYABLE

This account represents payable to third parties.

As of December 31, 2014 and 2013, payable to third parties included contingent liability to PMN's previous shareholders amounted to Rp 9,479 million which will be due in 2015-2016. In January 2015, the Company has paid Rp 997 milion of the total contingent liability.

10. ACCRUED EXPENSES

	31/12/2014	31/12/2013
	US$	US$
Personnel	570,706	251,473
Transportation	502,648	-
Others	213,801	136,167
Total	1,287,155	387,640

11. POST-EMPLOYMENT BENEFIT OBLIGATION

The Company provides post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefit was 43 employees in 2014 and 33 employees in 2013.

The pension plan is managed by Dana Pensiun Lembaga Keuangan (DPLK) Manulife Indonesia, whose deed of establishment was approved by the Minister of Finance of the Republic of Indonesia in his Decision Letter No. KEP-231/KM.17/1994 dated August 5, 1994.

The amounts recognized in profit or loss in respect of the post-employment benefits are as follows:

	2014	2013
	US$	US$
Current service cost	433,797	400,853
Interest cost	20,521	5,826
Past service liability of new employees	1,311	-
Expected return on plan assets	(151)	-
Total	455,478	406,679

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

The amounts included in statements of financial position are as follows:

	31/12/2014	31/12/2013
	US$	US$
Present value of defined benefits obligation	895,160	453,345
Fair value of plan assets	(160,979)	-
Post employment benefits obligation	734,181	453,345

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

	2014	2013
	US$	US$
Beginning of year	453,345	122,647
Current service cost	433,797	400,853
Interest cost	20,521	5,826
Actuarial losses	15,414	6,874
Past service liability of new employees	1,311	-
Translation adjustment	(29,228)	(82,855)
Balance at end of year	895,160	453,345

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

	2014	2013
	US$	US$
Contribution from the employer	160,836	-
Expected return on plan asset	151	-
Actuarial gain	65	-
Exchange differences	(73)	-
Balance at end of year	160,979	-

Movements in the net liability recognized in the statements of financial position are as follows:

	2014	2013
	US$	US$
Beginning of year	453,345	122,647
Contribution from employer	(160,836)	-
Expense for the year	455,478	406,679
Loss on actuarial adjustments recognized as other comprehensive income	15,414	6,874
Translation adjustments	(29,220)	(82,855)
Balance at end of year	734,181	453,345

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

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

	2014	2013
	US$	US$
Cumulative amounts at beginning of year	91,254	84,380
Actuarial loss for the year	15,414	6,874
Cumulative amounts at end of year	106,668	91,254

The history of experience adjustments is as follows:

	2014	2013	2012	2011	2010
	US$	US$	US$	US$	US$
Present value of defined benefits obligation	895,160	453,345	122,647	2,153,939	1,407,975
Experience adjustments on plan liabilities	(1,580)	141,031	(165,767)	70,421	163,826

The cost of providing post-employment benefits is calculated annually by an independent actuary of PT Dayamandiri Dharmakonsilindo with its latest report dated January 15, 2015. The actuarial valuation was carried out using the following key assumptions:

	31/12/2014	31/12/2013
Mortality table	TMI 3 – 2011	CSO – 1980
Normal pension age	55 year	55 year
Salary increment rate per annum	6%	8%
Discount rate per annum	7.90%	8.65%
Expected return on plan assets	8%	-

12. CAPITAL STOCK

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

	31/12/2014			
	Number	Percentage of	Total paid-in capital stock	
Name of shareholders	of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,343,804,685	40.2952%	134,380,468,500	14,037,446
PT Austindo Kencana Jaya	1,343,804,685	40.2952%	134,380,468,500	14,037,446
Mr. George Santosa Tahija	156,242,000	4.6851%	15,624,200,000	7,544,278
Mr. Sjakon George Tahija	156,147,130	4.6822%	15,614,713,000	7,539,697
Yayasan Tahija	1,500	0.0000%	150,000	73
Public (each below 5%)	334,900,000	10.0423%	33,490,000,000	3,434,778
Total	3,334,900,000	100.0000%	333,490,000,000	46,593,718

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

	31/12/2013			
	Number	Percentage of	Total paid-in capital stock	
Name of shareholders	of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,343,804,685	40.3139%	134,380,468,500	14,037,446
PT Austindo Kencana Jaya	1,343,804,685	40.3139%	134,380,468,500	14,037,446
Mr. George Santosa Tahija	156,242,000	4.6872%	15,624,200,000	7,544,278
Mr. Sjakon George Tahija	156,147,130	4.6844%	15,614,713,000	7,539,697
Yayasan Tahija	1,500	0.0001%	150,000	73
Public (each below 5%)	333,350,000	10.0005%	33,335,000,000	3,422,133
Total	3,333,350,000	100.0000%	333,335,000,000	46,581,073

The following is the movements of the Company's capital stock:

		Balance	
	Number of shares	Rp	Equivalent in US$
Balance as of January 1, 2013	3,000,000,000	300,000,000,000	43,158,940
Increase in capital from the Initial Public Offering on May 8, 2013	333,350,000	33,335,000,000	3,422,133
Balance as of December 31, 2013	3,333,350,000	333,335,000,000	46,581,073
Increase in capital from the Management Stock Option Program	1,550,000	155,000,000	12,645
Balance as of December 31, 2014	3,334,900,000	333,490,000,000	46,593,718

13. ADDITIONAL PAID IN CAPITAL

This account represents the excess of IPO price over the par value taking into account the share listing expense in relation to its initial public offering and difference in value from restructuring transactions between entities under common control.

	31/12/2014	31/12/2013
	US$	US$
Net excess of IPO proceeds over paid in capital		
Excess of IPO price over par value	37,643,466	37,643,466
Share issuance costs	(5,496,381)	(5,496,381)
Excess of MSOP's exercise price over par value	177,971	-
Subtotal	32,325,056	32,147,085
Difference in value from restructuring transaction between entities under common control:		
Sale of investment in shares of ANJHC	30,478	30,478
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	2,392,599	2,392,599
Sale of other assets	(112,689)	(112,689)
Subtotal	3,833,188	3,833,188
Total	36,158,244	35,980,273

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Differences in value from restructuring transactions between entities under common control

In 2013, the differences in value from restructuring transactions between entities under common control amounting to US$ 3,833,188 was reclassified to additional paid in capital.

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 May 7, 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 (entity under common control) at the selling price of US$ 20,000,000. The difference between the selling price and the book value transferred amounting to US$ 30,478 was recorded as difference in value from restructuring transaction between entities under common control.

Sale of investment in shares of BKM

On July 23, 2012, the Company transferred 27,750 shares of Bina Kosala Metropolitan (BKM) to PT Austindo Nusantara Jaya Husada Cemerlang at a selling price of US$ 2,630,886. The difference between the selling price and the book value transferred amounting to US$ 1,490,208 was recorded as difference in value from restructuring transaction between entities under common control.

Sale of investment properties

On August 14, 2012, the Company sold investment in land and buildings to PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya at a net price of US$ 2,606,165. The difference between the selling price and the book value amounting to US$ 994,316 was recorded as difference in value from restructuring transaction between entities under common control.

On September 5, 2012, the Company sold investment in properties to PT Austindo Nusantara Jaya Husada Cemerlang at a net price of US$ 4,324,371. The difference between the selling price and the book value amounting to (US$ 961,724) was recorded as difference in value from restructuring transaction between entities under common control.

Sale of property and equipment

On December 6, 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 May 16, 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 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 June 29, 2012, the Company sold other assets to Mr. Sjakon George Tahija for US$ 42,440. The difference between the selling price and the book value amounting to (US$ 112,689) was recorded as difference in value from restructuring transaction between entities under common control.

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

14. MANAGEMENT STOCK OPTIONS

The Company provides management stock option plan (MSOP) to eligible management within the Group. The option in MSOP program can be used to buy the Company's new shares up to 1.5% of paid in capital after Initial Public Offering or at a maximum of 50,000,000 (fifty million) common shares.

The option in this program will be granted in three phases, 40% on the listing date, 30% on the first anniversary of the listing and the remaining 30% on the second anniversary of the listing. Each of the granted option can be used to buy one new share of the Company during the option period, which is two years after grant date, under the condition that the vesting period of the option is one year since the grant date. During the vesting period, the participants cannot use their rights to buy the Company's shares.

The shared-based payment arrangements during the current year is as follows:

Option series	Number of shares	Grant date	Expiry date	Fair value at grant date per option
				Rp
Tranche 1	13,600,000	8-May-13	8-May-16	417.45
Tranche 2	12,675,000	8-May-14	8-May-17	518.85

The exercise price for the option is 90% of average closing price of the Company's share during 25 trading days before the notirication date to the Indonesian Stock Exchange regarding the exercise period for the options.

Exercise period for Tranche 1 of the Company's MSOP program in 2014 is from November 3, 2014 until December 12, 2014 at exercise price of Rp 1,095.

Fair value of share options granted

The fair value of the stock options on the grant date, measured using the Black and Scholes model. For the years ended December 31, 2014 and 2013, the fair value of options recognized as general and administrative expenses in profit or loss was US$ 169,791 and US$ 136,707, respectively, addition in investment in subsidiaries amounting to US$ 215,761 and US$ 169,618, respectively and addition in other investment amounting to US$ 50,597 and US$ 37,974, respectively. As of December 31, 2014 and 2013, the fair value of the stock option recorded in equity was US$ 728,435 and US$ 344,299, respectively.

Key assumptions used in calculating the fair value of the options are as follows:

	31/12/2014	31/12/2013
Risk free interest rate	8.275%	5.50%
Option period	3 years	3 years
Expected stock price volatility	37.77%	35.00%
Expected dividend	3.00%	0.00%

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Movements in outstanding options are as follows:

	12/31/2014	31/12/2013
Outstanding option at beginning of year	13,600,000	-
Options granted	12,675,000	13,600,000
Options forfeitted	(2,600,000)	-
Options exercised	(1,550,000)	-
Outstanding options at end of year	22,125,000	13,600,000

15. DIVIDEND INCOME

	2014	2013
	US$	US$
Investment in subsidiaries		
PT Austindo Nusantara Jaya Agri	20,499,566	11,999,746
PT Darajat Geothermal Indonesia	1,000,000	-
PT Prima Mitra Nusatama	-	1,827,929
PT Gading Mas Indonesian Tobacco	-	2,883,657
Investment in associates	-	500,000
Other investments	4,882,720	3,201,136
Money market fund	45	2,286
Total	26,382,331	20,414,754

16. INTEREST INCOME

	2014	2013
	US$	US$
Time deposits and current accounts	203,865	308,529
Others	6,975	46,855
Total	210,840	355,384

17. OTHER INCOME

	2014	2013
	US$	US$
Gain on sale of other investments	527,215	-
Gain on sale of property, plant and equipment	307	1,305,981
Others	97,730	17,666
Total	625,252	1,323,647

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

18. PERSONNEL EXPENSES

	2014	2013
	US$	US$
Salaries	2,723,716	2,303,711
Bonus and long-term service allowances	997,306	781,036
Tax allowances	899,697	600,351
Insurance	106,297	102,534
Employee welfare	17,675	5,179
Others	255,792	208,647
Total	5,000,483	4,001,458

19. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
	US$	US$
Professional fees	907,541	1,348,946
Travel	575,818	292,833
Office rental	354,297	316,506
Depreciation (Note 7)	243,130	136,781
Share based compensation (Note 14)	169,791	136,707
Training, seminars and meeting	104,467	68,645
Repairs and maintenance	14,872	70,450
Donation	-	132,559
Others	291,727	315,863
Total	2,661,643	2,819,290

20. INCOME TAX

Tax expense of the Company consists of the followings:

	2014	2013
	US$	US$
Tax expense (benefit):		
Current tax	835,931	950,776
Deferred tax	(3,855)	(143,455)
Total tax expense	832,076	807,321

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Current Tax

The reconciliation between income before tax per statements of comprehensive income and taxable income is as follows:

	2014	2013
	US$	US$
Income before tax per statements of comprehensive income	24,123,161	10,534,267
Temporary differences:		
Bonus	(250,000)	250,000
Post-employment benefits (including foreign exchange effects)	265,422	323,824
Subtotal	15,422	573,824
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Personnel expenses	998,179	709,832
Share based compensation	169,792	136,707
Gain on sale of property and equipment	(1,382)	(1,305,586)
Gain on sale of trading securities	(4,440)	(56,360)
Interest income	(203,638)	(300,713)
Gain on sale of other investment	(447,365)	-
Dividend income from subsidiaries	(21,499,567)	(13,827,676)
Loss from liquidation of a subsidiary	-	4,385,821
Gain on payable write-off	-	2,611,030
Interest expense	-	113,049
Donation	-	44,046
Others	193,562	184,864
Subtotal	(20,794,859)	(7,304,986)
Total taxable income	3,343,724	3,803,105

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Current tax expense and payable are computed as follows:

	2014	2013
	US$	US$
Current tax expense	835,931	950,776
Less prepaid taxes		
Articles 23	820,244	946,125
Current tax payable	15,687	4,651

Deferred Tax

In 2014 and 2013, the Company has deductible temporary differences from bonus accrual and employee benefit obligation. The Company only recognizes the deferred tax assets over which management believes can be utilized to compensate future taxable income.

The details of deferred tax assets of the Company are as follows:

	January 1, 2014	Credited (charged) to profit or loss for the year	Credited to other comprehensive income	December 31, 2014
	US$	US$	US$	US$
Post-employment benefits obligation	113,336	66,355	3,854	183,545
Bonus	62,500	(62,500)	-	-
Total	175,836	3,855	3,854	183,545

	Januari 1, 2013	Credited to profit or loss for the year	Credited to other comprehensive income	December 31, 2013
	US$	US$	US$	US$
Post-employment benefits obligation	30,662	80,955	1,719	113,336
Bonus	-	62,500	-	62,500
Total	30,662	143,455	1,719	175,836

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

A reconciliation between tax expense and the amounts computed by applying the prevailing tax rates to income before tax per statements of comprehensive income is as follows:

	2014 US$	2013 US$
Income before tax per statements of comprehensive income	24,123,161	10,534,267
Tax expense at prevailing tax rates	(6,030,790)	(2,633,567)
Effect of non-tax-deductible expenses (non-taxable income/subjected to final tax):		
Personnel expenses	(249,545)	(177,458)
Share based compensation	(42,448)	(34,177)
Gain on sale of property and equipment	346	326,397
Gain on sale of trading securities	1,110	14,090
Interest income	50,909	75,178
Gain on sale of other investment	111,841	-
Dividend income from subsidiaries	5,374,892	3,456,919
Loss from liquidation of a subsidiary	-	(1,096,455)
Gain on payable write-off	-	(652,758)
Interest expense	-	(28,262)
Donation	-	(11,012)
Others	(48,391)	(46,216)
Total	5,198,714	1,826,246
Total tax expense	(832,076)	(807,321)

21. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of Relationship

Related parties which are shareholders of the Company:

- PT Austindo Kencana Jaya (AKJ)
- PT Memimpin Dengan Nurani (MDN)
- Yayasan Tahija

P.T. AUSTINDO NUSANTARA JAYA Tbk
SUPPLEMENTARY INFORMATION
SCHEDULE V - NOTES TO FINANCIAL STATEMENTS
PARENT ENTITY ONLY
YEARS ENDED DECEMBER 31, 2014 AND 2013 - Continued

Related parties in which the Company is a shareholder (direct or indirect):

- PT Austindo Nusantara Jaya Agri (ANJA)
- PT Gading Mas Indonesian Tobacco (GMIT)
- PT Darajat Geothermal Indonesia (DGI)
- PT Aceh Timur Indonesia (ATI)
- PT Surya Makmur (SM)
- PT Sahabat Mewah Makmur (SMM)
- PT Austindo Nusantara Jaya Agri Siais (ANJAS)
- PT Kayung Agro Lestari (KAL)
- PT Galempa Sejahtera Bersama (GSB)
- PT Lestari Sagu Papua (LSP)
- PT ANJ Agri Papua (ANJAP)
- PT Permata Putera Mandiri (PPM)
- PT Putera Manunggal Perkasa (PMP)
- PT Pusaka Agro Makmur (PAM)
- PT Austindo Nusantara Jaya Boga (ANJB)
- PT Austindo Aufwind New Energy (AANE)

<u>Transaction with Related Parties</u>

In the normal course of business, the Company entered into certain transactions with related parties, including the followings:

- On June 27, 2014, 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 has been renewed on December 22, 2014 for period until December 31, 2015 and is extendable. Management fee charged to subsidiaries amounted to US$ 4,515,600 for the year ended December 31, 2014. On December 31, 2013, the Company only charged management fees to ATI, SM, DGI, and AANE amounting to US$ 78,000.

- On December 15, 2014, the Company provided loan facility to AANE amounting to US$ 750,000 with interest rate at 2.75% for increasing its electricity production capacity up to 1,800 kW. This facility will be available for three years from the grant date. On January 9, 2015, AANE has utilized US$ 500,000 from the facility.

- On January 14, 2015, the Company provided the loan facility to PAM amounting to US$ 500,000 with interest rate 2.75% for developing its palm plantation in Maybrat Regency, Papua. This facility will be valid from the grant date. On February 6, 2015, the loan facility increased to US$ 5,000,000 with the same terms as the initial loan agreement. On February 9, 2015, PAM has used its facility of US$ 1,200,000.

- The Company charged office rental used by ANJA, PPM, PMP, ANJAP, ANJB, SMM, LSP and AANE amounted to US$ 48,304 for the year ended December 31, 2013. There was no office rental charged to subsidiaries for the year ended December 31, 2014.

- The Company donated US$ 34,046 for Corporate Social Responsibility (CSR) activities to Yayasan Tahija for the year ended December 31, 2013. There was no donation made to Yayasan Tahija for the year ended December 31, 2014.

– The Company paid benefits to its Commissioners and Directors as follows:

	2014	2013
	US$	US$
Short-term employee benefits	2,882,876	2,157,478
Stock options	24,960	-
Total	2,907,836	2,157,478

22. SUPPLEMENTAL DISCLOSURES FOR NON-CASH INVESTING ACTIVITIES

	31/12/2014	31/12/2013
	US$	US$
Investing activities:		
Acquisition and additional investment in subsidiaries, associates and other investments through:		
Advance for investment	2,212,727	-

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ANNUAL REPORT 2014

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