ANJ

Responsible Development:

STAYING ON COURSE IN UNCERTAIN TIMES

2020
ANNUAL REPORT

PT Austindo Nusantara Jaya Tbk.

Common Terms Used In This Report

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

ANJA
PT Austindo Nusantara Jaya Agri

ANJAS
PT Austindo Nusantara Jaya Agri Siais

SMM
PT Sahabat Mewah dan Makmur

KAL
PT Kayung Agro Lestari

GSB
PT Galempa Sejahtera Bersama

PPM
PT Permata Putera Mandiri

PMP
PT Putera Manunggal Perkasa

ANJAP
PT ANJ Agri Papua

LSP
PT Lestari Sagu Papua

AANE
PT Austindo Aufwind New Energy

GMIT
PT Gading Mas Indonesia Teguh

ANJB
PT Austindo Nusantara Jaya Boga

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

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

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

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

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

Disclaimer

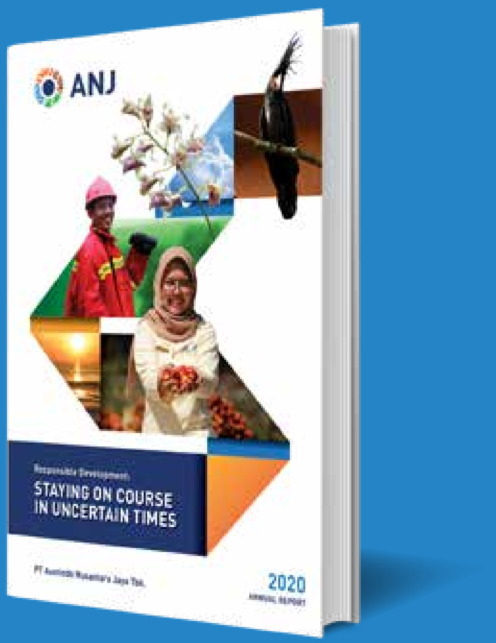
This annual report has been prepared by PT Austindo Nusantara Jaya Tbk. (ANJ) for informational purposes only. Certain statements herein may constitute "forward-looking statements", including statements regarding ANJ's expectations and projections for future operating performance and business prospects.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

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

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

About This Report

This report has been prepared as a detailed and accurate picture of ANJ, its subsidiaries and their activities in 2020. It has also been prepared according to the regulations of the Indonesian Financial Services Authority (OJK). We hope you find it useful and we welcome your feedback. Please e-mail comments to corsec@anj-group.com. To download a PDF of this or previous years' reports in English or Indonesian, please go to www.anj-group.com/en/annual-report/index.



Responsible Development:

STAYING ON COURSE IN UNCERTAIN TIMES

In what was a challenging year due to the unprecedented circumstances posed by the COVID-19 pandemic, ANJ held a steady course, upholding our values and commitments to responsible development through collective drive and resourcefulness. As a company dedicated to its core values, ANJ took the challenges of the past year in its stride. When pandemic restrictions, such as those on trade, affected one side of our operations, we turned our attention to what we could control – investing in the optimization of our business processes.

Industry has suffered tremendously in the wake of the pandemic, but ANJ made an early resolution to not succumb to the threat of monetary loss and unmet targets. Of course, the Company endured some losses, particularly in our vegetables sector, whose primary international trade networks collapsed, but the common drive for improvement allowed for our Group to see past these setbacks and plan for a better future. The pandemic provided us with time to reflect upon our values and commitments. We embraced video communication technology and used this as the mainstay for socially distanced meetings, internal audits, and the employee training program, which flourished. In each of our operations, we analyzed the elements that were limiting our potential. Driving improved performance through research, we increased extraction rates of sago starch by 14% at out sago mill, in our palm oil businesses we commenced drip irrigation and fertigation trials, as well as increasing composting and recycling of waste to mitigate impacts of climate change. We set about expanding our horizons, and while that meant some of our plans had to be put on hold, building infrastructure, increasing product demand, and establishing new trade relations, have paved the way for a more abundant future.

Staying true to our values, while adapting our operations in trying conditions we have continued to prioritize the welfare of every member of staff as well as the communities with whom we have built strong relations. Whether it be through our community education programs or bringing smallholder farmers along with us on the sustainability journey, we believe that empowering individuals to share their ideas and build their prospects should always take precedence, no matter how tough circumstances may be.

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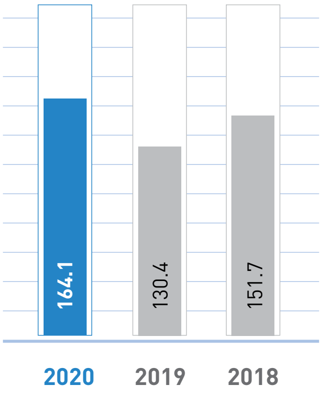
Performance Highlights

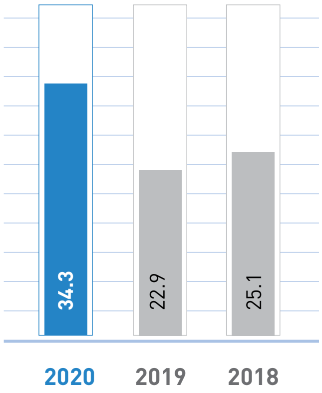
Financial and Operational Highlights

	2020	2019	2018	Variance 2020 vs 2019	
				Amount	%
Results from Operations (USD million)					
Total Revenue	**164.1**	130.4	151.7	33.7	25.9%
Palm Oil, Palm Kernel Oil and Palm Kernel	**161.5**	128.5	150.0	33.0	25.7%
Sago starch	**1.2**	1.0	0.7	0.2	20.0%
Service Concession Revenue	**0.6**	0.4	0.6	0.1	29.2%
Others	**0.8**	0.4	0.4	0.4	116.0%
Gross profit	**40.1**	23.8	40.9	16.3	68.7%
EBITDA	**34.3**	22.9	25.1	11.4	50.0%
Net income (loss) for the year	**2.2**	(4.6)	(0.5)	6.8	(148.5%)
attributable to the owners of the company	**2.3**	(4.2)	(0.3)	6.5	(155.9%)
attributable to non-controlling interests	**(0.1)**	(0.4)	(0.2)	0.2	(62.1%)
Total Comprehensive Income (Loss)	**5.8**	2.2	(7.1)	3.6	165.8%
attributable to owners of the company	**5.8**	2.5	(6.9)	3.3	132.5%
attributable to non-controlling interests	**(0.0)**	(0.3)	(0.2)	0.3	(98.5%)
Basic earnings (loss) per share	**0.000709**	(0.001267)	(0.000094)	0.0	(156.0%)
Financial Position (USD million)					
Cash and cash equivalents	**15.9**	18.5	29.2	(2.6)	(14.1%)
Investments in associates	**-**	-	19.6	-	0.0%
Total current assets	**66.5**	66.8	93.5	(0.3)	(0.5%)
Total assets	**636.1**	625.7	602.2	10.4	1.7%
Bank loans	**195.9**	190.5	171.4	5.5	2.9%
Total current liabilities	**28.4**	31.4	56.1	(3.0)	(9.7%)
Total liabilities	**240.4**	237.0	215.8	3.4	1.4%
Total equity	**395.8**	388.7	386.4	7.0	1.8%
Financial Ratios					
Return on assets (%)	**0.3%**	(0.7%)	(0.1%)	1.1%	(147.7%)
Return on equity (%)	**0.6%**	(1.2%)	(0.1%)	1.7%	(147.6%)
Gross margin (%)	**24.4%**	18.2%	27.0%	6.2%	34.0%
EBITDA margin (%)	**20.9%**	17.5%	16.5%	3.4%	19.1%
Net profit margin (%)	**1.3%**	(3.5%)	(0.3%)	4.8%	(138.5%)
Current ratio	**2.3**	2.1	1.7	0.2	10.1%
Liabilities to equity ratio	**0.6**	0.6	0.6	(0.0)	(0.4%)
Liabilities to assets ratio	**0.4**	0.4	0.4	(0.0)	(0.2%)
Net debt to equity ratio	**0.5**	0.4	0.4	0.0	2.8%
Cash ratio	**0.6**	0.6	0.5	(0.0)	(4.9%)
Receivables Turnover	**2.5**	20.1	39.3	(17.6)	(87.5%)
Palm Oil Production (tonnes unless specified)					
Total FFB produced from our estates	**771,290**	732,837	786,104	38,453	5.2%
Total FFB bought from third parties	**408,554**	405,754	375,181	2,800	0.7%
Total FFB processed	**1,179,844**	1,138,591	1,161,285	41,253	3.6%
Average FFB yield (tonnes per hectare)	**20,1**	20,9	22,0	(0,8)	(3.8%)
Total CPO Production	**241,958**	240,844	248,694	1,114	0.5%
Total CPO Sales	**238,464**	239,800	246,138	(1,336)	(0.6%)
Total PK production	**49,286**	51,585	54,033	(2,299)	(4.5%)
Total PK sales	**48,660**	52,115	54,285	(3,455)	(6.6%)
Total PKO Production	**717**	-	-	717	100.0%
Total PKO Sales	**511**	-	-	511	100.0%
CPO extraction rate (%)	**20.5%**	21.1%	21.4%	(0.0)	(3.0%)
PK extraction rate (%)	**4.2%**	4.5%	4.7%	(0.0)	(7.8%)
CPO average selling price (ex-mill)	**581**	479	504	102	21.2%
PK average selling price (ex-mill)	**315**	261	381	54	20.7%
PKO average selling price (ex-mill)	**667**	-	-	-	100.0%
Cash cost of production (ex-mill)	**289**	293	285	28	-1.4%

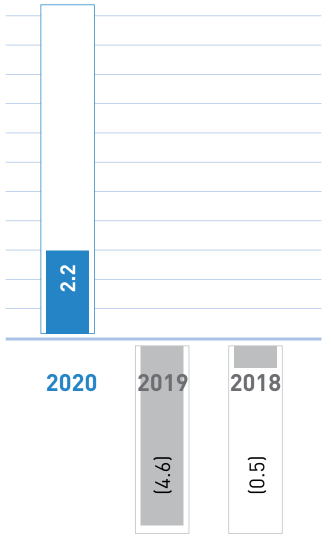
Total Revenue
(USD Million)



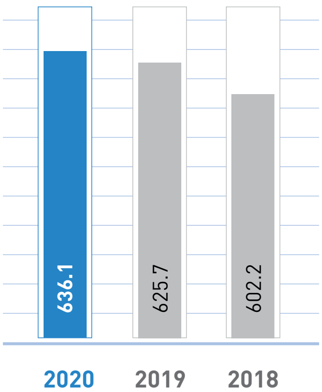
EBITDA
(USD Million)



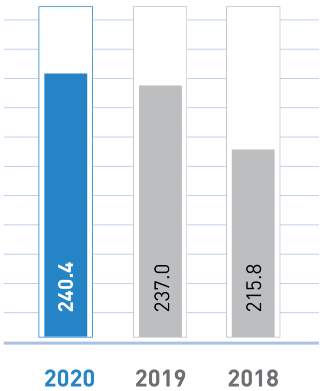
Net Income (Loss) For The Year
(USD Million)



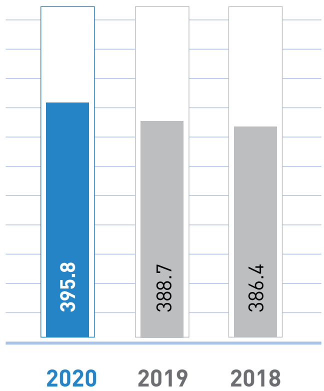
Total Assets
(USD Million)



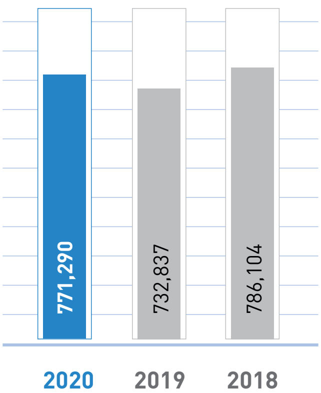
Total Liabilities
(USD Million)



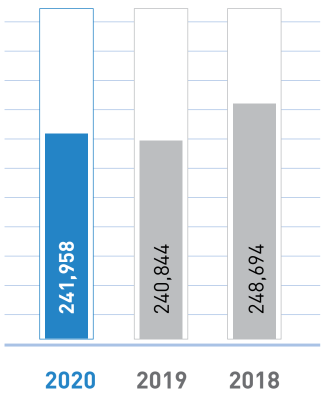
Total Equity
(USD Million)



FFB Production
(Tonnes)

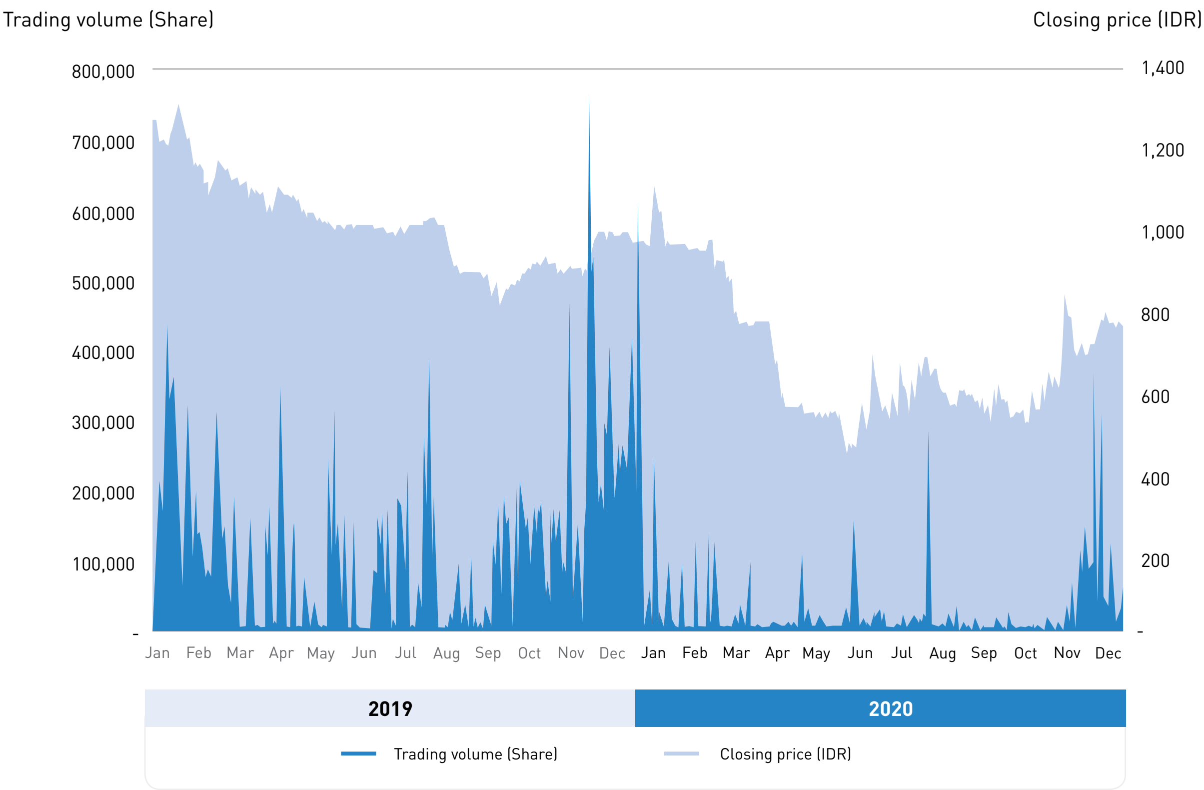


CPO Production
(Tonnes)



Share Information

ANJT Share Price Performance 2019 - 2020



ANJT Quarterly Share Price Data 2019 - 2020

Year	Quarter	Open (IDR)	High (IDR)	Low (IDR)	Close (IDR)	Volume (Shares)	Value of Transactions (IDR)	Outstanding (Shares)	Market Capitalization (IDR)
2020	**Q1**	**965**	**1000**	**610**	**610**	**789,400**	**664,442,000**	**3,354,175,000**	**2,046,046,750,000**
	Q2	**570**	**750**	**412**	**488**	**546,900**	**264,854,000**	**3,354,175,000**	**1,636,837,400,000**
	Q3	**540**	**650**	**460**	**492**	**493,000**	**288,238,000**	**3,354,175,000**	**1,650,254,100,000**
	Q4	**492**	**800**	**480**	**735**	**2,356,200**	**1,581,794,000**	**3,354,175,000**	**2,465,318,625,000**
2019	Q1	1,115	1,190	940	1,010	6,723,100	7,238,495,000	3,354,175,000	3,387,716,750,000
	Q2	995	935	865	910	2,593,100	2,405,143,000	3,354,175,000	3,052,299,250,000
	Q3	900	935	725	820	4,492,600	3,792,670,000	3,354,175,000	2,750,423,500,000
	Q4	830	1,000	780	1,000	9,609,500	8,316,948,000	3,354,175,000	3,354,175,000,000

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

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

Suspension and/or Delisting

No suspension and/or delisting during financial year 2020.

Significant Events 2020

19 February

Discussion with the Governor of West Papua at the sideline of Socialization of Action Plan for Sustainable Oil Palm Plantations.

10 March

Focus Group Discussion "Export Acceleration of Sago and its Derivatives" held by Ministry of Agriculture.

31 March

Online Leadership Meeting – Preparation and Procedures for Estates in Dealing with COVID-19.

8 May

ANJA provided 20,000 articles of Personal Protective Equipment (PPE) and masks to mitigate the spread of coronavirus disease (COVID-19).

18 May

PPM and PMP provided Personal Protective Equipment (PPE) for medical personnel in South Sorong.

20 May

GMIT provided 2,000 KN95 masks to Jember Regency medical personnel.

10

June

ANJ General Meeting of Shareholders.

14

June

The Regent of South Sorong visited ANJAP along with the Sorong's Task Force for Prevention and Mitigation of COVID-19.

13

August

Launching of ANJ social media accounts: IG @anjgroup.id and FB Austindo Nusantara Jaya.

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September

Investor Meeting organized by CIMB Niaga.

30

September

National Online Seminar by Balit Palma: Potency of Sago, Research Results and Future Expectations.

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October

Webinar: Sago as a Solution to the Global Crisis.

20

October

Nusantara Sago Week 2020 held by the Coordinating Ministry of Economy: Healthy Food for the Future of Indonesia.

20

October

Stakeholder meeting with the Secretariat of Maybrat Regency.

23

November

ANJ Public Expose 2020.

24

November

SMM distributed the premium price of sustainable palm oil to smallholder farmers.

26

November

Webinar & Virtual Awarding - Green & Sustainable Movement - Running a Green Business in Indonesia: Challenges, Opportunities & Prospect". ANJA awarded as Green Company and SMM awarded as Green Concern Company from Kehati Foundation and SWA Magazine.

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December

The Assistant Deputy of the Coordinating Ministry of Economy of the Republic of Indonesia visited ANJAP.

14

December

SMM received the Gold PROPER Award and ANJA received Green PROPER Award from the Ministry of Environment and Forestry.

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Management Report

Report from the Board of Commissioners

Despite the challenges the Company faced amidst the global pandemic, this has been an interesting, and ultimately, successful year.

Adrianto Machribie
President Commissioner (Independent)

Dear Shareholders,

The year 2020 has been a challenge for us all. As a company, like many others, the emergence of COVID-19 had an unprecedented impact on our operations. In these uncertain times, however, the Company was successful in upholding our values, particularly our dedication to sustainability, through rapid and sustained implementation of innovative adaptations.

Despite the challenges the Company faced amidst the global pandemic, this has been an interesting, and ultimately, successful year. Entering 2020, our team was optimistic. Coming off a high in price development in the last quarter of 2019, prices seemed to be going in the right direction. Buoyed by these predictions, executive decisions were made to reinstate a number of our 'frozen' projects. When COVID-19 hit, however, the Company was faced with a dilemma. Unsure of the eventual outcome of the pandemic, not only on our plantations, but on the world, we had to act quickly as we watched trade grind to a near halt, resulting in a significant slow-down of economy and a trade battle between the West and China. Interestingly, as the year progressed, supported by the rapid rebound of China, as well as the positive skew of the demand equation caused by the drought we suffered in 2019 and the effects of La Niña on South American production, the Company saw prices begin to increase. Now, in the final months of the year, and into the early months of 2021, we see prices continuing to follow the upward trend. With this supportive price trend the Company will record a more favourable balance sheet than was budgeted for in 2020.

Our Assessment of the Board of Directors' Performance

While the Company started the year on a high, overcoming the challenges presented by COVID-19 to deliver a net revenue growth of 25.9% at the end of the year, demonstrates the commendable efforts of the Board of Directors this year. Despite the uncertainty faced amidst the global pandemic, strategic planning and implementation of procedures allowed the Company to continue to grow under strict COVID-19 restrictions, without compromising health and safety or our sustainability agenda.

At the start of the pandemic, when prices plummeted, management took very rapid and drastic actions to mitigate long-term impacts on our plantations and operations. The active response to challenges by our management showed great resilience and innovation. Despite major restrictions on movement and trade, the Company succeeded in finishing our major capital projects. By year-end 2020, the mill-extension at KAL is nearing its final stages and will be entering the trial commissioning stage in late January 2021. The Tatakera bridge in Papua, which ensures cheaper transportation of palm oil from one plantation to another, was completed at the end of the year. Furthermore, management successfully facilitated numerous mitigation efforts to prevent future uncontrolled fires around KAL, such as the building of water reservoirs and enhancing the technical competency of our dedicated fire emergency task force team through training delivered by fire management experts. On the other hand, the Company has also addressed the issue of flooding through the construction of elevated river embankments at KAL and ANJAS.

Management's forward-thinking attitude is also worth mentioning. A crucial step taken during 2020 was to slow down projects in light of the failing economy both globally and locally as Indonesia entered a recession in the third quarter. To compensate for reduced growth of these projects, management turned their attention to increase the profit-building efficiency of palm oil, implementing the drip irrigation and fertigation trials, and implementing process engineering in the sago extraction process to increase extraction rates while decreasing costs.

We are grateful for the decisive action shown by management throughout this difficult year. The rapid and integrated response to challenges kept the Company afloat while many others sank in an industry hit hard by the global pandemic. In the coming year, we hope to see a continuation of efforts to maximize the potential of the Company and its values, regardless of the challenges which may lie ahead.

Advising the Board of Directors

We believe in an integrated approach to governance, which is why we prioritize collaboration between the Board of Commissioners and the Board of Directors. On a regular basis, the Company holds meetings between these two parties which, although not technical, address the issues and concerns that require a holistic understanding on all fronts. In addition to these meetings, the Board of Commissioners and the Board of Directors come together in the annual shareholders meeting.

What we believe to be more significant, however, is that in each of the fortnightly Board of Directors meetings, one, and more often two, Board of Commissioner members attend as observers or side participants. These meetings, as well as the intensive and frequent informal meetings between the two boards, either individually or as teams, are where issues among the Board of Directors are debated, whose solutions are directed by advice from the Company.

Corporate Governance

As in previous years, the Company continues to position corporate governance at the forefront of our operations. We believe that our corporate value system is a strong point of the Company, and something we are very proud of. Coming off two Green PROPER awards in 2019 for our plantations in North Sumatera and Belitung, the Company received the Gold PROPER in 2020 for our plantation in Belitung. Considering the recognition we have received from the government, in addition to our successful re-entry process to trading sustainable palm oil with former major buyers, the Company is confident in the execution of our best practices, and aims to continue implementation and development of these values in the future, in order to commit to our standing as a top tier company in terms of sustainability.

The awards received by the Company are also a very positive and tangible signal of the recognition of the Company, not only by the government, but by business circles and the community at large. It also brings us great pride that among business circles, the Company is regarded as one that strictly adheres to, and never wavers from, the corporate governance values which lie at our core.

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

Our whistleblowing system, *Berani Bicara*, is an ode to the democratic community which we aim to build within our company. This system compliments both our corporate values and governance structure. The secure mechanism allows employees to confidentially voice concerns about breaches of our Code of Ethics on Business Conduct or any other unlawful act, with full protection against retaliation by the perpetrator or the Company.

Employees are now aware that, in the operation, steps are being taken if and when complaints are raised. The Company has made a point of acting promptly when reports are issued, which has most likely encouraged employees to work collaboratively, ethically, and with our united values and best interests in mind.

Analysis of Prospects

As a result of the COVID-19 pandemic and its inevitable restrictions, the Company has had to alter operations to suit the current climate. Such alterations, primarily due to our shift in focus away from trade in the early stages of the year, have allowed us to invest in innovations that are due to increase the future profit-building efficiency of palm oil. For instance, the Company has implemented the drip irrigation and fertigation trials which are predicted to make production more efficient and less susceptible to climate change induced impacts, with the long-term potential to reduce production costs. In our sago operation, the Company has embarked on a process engineering improvement to increase the rate of extraction, as well as increase mechanization resulting in less land required to meet production, therefore also reducing the costs of transportation.

The solid base that we have laid in 2020 to ensure future efficiency of cost, provides great prospects for the year to come. The Company has faced this year's challenges with resilience and innovation, without compromising the health and safety of our employees or the values that are at the core of the Company, which we believe sets us on the path for a fruitful, profitable, and sustainable 2021.

Changes in the Composition of the Board of Commissioners

We are glad to note that, in the year 2020, there have been no changes in the composition of the Board, adding to the continuity and strength of our operations.

This year has been tough for us all, but ANJ are proud of what we have achieved, despite the challenges we faced. Our employees demonstrated great resilience in the face of adversity: demonstrating innovation in our operations, and devotion to reach targets and uphold our values. The Company believes that executive decisions made during this year to ensure future cost-efficiency will provide a strong foundation for the year ahead. We are confident that this foundation will reap benefits in 2021 and allow us to further engage with communities and the environment in our areas, as well as develop our renowned sustainability strategies and values. The success of our operations has no single actor. Our company is built on collaboration and trust. We, therefore, thank all of ANJ's people, from management to employees, for their hard work and dedication, and also to our shareholders and stakeholders for their ongoing support.

On behalf of the Board of Commissioners,

Adrianto Machribie
President Commissioner (Independent)

The Board of Commissioners

THE BOARD OF COMMISSIONERS
from left to right:

ANASTASIUS WAHYUHADI
Commissioner

SJAKON GEORGE TAHIJA
Commissioner

J. KRISTIADI
Independent Commissioner

ADRIANTO MACHRIBIE
President Commissioner (Independent)

ISTAMA TATANG SIDDHARTA
Commissioner

DARWIN CYRIL NOERHADI
Independent Commissioner

GEORGE SANTOSA TAHIJA
Commissioner

Report from the Board of Directors

The year 2020 has been an extraordinary one, it started with good palm oil price, then the COVID-19 pandemic hit, and price dropped. We persevered. Realizing that necessity is the mother of innovation, we responded to the COVID-19 challenges with innovation and adaptation in every department, achieving all the Company's recalibrated targets while upholding our core values.

Istini Tatiek Siddharta
President Director

Dear Shareholders,

The year 2020 has been an extraordinary one; it started with good palm oil price, then the COVID-19 pandemic hit, and price dropped. We persevered. Realizing that necessity is the mother of innovation, we responded to the COVID-19 challenges with innovation and adaptation in every department, achieving all the Company's recalibrated targets while upholding our core values.

Responding to the COVID-19 Pandemic

In March, within one week of WHO declaring a pandemic, we implemented our pandemic preparedness procedures to ensure the health and wellbeing of our people and the communities around us while maintaining business continuity to safeguard the supply of CPO. We limited travel, implemented a work from home policy and used various technology platforms to maintain meetings and social interaction, mandated sanitation procedures, socialized COVID-19 risk through technological innovation, enforced social distancing in estates, including among the communities with whom we work, and implemented close monitoring and reporting of COVID-19 cases in our operation and surrounding areas. The wearing of masks was made mandatory, and we provided PPE and equipment for rapid diagnostic tests and COVID treatment, if any. We did record a small number of cases, which were treated accordingly, some were symptomatic, but the majority were asymptomatic. For these cases, we implemented contact tracing and isolation. Thanks to the vigilance and adaptability of our teams on the ground, the impact of COVID-19 has not been significant to our operations and we continued uninterrupted CPO production throughout the year, as well as maintained our focus on streamlining procedures and implemented novel technologies that aim to increase the future efficiency of production.

The Palm Oil Industry in 2020

The CPO price in the first quarter of the year was much stronger compared to 2019, however, the effect was partly offset by production decline, due to the effect of El Niño of 2019. The COVID-19 pandemic, and the restrictions that came with it, placed major limitations on this year's trade. The CPO price started to decline fast in March reaching its lowest in June. Despite a significant slowdown in global economic activity from March onwards, the oil palm sector started to rebound in July as China resumed its restocking of vegetable oil. This price rebound, combined with our increase in production volume in the second half of the year, ensured that the Company turned to profit by the third quarter.

The Indonesian government continued its commitment for the B30 biofuel program to balance the supply and demand of palm oil products. The plan for B50, however, is postponed due to the widened price gap between crude oil and CPO, requiring higher funding to subsidize the price gap. To continue the B30 program the Indonesian government increased the export levy to USD 180/MT in December 2020 from USD 50/MT in January 2020, and USD 55/MT in June 2020. Export tax was also increased from nil to USD 33/MT. Both export levy and export tax reduced our sales proceeds and we do not enjoy the full benefit from the price increase, however, we fully support the Indonesian government's biodiesel program, which implements progressive rates according to the CPO price, as a good program to balance the supply and demand for CPO.

The effects of the 2019 El Niño were felt throughout the first two quarters. Crops required time to recover from the drought, meaning production was a concern until June. After July, however, most estates had recovered, and we were able to catch-up with the projected output for the year. The La Niña conditions this year brought us more rain benefiting yields, although the heavy rainfall in the second half of the year caused issues for evacuation of harvested fruits in West Kalimantan and West Papua plantations.

As nearly all of of our workers are Indonesian nationals, we have no issue of border crossing, as experienced by Malaysia. The national restrictions posed around the Eid holiday, also increased production at a time when we would normally be falling behind, as staff were not able to take leave and return home. To alleviate the psychological impact to our workers who were unable to see their families for prolonged periods, in our remote sites where GSM mobile network is unavailable or poor, we increased internet bandwidth and expanded the access to our staff to allow them to stay in touch with their families during the challenging time.

The strong CPO prices trend came as a surprise. Many projections were based on the decreased demand resulting from the pandemic, and have not taken into account the effect of unfavourable weather and pandemic management strategies to soya, sunflower, and rapeseed production in regions such as China, and North and South America that experienced low yields and increased prices. The good result in the palm oil industry in Indonesia this year, comes more because of globally poor yields in our substitute products that increase price of edible oil products, and not from improvement in the national volume production of CPO. This year has proven that CPO production volume is more stable and resilient compared to the seasonal edible oil crops, which are more susceptible to extreme climate events. Without CPO, the world may already face an edible oil crisis.

Strategies

In 2020, we identified the following strategic priorities to sustain growth of our agribusiness segments:

- Drive the growth of our sustainable palm oil business by:
  - Optimizing estate and mill management to maximize FFB production and oil extraction.
  - Strengthening initiatives to mitigate climate-related impacts, through best practice agronomy such as drip irrigation and fertigation, composting and recycling of water and waste.
  - Maintaining initiatives to preserve, recover and manage HCS, HCV and peatland areas, including strengthened fire prevention and management systems.
  - Widespread deployment of digital technology to make field operations, cost control and management of various CSR and conservation projects more efficient, accurate and transparent.
  - Deployment of the traceability project to map and engage with all our independent smallholder farmers with the target to complete the project by end of 2021.

- Grow our non-palm oil agribusiness segments by:
  - Increasing extraction rates to improve the productivity of sago starch from our West Papua estate.
  - Preparing to enter the edamame export market by improving yields and field operation, and completing the frozen line facility.
  - Gaining experience in the growing and harvesting of okra.

Performance Versus Targets

ANJ booked a 25.9% increase in consolidated revenue to USD 164.1 million, compared to USD 130.4 million in 2019, 9.2% higher than our target of USD 150.2 million. This was largely due to a buoyant average CPO price, which at USD 581 per tonne was 22.3% higher than our budget assumption of USD 475, despite lower CPO and PK sales volume in 2020, which at 287,124 tonnes in 2020 was 9.0% lower than our budget assumption of 315,559 tonnes.

The Group booked a net profit of USD 2.2 million, compared to a net loss of USD 4.6 million in 2019, mainly due to higher average CPO and PK selling price in 2020. Our consolidated financial performance results were above our net loss target of USD 4.6 million. Consolidated EBITDA increased from USD 22.9 million in 2019, to USD 34.3 million, above our target of USD 24.2 million.

The year marked a milestone for trade in our certified palm oil as we resumed our trading relationship with our previous major buyers following the successful completion of the re-entry protocol requirements which included a revised Sustainability Policy, the preparation and implementation of an HCS Recovery Plan, as well as revision and standardization of SOPs. Resuming trading with these prominent buyers optimized the value of our certified palm oil.

Challenges in 2020

- Lasting effects of the 2019 El Niño had repercussions for yields, particularly in West Kalimantan, and resulted in below-average production in the first semester.
- Infrastructure in West Papua remained a challenge in 2020 with laterization of estate roads progressing slowly due to high rainfall leading to problems with transportation of FFB to the mill. The completion of the Tatakera Bridge at the end of 2020 is expected to significantly improve the efficiency of logistics going forward.
- The commissioning of the second line at the KAL mill and the frozen line facility in East Java was delayed by two months and ten months, respectively, due to problems with delivery of the equipment and mobilization of the people to install the equipment due to limitations of movement and trade since the COVID-19 pandemic.

Segment Performance

Palm oil. Contributed 98.6% to ANJ's total revenue in 2020, at USD 161.2 million. CPO production 241,958 tonnes was higher than last year's production and 8.1% below budget. Weather and replanting were the key determinants influencing lower production. The El Niño-induced drought conditions of 2019 influenced yields in the first semester. Wetter than normal conditions prevailed for the remainder of the year, which affected production at KAL due to flooding and in Papua late completion of road and bridge infrastructure, causing problems for evacuation of the product.

In West Papua, our newest mill has functioned well over the past year and we were fortunate to have the mill commissioned before the COVID-19 pandemic took hold. By year end, we have processed 50,672 tonnes of FFB and shipped more than 10,000 tonnes of CPO produced from our PMP and PPM estates, despite some challenges during the year. The inclusion for the first time of CPO from our mill in West Papua helped to balance lower production levels at our other estates, as they go through replanting and enter the immature stage.

Again, in West Papua, we were pleased with the contribution made by one of our responsible development projects, namely the transportation cooperative established at PPM and PMP in 2019. This year the co-operative worked very well in PPM, transporting over 9,000 tonnes of FFB, whilst the PMP co-operative transported 232 tonnes of FFB.

The replanting program slowed a little this year. The target of 269 ha of replanting continues in SMM. In September, we commenced clearing in ANJA for cautious commencement of replanting in 2021.

Energy efficiency in our palm oil operations continues to be an objective which we pursue. The policy of sourcing good quality external FFB has proved to be a serious source of additional income, as it brings biomass and shells to run our boilers and reduce our energy demand. This year we sold a significant volume of shells, which brought USD 589,130 revenue. In Q3, our North Sumatra companies entered into an off-take agreement to export biomass to Japan.

Cognizant of the vulnerability of the agricultural commodities to global warming, we embarked on several strategic projects to mitigate climate change impacts. We commenced drip irrigation and fertigation trials in SMM and ANJA to reduce water usage. In terms of cost-benefit of such trials, we expect to conclude the results in the first quarter of 2021. In terms of increasing the use of organic fertilizers, our composting operations have shown promising results in improving fertility and soil health in SMM and ANJAS. We continue to support research to optimize agronomic practice through field trials and lab research led by our R&D manager and assisted by our agronomy consultants.

Sago. Delay in obtaining agreement from the villagers to harvest the sago logs in their customary owned sago forest significantly slowed production in the first quarter. When this issue was eventually resolved, the COVID-19 movement restrictions resulted in uncertainties in logistics and a slowdown in demand, including from Japan, our target export market. These unprecedented conditions resulted in our failure to reach the target monthly EBITDA positive in 2020. Facing the challenges, the Company decided to focus on improving extraction rates instead. By September, our decision came to fruition with an increase to with a 14% increase in extraction rates a trend that we intend to continue into next year, allowing the Company to achieve a higher yield in a smaller extraction site and therefore reducing environmental impact from our harvesting activities. We keep progressing with our efforts to improve our processes to produce higher sago starch volume on a consistent basis to fulfil market demand requirement.

We attribute this success to improve our extraction rate to the team-work and relentless efforts by our on-site engineers, and our research and development team.

Our marketing research department and kitchen lab team has further engaged with scientific literature to better understand the potential use and application of our product. Our growing knowledge base on both the health benefits and functionality in food processing of Sago, as well as consumer-friendly recipes, has greatly widened our prospects. An instrumental finding was the promising results of applying sago starch to meat products such as meatballs and chicken nuggets, and gluten-free baked goods such as bread, pizzas and pancakes. We had success in marketing and promoting consumer awareness through social media. Through providing easy recipes and educational webinars regarding health benefits and practical use we have encouraged many individuals to incorporate Sago into their meals.

Vegetables. Due to the lasting impacts of the El Niño in 2019, the Edamame sector experienced a period of low yield in the first quarter of 2020. The high yield observed in the second and third quarter of the year, due to the rainy season, compensated for this loss, as well as the poor performance in the fourth quarter. Overall, despite the limitations the Company faced in 2020, the yield in 2020 was significantly higher than that of 2019. Like Sago, however, our projects suffered under the restricted movement of people and commodity.

On-time delivery and installation of machinery was not possible, resulting in postponement of export of our product until 2021. Facing this challenge, we refocused our efforts to improving our agronomy result and the estate production control system, minimizing losses by consistently improving the quality and yield of our product, and finding new buyers through Indonesia based grass-root companies. The emerging local interest in our fresh product played a key role in sustaining our operations in 2020. We also completed the creation of our own brand of frozen edamame, Edashi, which will be ready to enter the domestic market in 2021.

Okra is the newest addition to our vegetable segment. As we are new to the market, we must gain experience before we can be fully integrated into the okra supply-chain. The Company has also received various food safety certifications, which prepared us to expand our business in 2021.

Renewable Energy. It was a historic year for AANE as we delivered profit for the first time and surpassed our target of over 9.4 million kWh. Thanks to the innovative efforts of the team and constructive discussions with PLN, we saw a marked improvement in the PLN grid infrastructure which led to significantly fewer trips affecting our biogas engine. Improvement of the management of spare parts and planning of maintenance reduced stoppage time contributing to an excellent performance this year.

People

One of the most important objectives this year was keeping our employees healthy and safe during the COVID-19 pandemic by providing them with adequate protection and care. As part of the Company's COVID-19 protocol, we extended our health and safety measures to the people living in around our estates. General managers took great care to monitor movement of their respective staff and enforced the formation of 'clusters' of a number of people who are allowed to meet during and after their working hours, clusters of workers that live outside the plantation are separated from the other clusters that live inside the plantation, reducing the possibility of spread of COVID-19. We also maintained strict quarantine rules to prevent imported cases spreading to the community. The use of disinfectant, face masks, and necessary PPE was made mandatory within a week after the Government announcement. The Company is proud to note our organization's agility and speed of response to this pandemic. With careful implementation of our procedures, we were able to keep the number of cases in our operations to a very low level without any fatality.

Despite restrictions on movement and social distancing, our employee training program flourished this year due to the ease of running virtual online training. In the past year, we increased our training hours by over 20%. We have run a range of online training courses covering competency, leadership, effective communication, as well as some novel opportunities for senior leaders to share their knowledge and experience with employees. Training participants are now freer to engage at times that suit them, which increased engagement with training materials. The Company has consistently hosted webinars and actively promoted the attendance of staff in externally hosted webinars regarding topics that we believe are integral to the values of our company.

In 2020, we analysed and initiated improvements based on the results of 2019 employee satisfaction survey. We are rolling out the Individual Development Plan for all employees, further improving SOPs, and reviewing salary structure in 2021. We are dedicated to implementing continuous improvement based on feedback from the employee satisfaction survey.

Driving Productivity and Accountability Through Digital Solutions

The restrictions posed by the COVID-19 pandemic resulted in much of our communications, both internal and external, to take place online. Soon after the initial safety measures were put in place, the Company mobilized our use of online platforms, such as Zoom, Teams and Google Meet to ensure all necessary interaction could take place, without compromising health. Although the value of an in-person meeting cannot be downplayed, particularly those that take place at estates, we believe that the use of online platforms greatly increased our efficiency of communication and decreased company costs that would typically be set aside for travel. We use virtual communications widely across our operation, including training programs as mentioned earlier, and for the first time we conducted the internal audit process entirely online. The audits were conducted via Zoom, email and by telephone, with the only limiting factor being the inability to conduct direct field inspection. We are proud of the flexibility and enthusiasm shown by our community to adopt this 'new normal'. This drive to achieve our united goals, no matter the circumstances and challenges we face, speaks for the resilience and determination that we champion at ANJ.

Corporate Governance

ANJ is well-aware of the negative stigma that surrounds the palm oil industry. While certain operations, such as our Sago program, are welcomed by the local community as well as larger audiences, our involvement in the Palm Oil market is intrinsically linked to scrutiny on a global scale. We therefore prioritize transparency within the Company to ensure that best practices are maintained and understood by all stakeholders. In 2019, ANJ improved our corporate governance practices, which included the expanded socialization and new channel of the Whistleblowing System (WBS). We prize this system as a means of integrating our values of transparency, democracy and engagement into our operations. In 2020, we took advantage of the increased use of virtual communication tools and delivered two-day socializations of the WBS and the Code of Conduct directly to employees at PPM and SMM, which included a message from the CEO conveying the importance of our continuing commitment to good corporate governance – a mission we aim to pursue for the foreseeable future.

ANJ proudly announces that devotion to our values of responsible development and sustainability resulted in the Company achieving 'Platinum', or highest, rating in the Asia Sustainability Reporting Rating (ASRRAT) 2020. SMM, our Belitung subsidiary, was also the first palm oil plantation to receive Gold PROPER from the Ministry of Environment and Forestry (MoEF); a historic moment for the industry. ANJA also received the Green PROPER award from MoEF and recognition as a Green Company from Kehati Foundation and SWA Magazine. The recognition of our efforts comes as a result of innovative thinking, teamwork and application of the best environmental and social management practices, despite the harrowing difficulties of this year.

ANJ was also awarded the 'Tempo Country Contributor Award 2020' in the category of 'The Most Appreciated Social Responsibility-Country Contributor 2020', a testament to the efforts that we, as a company, have made to uphold transparency and social responsibility as a key value in our operations.

ANJ had received other awards related to initiatives in running a sustainable business such as the 'ESG Awards' 2020, in the category of Best Agricultural and Animal Husbandry Sector, this award was given by Berita Satu Media in collaboration with the Bumi Global Carbon Foundation. We also received recognition for our compliance with government regulations on health insurance for employees (BPJS) with ANJAS receiving the award of most compliant company 2020 from BPJS District Health in South Tapanuli regency.

Sustainability

Despite travel restrictions, ANJ persevered to initiate and continue our sustainability and community initiatives, one such example being the strengthening of our fire prevention and management capacity. We brought together teams from our estates to undergo intensive firefighting training at KAL. After the training period, these individuals returned to duty stations to share their knowledge and help prepare the necessary organizational elements to ensure preparedness for the next fire season.

Bringing smallholder farmers along on the sustainability journey continues to be critical to our success. A high point in November, was handing over payment of the RSPO premium price to three smallholder cooperatives in Belitung, which received RSPO certification in 2019. This year 35% of our FFB came from independent smallholder farmers. At end of 2019, we embarked on the external traceability project. Despite travel restrictions, by the end of 2020 we had deployed the traceability project in all four producing plantations in Kalimantan and Sumatra. This was a truly cross-functional project which not only involved the large task of engaging directly with all the smallholder farmer FFB suppliers, but also the difficult task of building trust with the agents and collectors to divulge their supply chains. There are still several critical and difficult steps to be completed, but we have a tentative target of 2021 to fully implement what we will call E-Trace, a digital platform to support our traceability on FFB supplied from smallholder farmers.

We managed to keep the school program running as effectively as possible considering the restrictions imposed by the pandemic. Due to Government Regulations that stopped students coming to school, our teachers created guidance programs for parents to teach their children at home. Teacher competency development continued, and teachers were provided with training to support learning needs in this pandemic era. ANJ is immensely proud of the first cohort of graduates from the early childhood schools in West Kalimantan and West Papua. Although ANJ does not have sufficient funds to support a full education program in West Papua at the moment, the success of our transportation cooperative has resulted in sufficient profit to support schooling and scholarships for students at all levels of education, including university; demonstrating that the success of the transportation cooperative has made the communities more independent.

Another successful cooperative worth mentioning is the 'saving cooperative', which addressed the lack of access to banking facilities, through introducing Electronic Data Capture (EDC) device managed by a national bank. We have seen a significant increase in the number of people who are now willing to save their money in a safe place. In 2020, 27.4 billion Rupiah passed through the cooperative, which is a 225.7% increase since 2019. This responsible development is one of the shining lights in showing the transformative impact of ANJ's presence on families by enabling them, for the first time, to plan their personal finances.

At ANJAP, we have also observed initial success with our Warung Mama project which promotes food from sago products and already has a revenue of approximately 20 million Rupiah per month. With the success of Warung Mama, we are establishing new goals and targets, one of which being that we will replace instant noodles with sago noodles. Although we will have to overcome the initial hurdle of supplying each location with a noodle-making machine, we believe that making all of our products from scratch from local materials by local people will both cut costs, produce healthier meals and decrease our carbon footprint.

We are proud of the conservation areas that we manage within our estates, totalling 57,260 ha. This year RSPO and ISPO Principles and Criteria audits were conducted by external auditors on all our HCV areas. The results found all units to be in full compliance. Further recognition of our biodiversity management practices was evidenced with the RSPO including ANJ as one of the five companies visited in its study of leading biodiversity management practices in the palm oil industry, with the study team visiting KAL. The PENDAKI citizen science program, which supports our biodiversity monitoring, continues to run well with socialization activities and campaigns with a new electronic documentation platform launched in 2020.

In 2020, in the spirit of our Sustainability Policy commitments, we embarked on an ambitious initiative, namely the HCS Loss Declaration and Recovery Plan, one of the first of its kind in the industry. We designed this voluntary initiative as part of the re-entry protocol determined by our buyers who uphold NDPE and HCSA commitments. The Plan, which is publicly available on the ANJ website, identifies an offset area in our PMP concession to compensate for the total HCS loss across our subsidiaries. The size of the compensation block amounts to 3,004 ha, some 473.45 ha more than the currently calculated loss. The first progress report was completed in October 2020 and was made publicly available on our website. We have already received encouraging feedback from our supply chain and other stakeholders who recognize our proactive approach. Early testament to this fact is that we have now resumed sales of our certified palm oil with a number of former large buyers.

This year we have commenced a study on the potential opportunities for ANJ to enter the carbon market with a view to developing a proposal for realizing a revenue stream from maintaining large areas of intact forest within our PMP and PPM concessions. The concept of carbon markets fits well with our core values of responsible development not only from the perspective of reducing greenhouse gas emissions but also from the perspective of integrating conservation and community projects with the aims of forest protection, whilst generating revenue for the Company.

Analysis of Prospects

Palm Oil The final quarter of 2020 has shown an increase in commodity prices. If this trend continues, the Company believes that 2021 will be a fruitful year. There are, of course, challenges that remain. An increase in the number of areas in West Papua that are reaching their commercial-stage are still developing estates and, therefore, will have insufficient levels of productivity to cover its total production and operation cost. Concerning these estates, the Company hopes that prices will stabilize and the more than expected production volume will stay, so that profit can still be made.

The commissioning of the second line at KAL in the first quarter of 2021 bringing the mill capacity to 90 tonnes per hour means that we can look forward to increased production from our West Kalimantan business.

As for replanting, we are likely to start reaping the benefits in 2023, increasing to 2025. It takes eight years for productivity and revenue to rebalance costs following a replanting scheme. Uncertainties in the global political situation and extreme weather will affect commodity price, therefore, we will slow down our replanting schemes to prevent too many estates being in the immature stage and dragging down the cash flow and profitability of the Company. This scale-back of investment will ensure that a crash crunch is avoided through maintaining a critical number of high-productivity estates.

The Company would like to stress that in all of our efforts and projects we aim to portray ourselves as an exemplary company concerning sustainable palm oil. We wish to be the future of the industry in this sustainability aspect, drawing particular focus to the three-pillars of responsible development - people, planet, and prosperity, with transparency and advanced utilization of the carbon market.

Sago. The potential of Sago continues to grow as it gains national awareness. Sago has been integrated into the Indonesia five-year development plan to be a primary food commodity in Indonesia, recognized as a possible solution for national food security. In 2021, ANJ aims to more than double the production in 2020 of 2,233 tonnes. If we are able to achieve this goal, it will prove the feasibility of the business. Keeping the core values of ANJ in mind, we intend to expand our Sago operations as sustainably as possible.

Edamame. In the upcoming year, we aim to complete commissioning of our frozen-line processing machinery and export the product, including to Japan, where the highest demand is currently observed. As of 2020 we have established a number of deals with companies in Laos and Canada, which have already placed orders for their own national use, or subsequent provision to bordering nations. Through our experimentation in 2020, the Company has gained further insight into the demand for frozen products. We also ensure that all our products meet the rigorous quality control criteria upheld by international food safety bodies, including BRC, ISO 22000, Kosher, FDA and Halal certification.

Renewable Energy

We will start our plan to further capture methane gas and biogas plant for our own internal use, while maintaining our efforts to improve operational efficiency of the biogas plant at SMM.

Capital Expenditure

Learning from the prolonged low CPO price condition of 2018 to 2019 and our assessment that the price volatility may continue, we focused our capital expenditure investment on strategic projects that can support our future growth. This strategy led us to be more resilient in addressing risk on our cash flows stemming from market uncertainty. Our main strategic projects and the related capital expenditure for 2020 include:

- Completion of the second line at the KAL mill; completion of Tatakera Bridge and other infrastructure work in West Papua; the building of reservoirs and ponds at KAL as part of the fire prevention and water management strategy; and the flood prevention embankment construction at ANJAS.
- Continue replanting at ANJA and SMM.
- Ensuring commissioning and calibration of the frozen line facility in East Java to enable export of frozen edamame.
- Turning around sago project profitability by producing more at higher extraction rate.

For 2021 our planned capital investments include:

- Continue the water management and fire prevention infrastructure at KAL, specifically flood prevention embankments, reservoirs and ponds to ensure that we can prevent flooding and always have a readily accessible water source to fight fires in the future.
- Continuation of infrastructure works at PMP and PPM, primarily laterization of estate roads to ensure high quality CPO with low FFA, and completion of employee housing.
- Completion of flood prevention river embankment along the Batang Gadis river at ANJAS.
- Land acquisition in Empat Lawang.
- Continue the replanting program at ANJA.

Changes in the Composition of the Board of Directors

This year we have seen no changes to the composition of the Board.

I would like to take this opportunity to thank all those involved in our operations, at every level of the Company, for their hard work and devotion to our values. This year has not been easy, and we are very grateful for the resilience and innovation that has been observed. Without the rapid and wholehearted adaptation to the new normal by all of our staff, the Company would not be in the position we are today, entering the New Year with promising prospects and challenging targets. We look forward to future collaboration on our sustainability and responsible development goals, as we continue to promote a paradigm shift in the industry.

On behalf of the Board of Directors

Istini Tatiek Siddharta
President Director

The Board of Directors

THE BOARD OF DIRECTORS
from left to right:

NAGA WASKITA
Director

ISTINI TATIEK SIDDHARTA
President Director

GEETHA GOVINDAN
Director

LUCAS KURNIAWAN
Director

FAKRI KARIM
Director

Statement of Responsibility

By the Members of the Board of Directors and the Board of Commissioners for the 2020 Annual Report of PT Austindo Nusantara Jaya Tbk.

Jakarta, May 11, 2021

We, the undersigned, declare that the information contained in the 2020 Annual Report of PT Austindo Nusantara Jaya Tbk. is complete and we are responsible for the accuracy of the report's content. Thus, this statement is duly made by the Board of Directors and Board of Commissioners.

Board of Directors

Istini Tatiek Siddharta
President Director

Lucas Kurniawan
Director

Geetha Govindan
Director

Naga Waskita
Director

Board of Commissioners

Adrianto Machribie
President Commissioner (Independent)

George Santosa Tahija
Commissioner

Sjakon George Tahija
Commissioner

Anastasius Wahyuhadi
Commissioner

Istama Tatang Siddharta
Commissioner

J. Kristiadi
Independent Commissioner

Darwin Cyril Noerhadi
Independent Commissioner

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Company Profile

ANJ's Business Identity

Company Name	**PT Austindo Nusantara Jaya Tbk.**
Business Activity	Trading, services and operations related to palm oil plantation and processing, as well as trading of palm oil products, sago harvesting and processing, vegetable production and processing (edamame) and renewable energy business
Date of Establishment	April 16, 1993
Legal Basis	Deed of Establishment and amendments: • Deed No. 72, dated April 16, 1993, Notary Mr. Sutjipto • Deed No. 54, dated July 16, 1998, Notary Mrs. Esther Mercia Sulaiman • Deed No. 161, dated January 17, 2013, Notary Mr. Irawan Soerodjo • Deed No. 270, dated June 22, 2015, Notary Mr. Irawan Soerodjo • Deed No. 61, dated May 14, 2018, Notary Mr. Irawan Soerodjo • Deed No. 143, dated May 15, 2019, Notary Mrs. Christina Dwi Utami • Deed No. 144, dated May 15, 2019, Notary Mrs. Christina Dwi Utami
Products and Services	Crude Palm Oil (CPO), Palm Kernel (PK) and Palm Kernel Oil (PKO), Sago, Vegetable (Edamame), and Renewable Energy from Palm Oil Waste
Stock Code	ANJT
Domicile	Jakarta
Head Office	BTPN Tower, 40th Floor Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6 Jakarta 12950 Telephone : (62-21) 2965 1777 Fax : (62-21) 2965 1788
E-Mail	corsec@anj-group.com investor.relations@anj-group.com
Website	www.anj-group.com
Social Media	anjgroup.id Austindo Nusantara Jaya

Company Overview

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

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

In 2013, the Company held its initial public offering on the Indonesia Stock Exchange of 10% of our shares. The Company posted total revenue of USD 164.1 million, EBITDA of USD 34.3 million and a net profit of USD 2.2 million in 2020.

Palm Oil

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

North Sumatra I Plantation

A 9,935 hectare oil palm plantation in Binanga, North Sumatra, operated by our subsidiary PT Austindo Nusantara Jaya Agri (ANJA).

North Sumatra II Plantation

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

Belitung Island Plantation

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

West Kalimantan Plantation

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

West Papua Plantation

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

These are all plantations with matured oil palms, served by an on-site processing mill.

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

South Sumatra Landbank

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

West Papua Landbank

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

ANJ has been a member of the International Roundtable on Sustainable Palm Oil (RSPO) since May 2007. Our plantations in North Sumatra, Belitung Island and West Kalimantan are RSPO-certified. Preparations have begun for the certification of the West Papua plantation, which started operating in early 2020. Our remaining development plantations are managed in compliance with RSPO standards and we will apply for RSPO certification when they begin operating commercially.

As of December 31, 2020, the Company had a total landbank of more than 150,000 hectares. At that time, approximately one-third of this area, or 54,694 hectares, was planted, increasing, from 54,548 hectares at the end of 2019. By the end of 2020 a total of 4,519 hectares of the planted area was allocated to community smallholders under the Indonesian government's Plasma Program.

Mature oil palms cover 41,291 hectares, or 75%, of the planted area, while 13,403 hectares, or 25%, comprises immature oil palms. The average age of our nucleus oil palms across all the Company's plantations, as of December 31, 2020, was 12.6 years.

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

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

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

As stated in our Sustainability Policy, ANJ has made a commitment to maintain areas of forest with high conservation value (HCV) and/or high carbon stock (HCS), and to refrain from developing peat or wetlands.

Sago

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

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

Vegetables

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

In 2017, ANJ entered into a joint venture with AJI HK Limited to facilitate GMIT's market expansion into the Asia Pacific region. In 2020, GMIT was still in the process of completing the replacement of the machinery and plan to start exporting frozen edamame in early 2021.

Renewable Energy

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

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

A Brief History of The ANJ Group

1993

ANJ was established.

2000

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

2001

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

2003

ANJ acquired PT Sahabat Mewah dan Makmur.

2004

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

2005

ANJ acquired PT Kayung Agro Lestari.

2006

ANJ became the full owner of PT Austindo Nusantara Jaya Agri.

2010

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

2012

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

2013

- ANJ acquired PT Permata Putera Mandiri and PT Putera Manunggal Perkasa.
- The first listing of ANJ's shares on the Indonesia Stock Exchange (IDX).
- PT Austindo Aufwind New Energy's biogas plant started operating commercially.

2014

ANJ acquired PT Pusaka Agro Makmur.

2015

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

2016

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

2017

- ANJ divested its shareholding in PT Darajat Geothermal Indonesia and PT Star Energy Geothermal Suoh Sekincau to focus on agribusiness, food and renewable energy.
- The share ownership of (a) PT Aceh Timur Indonesia and PT Simpang Kiri Plantation Indonesia and (b) PT Surya Makmur and PT Bilah Plantindo was restructured.
- AJI HK Limited subscribed and paid for 20% of new shares in ANJ subsidiary, PT Gading Mas Indonesia Teguh.
- ANJ proposed its new logo.
- ANJ sold a 10.87% share in PT Agro Muko to SIPEV NV, retaining 5% of the shares.

2018

- ANJ launched its new company logo.
- GMIT began construction of frozen line facilities.
- PMP began construction of CPO mill.

2019

ANJ divested its shareholding in PT Puncakjaya Power and entire investment in associated company named MP Evans Group to focus on agribusiness, food and renewable energy.

2020

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

Our Logo

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

PEOPLE

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

SUN

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

FAUNA

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

FLORA

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

WATER

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

Our Vision, Mission and Corporate Values

VISION

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

MISSION

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

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

VALUES

INTEGRITY

RESPECT FOR PEOPLE AND THE ENVIRONMENT

CONTINUOUS IMPROVEMENT

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

Code of Conduct and Corporate Culture

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

ANJ's Code of Ethics on Business Conduct Covers:

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

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

Business Activity

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

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

To achieve the abovementioned purpose and objective, the Company may carry out the following business activities in pursuit of its strategic purpose and objectives:

Core Business Activities:

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

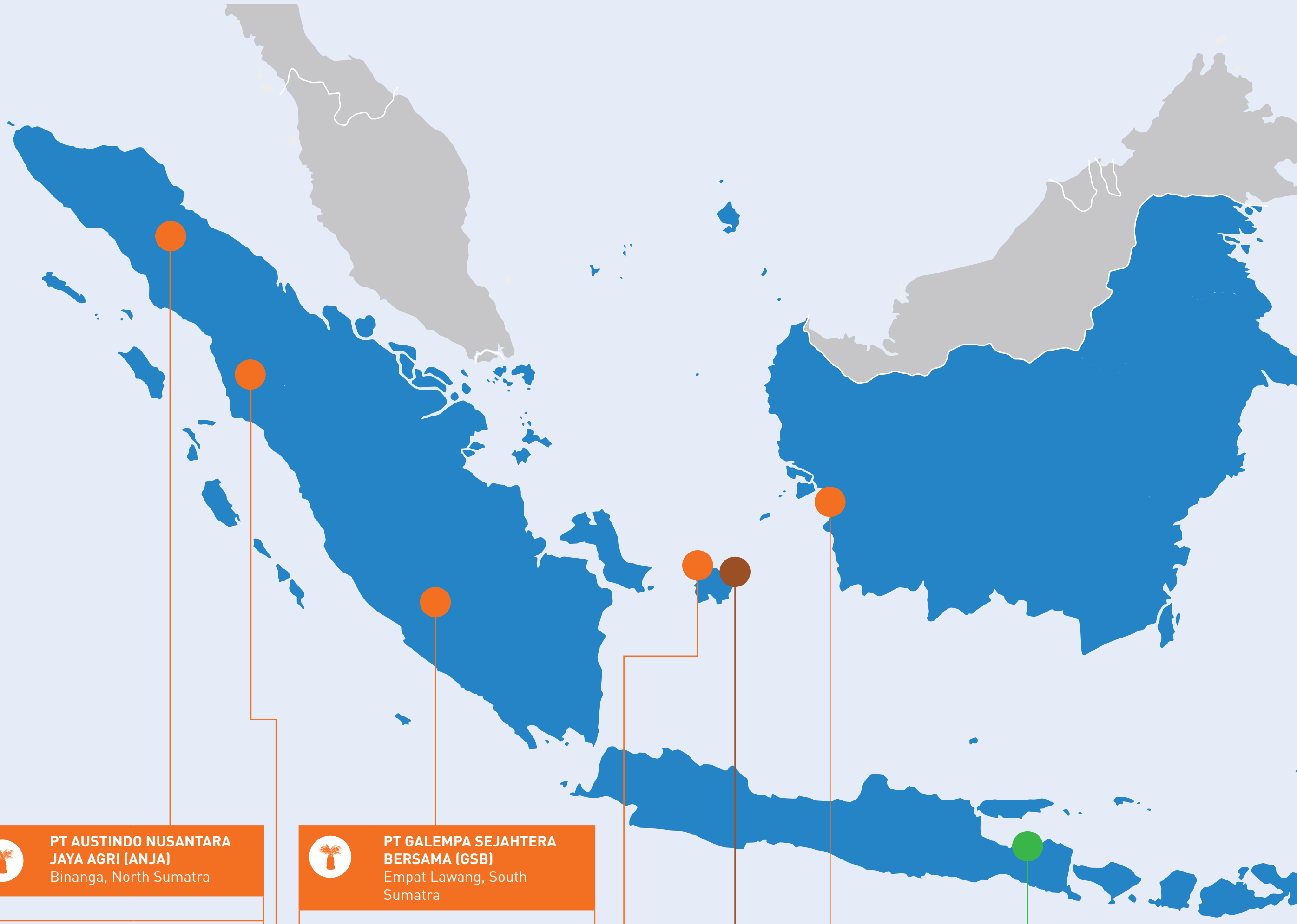
Supporting Business Activities:

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

Articles of Association

ANJ's Articles of Association have been amended several times since the Company's establishment in 1993. The most recently amended in 2019 pursuant to Deed No. 144 of Christina Dwi Utami, SH, M.Si., Notary in Jakarta, dated May, 15, 2019, and related to change of Purpose and Objectives and Business Activities of the Company in accordance with Indonesian Standard Industrial Classification of 2017 including changes or renewal or other text, as determined by the relevant authorities.

Core Business Site Map



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

Landbank	9,935 Ha
Planted Area	9,754 Ha
Matured Area	8,185 Ha
Mill Capacity	60 ton/hour
Conservation Area	643 Ha

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

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

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

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

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

Nucleus	
Landbank	16,277 Ha
Planted Area	14,255 Ha
Matured Area	10,121 Ha
Mill Capacity	60 ton/hour
Conservation Area	1,386 Ha
Partnership with Smallholders	
Landbank	1,083 Ha
Planted Area	860 Ha
Matured Area	860 Ha

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

Type of Renewable Energy	Biogas
Production Capacity	1.8 MW

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

Product:	Edamame (Fresh and Frozen)

Note:
* Includes 288 ha of conservation area outside ANJAS's HGU
** Includes 2,330.88 ha of conservation area under KAL's Plantation Business Permit area but outside KAL's HGU
*** Conservation area for ANJT not yet determined

Total planted area:

50,175 HA

Total conservation area:

57,260 HA

Legend:

- PALM OIL
- SAGO
- EDAMAME
- RENEWABLE ENERGY

PT KAYUNG AGRO LESTARI (KAL)
Ketapang, West Kalimantan

Nucleus	
Landbank	10,920 Ha
Planted Area	9,583 Ha
Matured Area	9,180 Ha
Mill Capacity	45 ton/hour
Conservation Area	3,845** Ha
Plasma	
Landbank	2,958 Ha
Planted Area	2,599 Ha
Matured Area	2,396 Ha

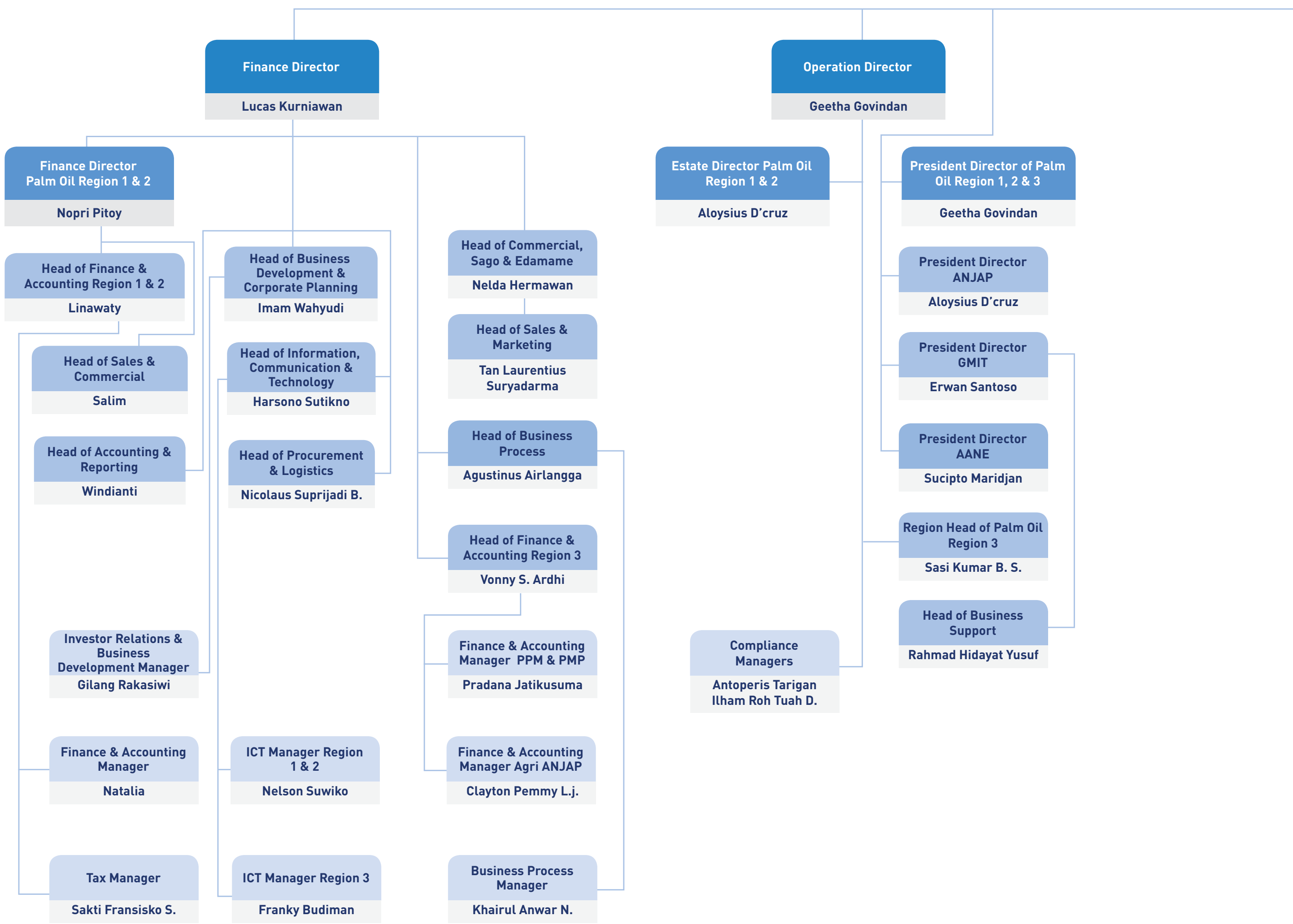
PT ANJ AGRI PAPUA (ANJAP)
South Sorong, West Papua

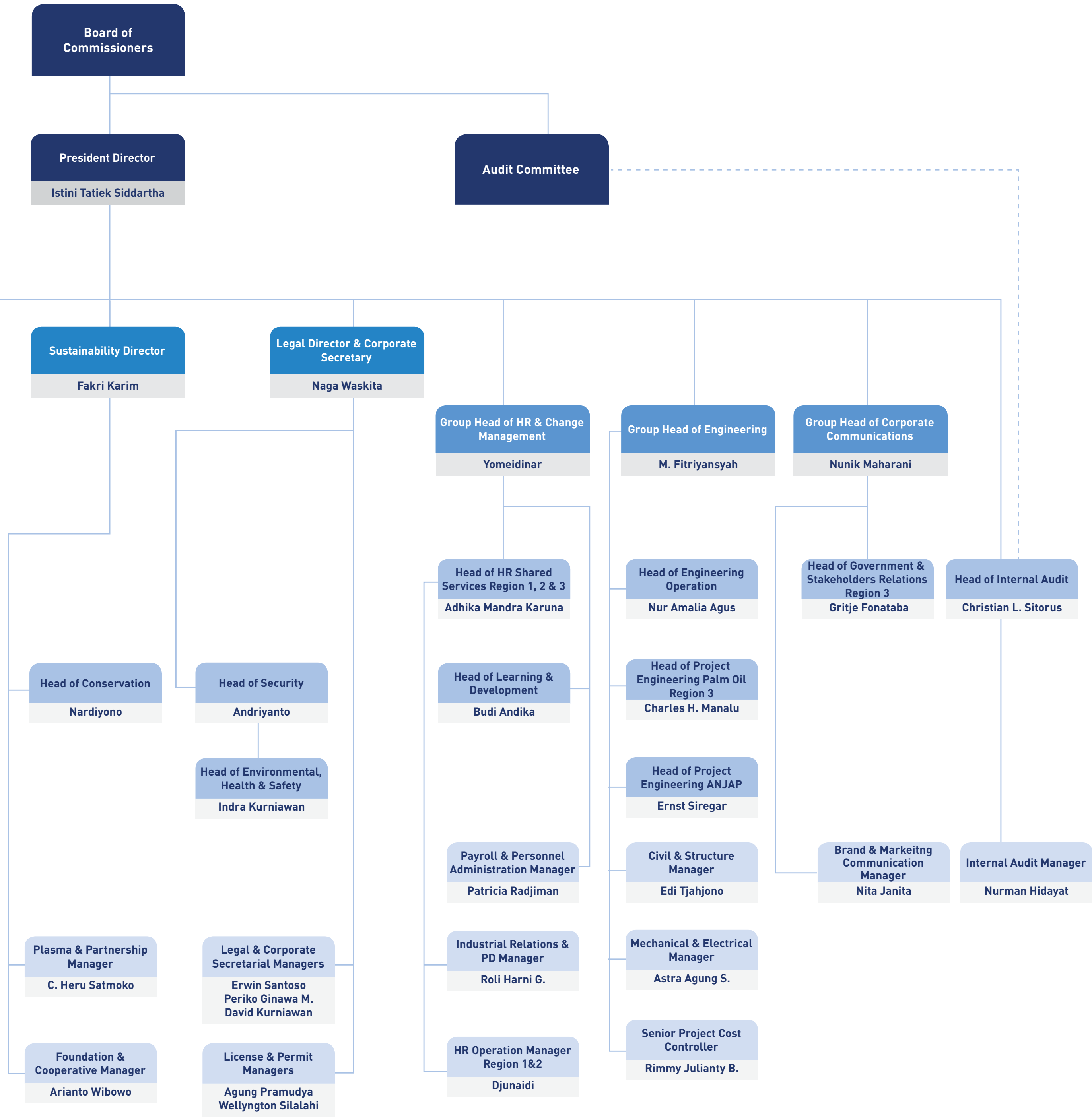
Concession Right	40,000 Ha
Mill Capacity	1,250 ton/month
Conservation Area	8,150 Ha

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

Nucleus	
Landbank	75,947 Ha
Planted Area	8,107 Ha
Matured Area	2,639 Ha
Mill Capacity	45 ton/hour
Conservation Area	40,399*** Ha
Plasma	
Landbank	15,263 Ha
Planted Area	902 Ha
Matured Area	-

Organizational Structure




Board of Commissioners
President Director
Istini Tatiek Siddartha
Audit Committee
Sustainability Director
Fakri Karim
Legal Director & Corporate Secretary
Naga Waskita
Group Head of HR & Change Management
Yomeidinar
Group Head of Engineering
M. Fitriyansyah
Group Head of Corporate Communications
Nunik Maharani
Head of HR Shared Services Region 1, 2 & 3
Adhika Mandra Karuna
Head of Engineering Operation
Nur Amalia Agus
Head of Government & Stakeholders Relations Region 3
Gritje Fonataba
Head of Internal Audit
Christian L. Sitorus
Head of Conservation
Nardiyono
Head of Security
Andriyanto
Head of Learning & Development
Budi Andika
Head of Project Engineering Palm Oil Region 3
Charles H. Manalu
Head of Environmental, Health & Safety
Indra Kurniawan
Head of Project Engineering ANJAP
Ernst Siregar
Payroll & Personnel Administration Manager
Patricia Radjiman
Civil & Structure Manager
Edi Tjahjono
Brand & Markeitng Communication Manager
Nita Janita
Internal Audit Manager
Nurman Hidayat
Plasma & Partnership Manager
C. Heru Satmoko
Legal & Corporate Secretarial Managers
Erwin Santoso
Periko Ginawa M.
David Kurniawan
Industrial Relations & PD Manager
Roli Harni G.
Mechanical & Electrical Manager
Astra Agung S.
Foundation & Cooperative Manager
Arianto Wibowo
License & Permit Managers
Agung Pramudya
Wellyngton Silalahi
HR Operation Manager Region 1&2
Djunaidi
Senior Project Cost Controller
Rimmy Julianty B.

Profile of The Board of Commissioners

Adrianto Machribie

President Commissioner (Independent)

Indonesian citizen, aged 79. Born in Bandung, 1941. Domiciled in Jakarta.

Experience
Mr. Machribie has served as one of the Company's Commissioners since July 1996 and was appointed as President Commissioner in September 2003. He was the President Director of PT Freeport Indonesia (1995-2006) and of Media Televisi Indonesia (Metro TV) until June 2017. He is also actively engaged in several professional organizations.

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

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

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

Basis of Appoinment
Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure
September 2003-present.

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

George Santosa Tahija

Commissioner

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

Experience

Mr. Tahija was appointed as a Commissioner and Chairman of the Risk Management Committee of the Company.

Mr. Tahija is the founder of the Coral Triangle Centre (CTC), Indonesia's only marine conservation center. He is a founding member and Trustee of the Tahija Foundation, currently dedicated to the eradication of dengue fever. Mr. Tahija currently serves as an Advisor of the Indonesia Chapter of The Nature Conservancy (TNC) and a Vice Chair of TNC Asia Pacific Council. He is an active member of the Young Presidents' Organization (YPO) Gold Indonesia Chapter.

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

December 2012-present.

Concurrent Positions

- Commissioner of PT Austindo Kencana Jaya (majority shareholder of the Company) (2017-2022).
- President Director of PT Memimpin Dengan Nurani (majority shareholder of the Company) (2017-2022).

Sjakon George Tahija

Commissioner

Indonesian citizen, aged 68. Born in Jakarta, 1952. Domiciled in Jakarta.

Experience

Dr. Tahija was appointed as one of the Company's Commissioners upon its establishment in 1993. A practicing vitreo-retinal consultant, he founded Klinik Mata Nusantara, a national chain of eye clinics, and serves as the Chairman of the clinic's Medical Advisory Board.

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

April 1993-present.

Concurrent Positions

President Director of PT Austindo Kencana Jaya (majority shareholder of the Company) (2017-2022).

Anastasius Wahyuhadi

Commissioner

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

Experience

Mr. Wahyuhadi was appointed as one of the Company's Commissioners in 2006, having served as ANJ's Corporate Services Director from 1997 to 2005. He is also on the Board of Commissioners ANJ subsidiaries. During his career, he served as a Commissioner or Director of several multinational, national and public companies in Indonesia. He is actively engaged in philanthropic work, serving as Chairman of the Board of Management of the Tahija Foundation (2003-2018).

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

January 2006-present.

Concurrent Positions

Member of the Tahija Foundation Board of Trustees (2019–present).

Istama Tatang Siddharta

Commissioner

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

Experience

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

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

July 2004-present.

Concurrent Positions

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

J. Kristiadi

Independent Commissioner

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

Experience

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

Education

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

Affiliations

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

Independence

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

March 2012-present.

Concurrent Positions

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

Darwin Cyril Noerhadi

Independent Commissioner

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

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

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

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

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

Basis of Appoinment
Deed No. 144 of Dr. Irawan Soerodjo, S.H., M.Si. Notary in Jakarta, dated February 20, 2017.

Position Tenure
February 2017-present.

Concurrent Positions
- Independent President Commissioner of PT Mandiri Sekuritas (2012–2019).
- Commissioner of PT Medikaloka Hermina Tbk (2017-present).
- President Commissioner of PT Creador Indonesia (January 2020-present).

Profile of The Board of Directors

Istini Tatiek Siddharta

President Director

Indonesian citizen, aged 58. Born in Jakarta, 1962. Domiciled in Jakarta.

Experience

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

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

January 2016-present.

Concurrent Positions

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

Lucas Kurniawan

Director

Indonesian citizen, aged 49. Born in Teluk Betung, Bandar Lampung, 1971. Domiciled in Jakarta.

Experience

Mr. Kurniawan was appointed as Director in November 2014. He has over 25 years' experience in accounting. He began his career with Siddharta, Siddharta & Widjaja (formerly Siddharta, Siddharta & Harsono) (1993-1998), a member firm of Coopers and Lybrand and then a member of KPMG. He was made a partner at the firm in 2005. He then worked at KPMG Ltd., Vietnam as an audit partner (2007-2011), before becoming a partner at Tanudiredja, Wibisana & Rekan, a member firm of PricewaterhouseCoopers International Ltd (2011-2014). He is a member of the Indonesian Institute of Accountants and the Indonesian Institute of Certified Public Accountants.

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 35 of Christina Dwi Utami S.H., M.Hum., M.Kn, Notary in Jakarta, dated May 24, 2017.

Position Tenure

November 2014-present.

Geetha Govindan

Director

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

Experience

Mr. Govindan was appointed as a Director of the Company in 2015. He also serves as President Director of various ANJ subsidiaries. He has over 30 years' experience in the plantation industry. He began his career as an Estate Manager at Socfin Co. Bhd in Malaysia, where he spent 16 years (1983–1999). He then became a regional controller at PT Sinar Mas Agro Resources and Technology Tbk (2000–2001). He next worked at PT REA Kaltim Plantations, where he served as Estates Controller and Chief Operating Officer before being appointed as Vice President Director (2008-2013).

Education

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

Affiliations

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

Basis of Appoinment

Deed No. 47 of Christina Dwi Utami, S.H., M.Hum., M.Kn, Notary in Jakarta, dated June 10, 2020.

Position Tenure

October 2015-present.

Naga Waskita

Director and Corporate Secretary

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

Experience

Mr. Waskita joined the Company in 2012 as legal counsel and Corporate Secretary and was appointed as a Director in 2017. Prior to joining ANJ, Mr. Waskita was a corporate lawyer at the law firm Mochtar Karuwin Komar, where he specialized in banking and finance (1997 – 2012).

Education

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

Affiliations

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

Basis of Appoinment

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

Position Tenure

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

Fakri Karim

Director
(until March 31, 2021)

Indonesian citizen, aged 52. Born in Calang, 1969. Domiciled in Jakarta.

Experience

Mr. Karim was appointed as the Company's Sustainability Director in 2019. Before joining ANJ, he worked on climate change and sustainable development at the global level with the United Nations Capital Development Fund (2013-2019), championing improved climate adaptation financing, capacities for adaptation planning and sustainable development in more than 15 countries in Asia, the Pacific region and Africa. Prior to that, he managed emergency and long-term development programs at global, regional and national level for the United Nations Capital Development Fund (UNCDF) (2010-2013), United Nations Development Programme (UNDP) and the United Nations Refugee Agency (UNHCR) (2005-2010).

Education

Mr. Karim holds a Bachelor's degree in Civil Law from Syiah Kuala University, Banda Aceh, Indonesia (1995) and a Master of Law degree from the University of Indonesia (2002). He completed the UNDP/Harvard Business Publishing/ IDEO "Leadership Development Pathway" in 2017.

Affiliations

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

Basis of Appoinment

Deed No. 143 of Christina Dwi Utami S.H, M.Hum, M.Kn., Notary in Jakarta, dated May 15, 2019.

Position Tenure

May 2019-March 2021.

Profile of Key Managers

Sucipto Maridjan

President Director: AANE
(until April 8, 2021)

Mr. Maridjan was appointed as a President Director of AANE in October 2012. His career spans more than 20 years in resource-based administrative management. Before joining ANJ, he served in senior positions with Australian mining companies in Indonesia. He joined ANJ's Mining and 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, as well as with power generation projects through a joint venture with Duke Energy in Papua at Freeport (until 2018) and with Chevron Texaco in West Java on the Darajat Geothermal Project (until 2019).

Aloysius D'cruz

President Director: ANJAP
Director: ANJA

Mr. D'Cruz has been ANJA's Estate Director since early 2011 and was appointed as President Director of ANJAP in 2017. Before 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 senior roles in several plantation companies, including Riau Fiber Plantations and Sinar Mas Forestry Plantations in Riau, and Sime Darby Plantations in Malaysia. He holds a Bachelor's degree in Agriculture from Allahabad University, India (1973) and an associate diploma from the Incorporated Society of Planters Malaysia (1979).

Nopri Pitoy

Director: ANJA, ANJAS, SMM, KAL and GSB

Ms. Pitoy was appointed as Director and Chief Financial Officer of ANJA in May 2011. She has over 15 years' experience in the palm oil industry. She first joined ANJA in June 2001 and became Head of Finance and Accounts in January 2006. Before joining ANJA, she served as a financial controller of the Ukindo group. She began her career with public accounting firm PricewaterhouseCoopers in Jakarta. She received a Bachelor of Commerce degree with a major in Accounting and Information Systems from the University of New South Wales in Sydney, Australia.

Yomeidinar

Director: ANJA, PPM, PMP and ANJAP

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

Erwan Santoso

President Director: GMIT

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

Mohammad Fitriyansyah

Director: KAL, PPM, PMP, ANJAP, GMIT and AANE

Mr. Fitriyansyah was appointed as a Director of KAL, PPM, PMP, ANJAP, GMIT and AANE in January 2018. He joined the Company in 2017 as Group Head of Central Engineering. Prior to that, Mr. Fitriyansyah served at PT Petrosea Tbk. (2012-2016), where his most recent position was as a General Manager for the Karingau Development Project. From 2008 to 2011, Mr. Fitriyansyah worked at PT JGC Indonesia, where he was responsible for assisting the Division Manager of the Project Operation Division, which oversaw the Project Management, Construction Management, Procurement and Quality Control Departments. He also worked at PT Balfour Beatty Sakti Indonesia (1994-2008) and PT Rekayasa Industri (1990-1994). He graduated from the University of Indonesia, Jakarta with a Bachelor's degree in Civil Engineering.

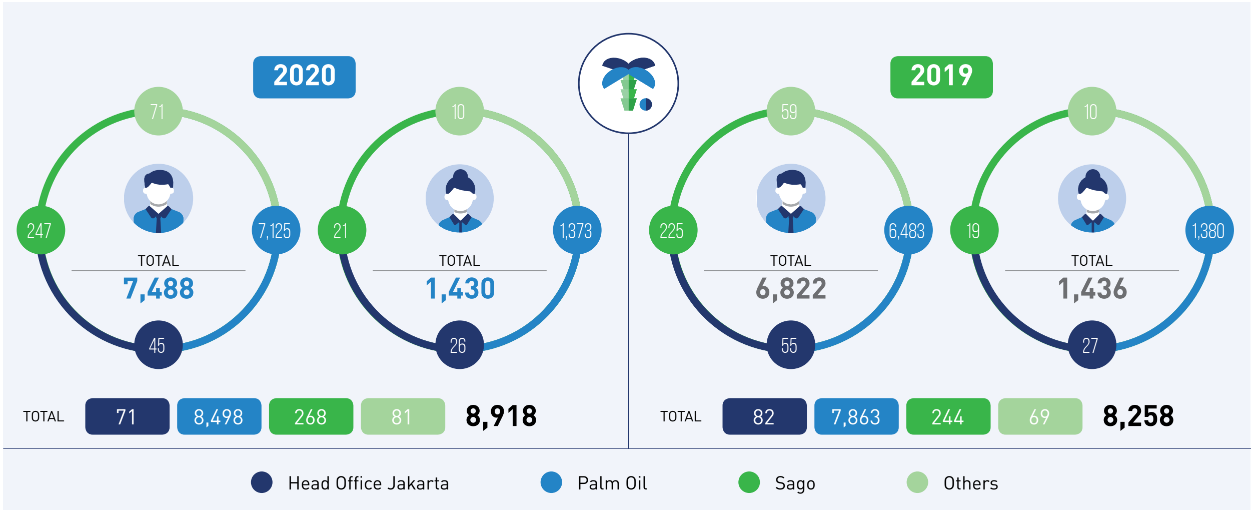
Nunik Maharani Maulana

Director: PPM, PMP, ANJAP and ANJB

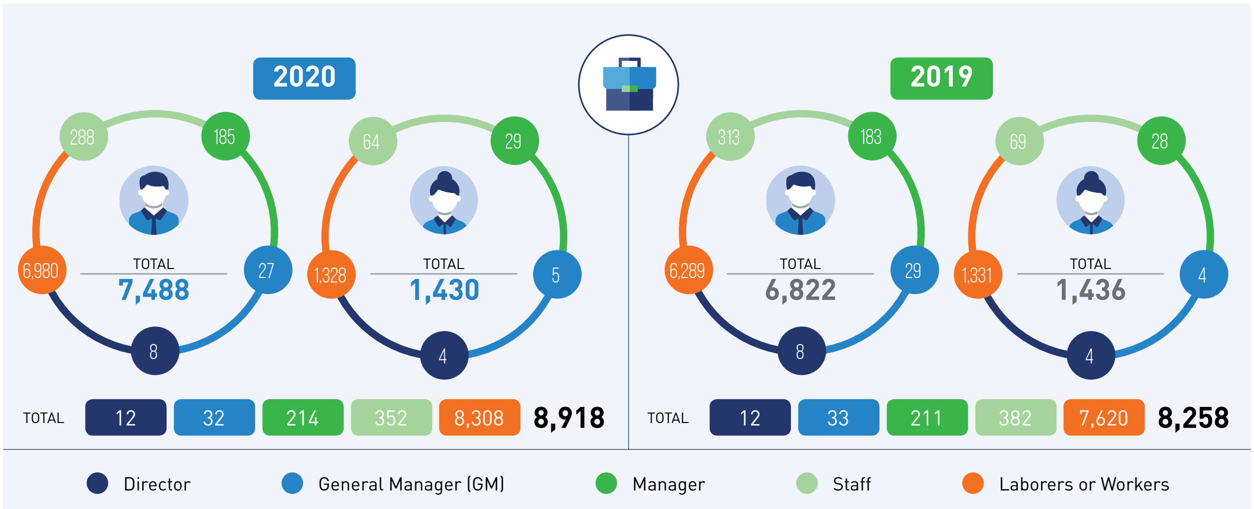
Mrs. Maharani was appointed as a Director of PPM, PMP and ANJAP in 2018 and a Director of ANJB in 2019. She joined ANJ in 2016 as Group Head of Corporate Communications. She has 30 years of working experience, 22 years of which in Public Relations, beginning in 1998 at Rio Tinto Indonesia, where she ultimately became Deputy Director of Public Relations. Before joining ANJ, her career spans both in the corporations and consultancy agencies. She cofounded IComm, a communications agency, and served as Director. She was a Director at Kiroyan Partners, a public affairs consultancy, and has experience working in various multinational mining and oil and gas companies, including Rio Tinto Indonesia, Kaltim Prima Coal, Unocal Indonesia, Chevron IndoAsia, Newmont Pacific Nusantara and Ephindo. In community service field, she served on the National Board of Indonesia Junior Achievement, a non-profit organization that encourages young entrepreneurship, and is a board member of Indonesia Business Links, a non-profit organization that promotes corporate social responsibility. She obtained a graduate diploma from the London School of Public Relations, diploma of project management (a qualification recognized within the Australian Qualifications Framework), is a Certified Sustainability Reporting Specialist and has attended, led and presented trainings, seminars and workshops on Sustainability, CSR, Media Engagement and Communications.

Employee Composition – ANJ and Subsidiaries

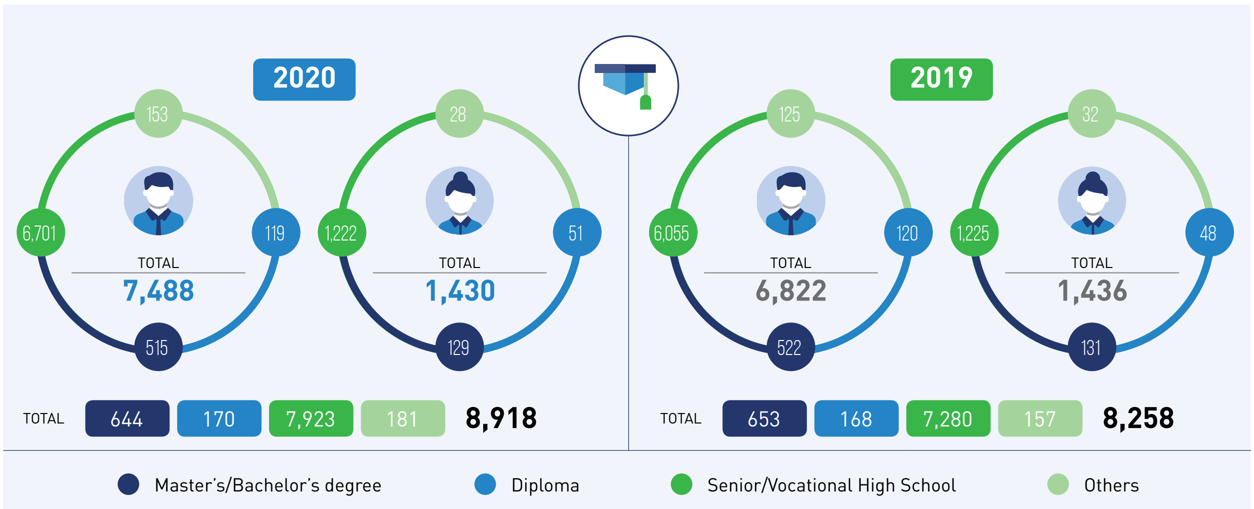
Employee Composition - ANJ and Subsidiaries by Segment



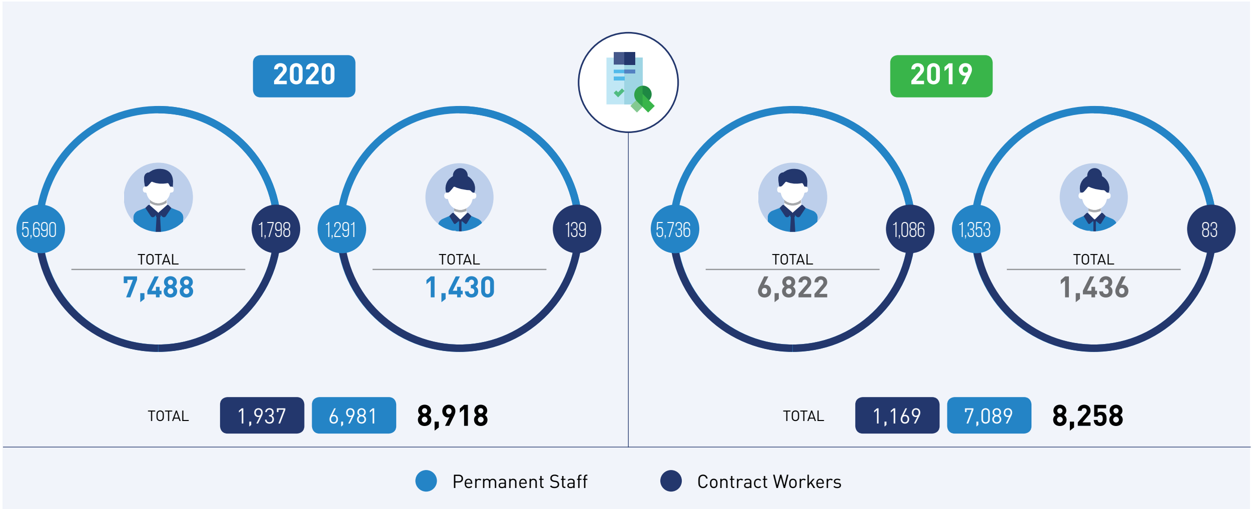
Employee Composition - ANJ and Subsidiaries by Position



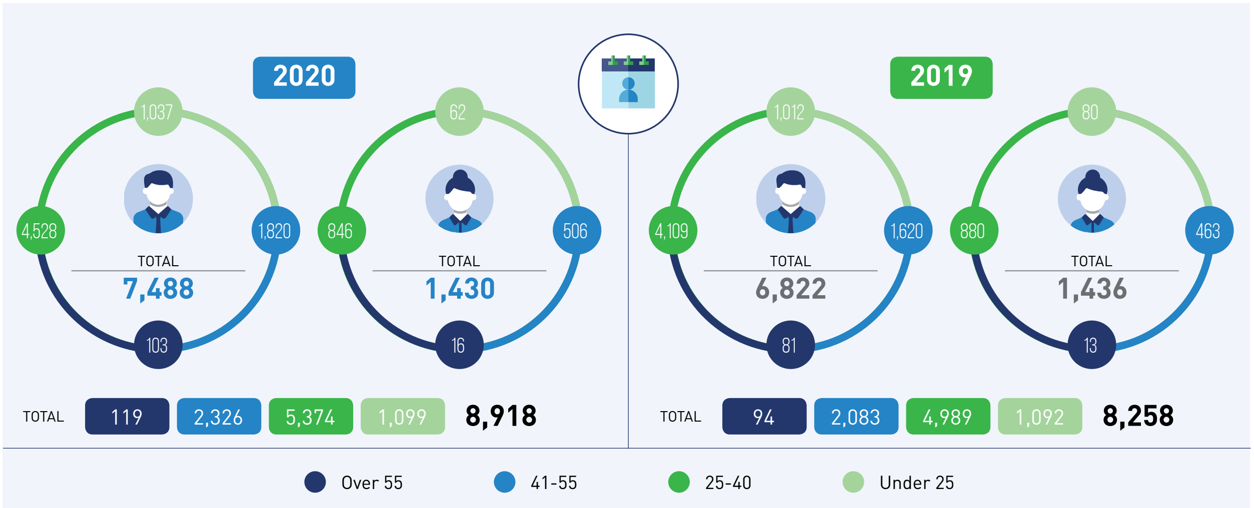
Employee Composition - ANJ and Subsidiaries by Education



Employee Composition - ANJ and Subsidiaries by Employment Status



Employee Composition - ANJ and Subsidiaries by Age



Training and Competency Development Participation

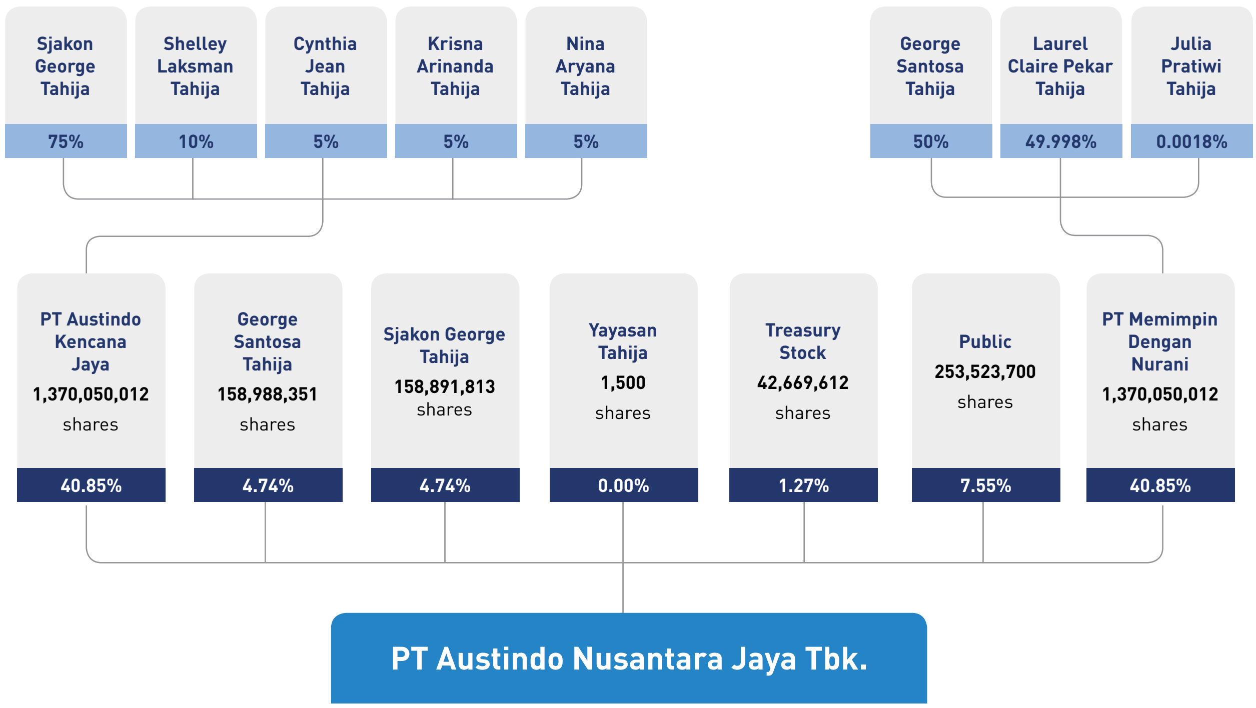
Level of Participants	Number of Employees	Technical Skill		Soft Skill		Certification		Total Training Hours	Total Participants	Training Hours/ Person
		Training Hours	Number of Participants	Training Hours	Number of Participants	Training Hours	Number of Participants			
Non-Staff	8,308	17,116	3,466	12,948	12,537	3,672	138	33,736	16,141	4.06
Staff	352	4,701	405	4,466	1,618	581	23	9,748	2,046	27.69
Manager	214	3,981	149	2,106	818	276	13	6,363	980	29.73
General Manager/ Regional Manager/ Group Head	32	370	25	305	130	-	-	675	155	21.08
Board of Directors	12	40	1	24	18	-	-	64	19	5.29
Total	**8,918**	**26,208**	**4,046**	**19,848**	**15,121**	**4,529**	**174**	**50,584**	**19,341**	**5.67**
Male	7,488	24,874	3,815	17,392	13,607	4,260	164	46,526	17,586	6.21
Female	1,430	1,334	231	2,456	1,514	269	10	4,059	1,755	2.84

Training and Competency Development Expenditure 2020

ANJ invested a total of USD 259,430 in training and competency development in 2020.

Shareholder Information

ANJ Majority and Controlling Share Structure as of December 31, 2020



Share Ownership by Commissioners and Directors as of December 31, 2020

Name	Position	Number of Shares	Percentage
George Santosa Tahija	Commissioner	158,988,351	4.74%
Sjakon George Tahija	Commissioner	158,891,813	4.74%
Istini Tatiek Siddharta	President Director	3,620,000	0.11%
Geetha Govindan	Director	3,120,000	0.09%
Lucas Kurniawan	Director	3,020,000	0.09%
Naga Waskita	Director	3,019,563	0.09%
Fakri Karim	Director	1,200,000	0.04%

Shareholder Composition by Type of Investor as of December 31, 2020

Type of Investors	Investors	Shares	Shares (%)
Domestic	**918**	**3,338,141,763**	**99.52%**
Retail	903	393,732,414	11.74%
Insurance	7	161,038,300	4.80%
Corporation	6	2,783,369,449	82.98%
Foundation	1	1,500	0.00%
Mutual Fund	1	100	0.00%
Foreign	**12**	**16,033,237**	**0.48%**
Retail	6	7,099,937	0.21%
Corporation	6	8,933,300	0.27%
Total	**930**	**3,354,175,000**	**100.00%**

Shareholder Composition by Domicile as of December 31, 2020

Type of Investors	Number of Accounts	Number of Shares	Shares (%)
Domestic	**918**	**3,338,141,763**	**99.52%**
- Domestic Individual	903	393,732,414	11.74%
- Domestic Limited Liability Company	15	2,944,409,349	87.78%
Foreign	**12**	**16,033,237**	**0.48%**
- Overseas Individual	6	7,099,937	0.21%
- Overseas Limited Liability Company	6	8,933,300	0.27%
Total	**930**	**3,354,175,000**	**100.00%**

Shareholder Composition by Sub Account Status as of December 31, 2020

No.	Shareholder Status	Domestic/Overseas	Number of Accounts	Number of Shares	Shares (%)
1	Insurance	Domestic	7	161,038,300	4.80%
2	Limited Liability Company	Domestic	8	2,783,371,049	82.98%
3	Individual	Domestic	903	393,732,414	11.74%
4	Limited Liability Company	Overseas	6	8,933,300	0.27%
5	Individual	Overseas	6	7,099,937	0.21%
Total			**930**	**3,354,175,000**	**100.00%**

Share Issuance and Listing Chronology

ANJ became a public company in 2013 as the culmination of a comprehensive corporate restructuring. ANJ made an initial public offering (IPO) of 10% of its shares on the Indonesia Stock Exchange (IDX) to access the capital needed to expand the Company's business. Prior to the listing, the Company was wholly owned by the Tahija family through individual shareholdings and corporate entities. On May 1, 2013, pursuant to an the approval from the Financial Services Authority (OJK) for ANJ's IPO, the Company listed its shares on the IDX on May 8, 2013 under the stock code ANJT. A total of 333,350,000 common shares were offered at a nominal value of IDR 100 per share. The share price at the Initial Public Offering (IPO) was IDR 1,200 per share. The Company's market capitalization as of the end of trading in 2020 was IDR 2.5 trillion, with a closing share price of IDR 735.

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

Bond, Sukuk (Sharia Bond) and Convertible Bond Issuance and Listing Chronology

The Company did not have any outstanding bonds, sukuk or convertible bonds in 2020.

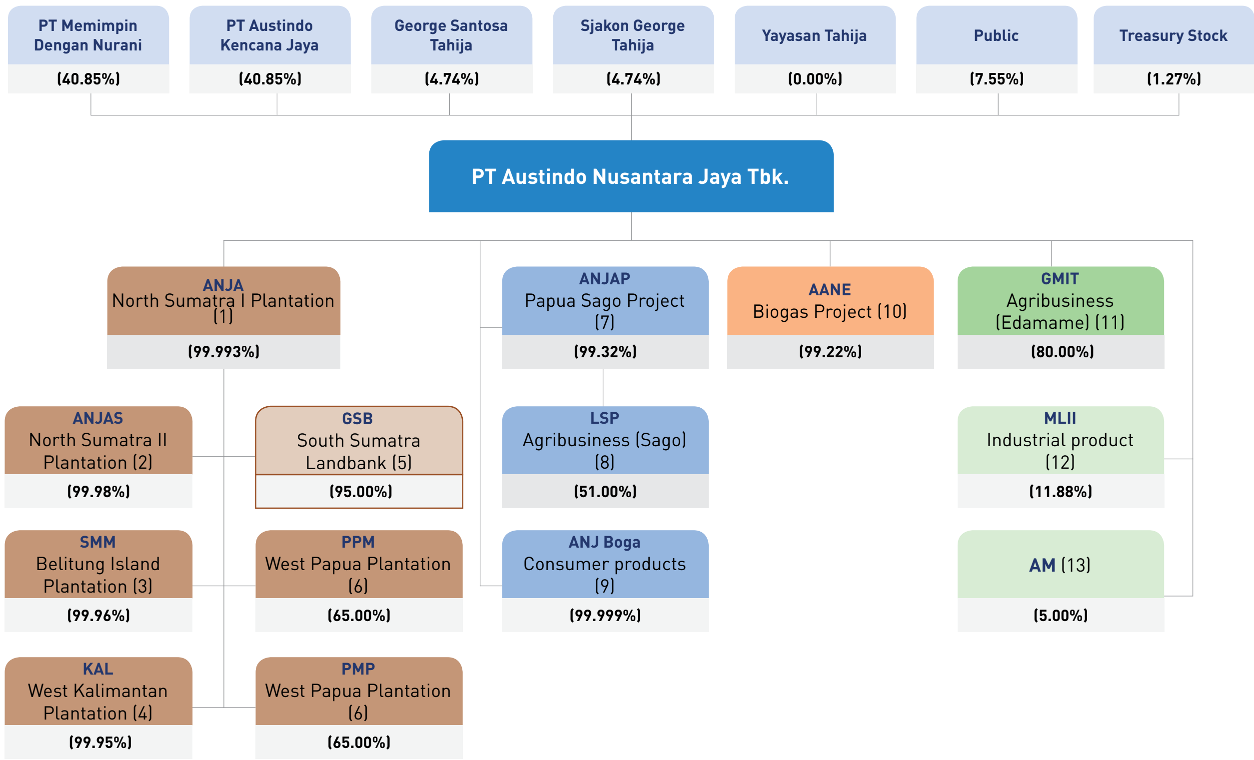
Suspension of The Company's Shares

The Company's shares were not suspended during fiscal year 2020.

Dividend Payment for The Last Two Years

There is no dividend payment for the last two years.

Corporate Structure



Description

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

Notes :

1. ANJ has 99.993% and ANJB has 0.007%.
2. ANJA has 99.98% and SMM has 0.02%.
3. ANJA has 99.96% and ANJ has 0.04%.
4. ANJA has 99.95% and SMM has 0.05%.
5. ANJA has 95.00% and ANJ has 5.00%.
6. ANJA has 65.00% and ANJ has 35.00%.
7. ANJ has 99.32% and SMM has 0.68%.
8. ANJAP has 51.00%, SPC has 40.00% and GAH has 9%.
9. ANJ has 99.999% and YT has 0.001%.
10. ANJ has 99.22% and ASG has 0.78%.
11. ANJ has 80.00% and AJI has 20%.
12. ANJ has 11.88%.
13. ANJ has 5.00% and TTI has 95%.

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

Our Subsidiaries

Business Detail of ANJ Subsidiary

No.	Subsidiary Companies	Information		
1	**PT Austindo Nusantara Jaya Agri (ANJA)** was established in March 1986. ANJA was bought by ANJ in 2000 through Verdaine Investments Ltd. and we acquired direct ownership in 2006. ANJA owns, manages, and operates our North Sumatra I Plantation in Binanga, North Sumatra, engaging in the planting, developing and cultivating of oil palms, production of CPO and PK, and activities related to CPO/PK production and marketing. ANJA also holds interests in our six other oil palm plantations and landbanks through its subsidiaries. ANJA has a total landbank of 9,935 hectares, of which 9,754 hectares are planted, comprising 8,185 hectares of matured oil palms. ANJA owns a 60 tonne per hour capacity mill in which it processes FFB from its own plantation as well as FFB purchased from third parties.	**Business Activity:** Palm Oil Plantation **Location:** Binanga, North Sumatra **Registered address:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**Total assets:** USD 522,916,110 **Commercially operating since:** 1995 **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Nopri Pitoy • Aloysius D'Cruz • Naga Waskita • Yomeidinar • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan

No.	Subsidiary Companies	Information		
2	**PT Austindo Nusantara Jaya Agri Siais (ANJAS)** was established in May 2002 and acquired by ANJA in November 2004. It owns, manages and operates our North Sumatra II Plantation at Padang Sidempuan, North Sumatra. ANJAS has a total landbank of 9,412 hectares, of which 7,752 hectares are nucleus planted area and contain matured oil palms. There are 158 planted hectares of plasma which contain matured oil palms. ANJAS' mill has a capacity of 60 tonnes per hour and processes FFB from its own plantation as well as FFB purchased from third parties.	**Business Activity:** Palm Oil Plantation **Location:** Padang Sidempuan, North Sumatra **Registered address:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**Total assets:** USD 55,158,474 **Commercially operating since:** 2009 **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Nopri Pitoy • Naga Waskita • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
3	**PT Sahabat Mewah dan Makmur (SMM)** was established in July 1985 and was planted from 1990. SMM was acquired by ANJA in March 2003. It owns, manages and operates our plantation on Belitung Island. Of SMM's total landbank of 17,360 hectares, 14,255 hectares are nucleus planted area consisting of 10,121 hectares of matured oil palms. There are 860 planted hectares in partnership with smallholders which contain matured oil palms. SMM has a mill with a capacity of 60 tonnes per hour and primarily processes FFB from its plantation as well as FFB purchased from third parties.	**Business Activity:** Palm Oil Plantation **Location:** Belitung, Bangka Belitung **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 58,305,519 **Commercially operating since:** 1994 **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Nopri Pitoy • Naga Waskita • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
4	**PT Kayung Agro Lestari (KAL)** was established in September 2004 and acquired by ANJA in December 2005. It owns, manages and operates our plantation in Ketapang, West Kalimantan, which has a total landbank of 13,879 hectares. Planting began in 2010. Currently, 9,583 hectares are planted, consisting of 9,180 hectares of matured oil palms. There are 2,599 planted hectares of plasma consisting of 2,396 hectares of matured oil palms. KAL has a 45 tonnes per hour capacity mill which processes primarily FFB from its plantation as well as FFB purchased from third parties.	**Business Activity:** Palm Oil Plantation **Location:** Ketapang, West Kalimantan **Registered address:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**Total assets:** USD 90,045,190 **Commercially operating since:** 2014 **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Nopri Pitoy • Naga Waskita • M. Fitriyansyah • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
5	**PT Galempa Sejahtera Bersama (GSB)** was established in January 2012 and acquired by ANJA in May 2012. GSB holds a license for 12,800 hectares of oil palm plantation in Empat Lawang, South Sumatra, of which 724 hectares have been planted.	**Business Activity:** Palm Oil Plantation **Location:** Empat Lawang, South Sumatra **Registered address:** Sinarmas Land Plaza, 7th Floor, Jl. P. Diponegoro No.18, Medan, North Sumatra	**Total assets:** USD 10,069,048 **Commercially operating since:** Pre-operating stage **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Nopri Pitoy • Naga Waskita • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan

No.	Subsidiary Companies	Information		
6	**PT Permata Putera Mandiri (PPM)** was established in July 2007, and acquired by ANJA in January 2013. It holds land cultivation rights for 26,571 hectares of nucleus oil palm and 5,454 hectares of plasma oil palm in South Sorong, West Papua. Planting began in 2014, and 4,244 hectares have now been planted, consisting of 1,306 hectares of matured oil palms.	**Business Activity:** Palm Oil Plantation **Location:** South Sorong, West Papua **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 106,822,361 **Commercially operating since:** 2020 **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Naga Waskita • Yomeidinar • M. Fitriyansyah • Nunik Maharani Maulana • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
7	**PT Putera Manunggal Perkasa (PMP)** was established in November 1999, and acquired by ANJA in January 2013. PMP holds a license for 18,860 hectares of nucleus oil palm and 3,818 hectares of plasma oil palm in South Sorong and Maybrat, West Papua. Planting began in 2014, and 3,863 hectares of nucleus area are planted, consisting of 1,334 hectares of matured oil palms. There are 902 hectares of plasma that have now been planted. PMP operates a mill with a 45 tonnes per hour capacity which primarily processes FFB from its own plantation.	**Business Activity:** Palm Oil Plantation **Location:** South Sorong and Maybrat, West Papua **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 146,255,873 **Commercially operating since:** 2020 **Group ownership:** 99.99%	**Directors** • Geetha Govindan (PD) • Naga Waskita • Yomeidinar • M. Fitriyansyah • Nunik Maharani Maulana • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
8	**PT ANJ Agri Papua (ANJAP)** was established in September 2007, and is developing ANJ's pioneering sago starch business in West Papua. ANJAP holds a license for a concession of 40,000 hectares of sago forest in South Sorong, where it has a sago mill with a processing capacity of 1,250 tonnes of dry starch per month, which will eventually be expanded to 2,500 tonnes per month.	**Business Activity:** Agribusiness (Sago) **Location:** South Sorong, West Papua **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 14,769,204 **Commercially operating since:** 2017 **Group ownership:** 99.99%	**Directors** • Aloysius D'Cruz (PD) • Naga Waskita • Yomeidinar • M. Fitriyansyah • Nunik Maharani Maulana • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
9	**PT Lestari Sagu Papua (LSP)** was established in November 2011, and engages primarily in the non-timber forest resources concession businesses and the processing, marketing and transportation of various kinds of sago starch. LSP has not yet commenced operations	**Business Activity:** Agribusiness (Sago) **Location:** South Sorong, West Papua **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 271,861 **Commercially operating since:** Pre-operating stage **Group ownership:** 51%	**Directors** • Naga Waskita (PD) • Chan Hian Siang • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Hendrik Sasmito • Lucas Kurniawan

No.	Subsidiary Companies	Information		
10	**PT Austindo Aufwind New Energy (AANE)** was established in October 2008 and operates ANJ's biogas power generation business at our Belitung plantation SMM, using methane produced by waste material from the CPO mill. Having obtained its independent power producer (IPP) license in 2013, AANE began operating commercially on December 31, 2013. AANE currently has a production capacity of 1.8 MW.	**Business Activity:** Renewable energy (Biogas) **Location:** Belitung, Bangka Belitung **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 1,154,166 **Commercially operating since:** 2013 **Group ownership:** 99.22%	**Directors** • Sucipto Maridjan (PD) (until April 8, 2021) • Naga Waskita • M. Fitriyansyah • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan
11	**PT Gading Mas Indonesia Teguh (GMIT)** was originally established as PT Gading Mas Indonesian Tobacco in March 1970 to process tobacco purchased from individual farmers. ANJ began to exit the tobacco business in 2012. Since then, GMIT has focused on higher-value vegetable products such as edamame and okra. Its name was changed to PT Gading Mas Indonesia Teguh in March 2015. In 2017, a joint venture was established with AJI HK Limited, which owns a 20% stake in GMIT.	**Business Activity:** Agribusiness (Horticulture) **Location:** Jember, East Java **Registered address:** Jl. Gajah Mada No. 254, Jember, East Java	**Total assets:** USD 11,820,746 **Commercially operating since:** 2000 **Group ownership:** 80.00%	**Directors** • Erwan Santoso (PD) • Naga Waskita • M. Fitriyansyah • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Geetha Govindan • Aloysius D'Cruz • Lin Ching-Hua • Jahya Lukas (until January 1, 2020) • Lucas Kurniawan
12	**PT Austindo Nusantara Jaya Boga (ANJB)** was established in May 2013 to support ANJ's emerging food business, particularly the development of product and marketing plans for sago starch.	**Business Activity:** Consumer products **Location:** Jakarta **Registered address:** BTPN Tower, 40th Floor, Jl. Dr Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950	**Total assets:** USD 160,865 **Commercially operating since:** 2014 **Group ownership:** 99.99%	**Directors** • Naga Waskita (PD) • Nunik Maharani Maulana • Fakri Karim (until March 31, 2021) **Commissioners** • George Santosa Tahija (PC) • Anastasius Wahyuhadi • Istini Tatiek Siddharta • Lucas Kurniawan

Awards and Certifications

Awards 2020

01

02

01. Company: ANJAS
Awards: BPJS Award as the Best Business Entity at South Tapanuli Regency in 2020.
Date: September 23, 2020
Issuer: BPJS

02. Company: ANJ
Awards: ESG Awards 2020 "Peringkat Keterbukaan ESG Emiten Sektor Pertanian dan Peternakan Terbaik 2019"
Date: November 17, 2020
Issuer: Beritasatu

03

04

03. Company: ANJA
Awards: 8th Indonesia Green Awards - ANJA for Green Industry (AGRI)
Date: November 26, 2020
Issuer: Kehati Foundation and SWA Magazine

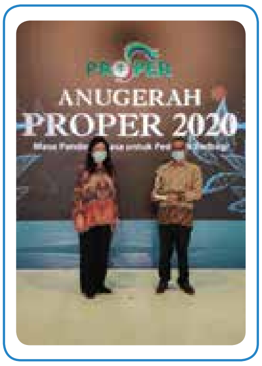
04. Company: SMM
Awards: Indonesia Green Concern Companies 2020
Date: November 26, 2020
Issuer: Kehati Foundation and SWA Magazine

05

06

05. Company: ANJ
Awards: 'The Most Appreciated Corporate Social Responsibility - Country Contributor 2020' Award
Date: December 8, 2020
Issuer: TEMPO

06. Company: SMM
Awards: PROPER Gold Award from Company Performance Rating Program (PROPER)
Date: December 14, 2020
Issuer: Ministry of Environment and Forestry, the Republic of Indonesia



07

08

07. Company: ANJA
Awards: Green PROPER Award for Company Performance Rating Program (PROPER)
Date: December 14, 2020
Issuer: Ministry of Environment and Forestry, the Republic of Indonesia

08. Company: ANJ
Awards: Platinum Award - Asia Sustainability Reporting Rating (ASRRAT)
Date: December 16, 2020
Issuer: National Center for Sustainability Reporting

Certifications 2020

01. Company: ANJA
Certifications: ISO 14001: 2015 Management System Certificate for PT Austindo Nusantara Jaya Agri
Date: June 22, 2020
Issuer: TUV Nord Group

02. Company: ANJA
Certifications: ISO 45001: 2018 Management System Certificate for PT Austindo Nusantara Jaya Agri
Date: June 22, 2020
Issuer: TUV Nord Group

03. Company: SMM
Certifications: ISPO Certification for PT Sahabat Mewah dan Makmur
Date: September 23, 2020
Issuer: TUV Nord Group

04. Company: ANJAS
Certifications: ISO 14001: 2015 Management System Certificate for PT Austindo Nusantara Jaya Agri Siais
Date: October 5, 2020
Issuer: TUV Nord Group

05. Company: ANJAS
Certifications: Management System Certificate ISO 45001: 2018 for PT Austindo Nusantara Jaya Agri Siais.
Date: October 5, 2020
Issuer: TUV Nord Group

Estate	Certificate	Date/Validity	Issuer
ANJA	RSPO	November 14, 2017, valid until November 13, 2022	RSPO
	ISPO	July 19, 2016, valid until July 18, 2021	ISPO Commission
	ISO 14001	May 28, 2020, valid until May 28, 2023	ISO Organization
	ISO 45001	May 28, 2020, valid until May 28, 2023	ISO Organization
	PROPER	Green Rating for year 2019 – 2020	Ministry of Environment and Forestry
	SMK3	May 16, 2019, valid until May 17, 2022	Ministry of Labor and Transmigration
ANJAS	RSPO	November 7, 2019, valid until September 24, 2024	RSPO
	ISO 45001	October 5, 2020, valid until October 5, 2023	ISO Organization
	ISO 14001	October 5, 2020, valid until October 5, 2023	ISO Organization
	SMK3	Nov 3, 2020, valid until Nov 3, 2023	Ministry of Labor and Transmigration
	ISPO	September 23, 2020, valid until September 22, 2025	ISPO Commission
SMM	RSPO	January 25, 2019, valid until January 5, 2021	RSPO
	ISPO	September 23, 2020, valid until September 22, 2025	ISPO Commission
	ISCC	December 25, 2019, valid until December 24, 2020 (in renewal process)	ISCC Organization
	ISO 14001	April 11, 2018, valid until April 8, 2021	ISO Organization
	ISO 45001	April 11, 2018, valid until April 10, 2021	ISO Organization
	PROPER	Gold Rating for year 2019 - 2020	Ministry of Environment and Forestry
	SMK3	January 22, 2019, valid until December 22, 2021	Ministry of Labor and Transmigration
KAL	RSPO	November 11, 2019, valid until November 10, 2024	RSPO
	ISPO	July 27, 2018, valid until July 26, 2023	ISPO Commission
	OHSAS 18001	January 4, 2018, valid until January 3, 2021	British Standards Institution
	ISO 14001	January 4, 2018, valid until January 3, 2021	ISO Organization
	SMK3	July 14, 2017, valid until July 13, 2020 (in renewal process)	Ministry of Labor and Transmigration

Description of Our Certification

Roundtable on Sustainable Palm Oil (RSPO)

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

ISPO

ISPO are sustainability standards for palm oil production within the framework of the Indonesian the Ministry of Agriculture regulations.

International Sustainability and Carbon Certification (ISCC)

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

Occupational Health and Safety Assessment Series (OHSAS 18001)

OHSAS 18001 is an internationally recognized British standard for occupational health and safety management systems which can be used by any industry as a framework to establish and maintain sound occupational health and safety performance.

ISO 14001

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

Sistim Manajemen Keselamatan dan Kesehatan Kerja (SMK3) Certification

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

PROPER

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

Capital Market Supporting Institutions & Professionals

External Auditor

Siddharta Widjaja & Rekan,
Registered Public Accountants

33rd Floor, Wisma GKBI, Jl. Jend. Sudirman 28
Jakarta 10210, Indonesia
Tel.: (62-21) 574 2333

Service(s) provided:
Auditing of the Company's financial statements including the accuracy of the accounting policies used, and the reasonableness of the estimates made by management and evaluation of the presentation of Company's financial statements.

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

Period of Appointment:
2017-2020

Share Registrar

PT Datindo Entrycom

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

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

Fee:
IDR 40,000,000

Appointed dates:
2013-2020

Information on The Company Website

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

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

Training and Development of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary and Internal Audit Unit

Board of Commissioners

No	Trainings	Participants	Period
1	Block Chain 101	George Santosa Tahija	August 2020
2	Carbon Market Platform		August 18, 2020

Board of Directors

No	Trainings	Participants	Period
1	Analyst Presentation by OCBC Singapore	Istini T. Siddharta	April 15, 2020
2	UOB Kay Hian Market Update		June 5, 2020
3	Carbon Trading & Konsesi Restorasi Ekosistem		June 11, 2020
4	Oil Uncertainties – The impact of low oil prices on Singapore and Asia		June 17, 2020
5	SIIA Haze Outlook 2020: COVID-19's Impact on Fire Preparedness and Haze Response		June 25, 2020
6	UOB Kay Hian: Dialogue Session with Mr. Dorab Mistry, Godrej International on 2H Palm Oil Outlook		July 14, 2020
7	SIIA Roundtable: Shaping Expectations of Environment, Social, and Governance (ESG) Practices in ASEAN's Palm Oil and Pulpwood Sectors		August 28, 2020
8	Knowledge expansion on Carbon Emission Reduction Market		August 18, 2020
9	Block Chain 101		August 2020
10	Carbon Market Platform		August 2020
11	Indonesia Palm Oil and Biodiesel Outlook		September 23, 2020
12	SIIA : Re-examining Sustainability and Resilience Post COVID-19		October 1, 2020
13	Carbon Project Feasibility		October 28, 2020
14	CEO Tax Talk		November 7, 2020
15	CEO Networking 2020 : Building Resilience to Economic Recovery		November 24, 2020
1	Forum On 3-MCPD AND GE	Lucas Kurniawan	February 7, 2020
2	Harnessing Opportunities: A Closer Look at the Omnibus Job Creation and Tax Bills		February 26, 2020
3	Webinar: The Impact of Coronavirus on Indonesia Credit		April 8, 2020
4	Analyst Presentation by OCBC Singapore		April 15, 2020
5	Discussion with PwC on Tax and Risk Management		April 28, 2020
6	Webinar: Recovery of China's Economic Activities		April 29, 2020
7	GoToWebinar - LMC Covid-19 Webinar		April 29, 2020
8	Sooner Than You Think: Hero Technologies		May 6, 2020
9	Working Capital Optimization in Times of Stress		June 5, 2020
10	UOB KH Market Update		June 5, 2020
11	Oil Uncertainties – The impact of low oil prices on Singapore and Asia		June 17, 2020

No	Trainings	Participants	Period
12	Webex meeting invitation: Economic and Commodities Market Outlook		June 29, 2020
13	IAPI - ACCA Joint Seminar		June 30, 2020
14	KJRI Update		July 10, 2020
15	GoToWebinar - UOB Kay Hian: Dialogue Session with Mr. Dorab Mistry, Godrej International on 2H Palm Oil Outlook		July 14, 2020
16	UOB Kay Hian - Online Seminar on China Palm Oil Demand Outlook		July 29, 2020
17	Knowledge expansion on Carbon Emission Reduction Market		August 18, 2020
18	ACCA Roundtable: Working Together to Create a Sustainable Economy		August 26, 2020
19	Hedge Accounting Discussion		August 27, 2020
20	Block Chain 101		August 2020
21	Carbon Market Platform		August 2020
22	The 6th Indonesian Finance Association Internasional Conference		September 17, 2020
23	Indonesia Palm Oil and Biodiesel Outlook		September 23, 2020
24	New Horizons - Re-examining Sustainability and Resilience Post-COVID-19		October 1, 2020
25	Market Insights: On the Mend		October 7, 2020
26	UOBKHMY Vegetable Oils Production and Demand Outlook by Thomas Mielke, Oil World		October 19, 2020
27	7th Singapore Dialogue on Sustainable World Resources		November 3, 2020 - November 4, 2020
28	Financial Times Live - the Global Food Systems		November 3, 2020
29	EU Singapore Dialogue		November 5, 2020
30	Briefing on Omnibus Law		November 10, 2020
31	KPMG Indonesia X LGS Webinar - Omnibus Law for Job Creation: Manpower		November 18 2020
32	The Important Notes on Omnibus Law Taxation Cluster		November 24 2020
33	Bank BTPN Economic Outlook 2021		November 25 2020
34	Webinar: Agri Commodities Outlook 2021		November 25 2020
35	Indonesia Focus: Moving Ahead on Sustainability in the Agroforestry Sector – 2020 and Beyond		December 2, 2020
36	CPO Outlook by CIMB		December 3, 2020
37	Marsh Asia Leadership Summit - Client Panel discussion		December 3, 2020
38	Marsh 2020 Asia Leadership Summit - Client Panel		December 8, 2020
39	Moody's Analytics APAC Economic Outlook Update		December 15, 2020
40	APAC Economic Outlook Update Looking Forward to 2021		December 15, 2020
1	Analyst Presentation by OCBC Singapore	Geetha Govindan	April 15, 2020
2	Carbon Trading dan Konsesi Restorasi Ekosistem		June 11, 2020
3	Block Chain 101		August 2020
4	Carbon Market Platform		August 18, 2020
5	Resolution 6d - Divestment and Withdrawals During RSPO Complaint - A Session with Malaysian and Indonesian Growers		September 11, 2020
6	CGS-CIMB Sekuritas Indonesia Investor Meeting		September 17, 2020
7	Global Food System		October 3-December 4, 2020

No	Trainings	Participants	Period
8	Carbon Project Feasibility by Himpanzee		October 28, 2020
1	Omnibus Law Training	Naga Waskita	March 5, 2020
2	ASEAN Scorecard		April 7, 2020
3	Analyst Presentation by OCBC Singapore		April 15, 2020
4	Webinar BRG Indonesia		June 8, 2020
5	Webinar IDX		June 9, 2020
6	Carbon Trading & Konsesi Restorasi Ekosistem		June 18, 2020
7	Webinar ICSA		June 18, 2020
8	Going Beyond the Balance Sheet: Disclosure and Transparency Webinar		June 18, 2020
9	*Pendalaman POJK 42/2020 tentang Transaksi Afiliasi dan Transaksi Benturan Kepentingan*		August 14, 2020
10	Knowledge expansion on Carbon Emission Reduction Market		August 18, 2020
11	17th Employment Club Webinar - Practical Approaches in Employee Redundancy		September 23, 2020
12	Omnibus Law on Job Creation		October 21, 2020
13	Briefing on Omnibus Law		November 10, 2020
1	The Leaders Talk - Presented by PPM Manajemen	Fakri Karim	March 4, 2020
2	*Akselerasi Peningkatan Ekspor Tiga Kali Komoditi Sagu dan Produk Turunannya*		March 10, 2020
3	Analyst Presentation by OCBC Singapore		April 15, 2020
4	Webinar Biodiversity Day 2020		May 20, 2020
5	Carbon Trading & Konsesi Restorasi Ekosistem		June 11, 2020
6	Beyond the Value Chain: Strengthening Public Private Collaboration for Sustainable Agricultural Commodity Production		June 23 – June 24, 2020
7	TFA Roundtable EU Deforestation Measures - An Industry-Led Dialogue with Southeast Asian Stakeholders		July 1, 2020
8	Reporting on Emission and Climate Risk		July 3, 2020
9	Reporting on Waste with Circular Economy Perspective		July 9, 2020
10	Bright Lights of ASEAN - Sustainability Insights & Ideas from Leading Companies in the Region		July 17, 2020
11	SDGs Reporting (Launching of GRI-PWC-UNGC Joint Training Module on SDGs Reporting)		July 21, 2020
12	Workshop Grand Design Sago by ITB		July 23 – July 24, 2020
13	Preparing Stakeholder Engagement & Sustainability Strategy		August 4, 2020
14	Block Chain 101		August 2020
15	Carbon Market Platform		August 18, 2020
16	Re-examining Sustainability and Resilience Post COVID-19		October 1, 2020
17	Sustainable Land Use and Commodity Trade Dialogue		October 14, 2020
18	*Webinar Media Perkebunan : Melirik Perkebunan Sawit di Tanah Papua*		November 18, 2020

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

In 2020, no training and development was conducted by the Company for the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee or the Corporate Corporate Social Responsibility and Sustainability Committee.

Corporate Secretary

Training	Participant	Date
ASEAN Scorecard	Naga Waskita	April 7, 2020
Pendalaman POJK 42/2020 tentang Transaksi Afiliasi dan Transaksi Benturan Kepentingan	Naga Waskita	August 14, 2020

Internal Audit Unit

Training	Participant	Date
Audit Internal & Investigasi Penyuapan-SMAP	David Djantua , Desmon Hasudungan, Ahmad Syahfitri, Abid Yahya	June, 2020
Implementasi SNI ISO 37001	Abid Yahya	July, 2020
Understanding How To Prevent Corruption In New Reality	Nico Bangun Jaya, Nurwachid, Desmon Hasudungan, David Djantua , Ahmad Syahfitri	July, 2020
Pencucian uang, pidana korporasi, dan penanganan korupsi lintas negara	Nurwachid	August, 2020
Mengungkap Tabir Emisi pada Industri Kelapa Sawit	Nurwachid, Ronal Samson Rajagukguk	August, 2020
Inovasi Pengembangan Kompetensi Auditor Forensik dalam Era Industri	Nurwachid	August, 2020
Watch out your Supply Chain Vulnerabilities	Nurwachid	August, 2020
Sertifikasi ISPO dan Awareness ISPO Perpres No. 44 Tahun 2020	Ahmad Syafitri	August, 2020
Identifkasi Bahaya, Penilaian Risiko dan Pengendalian Risiko	Ahmad Syafitri	August, 2020
Kemajuan Perlindungan Pelapor (Whistleblowers) di Indonesia : Tantangan Saat ini dan Rencana ke Depan	Nurwachid	August, 2020
Membangun Infrastruktur Pencegahan Kecurangan (Fraud) Dalam Program Jaminan Kesehatan Nasional (JKN)	Nurwachid	August, 2020
Implementasi e-Bupot PPh 23/26	Nurwachid	August, 2020
Implementasi Pemungutan PPN Berdasarkan PMK-48	Nurwachid	August, 2020
Menelisik Kualitas Opini Audit Keuangan Daerah di Masa Pandemi Covid-19	Nurwachid	August, 2020
Korupsi, Disparitas Pemidanaan dan PERMA no. 1/2020	Nurwachid	September, 2020
Refleksi Satu Tahun Revisi UUU KPK "Mati Surinya Pemberantasan Korupsi"	Nurwachid	September, 2020
Strategi Pemeriksaan Pajak untuk Transfer Pricing	Nurwachid	September, 2020
Audit Kinerja Organisasi Pemerintah Menuju World Class Government	Nurwachid	September, 2020
Peranan Audit dalam Peningkatan Kualitas Akuntabilitas Publik di tengah Perubahan	Nurwachid	September, 2020

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Management Discussion and Analysis

Review of Operations

Macroeconomic Review

2020 has been a year of extraordinary circumstances and unprecedented challenges experienced across the globe, due to the COVID-19 pandemic. The spread of the corona-virus since January 2020 has disrupted the global economy, which resulted in a rapid decline in commodity supply and demand, as well as commodity prices. Although the demand for commodities began to increase gradually along with the implementation of the "new normal", pre-pandemic conditions are still to be met. Despite several policies issued by the Indonesian Government to counter the COVID-19 pandemic and stimulate the economy, Indonesia's economic growth shrank by 2.07% in 2020.

Industry Review

The CPO price in the first quarter proved to be very strong in comparison to 2019, however, the effect was partly set-off by production decline, due to the effect of El Niño in 2018. The COVID-19 pandemic, and the restrictions that came with it, placed major limitations on this year's trade. The CPO price started to decline fast in March, reaching its lowest levels in June. Despite a significant slowdown in global economic activity from March onwards, the oil palm sector started to rebound in July as China resumed its restocking of vegetable oil. In addition, the continued commitment from the Indonesian Government for the B30 biodiesel program has ensured that the supply and demand balance was maintained for the remainder of the year. While the plan for B50 is postponed, due to the widened price gap between crude oil and CPO which will require higher funding to subsidize the price gap, the commitment of the Indonesian government to continue with the biofuel programs, B30, is promising.

In light of the widening price gap between crude oil and CPO, and the commitment to continue with the B30 program, the Indonesian government increased the export levy, which is the main source to fund the subsidy for the B30 program, to USD 180 per tonne in December 2020, from USD 50 per tonne in January 2020 and USD 55 per tonne in June 2020. Export tax was also increased from nil to USD 33 per tonne. Despite the issues with production levels, CPO prices remained strong throughout the year. This trend came as a surprise to many, as projections, based on the decreased demand during the pandemic, predicted a down-turn in price. Unfavorable weather and pandemic management strategies in soya, sunflower, and rapeseed oil-producing regions such as China, and North and South America resulted in low yields and consequent price increases.

Operational Review Per Segment

ANJ's operations are categorized into four segments according to product type: palm oil, sago, vegetables and renewable energy. As of December 31, 2020, all four segments operate in Indonesia.

Palm Oil

As of the end of 2020, the Company was producing palm oil from 41,291 hectares of matured plantation, consisting of 37,877 hectares of nucleus plantation and 3,414 hectares of plasma and partnership plantations, in North Sumatra, West Kalimantan, and Belitung.

Matured plantations

Our productive plantation area of 41,291 hectares in 2020 was higher than the 38,181 hectares of matured plantation we operated in 2019, mainly due to the additional matured area from the West Papua estate and replanting area in SMM compensating for the decrease in matured area due to the continuing replanting program in the plantation operated by ANJA in North Sumatra. The total planted area (nucleus, plasma and partnership) for matured plantation increased to 53,067 hectares in 2020, from 44,975 hectares in 2019.

In 2020, we produced 771,290 tonnes of fresh fruit bunches (FFB), slightly below our budget of 796,163 tonnes, but surpassing the 2019 production of 732,837 tonnes. The average FFB yield per hectare declined slightly from 20.9 tonnes in 2019 to 20.1 tonnes in 2020, below our target of 20.8 tonnes. This was attributable to several factors, including the impact of trees entering a resting period following high production in the first semester of last year, drought conditions in the second half of 2019 that affected our West Kalimantan estate operated by KAL, the reduction in the area of matured plantation in the Belitung and North Sumatra I estates as a result of replanting, combined with additional newly matured plantation in West Papua with lower yield at the first year of matured declaration.

To maintain mill utilization rates and continue our support for local independent farmers, we increased the procurement of FFB from outside suppliers, purchasing 408,554 tonnes in 2020, compared to 405,754 tonnes in 2019, 6.4% lower than our budget of 436,372 tonnes.

CPO production volume slightly increased from 240,844 tonnes in 2019 to 241,958 tonnes in 2020, mainly due to additional production from our newly matured plantation in West Papua, representing a negative variance of 8.1% from our budget of 263,357 tonnes. CPO sales volume declined, from 239,800 tonnes in 2019 to 238,464 tonnes in 2020, falling 8.9% short of our budget of 261,793 tonnes.

Our average CPO sales price increased by 21.2%, from USD 479 per tonne in 2019 to USD 581 per tonne in 2020. This was a significant positive variance from our budget assumption of USD 475 per tonne. As a result, we booked an increase of 26.9% in CPO sales revenue from USD 115.0 million in 2019 to USD 145.9 million in 2020.

We produced 49,286 tonnes of Palm Kernel (PK) in 2020, down from 51,585 tonnes in 2019. This resulted in a decline in PK sales volume of 6.6%, from 52,115 tonnes in 2019 to 48,660 tonnes in 2020, which was below our sales volume budget of 53,766 tonnes. Palm kernel (PK) sales revenue increased by 12.8%, from USD 13.6 million in 2019 to USD 15.3 million in 2020, largely due to a 20.7% increase in the average selling price from USD 261 per tonne in 2019, to USD 315 per tonne in 2020, which was significantly above the budget price of USD 300 per tonne. The year 2020 marked our first Crude Palm Kernel Oil (CPKO) sales from our first Kernel Crushing Plant (KCP) in West Papua. We produced 581 tonnes and sold 511 tonnes of CPKO in 2020, with total sales revenue of USD 0.3 million at an average selling price of USD 667 per tonne.

There was little change in our average CPO extraction rate, at 20.5% in 2020 versus 21.1% in 2019, which was 4.0% below our target of 21.4%. The PK extraction rate declined from 4.5% in 2019 to 4.2% in 2020.

Development Plantation

In Empat Lawang, South Sumatra, our subsidiary GSB has a land bank of 12,800 hectares. In line with our policy of minimizing capital expenditures to mitigate the impact of the low CPO price, no further development took place in 2020, and the planted area, to date, stands at 724 hectares.

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

Sago

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

In 2020, we continued our efforts to extract higher starch through mechanical improvements, as well as the enzyme application on an industrial scale. Sago starch production decreased from 2,781 tonnes in 2019 to 2,233 tonnes in 2020, a negative variance against our budget of 13,779 tonnes, mainly due to the delays in securing the land required for operational needs, front-end assembly in the first quarter 2020, and mechanical and enzymatic trials in the last quarter 2020 to improve the starch extraction rate.

Sales volume grew from 2,148 tonnes in 2019 to 2,833 tonnes in 2020, falling short of our target of 12,520 tonnes. This drove an increase in sales revenue to USD 1.2 million, up from USD 1.0 million in 2019, which was below our budget of USD 6.1 million with average selling price IDR 6,212/kg. The average sales price for sago starch in 2020 was lower than our budget assumption of IDR 6,891/kg.

Vegetables

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

The edamame business experienced several steps forward during the year. Production increased from 710 tonnes in 2019 to 941 tonnes in 2020, well below our budget of 1,466 tonnes. This was due to the lasting impacts of the El Niño in 2019 which caused our edamame plantation to experience a period of low yield in the first quarter of 2020. The high yield observed in the second and third quarter of the year, due to the intense rainy season, compensated for this loss, as well as the poor performance in the fourth quarter due to the prolonged drought.

In 2020, we focused on machinery replacement and eventually concluded that we could not commercially export our product until 2021. Our decision to replace our machinery with a more cost- and energy-efficient model was made in late 2019. Unfortunately, we experienced delivery delays extending into the third quarter of 2020, causing a backlog in production for export. Despite this, in the second quarter of 2020, we succeed in delivering small quantities of trial export to Laos.

We booked USD 461,280 in revenue from edamame sales in 2020; an increase from USD 332,031 in 2019 and representing a negative variance from our budget of USD 2.6 million. The average sales price increased slightly from IDR 7,459/kg in 2019 to IDR 7,971/kg in 2020, and was also above our budget assumption of IDR 7,858/kg.

The frozen food business is a joint venture with AJI HK Limited (Asia Foods group), which acquired a 20% stake in GMIT in October 2017. Under our agreement, Asia Foods provides technical assistance for the development of the frozen line facility, as well as access to the export market.

During the year we continued to make preparations for okra production in line with our strategy to diversify the business and optimize the capacity of the frozen line. Commercial planting will begin in early 2021, with the first exports of the frozen product expected in the second half of the year.

Renewable Energy

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

AANE's electricity generation and sales increased from 7,106,562 kWh in 2019 to 9,400,660 kWh in 2020, representing a positive variance of 8.3% from our budget of 8,677,562 kWh. This was largely attributable to fewer shutdowns during the year, which also contributed to lower maintenance and repair costs.

Service concession revenue increased from USD 0.4 million in 2019 to USD 0.6 million in 2020, which was 6.4% above our budget of USD 0.5 million. The tariff remained at IDR 975/kWh; this level it is not commercially feasible for the Company to produce electricity.

Profitability per Segment

The table below summarizes the profitability of each segment:

(million USD)	Palm Oil	Sago	Vegetables	Renewable Energy
December 31, 2020				
Revenue	161.8	1.2	0.5	0.6
Gross Profit (loss)	43.4	(3.4)	(0.2)	0.2
Profit (loss) before tax	22.6	(4.1)	(0.6)	0.1
December 31, 2019				
Revenue	128.5	1.0	0.4	0.4
Gross Profit (loss)	28.1	(3.5)	(0.8)	0.0
Profit (loss) before tax	5.8	(4.6)	(1.8)	(0.1)

Palm Oil Segment

As our core business, palm oil contributed USD 161.8 million, or 98.6%, of our total revenue in 2020, generating a gross profit of USD 43.4 million and profit before tax of USD 22.6 million.

Sago Segment

The sago segment contributed USD 1.2 million or 0.7% of our total revenue. We saw a steady improvement in productivity, largely driven by the automatization of more mill processes, which improved production cost efficiencies. We expect to see an improvement in profitability with increases in processing and storage capacity and further market growth.

Vegetables Segment

Revenue from edamame sales contributed USD 0.5 million, or 0.3%, to our total revenue in 2020. After equipment issues in 2019, coupled with the corona-virus spread in 2020, the schedule for our first commercial exports was revised to the beginning of 2021. We expect to see an improvement in profitability in 2021 following our first commercial operation.

Renewable Energy Segment

The renewable energy segment contributed USD 0.6 million or 0.3% to our total revenue in 2020. The tariff paid by PLN has remained flat, and as such is too low for AANE's renewable energy business to be commercially feasible.

Marketing Review

Palm Oil

Most of ANJ's palm oil is sold for export and the local market through sales contracts on a FOB basis. For export, we ship palm oil products from all our mills to an international export port, where we build volume for buyers which comprise of both end-customers and traders. Most of our export goes to Asia. For local market, palm oil is either sold through the nearest port on a FOB basis or delivered directly.

Given the commitment demonstrated by ANJ in response to the intense pressure from NGOs and consumers to boycott producers that are considered to engage in unsustainable practices, many local buyers have started to reengage with ANJ. We suspended the development of our oil palm plantations in West Papua at the end of November 2018. We have revised our sustainability policy, conservation policy and publicly stated our HCS Area Loss Recovery plan to enable our stakeholders to closely monitor our progress and evaluate our commitment.

Four of our estates are RSPO-certified, as an assurance to the customers that the standard of production is sustainable. ANJ obtained a premium for CPO produced from all four of our RSPO-certified estates. To increase the volume sold at the premium price, we are seeking to increase direct sales to refineries that require RSPO certification to ensure the traceability of the product in their supply chains. We are also eligible to charge a quality premium for CPO with a Free Fatty Acid (FFA) content of less than 3.5%.

Sago

As the benefits of sago as a healthy, sustainable source of gluten-free native starch become more widely appreciated, we have seen a steady growth in interest, especially from domestic consumers. In 2020, we expanded our customer base in the domestic traditional and modern food industry. The next phase of the production trial batch was also sent to a prospective major customer in Japan and is currently undergoing discussion for future steps.

We expect to see continued sales growth and market interest for native sago starch from both domestic traditional and modern food industry markets. To support this, we are automating the production front-end side and implementing improvements on the logistics side, to decrease the total production and logistic cost per kilogram of sago starch.

Sago: Marketing Targets VS Realization in 2020

We targeted a market expansion for sago starch to several regions in Indonesia and export destinations such as Japan. In 2020, in the midst of global pandemic, our annual export sales contract target was not realized. However, we were able to increase the sales of sago starch in comparison to 2019 (32% by volume and 22% by revenue) through our expanding domestic distribution network, despite a decline in the native starch market prices.

Additionally, our in-house food application team has discovered benefits of native sago starch in several food applications, which are to be communicated to various prospective modern industry users, as well as household consumers. Towards the end of 2020, we launched a social media communication and engagement platform for Sapapua®, our retail brand, with the purpose of directly communicating the innovative discoveries.

Sago: Projected Marketing Performance in 2021

As continuous initiatives to increase sago starch production are underway, we will continue to increase sales by expanding our customer base in the domestic food industry. Covering both industries who are already using sago starch, as well as prospective new users, by introducing innovative sago starch uses and new applications. We will also continue to pursue the export market to Japan, given that potential buyers from Japan have continued to show interest in securing supplies from us. In 2021, the Japanese market is estimated to absorb about 10% of our total production.

Vegetables

Edamame: Marketing Targets VS Realization in 2020

Fresh edamame continued to dominate 2020 domestic sales as planned. Meanwhile, frozen edamame was recorded as export sales to Laos in Q3 2020 in addition to domestic food service sales, albeit at a minor volume. In 2020, our edamame production facility also fulfilled the requirements and was granted certification for ISO 22000:2018, BRC and Kosher, in addition to the existing Halal certification, ensuring a premium standard of quality needed for the more stringent export market.

Edamame: Projected Marketing Performance in 2021

The domestic market for fresh edamame will remain relatively stable in 2021 as we continue to sell to local distributors in Greater Jakarta, East Java, Central Java and Bali. Our main target remains the export market for frozen edamame, however, the commissioning of replacement machinery for the frozen line experienced delay as an impact of the global pandemic. Remaining hopeful for the improvement of the global condition, we are expecting commercial production to begin within the first half of 2021 for the main target export markets of Japan, the United States and Australia through our export purchase agreement with the Asia Foods group.

Having completed the registration with the Indonesian food and drug authority, BPOM, for Edashi, our domestic frozen edamame brand, we will launch the 500 gram pack product through distributors to various retail channels. Under our agreement with Asia Foods, production for frozen okra is expected to commence in Q3 of 2021.

Business Prospects and Strategies

Palm Oil

Prospects: Indonesian Palm oil supplies are expected to recover in 2021, with a potential 2 million tonne increase[1]. Favorable weather patterns and better estate maintenance will significantly boost supply in 2021[2]. On the demand side, entering 2021 supported by better economic growth, we expect a recovery in consumption although the growth will be smaller compared to pre-pandemic levels. Palm demand and price performance will also depend on the Indonesian B30 mandate performance. The Indonesia CPO Fund plays an important role in continuing to support the biodiesel mandate. In 2020, 16.5 million tonnes of Oil Palm become the feedstock for Biofuel[1].

We remain cautious in 2021, as it was estimated that global oil palm consumption will decrease by 2 million tonnes in 2021. The full impact of the pandemic on the demand is yet to be seen. The widespread economic slowdown and higher unemployment will affect vegetable oil demand for both food and biofuels. Some governments will likely reduce their support for rising biofuel mandates as there would be lower transport fuel demand and also large spread between oil prices (soya oil, palm oil, sunflower oil etc.) and Crude Oil[1].

In the medium-to-long term, however, the prospects for CPO remain bright. With global food-based demand for vegetable oils growing by 3 million tonnes every year[1], CPO's availability, versatility and affordability make it the most attractive option for consumer product manufacturers, while biodiesel is playing a growing role in meeting the rising world energy demand.

Strategies: Our commitment to responsible development will continue to guide our overall strategy in 2021 as we pursue our objectives in compliance with the RSPO guidelines and the Company's Sustainability Policy. However, as we continue to address the lingering effects from the low-price situation in 2019 and anticipate the potential impact of the COVID-19 pandemic, our priorities will be to preserve cash, drive productivity and cost efficiency, and minimize non-essential capital expenditures, at least until we see a sustained strengthening of the CPO price.

Having started to see improved efficiency as a result of the implementation of the EPMS (E-Plantation Mobile Solution) system in three of our estates, we continued the roll-out of the EPMS in the SMM estate and completed the roll-out in 2020. We also scaled up our traceability project in more estates during the year. This is a key step towards improving the overall sustainability of our operations, not only in light of the intensifying pressure from palm oil buyers and NGOs to increase supply chain transparency, but also in line with our commitment to supporting sustainable practices among smallholder farmers as a means of reducing the incentive for illegal forest clearing.

As we enter the first full year of CPO production from our West Papua estates, we will complete the planned construction of infrastructure, including employee housing and roads. The repair of the bridge connecting the PMP and PPM estates was completed in November 2020. In West Kalimantan, we have doubled the capacity of the KAL CPO mill to 90 tonnes of FFB per hour by adding a second processing line. We also plan to implement flood control measures at the ANJAS estate in North Sumatra to prevent future damage.

The replanting program in the ANJA estate is continued for 765 hectares whereas the replanting program in the SMM estate will be suspended in order to maintain our production level and manage cash flows.

Sago

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

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

Strategies: We have started to optimize the extraction process to increase the extraction rate, which, in conjunction with the current operation automation and 100% biomass powered operation, will reduce costs as we work towards our break-even point. As part of this strategy, we are increasing storage

1. Thomas Mielke, Oil World at Webinar organized by SEA and Globoil, 8 Oct 2020

2. James Fry, LMC at Webinar organized by SEA and Globoil, 8 Oct 2020

capacity at the mill in order to reduce per unit transportation costs and improve supply continuity. On the agronomy side, we will continue to implement sustainable forest management practices, including selective harvesting, enhancing and replacing harvested palms, restoring forest paths and managing water levels, and developing our nurseries to ensure sufficient high yielding, high quality material for planting. We are at the trial stage of using applications to enable the use of drone surveys to facilitate the identification of palms that are ready for harvesting.

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

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

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

The Company has also sought to engage the government in establishing formal recognition of the potentially strategic role of sago in Indonesia's food diversification program. Such recognition would facilitate support for improvements in the distribution of sago.

Vegetables

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

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

Strategies: With the attainment of safety and religious certifications, commissioning of the machinery, as well as the expectation of an improvement in the global situation, we hope to begin exporting frozen edamame at the beginning of 2021. Most of the production will be absorbed by the Asia Foods group, and exported initially to markets other than Japan which have a shorter pre-qualification process; we

will also continue to explore other potential markets, such as North America, Europe and the Middle East. With the launch of Edashi, our domestic brand for frozen edamame, we will continue to promote the benefits of edamame as an affordable and highly nutritious protein source to local consumers. As a part of creating a more value-added product, we will explore the potential and possibility of developing edamame powder from the edamame grade that is not desired for frozen edamame. Outside the factory operation, our key priority will be continuous improvement in field operations to drive productivity and quality.

Commercial planting and export of okra, our second high-margin vegetable product, is expected to occur within the second half of 2021. Access to the export market will be facilitated by Asia Foods.

Renewable Energy

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

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

Review of Financial Performance

Palm oil contributed 98.6% of the Company's consolidated revenue in 2020. CPO sales volume declined by 0.6% year-on-year, from 239,800 tonnes in 2019 to 238,484 tonnes in 2020, as a result of lower internal fresh fruit bunch (FFB) production in our estates in Belitung and North Sumatra I, attributed to the replanting and resting period after higher fruit production in the first semester of last year, following the El Niño event.

FFB purchases from third parties increased to 0.7% to maximize mill utilization. The average CPO selling price rose by 21.2% from USD 479 per tonne in 2019 to an average of USD 581 per tonne in 2020.

The increasing price drove a 25.9% increase in total revenue from USD 130.4 million in 2019 to USD 164.1 million in 2020. As a result, the Company posted a net income for the year of USD 2.2 million, which contrasted with the net loss of USD 4.6 million in 2019. Included in 2019 was the one-off gains of USD 8.6 million (net of tax) from sales of associates and minority investments in agribusiness, i.e. PT Pangkatan Indonesia, PT Aceh Timur Indonesia, PT Surya Makmur, PT Evans Lestari, PT Sembada Sennah Maju, PT Simpang Kiri Plantation Indonesia, PT Bilah Plantindo, PT Prima Mitrajaya Mandiri and PT Teguh Jayaprima Abadi, as well as a minority investment in PT Puncakjaya Power. The net income attributable to the owners of the Company for 2020 amounted to USD 2.3 million, compared to the net loss of USD 4.2 million attributable to the owners of the Company in 2019.

The following discussion and analysis of the Company's financial performance in 2020 is based on the Consolidated Financial Statements and Notes to the Financial Statements as of, and for the years ended December 31, 2020 and 2019.

The Financial Statements as of, and for the years ended December 31, 2020 and 2019 were audited by Siddharta Widjaja & Rekan (Registered Public Accountants) who rendered an unqualified opinion that they fairly present the Company's financial position, financial performance and cash flows.

Consolidated Statements of Financial Position

USD thousand	2020	2019	Change (%)
Current assets	66,509	66,837	-0.5%
Non-current assets	569,635	558,871	1.9%
Total assets	636,144	625,708	1.7%
Current liabilities	28,406	31,441	-9.7%
Non-current liabilities	211,980	205,559	3.1%
Total liabilities	240,386	237,000	1.4%
Equity attributable to owners of the Company	393,764	387,919	1.5%
Total equity	395,757	388,708	1.8%

Assets

The Company's current assets, at end of 2020, stand at USD 66.5 million, down by 0.5% from USD 66.8 million at end of 2019. This was largely attributable to the decrease in cash and cash equivalents, and trade receivable, partially offset with the increase in inventories. Non-current assets, at end of 2020, amounted to USD 569.6 million, up 1.9% from USD 558.9 million at end of 2019, mainly due to capitalized upkeep cost for immature plantations and replanting programs in ANJA and SMM plantations, as well as the purchase of property, plants, and equipment, primarily relating to our West Papua palm oil mill and capacity expansion of our West Kalimantan palm oil mill. As a result, total assets increased by 1.7% from USD 625.7 million, at end of 2019, to USD 636.1 million, at end of 2020.

Liabilities

At the end of 2020, current liabilities stood at USD 28.4 million, down 9.7% from USD 31.4 million at end of 2019, principally as a result of the decrease in tax payable and other payables, particularly due to the payment in 2020. As of December 31, 2020, total outstanding short-term bank loans stood at USD 3.1 million, compared to USD 2.5 million at the end of 2019.

Non-current liabilities rose 3.1% from USD 205.6 million at the end of 2019 to USD 212.0 million at the end of 2020, principally because of the withdrawal of long-term bank loans and accrual for post employment benefit obligations. Total outstanding long-term bank loans, net with the deferred financing cost, amounted to USD 192.8 million as of December 31, 2020, compared to USD 188.0 million as of December 31, 2019. Total liabilities were up 1.4% from USD 237.0 million in 2019 to USD 240.4 million in 2020, largely due to the increase in non-current liabilities.

Equity

Total equity stood at USD 395.8 million in 2020, up 1.8% from USD 388.7 million in 2019. This was attributable to the net income in the current year and the increase in cumulative translation adjustment in other comprehensive income from the subsidiaries' net assets translation adjustment.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

USD thousand except where stated	2020	2019	Change (%)
Total revenue	164,100	130,355	25.9%
Total cost of revenue	(124,011)	(106,590)	16.3%
Gross profit	40,089	23,765	68.7%
Total operating expenses, net	(22,506)	(16,960)	32.7%
Operating profit	17,583	6,805	158.4%
Total other income (expenses)	(2,560)	672	-481.1%
Profit before tax	15,024	7,477	100.9%
Net income (loss) for the year	2,211	(4,558)	148.5%
Net income (loss) attributable to non-controlling interests	(137)	(361)	-62.1%
Net income (loss) attributable to the owners of the Company	2,348	(4,197)	155.9%
Total comprehensive income (loss)	5,840	2,197	165.8%
EBITDA	34,306	22,875	50.0%
EBITDA margin (%)	20.9%	17.6%	19.1%

Revenue

We posted a total revenue of USD 164.1 million in 2020, increasing from USD 130.4 million in 2019. This consisted of USD 163.5 million in revenue from sales and USD 0.6 million in revenue from service concessions. Revenue from sales of palm oil accounted for 98.6% of total revenue in 2020, whereas 1.4% was contributed by service concession revenues and sales of edamame and sago starch.

CPO sales revenue increased by 26.9%, from USD 115.0 million in 2019 to USD 145.9 million in 2020, as our average CPO sales price increased by 21.2%, from USD 479 per tonne in 2019 to USD 581 per tonne in 2020, and CPO sales volume fell 0.6% to 238,464 tonnes from 239,800 tonnes in 2019. Palm kernel (PK) sales revenue amounted to USD 15.3 million in 2020, an increase of 12.8% from USD 13.6 million in 2019, as a result of our average selling price increasing by 20.7% to USD 315 per tonne from USD 261 per tonne in 2019, while PK sales volume decreased by 6.6% to 48,660 tonnes from 52,115 tonnes in 2019. Our revenue in 2020 also included the sales of PKO of USD 0.4 million, following our new declaration of mature area in the West Papua estates.

Revenue from sales of non-palm oil products increased by 22.8%, from USD 1.3 million in 2019 to USD 1.7 million in 2020. This consisted of sales of edamame and sago starch. Our revenue from sales of sago starch increased by 18.4% from USD 1.0 million in 2019 to USD 1.2 million in 2020, while our revenue from sales of edamame increased by 38.9%, from USD 0.4 million in 2019 to USD 0.5 million in 2020.

Service concession revenue comprised of revenue from our subsidiary AANE, an Independent Power Producer (IPP) that uses biogas to generate electricity, which is sold to PLN in Belitung Island. We posted a total service concession revenue in 2020 of USD 0.6 million, an increase of 29.2% from USD 0.4 million in 2019.

Cost of Revenue

The cost of revenue amounted to USD 124.0 million in 2020, an increase of 16.3% from USD 106.6 million in 2019. The principal component was costs relating to sales of CPO and PK, amounting to USD 118.4 million in 2020, increasing by 17.8% from USD 100.5 million in 2019. The increase was largely attributable to the higher cost of third-party FFB purchases, due to the higher CPO price in 2020, and additional cost of revenue from our newly mature area in our West Papua estates. The higher cost of sales was partially offset, however, by the lower loss from forward contracts from USD 4.2 million in 2019 to USD 0.2 million in

2020, as well as a lower FFB fair value gain of USD 0.2 million in 2020 compared to USD 1.5 million in 2019.The cost of third-party FFB purchases was USD 45.2 million in 2020, compared to USD 36.7 million in 2019, due, as mentioned, to the much higher price of FFB and the increase in our FFB purchase volume by 0.7%, from 405,754 tonnes in 2019 to 408,554 tonnes in 2020.

In the edamame business, cost of sales were down from USD 1.2 million in 2019 to USD 0.6 million in 2020, which was largely attributable to a one-time expense in 2019 from the write-down of assets and decline in inventory of GMIT.

Cost of service concessions were down from USD 0.44 million in 2019 to USD 0.38 million in 2020, due to lower repair maintenance expenses which were attributable to fewer shutdowns occurring in 2020 due to improvements on the PLN grid.

Dividend income mainly consists of dividends received from investments in entities in which we hold an interest of less than 20%. In 2020, we received USD 0.1 million in dividend income, which is stable compared to the dividend income of USD 0.1 million in 2019.

Our foreign exchange gain was USD 3.1 million in 2020, compared to the foreign exchange loss of USD 0.6 million in 2019, largely due to the depreciation of the Rupiah against the US dollar. Our financial risk management policy on minimizing currency mismatch in our monetary assets and monetary liabilities remains the same.

Selling expenses increased to USD 9.6 million, from USD 7.7 million in 2019, as a result of the waived export levy in 2019 when the CPO price falls below USD 570 per tonne and export tax when the CPO price falls below USD 750 per tonne.

Personnel expenses increased by 14.0%, from USD 10.7 million in 2019 to USD 12.2 million in 2020, mainly from the accrual for employee benefit.

General and administrative expenses decreased significantly, from USD 12.7 million in 2019 to USD 5.5 million in 2020, largely due to lower travel and transportation expenses and lower professional fees and the one-off expense in 2019 from the impairment losses on our financial asset and the tax assessment expenses, mainly from VAT.

Our other income decreased from USD 14.5 million in 2019 to USD 1.5 million in 2020, mainly due to one-off gains in 2019 from the divestment of our minority investment in the energy business as well as investment in associates and minority investments in agribusiness.

The share in net income of associates represents our share of net income from companies in which we hold a minority interest of 20% or more, or companies over which we have a significant influence. Following the divestment of our associates' investments, we didn't book any share in net income from associates in 2020, compared to the USD 0.8 million in 2019.

Finance costs-net rose from USD 0.1 million in 2019 to USD 2.6 million in 2020 following to the commercial operations of our West Papua estates, hence the interest expense was no longer capitalized.

Finance costs-net rose from USD 0.1 million in 2019 to USD 2.6 million in 2020 following to the commercial operations of our West Papua estates, hence the interest expense was no longer capitalized.

Tax expenses increased by 6.5% to USD 12.8 million in 2020, from USD 12.0 million in 2019, due to the higher profit before tax in 2020 which was attributable to the increase in CPO and PK sales prices and the deferred tax expense from the deferred tax asset write down, due to the change in tax rate from 25% to become 22% in 2020-2021 and 20% from 2022 and afterwards.

Net Profit and Total Comprehensive Income

The higher CPO and PK prices, compared to 2019, resulted in a net income for the year of USD 2.2 million, compared to the net loss of USD 4.6 million in 2019.

Other comprehensive income in 2020 comprised of actuarial gain/loss from post-employment benefits, a change in fair value of available-for-sale investment and foreign exchange differentials from the translation of subsidiaries' financial statements.

A number of the Company's subsidiaries use the Rupiah as their functional currency. The foreign exchange effect, due to translation of the subsidiaries' financial statements, is reported as other comprehensive income. The foreign exchange rate in 2020 was very fluctuative with the sharp depreciation of the Rupiah against the US dollar in the first quarter of 2020 which later stabilized in the fourth quarter. As a result, the Company reported USD 4.4 million gains on the translation of subsidiaries' financial statements in other comprehensive income, a 29% decrease from USD 6.2 million in 2019. Total comprehensive income increased from USD 2.2 million in 2019 to USD 5.8 million in 2020.

Consolidated Statements of Cash Flows

USD thousand except where stated	2020	2019	Change (%)
Net cash provided by operating activities	35,054	8,693	303%
Net cash used in investing activities	(50,720)	(30,562)	29%
Net cash provided by financing activities	13,069	11,119	3%
Net decrease in cash and cash equivalents	(2,597)	(10,750)	-47%
Cash and cash equivalents at the beginning of the year	18,484	29,234	-23%
Cash and cash equivalents at the end of the year	15,887	18,484	-9%

Net cash provided by operating activities:

USD 35.1 million, in cash, was provided by operating activities in 2020, increasing from USD 8.7 million in 2019. The favorable variance was due to the increase in cash received from customers, which is in line with the increase in revenue from sales of CPO, PK and PKO due to increase the prices.

Net cash used in investing activities:

In 2020, a total of USD 50.7 million was used in investing activities, increasing from USD 30.6 million in 2019, which included the cash proceeds received from sales of our investments of USD 47.3 million.

Net cash provided by financing activities:

Net cash provided by financing activities increased from USD 11.1 million in 2019 to USD 13.1 million in 2020, mainly due to the withdrawal of short- and long-term bank loans in 2020.

Operating Ratios

Gross Margin:

Our gross margin is measured by dividing the gross profit by the sum of the revenue from sales and service concessions. In 2020 our gross margin increased by 6.2 percentage points to 24.4%, from 18.2% in 2019, which was attributable to the increase in CPO and PK sales prices.

EBITDA Margin:

Our EBITDA margin is measured by dividing EBITDA by the sum of revenue from sales and service concessions. Our EBITDA is calculated from profit before tax, adding back depreciation, amortization, interest expenses, impairment loss and foreign exchange loss, then subtracting foreign exchange gain and interest income. Our EBITDA margin stood at 20.9% in 2020, an increase of 3.4 percentage points from 17.5% in 2019, primarily due to the higher CPO dan PK sales prices.

Net Profit Margin:

In 2020 our net profit margin was 1.3%, compared to -3.5% in 2019. This represented a net income of USD 2.2 million from a total revenue of USD 164.1 million, compared to a net loss of USD 4.6 million from a total revenue of USD 130.4 million in 2019.

Return on Assets and Equity:

Return on Assets (ROA) is calculated by dividing net profit for the year by the total assets at the end of the year. We booked a ROA of 0.3% in 2020, compared to -0.7% in 2019, due to our net income in 2020.

Return on Equity (ROE) is calculated by dividing net profit for the year by the total equity at the end of the year. ROE in 2020 was 0.6%, compared to -1.2% in 2019.

Account Receivables Collectibility

Receivables Turnover:

This is a measure of the average days required by a company to turn receivables into cash collected. Our average receivables turnover was approximately 3 days in 2021, an improvement from 20 days in 2019. Receivables turnover is calculated by dividing the number of days in the year (365) by the quotient of total revenue from sales during the year and trade receivables at the end of the year. The lower the number of days, the faster the receivables are turned into cash. In 2020, our trade receivables were derived from our local sales of palm oil, service concession revenue, and edamame and sago sales. Local sales of CPO and PK are either on a one-year contract basis or a spot contract, both of which require advance payment from buyers before delivery, vary from 80%-95%, and receive the remaining balance soon after the delivery. Thus our outstanding trade receivables at end of year will be minimal compared to the total revenue.

Solvability

The Current Ratio is measured by dividing total current assets by total current liabilities at the end of the year. Our current ratio in 2020 was 2.34x, up from 2.13x in 2019. This was attributable to the decrease in current liabilities as a result of the payment of taxes payable and other payables in 2020.

The Cash Ratio is calculated by dividing total cash and cash equivalents by total current liabilities. At the end of 2020, 23.9% of our current assets were in the form of cash and cash equivalents, compared to 27.7% in 2019. Our cash ratio decreased to 0.56x in 2020, from 0.59x in 2019, however it was still indicating that we have more than adequate capacity to meet our current liabilities.

The Debt-to-Equity Ratio reflects our ability to meet our total liabilities. The lower the ratio, the better our ability. In 2020, our total liabilities increased to USD 240.4 million, from USD 237.0 million in 2019, while our total equity increased to USD 395.8 million, from USD 388.7 million in 2019, driving the similar debt-to-equity ratio of 0.61x in 2020 and 2019. This, indicates that our capacity to meet our liabilities remains strong.

The Net Debt-to-Equity Ratio is calculated by dividing net debt by equity, where net debt represents interest-bearing liabilities minus cash and cash equivalents. Our net debt-to-equity ratio in 2020 was 0.45x, compared to 0.44x in 2019, reflecting the increase in bank loans.

Capital Structure and Capital Structure Policy

Capital Structure

USD thousand except where stated	2020	2019	Change (%)
Short-term bank loans	3,143	2,474	27.1%
Long-term bank loan – current maturities	2,666	959	178.0%
Long-term bank loan – net of current maturities	190,114	187,024	1.7%
Lease liabilities - current maturities	430	-	100%
Lease liabilities - net of current maturities	751	-	100%
Total debt	197,104	190,457	3.5%
Total cash and cash equivalent	(15,887)	(18,484)	-14.1%
Net debt	181,217	171,973	5.4%
Equity			
Equity attributable to the owners of the Company	393,764	387,919	1.5%
Net debt to equity ratio	46.02%	44.33%	3.8%

We continued to work towards realizing our vision of being a world-class agribusiness-based food company that elevates the lives of people and nature in 2020; executing our strategy of growing our agribusiness-based food business in the palm oil, sago and vegetable sectors. Our strategy for value creation across the ANJ Group is based on responsible growth. As an example, we seek to maintain a balance between the use of equity and borrowings. We have therefore taken advantage of the strong liquidity from our palm oil operations and our cash balance from operations to finance our expansion, supplementing this by using substantial bank loan facilities. We have also maintained a modest degree of leverage into the Company's capital structure.

Capital Structure Policy

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

We recorded USD 3.1 million in outstanding short-term loans as of December 31, 2020, consisting of withdrawals from PT Bank OCBC NISP Tbk., PT Bank CIMB Niaga Tbk., and PT Bank BTPN Tbk..

Outstanding long-term loans, as of December 31, 2020, amounted to USD 193.4 million from the Company's subsidiaries in West Papua (PPM and PMP), ANJA, ANJAS, KAL, SMM and GMIT. A total of USD 178.6 million, or 92.4%, of this amount was withdrawn from loan facilities from PT Bank OCBC NISP Tbk., and the remaining balance consisted of withdrawals from PT Bank CIMB Niaga Tbk., and PT Bank BTPN Tbk.. The total equity stood at USD 395.8 million as of December 31, 2020.

We recognize the importance of a resilient capital structure for the sustainability of our businesses. We believe that the strength of our capital structure is demonstrated by our net debt to total equity ratio of 0.45x as of December 31, 2020. However, to fulfill the financing requirements of our oil palm planting program and other business expansion plans, we will continue to increase our leverage in our capital structure prudently, up to a level of no more than 0.75 times net debt to shareholders' equity, from bank loans, bonds or other resources.

Changes to Accounting Policy

In 2020, the Group applied a number of PSAK, issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant and effective for accounting period beginning on January 1, 2020, as follows:

- PSAK 71, "Financial Instruments".
- PSAK 72, "Revenue from Contracts with Customers".
- PSAK 73, "Leases".

The adoption of PSAK 71, 72 and 73 have resulted in changes in the Group's accounting policies. The adoption of PSAK 71 and 72 do not have material effect on the amounts reported for the current or prior financial periods. Furthermore, the Group applied the modified retrospective approach in applying the transitional provision of PSAK 73 by calculating the right-of-use assets and lease liabilities, as of January 1, 2020. The effect of this adoption to retained earnings, as of January 1, 2020, is not material and, therefore, the Group does not adjust its retained earnings as of January 1, 2020.

The following standards were issued, but had not come into effect in 2020:

- Amandment PSAK 22: " Business Combination"
- Amandment PSAK 71: " Financial Instruments"

The above standards will be effective for the accounting period beginning on January 1, 2021; early adoption is permitted. As of the issuance date of this annual report, management is still evaluating the effect of adoption of these standards on the consolidated financial statements.

Dividend Policy

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

Dividend Payment

No dividend was paid in 2020 or 2019 for the years 2019 and 2018.

Employee Share Allocation Program/ Management Share Ownership Program (ESOP/MSOP) Employee Stock Allocation Program

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

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

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

Management Stock Option Plan

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

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

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

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

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

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

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

Employee Stock Option Plan or Employee Stock Purchase Plan

On June 1, 2016, the Company's AGMS approved the transfer of a maximum of 63,000,000 treasury stocks, through an Employee Stock Option Plan or Employee Stock Purchase Plan, to the Directors and certain employees of the Company. The sale price of the treasury stock to said Directors and employees was IDR 1,271 per share. On June 23, 2016, the Company completed the transfer of 15,000,000 shares to the Directors and certain employees of the Company.

Use of IPO Proceeds

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

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

The Company made no investment in any new subsidiaries or other new entities in 2020 but increased its investments in fixed assets and palm plantations.

Divestments

The Company made no divestment in 2020.

Debt/Capital Restructuring

On October 23, 2020, ANJ and SMM subscribed and paid 20,950 shares and 4,400 shares, respectively. Thereby, ANJAP ANJ and SMM's direct ownership in ANJAP became 99.32% and 0.68%, respectively.

On September 8, 2020, the Company subscribed and paid 515,000 new shares in ANJB. The Company's direct ownership in ANJB remained at 99.99%.

On September 8, 2020, ANJA and ANJ subscribed and paid 394,700,500 shares and 291,257,500 shares, respectively, to PMP. ANJA and ANJ's direct ownership in PMP became 65% and 35%, respectively.

On September 8, 2020, ANJA and ANJ subscribed and paid 324,461,000 shares and 246,119,000 shares, respectively to PPM. ANJA and ANJ's direct ownership in PPM became 65% and 35%, respectively.

On December 1, 2020, ANJB acquired 100,000 shares of ANJA from Mr. Thomas Andrew Marshall for a total cash consideration of USD 21,000. Following the acquisition of those shares, the Company's direct and indirect ownership in ANJA remained at 99.99%.

On December 1, 2020, the Company acquired 62 shares of GMIT from Mr. Thomas Andrew Marshall for a total cash consideration of IDR 25,600,000. Following the acquisition of those shares, the Company's ownership in GMIT increased from 79.99% to 80%.

Changes in Laws and Regulations

There were changes in the laws or regulations that materially affected the Company's business in 2020, namely:

1. UU No 2 Tahun 2020 regarding *Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi Corona Virus Disease 2019 (Covid-19) dan/atau Dalam Rangka Menghadapi Ancaman yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan Menjadi Undang-Undang,* which reduces the income tax rate from 25% to 22% for the fiscal year 2020 and 2021, and 20% for the fiscal year 2022 onwards.
2. Law No. 11 Year 2020 on Job Creation. On 2 November 2020, the President has signed Law No. 11 of 2020 on Job Creation (commonly referred to as the "Omnibus Law"), which becomes effective on the date of its promulgation. The objective of the Omnibus Law is, among others, creating job opportunities, increasing Indonesia's competitiveness and raising foreign and domestic investment by reducing regulatory requirements for business licenses. Most of the business licenses under the Omnibus Law will be issued through the Online Submission System (OSS). In February 2021, the Indonesian Government also issued 49 implementing regulations for Omnibus Law, which consist of 45 Government Regulations (*Peraturan Pemerintah*) and 4 Presidential Regulations (*Peraturan Presiden*).

Material Facts About Related-Party Transactions

ANJ has very few transactions with related parties; our related-party transactions in 2020 were within the ANJ Group and were all disclosed to either the Financial Services Authority (OJK) or the Indonesia Stock Exchange (IDX), or both, in compliance with prevailing laws and regulations. Our related-party transactions in 2020 were as follows:

- GMIT used land and buildings owned by AKJ and MDN for its offices, employee housing, training center and warehouse in accordance with a lend-use agreement, dated May 17, 2012. This agreement has been renewed and is valid until May 17, 2022. Based on the agreement, GMIT has no obligation to pay anything to AKJ or MDN, but must pay land and building tax, fire insurance, repair and maintenance, electricity, water, telephone, security and all other maintenance costs related to the land and buildings during the agreement period.
- Pursuant to a management and technical services agreement, dated May 21, 2014, which has been amended several times, most recently on October 31, 2017, SMM charged AANE management fees of IDR 55 million per month from January to September 2017, which was reduced to IDR 25 million per month from October 2017 onwards.
- ANJA charged management fees of USD 50,000 per month to ANJAS, based on a management and technical services agreement dated June 27, 2014, which was amended recently on July 31, 2019.
- ANJA charged management fees of USD 100,000 per month to SMM, based on a management and technical services agreement dated June 27, 2014, which was recently amended on July 31, 2019.
- ANJA charged management fees of USD 60,000 per month to KAL, based on a management and technical services agreement dated May 31, 2017, which was recently amended on July 31, 2019. On July 21, 2020, the management fee agreement was terminated.
- The Company charged management fees to subsidiaries, based on a management services agreement, dated December 14, 2015, which was amended on May 27, 2019, at the following rates per month for each subsidiary, based on certain conditions as stipulated in the agreement.

Subsidiary	Maximum Management Service Fee
ANJA, SMM, ANJAS	IDR 979.7 million
KAL	IDR 979.7 million (January 1, 2020 - June 30, 2020) IDR 49.7 million (starting July 1, 2020)
PPM, PMP	IDR 512.1 million
ANJAP	IDR 501.6 million
GSB	IDR 155.0 million
AANE	IDR 15.5 million
GMIT	IDR 26.9 million
ANJB	IDR 4.65 million

- ANJA entered into a loan agreement with KAL (borrower) on June 24, 2015, for which the most recent amendment was made on October 10, 2018. The current loan facility of IDR 500 billion bears interest at an annual interest rate of 9% and is valid until December 31, 2021. As of December 31, 2020, the total outstanding loan was nil.
- ANJA entered into a loan agreement with SMM (borrower) on November 25, 2019 for a loan facility of USD 20 million, at an annual interest rate of LIBOR+2.5%, valid until November 24, 2021. As of December 31, 2020, the total outstanding loan was nil.
- ANJA entered into a loan agreement with ANJAS (borrower) on November 25, 2019, for a loan facility of USD 15 million, at an annual interest rate of LIBOR+2.5%, valid until November 24, 2021. As of December 31, 2020, the total outstanding loan was nil.
- ANJ entered into a loan agreement with ANJA (borrower) on October 8, 2019, which was amended on November 25, 2019. The current loan facility of USD 50 million, at an annual interest rate of LIBOR+2.5%, is valid until October 7, 2021. As of December 31, 2020, the total outstanding loan was nil.
- On October 7, 2016, ANJAS entered into a loan agreement with KAL as the borrower. The most recent amendment was made on July 30, 2020, for IDR 200 billion (or its equivalent in USD) and bears interest at an annual interest rate of 8.75% for borrowing in IDR and 3.5% for borrowing in USD. This loan facility is valid until December 31, 2021. As of December 31, 2020, the total outstanding loan was nil.
- On August 28, 2020, LSP entered into a loan agreement with PPM as the borrower for IDR 2.35 billion and bears interest at an annual interest rate of 8.75%. This loan facility is valid until August 27, 2021. As of December 31, 2020, the total outstanding loan was IDR 2.35 billion (equivalent to USD 0.2 million).
- On August 28, 2020, AANE entered into a loan agreement with PPM as the borrower for IDR 5 billion, and bears interest at an annual interest rate of 8.75%. This loan facility is valid until August 27, 2021. As of December 31, 2020, the total outstanding loan was IDR 2 billion (equivalent to USD 0.1 million).
- On October 28, 2020, ANJAS entered into a loan agreement with PPM as the borrower for USD 10 million, or its equivalent in IDR, and bears interest at an annual interest rate of 8.75% for borrowing in IDR and 3.5% for borrowing in USD. This loan facility is valid until October 27, 2021. As of December 31, 2020 the total outstanding loan was nil.
- On October 28, 2020, ANJAS entered into a loan agreement with PMP, as the borrower, for USD 10 million, or its equivalent in IDR, and bears interest at an annual interest rate of 8.75% for borrowing in IDR and 3.5% for borrowing in USD. This loan facility is valid until October 27, 2021. As of December 31, 2020, the total outstanding loan was nil.
- On July 17, 2020, ANJA entered into a loan agreement with PPM, as the borrower, for USD 7 million, or its equivalent in IDR, and bears interest at an annual interest rate of 8.75% for borrowing in IDR and 2.5% for borrowing in USD. This loan facility is valid until July 16, 2021. As of December 31, 2020, the total outstanding loan was nil.

- On July 17, 2020, ANJA entered into a loan agreement with PMP as the borrower for USD 7 million, or its equivalent in IDR, and bears interest at an annual interest rate of 8.75% for borrowing in IDR and 2.5% for borrowing in USD. This loan facility is valid until July 16, 2021. As of December 31, 2020, the total outstanding loan was nil.

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

During 2020, the Company did not have any material transactions containing conflict of interest and/or transactions with affiliated parties.

Material Commitments for Capital Expenditure

Capital Expenditure Realization in 2020

Our capital expenditure (capex) in 2020 amounted to USD 45.6 million. Of this, USD 43.9 million was used for developing our palm oil estates (PPM, PMP, ANJA, ANJAS, SMM, KAL, GSB); USD 0.8 million for developing our edamame business (GMIT); and the remainder for developing our sago starch (ANJAP). The capex was mainly financed by short-term and long-term bank loans.

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

We have made a number of material capital expenditure work plans for 2021 in support of our growth strategies for our core businesses, including:

- Completion of the mill extension at KAL. The facility is scheduled to start a trial run operation in February 2021 and enter full commercial operation in July 2021;
- Transfer of composting to self-operation in ANJAS and SMM, starting May 2021 in SMM and August 2021 in ANJAS, respectively;
- Continue to complete construction of infrastructure in PPM/ PMP for road surfacing (laterite) and minimum buildings for the operation of 9,007 ha planted areas;
- Continued construction of road and steel bridge infrastructure in KAL to expedite the evacuation of FFB and CPO;
- New planting of 209 hectares at our Belitung Island Plantation (SMM) and replanting of 60 ha carried forward from 2020 replanting program;
- Replanting of 764 hectares at our North Sumatra I Plantation (ANJA);
- Mitigation of extreme weather impacts, including forest fire prevention infrastructure at KAL and flood prevention at ANJAS.

We anticipate a total capital expenditure of approximately USD 42.8 million in 2021. This will be financed largely by cash from operations and external financing, including but not limited to bank loans.

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

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

Comparison of Targets/Realization 2020

	Target	Realization	Variance
Palm oil production (metric tonnes)			
FFB production	796,163	771,290	-3.1%
CPO production	263,357	241,958	-8.1%
PK production	53,712	49,286	-8.2%
PKO production	881	717	-18.6%
Sago starch production (metric tonnes)	13,779	2,233	-83.8%
Edamame production (metric tonnes)			
Fresh edamame production	957	941	-1.7%
Frozen edamame production	509	-	-100.0%
Frozen mukimame production	25	-	-100.0%
Okra production	306	-	-100.0%
Renewable energy production (kWh)	8,677,562	9,400,660	8.3%
Revenue	150,214	164,100	9.2%
Gross profit	30,714	40,089	30.5%
Profit (loss) before tax	(1,203)	15,024	1348.8%
Net income (loss) for the year	(4,611)	2,211	147.9%

Comparison of Realization Against Targets

Production

The Company produced 771,290 tonnes of FFB in 2020, an increase of 5.2% compared to 2019 and lower than our target of 796,163 tonnes, mainly due to the impact of the replanting programs at our Belitung Island estate, coupled with the impact of the resting period after higher fruit production in the first semester of last year. Meanwhile, we declared a new mature area at our West Papua estate, with a total FFB production of 46,444 tonnes in 2020. Our newly mature West Kalimantan estate maintained its positive FFB production trend with a 4.1% increase in 2020.

CPO and PK production in 2020 decreased by 8.1% and 8.2% to 241,958 tonnes and 49,286 tonnes, respectively, falling short of our targets of 263,357 tonnes for CPO and 53,712 tonnes for PK.

Sales and Revenues

The Company booked a total revenue of USD 164.1 million in 2020, an increase of 25.9% from 2019 and 9.2% above our revenue target for 2019, due to the higher average selling price.

The CPO price, which started the year maintaining the momentum from 2019, declined sharply in March 2020 due to concerns over demand disruption as a result of the COVID-19 pandemic. However, the CPO price has improved since June 2020, following the gradual resumption of economic activities in CPO importing countries and amplified by concern over reduced CPO supply in 2020, due to the impact of drought in 2019 and now higher rainfall (La Niña) in 2020, which may affect global vegetable oil supply. The Group recorded an average selling price for CPO in 2020 of USD 581 per tonne, 21.2% higher than the 2019 average selling price of USD 479/mt, and 22.2% higher than our target of USD 475 per tonne. The average selling price for PK in 2020 was USD 315/mt, 20.7% higher than the average selling price in 2019 of USD 261 per tonne, and 5.0% higher than our target of USD 300 per tonne.

Profit

The Company posted a net income of USD 2.2 million in 2020, compared to a net loss of USD 4.6 million in 2019, and our target net loss of USD 4.6 million. This was largely attributable to the higher average selling price for CPO and PK in 2020.

2021 Company Targets

Production	2020	2021	Change (%)
	Actual	Target	
Palm oil production (metric tonnes)			
FFB production	771,290	820,982	6.4%
CPO production	241,958	273,424	13.0%
PK production	49,286	54,521	10.6%
PKO production	717	1,366	90.4%
Sago starch production (metric tonnes)	2,233	5,470	144.9%
Edamame production (metric tonnes)			
Fresh edamame production	941	1,091	16.0%
Frozen edamame production	-	773	100%
Frozen mukimame production	-	90	100%
Okra production	-	230	100%
Renewable energy (kWh)	9,400,660	9,046,261	3.8%

Revenues

As most of the Company's revenue is contributed by the palm oil business segment, our revenue is very dependent on the CPO and PK price. For 2021, the Company has set targets/projections for production values, namely: 820,982 metric tonnes of FFB, 273,424 metric tonnes of CPO, 54,521 metric tonnes of PK. The Group expects a growth in revenue from our newly matured plantations in West Papua. However, the revenue amount is highly dependent on the commodity price in 2021.

Profit

Following the newly mature declaration of our West Papua estates, with the high production cost through its first year of commercial production, the Company estimates a decreasing net profit margin for 2021.

Subsequent Events

There were no material subsequent material events occurring between January 1, 2021 and March 25, 2021, the date of issuance of the Company's consolidated financial statements for the year ended December 31, 2020.

There were no material subsequent material events occurring between March 25, 2021, the date of issuance of the Company's consolidated financial statements for the year ended December 31, 2020, and May 11, 2021, the date of issuance of the Company's Annual Report.

Going Concern Information

In 2020, many countries, including Indonesia, experienced and reported outbreaks of COVID-19. This global pandemic has created significant uncertainty in macroeconomic conditions, including volatility in exchange and interest rates, volatility in commodity prices, disruption to supply chains, and significant slowdown in demand for commodity products, including palm oil. The Government of the Republic of Indonesia has launched various fiscal and monetary policy measures, and plan for mass vaccination, to counter the adverse impacts of the COVID-19 outbreak; the outcome of which cannot be determined at present. The Company has implemented policies and procedures at all its operational sites to monitor and manage the risks associated with COVID-19. Although there has been no significant adverse impact from the COVID-19 outbreak on the Company's operations, much depends on the success of the vaccinations to control the outbreak, the success of the Government's efforts to contain the virus, and the successful implementation of the Government's fiscal and monetary policies. All of these factors may affect the Company's operations in the near future.

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

In our sago segment, we will continue to improve our sago extraction and reduce the variable cost of production. In our vegetable segment, we managed to improve our planting yield and aim to start the export of frozen edamame in 2021. We believe that both businesses have the potential to strengthen our position as a world-class agribusiness-based food Group that makes a positive contribution to local economic development and national food diversification and security. A priority in 2021 will be to continue to develop domestic and export markets for value-added sago and edamame products.

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

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Corporate Governance

ANJ'S Commitment to Good Corporate Governance

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

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

Legal Basis for Corporate Governance at ANJ

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

1. Law No. 40/2007 on Limited Liability Companies;
2. Law No. 8/1995 on the Capital Market;
3. OJK Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers and Public Companies;
4. OJK Regulation No. 21/POJK.04/2015 dated 16 November 2015 on the Implementation of the Governance Guidelines for Listed Companies;
5. OJK Circular Letter No. 30/SEOJK.04/2016 on the Form and Contents of Annual Reports Filed by Issuers or Public Companies;
6. The Good Corporate Governance Guidelines issued by the National Governance Policy Committee (KNKG); and
7. The ASEAN Corporate Governance Scorecard.

GCG Policy

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

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

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

Assessment of GCG Implementation

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

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

In 2020, corporate governance was assessed against the following criteria.

Assessing Parties

Our governance is largely evaluated through self-assessment by the Company itself, as follows:
- Self-assessment of performance against the Governance Guidlines for Listed Companies issued by OJK, conducted by the Board of Directors and Board of Commissioners.
- Assesment against the Asean CG Scorecard (ACGS), by the Indonesian Institute for Corporate Directorship (IICD).

Criteria

- Governance Guidelines for Listed Companies issued by OJK through OJK Regulation No. 21/POJK.04/2015 and OJK Circular Letter No 32/SEOJK.04/2015.
- ASEAN Corporate Governance Scorecard (ACGS). The indicators cover: (1) shareholders' rights; (2) equal treatment of shareholders; (3) the role of stakeholders; (4) transparency and disclosure; and (5) Board responsibility.

Results

- OJK Governance Guidelines for Listed Companies: the Company has fulfilled almost all the recommendations, as shown in the matrix on page 144 of this Report.
- ASEAN Corporate Governance Scorecard (ACGS): 86.68. This result was verified by the IICD at the Company's request, and is above the average score of 72.88 of the BigCap 100 (100 public companies with the largest market capitalization).
- With this score, it means that ANJ has adopted the international standards in corporate governance.

Implementation of Recommendations

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

Corporate Governance Structure

ANJ's corporate governance structure consists of three mutually independent bodies, in accordance with Law No. 40/2007 on Limited Liability Companies:
- the General Meeting of Shareholders (GMS): this is the highest decision-making authority;
- the Board of Commissioners: this provides oversight over the Company's management and advises the Board of Directors; and
- the Board of Directors: this has overall responsibility for managing the Company for the benefit of the Company and its shareholders.

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

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

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

General Meeting of Shareholders

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

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

GMS Authority

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

GMS Procedures

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

Meetings are considered legal and able to issue binding decisions if they are attended by shareholders and/or their proxies who represent more than one half of the total number of shares with valid voting rights issued by the Company.

GMS in 2020

The Company held its AGMS on June 10, 2020 at the BTPN Tower, 40th floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, South Jakarta.

The actions taken to comply with the regulations on holding an AGMS were as follows:

No	Action	Date	Medium
1.	Notified OJK of the plan to hold the AGMS, with the agenda.	April 20, 2020	IDX website and the Company website
2.	Notified shareholders of the planned AGMS.	April 27, 2020	IDX website, KSEI website and the Company website
3.	Published the notice to shareholders to attend the AGMS, with the detailed agenda.	May 12, 2020	IDX website, KSEI website and the Company website
4.	Held the AGMS.	June 10, 2020	BTPN Tower 40th Floor, Jakarta
5.	Published the summary of the AGMS.	June 11, 2020	IDX website, KSEI website and the Company website
6	Published the minutes of meeting of the AGMS	July 9, 2020	IDX website and the Company website

The 2020 AGMS was attended by shareholders and/or their proxies representing 3,234,605,978 shares or 97.68% of the total shares with valid voting rights issued by the Company. The quorum for the meeting was therefore legally fulfilled.

The following tables present the resolutions made at the general meetings of shareholders held in 2020 and 2019, and their implementation status.

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

Agenda	AGMS Resolution	Implementation Status
1.	To approve and ratify the Annual Report of the Company for the year ending on December 31, 2019, including the Operational Report of the Company, the Supervisory Report of the Board of Commissioners and the Consolidated Financial Statements of the Company for the year ending on December 31, 2019, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the year ending on December 31, 2019, as well as to give full release and discharge of responsibilities (***acquit et de charge***) to the members of the Board of Directors and the Board of Commissioners of the Company for their management duties and supervisory duties carried out during the year ending on December 31, 2019 to the extent that their actions are reflected in the Annual Report of the Company. There were questions on the first meeting agenda No abstentions No non-approval Unanimously approved	Completed. Financial statements for the year ending December 31, 2019, were delivered on March 12, 2020, and the annual report for the year ending December 31, 2019, was delivered on May 18, 2020, both to the OJK and IDX.
2.	To approve the Company not to distribute dividends for the year ending in December 31, 2019. No questions No abstentions No non-approval Unanimously approved	Completed.
3.	1. To appoint Mrs. Kartika Singodimejo from KAP Siddharta Widjaja & Rekan to carry out the audit of the Company for the financial year of 2020. 2. To give authority and power to the Board of Commissioners to appoint a substitute or dismiss Public Accountants has been appointed. 3. To give authority to the Board of Directors of the Company to approve and determine the honorarium and the terms of appointment in accordance with applicable laws and regulations. No questions No abstentions No non-approval Unanimously approved	Completed.
4.	1. To approve and reappoint certain members of the Board of Commissioners and the Board of Directors, whose term of office were expired as of the closing of the Meeting, as follows: **Board of Commissioners:** President Commissioner (Independent) : Mr. Adrianto Machribie Commissioner : Mr. George Santosa Tahija Commissioner : Mr. Sjakon George Tahija Commissioner : Mr. Istama Tatang Siddharta Commissioner : Mr. Anastasius Wahyuhadi Independent Commissioner : Mr. J. Kristiadi **Board of Directors:** President Director : Mrs. Istini Tatiek Siddharta Director : Mr. Geetha Govindan K. Gopalakrishnan	Completed. • Mr. Adrianto Machribie was reappointed as a President Commissioner (Independent). • Mr. George Santosa Tahija was reappointed as a Commissioner. • Mr. Sjakon George Tahija was reappointed as a Commissioner. • Mr. Istama Tatang Siddharta was reappointed as a Commissioner . • Mr. Anastasius Wahyuhadi was reappointed as a Commissioner. • Mr. J. Kristiadi was reappointed as an Independent Commissioner. • Mrs. Istini T. Siddharta was reappointed as a President Director. • Mr. Geetha Govindan K. Gopalakrishnan was reappointed as a Director.

Agenda	AGMS Resolution	Implementation Status
	2. To restate the composition of the Board of Commissioners and the Board of Directors of the Company effectively as of the closing of the AGMS as follows: **Board of Commissioners:** President Commissioner (Independent) : Mr. Adrianto Machribie Commissioner : Mr. George Santosa Tahija Commissioner : Mr. Sjakon George Tahija Commissioner : Mr. Istama Tatang Siddharta Commissioner : Mr. Anastasius Wahyuhadi Independent Commissioner : Mr. J. Kristiadi Independent Commissioner : Mr. Darwin Cyril Noerhadi **Board of Directors:** President Director : Mrs. Istini Tatiek Siddharta Director : Mr. Geetha Govindan K. Gopalakrishnan Director : Mr. Lucas Kurniawan Director : Mr. Naga Waskita Director : Mr. Fakri Karim The term of office of the Board of Commissioners and the Board of Directors is until the closing of the Annual General Meeting of Shareholders in 2025, except that the term of office of Mr. Darwin Cyril Noerhadi, as an Independent Commissioner, is until the closing of the Annual General Meeting of Shareholders of the Company in 2021, the term of office of Mr. Lucas Kurniawan and Mr. Naga Waskita, both as Directors, is until the closing of the Annual General Meeting of Shareholders of the Company in 2022, and the term of office of Mr. Fakri Karim, as a Director, is until the closing of the Annual General Meeting of Shareholders of the Company in 2024. 3. To give authority and power to the Board of Directors of the Company and/or Mr. Naga Waskita, individually or jointly with the right of substitution, to express/state the resolutions regarding the composition of the Board of Commissioners and the Board of Directors of the Company, in the notarial deed made before a Notary Public and further notify the authorities, and take all and every action necessary in connection with the decision in accordance with the applicable laws and regulations. No questions No abstentions 2,000 shares disagree	
5.	To give authority and power to the Nomination and Remuneration Committee, one of the committees under the Board of Commissioners of the Company, to determine the salary and/or other allowances payable to the members of the Board of Commissioners and the Board of Directors of the Company. There were questions on the fifth agenda No abstentions 3,600 shares disagree	Completed.

The AGMS on June 10, 2020 was attended by the following:

The Board of Directors who attended the AGMS were as follows:
- President Director : Istini Tatiek Siddharta
- Director : Lucas Kurniawan
- Director : Geetha Govindan K Gopalakrishnan
- Director : Naga Waskita
- Director : Fakri Karim

The Board of Commissioners who attended the AGMS was as follows:
- President Commissioner (Independent) : Adrianto Machribie

The other members of the Board of Commissioners joining the AGMS with the electronic facility were as follows:
- Commissioner : George Santosa Tahija
- Commissioner : Sjakon George Tahija
- Commissioner : Istama T. Siddharta
- Commissioner : Anastasius Wahyuhadi
- Independent Commissioner : J. Kristiadi
- Independent Commissioner : Darwin Cyril Noerhadi

Summary of the Resolutions of the 2019 AGMS held on May 15, 2019

Agenda	AGMS Resolution	Implementation Status
1.	To approve and ratify the Annual Report of the Company for the year ending on December 31, 2018, including the Operational Report of the Company, the Supervisory Report of the Board of Commissioners and the Consolidated Financial Statements of the Company for the year ending on December 31, 2018, including the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the year ending on December 31, 2018, as well as to give full release and discharge of responsibilities (***acquit et de charge***) to the members of the Board of Directors and the Board of Commissioners of the Company for their management duties and supervisory duties carried out during the year ending on December 31, 2018, to the extent that their actions are reflected in the Annual Report of the Company. No questions No abstentions No non-approval Unanimously approved	Completed. Financial statements for the year ending December 31, 2018, were delivered on March 13, 2019, and the annual report for the year ending December 31, 2018, was delivered on April 30, 2019, both to the OJK and IDX.
2.	To approve of no dividend distributions by the Company for the financial year ending December 31, 2018. No questions No abstentions No non-approval Unanimously approved	Completed.
3.	1. To appoint Mr. Budi Susanto from KAP Siddharta Widjaja & Rekan to carry out the audit of the Company for the financial year of 2019. 2. To give authority and power to the Board of Commissioners to appoint a substitute for the Public Accountant or to terminate the appointment of the Public Accountant so appointed. 3. To give authority to the Board of Directors of the Company to approve and determine the honorarium and the terms of appointment in accordance with applicable laws and regulations. No questions No abstentions No non-approval Unanimously approved	Completed.
4.	1. To approve the appointment of Mr. Fakri Karim as a new Director of the Company, effective as of the closing of the AGMS until the closing of the Annual General Meeting of Shareholders of the Company in 2024. 2. To restate the composition of the Board of Commissioners and the Board of Directors of the Company effectively as of the closing of the AGMS as follows: **Board of Commissioners:** President Commissioner (Independent) : Mr. Adrianto Machribie Commissioner : Mr. Arifin Mohamad Siregar Commissioner : Mr. George Santosa Tahija Commissioner : Mr. Sjakon George Tahija Commissioner : Mr. Istama Tatang Siddharta Commissioner : Mr. Anastasius Wahyuhadi Independent Commissioner : Mr. J. Kristiadi Independent Commissioner : Mr. Darwin Cyril Noerhadi **Board of Directors:** President Director : Mrs. Istini Tatiek Siddharta Director : Mr. Geetha Govindan K. Gopalakrishnan Director : Mr. Lucas Kurniawan Director : Mr. Naga Waskita Director : Mr. Fakri Karim	Completed. Mr. Fakri Karim was appointed as a Director of ANJ.

Agenda	AGMS Resolution	Implementation Status
	The term of office of the Board of Commissioners and the Board of Directors is until the closing of the Annual General Meeting of Shareholders in 2020, except that the term of office of Mr. Darwin Cyril Noerhadi as an Independent Commissioner is until the closing of the Annual General Meeting of Shareholders of the Company in 2021, the term of office of Mr. Lucas Kurniawan and Mr. Naga Waskita, both as Directors is until the closing of the Annual General Meeting of Shareholders of the Company in 2022 and the term of office of Mr. Fakri Karim as a Director is until the closing of the Annual General Meeting of Shareholders of the Company in 2024. 3. To give authority and power to the Board of Directors of the Company and/ or Mr. Naga Waskita, individually or jointly, with the right of substitution, to state the composition of the Board of Commissioners and the Board of Directors of the Company in a notarial deed, and to notify the relevant authorities as well as to carry out all and any actions required in relation to such resolutions in accordance with the prevailing laws and regulations. No questions No abstentions No non-approval Unanimously approved	
5.	To give authority and power to the Nomination and Remuneration Committee, one of the committees under the Board of Commissioners of the Company, to determine the salary and/or other allowances payable to the members of the Board of Commissioners and the Board of Directors of the Company. No questions No abstentions No non-approval Unanimously approved	Completed.

The AGMS on May 15, 2019 was attended by the following:

Board of Directors:

- President Director : Istini Tatiek Siddharta
- Director : Lucas Kurniawan
- Director : Naga Waskita

Board of Commissioners:

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

Summary of the Resolutions of the 2019 EGMS held on May 15, 2019

Agenda	EGMS Resolution	Implementation Status
1.	1. To approve the change of Company's address to a new office at Menara BTPN, 40th Floor, Jalan Dr. Ide Anak Agung Gde Agung Kav. 5.5 - 5.6, Mega Kuningan District, South Jakarta 12950. 2. To give authority and power to the Board of Directors of the Company and/ or Mr. Naga Waskita, individually or jointly, with the right of substitution, to carry out any and all actions required in relation to such resolutions, including, but not limited to, state the resolutions in a notarial deed, and to notify the EGSM resolutions to the relevant authorities as well as to carry out all and any actions required in accordance with the prevailing laws and regulations.	Completed.

Agenda	EGMS Resolution	Implementation Status
2.	1. To approve the amendment to Article 3 of the Articles of Association of the Company regarding Purpose and Objectives and Business Activities of the Company in accordance with ***Klasifikasi Baku Lapangan Usaha Indonesia*** (KBLI) 2017 including its changes or renewal or other text, as determined by the relevant authorities. 2. To give authority and power to the Board of Directors of the Company and/or Mr. Naga Waskita, individually or jointly, with the right of substitution, to carry out any and all actions required in relation to such resolutions, including, but not limited to, stating the resolution in a notarial deed, to amend, adjust and/or restate Article 3 of the Articles of Association of the Company in the future in accordance with ***Klasifikasi Baku Lapangan Usaha Indonesia*** (KBLI) 2017 together with its changes or renewal (if any) or other text, as determined by the relevant authorities as required in accordance with the prevailing laws and regulations, as well as to submit for the approval and/or to notify the EGMS resolutions and/or the amendment to the Articles of Association to the relevant authorities as well as to carry out all and any actions required in accordance with the prevailing laws and regulations.	Completed.

The EGMS on May 15, 2019 was attended by the following:

Board of Directors:

- President Director : Istini Tatiek Siddharta
- Independent Director : Lucas Kurniawan
- Director : Naga Waskita
- Director : Fakri Karim

Board of Commissioners:

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

The Board of Commissioners

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

Duties and Responsibilities of the Board of Commissioners

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

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

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

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

The President Commissioner leads the Board of Commissioners as a member. He carries out the same duties and responsibilities as the Board of Commissioners above. In addition to the above duties and responsibilities, the President Commissioner has duties to ensure and coordinate the activities and/or the implementation of the Board of Commissioners duties and responsibilities, as well as performing duties as chairman of the GMS and Board Meetings.

Shareholding of the Board of Commissioners

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

Board of Commissioners' Charter

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

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

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

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

The Process of Selecting Members of the Board of Commissioners

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

a. The appointment of members of the Board of Commissioners is carried out by the General Meeting of Shareholders;
b. Candidates for members of the Board of Commissioners may be proposed by 1 (one) or more shareholders who represent at least 10% (ten percent) of the total shares with valid voting rights, unless otherwise stipulated by the prevailing laws and regulations; and
c. Recommendations on the criteria required in the process of proposing a person to become a member of the Board of Commissioners are prepared by the Nomination and Remuneration Committee.

Independent Commissioners

Number of Independent Commissioners

Three of the Company's seven Commissioners in 2020, including the President Commissioner, were independent. The Company therefore fulfills the provisions of OJK Regulation No.33/POJK.04/2014 stating that more than 30% of the members of the Board of Commissioners must be independent.

Criteria for Independent Commissioners

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

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

Independence Statement

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

Orientation for New Members of the Board of Commissioners

The Corporate Secretary facilitates a comprehensive orientation for each new Commissioner, covering the Company, its business, the operating environment, and their duties and responsibilities. No new Commissioners were appointed in 2020, thus no orientations were held.

Composition of the Board of Commissioners

The current Board members were confirmed pursuant to Notarial Deed No. 47 dated June 10, 2020. The notification of the change in the Company's data was received and recorded by the Ministry of Law and Human Rights (MOLHR) through Letter No AHU-AH.01.03-0276633 dated July 6, 2020.

The composition of the Board of Commissioners as of December 31, 2020, is shown in the table below.

Name	Position	Term started	Term ends	Independent
Adrianto Machribie	President Commissioner	AGMS 2020	AGMS 2025	V
George Santosa Tahija	Commissioner	AGMS 2020	AGMS 2025	
Sjakon George Tahija	Commissioner	AGMS 2020	AGMS 2025	
Istama Tatang Siddharta	Commissioner	AGMS 2020	AGMS 2025	
Anastasius Wahyuhadi	Commissioner	AGMS 2020	AGMS 2025	
J. Kristiadi	Commissioner	AGMS 2020	AGMS 2025	V
Darwin Cyril Noerhadi	Commissioner	AGMS 2017	AGMS 2021	V

Brief profiles of the members of the Board of Commissioners can be seen on page 44 - 50 of this Annual Report.

Meetings of the Board of Commissioners

The Board of Commissioners is required to meet at least once every two months, in accordance with the Charter. These meetings are scheduled in advance, but additional meetings may be held at the request of one or more members of the Board, by the Board of Directors, or by one or more of the shareholders jointly representing at least 10% of the total number of shares with valid voting rights.

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

In the year ending December 31, 2020, the Board of Commissioners held six meetings and four other meetings which were held jointly with the Board of Directors.

Board of Commissioners' Meetings in 2020

Name	Position	1 Feb 12, 2020	2 Apr 15, 2020	3 May 12, 2020	4 Aug 12, 2020	5 Sep 16, 2020	6 Nov 25, 2020	No. of Meetings	Number Attended	Attendance Percentage
Adrianto Machribie	President Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
George Santosa Tahija	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Sjakon George Tahija	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Istama Tatang Siddharta	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Anastasius Wahyuhadi	Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
J. Kristiadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%
Darwin Cyril Noerhadi	Independent Commissioner	✓	✓	✓	✓	✓	✓	6	6	100%

BOC Meeting Agendas 2020

Date	Agenda
February 12, 2020	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. a. Work Progress of External Auditor. b. Work Progress of Internal Audit of 2019. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
April 15, 2020	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. a. Work Progress of External Auditor. b. Work progress of Internal Audit of Q1 2020. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
May 12, 2020	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
August 12, 2020	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. a. Work Progress of Internal Audit of Q2 2020. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
September 16, 2020	1. Update from the Risk Management Committee. 2. Update from the Audit Committee. a. Whistleblowing Report. b. Budget Year 2021. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.
November 25, 2020	1. Update from the Risk Management Committee. a. Summary of Hedging Activities b. Omnibus Law 2. Update from the Audit Committee. 3. Update from the CSR and Sustainability Committee. 4. Update from the Nomination and Remuneration Committee.

Competency Development for the Board of Commissioners

Details of the competency development undertaken by members of the Board of Commissioners in 2020 are provided on page 74 of this Annual Report.

Performance Evaluation of Committees Under the Board of Commissioners

The Board of Commissioners supervises four committees, which support the Board's oversight function. These are the Audit Committee, the Nomination and Remuneration Committee, the Corporate Risk Management Committee and the Corporate Social Responsibility and Sustainability Committee. The Board evaluates their performance every year.

Evaluation Criteria

Committee performance is evaluated against the objectives in their respective annual work plans, which in turn are linked to the Committee's duties and responsibilities. The results inform the determination of the following year's objectives and decisions on competency development needs and/or compensation increments for committee members.

Evaluation Results in 2020

All the committees successfully completed their respective work plans and reported their findings, opinions and recommendations to the Board. The Board made use of their input to strengthen good corporate governance throughout the organization, and has concluded that all the committees performed effectively in 2020.

Remuneration of the Board of Commissioners

Details of the policy and procedures for determining the remuneration of the Board of Commissioners are provided on page 116 of this Annual Report.

The Board of Directors

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

Duties and Responsibilities of the Board of Directors

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

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

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

The principle duties of the Board of Directors are:

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

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

President Director: Co-ordinates, supervises and leads the Company's management, and ensures that all the Company's business activities are executed in accordance with the vision, mission and values of the Company; monitors and reviews the Company's risk management, internal control system, corporate governance for the interests of the minority shareholders and other stakeholders, and compliance with regulations; and leads the Human Resources, Engineering and Corporate Communication departments.

Finance Director: Leads the Finance department to ensure that the Company complies with all reporting, accounting and audit requirements imposed by capital market regulations and prepares an annual budget, other budgets and financial plans of the Company; and leads the Business Development, Business Process, Investor Relations, Information & Communication Technology and Supply Chain Management departments.

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

Legal Director: Plans, coordinates, directs, controls, implements and evaluates matters related to legal affairs, licensing and permits, external affairs, security and Environment, Health and Safety (EHS). The Legal Director is also responsible for the Corporate Secretary function.

Sustainability Director: Plans, coordinates, directs, controls, implements and evaluates operational tasks with respect to Community Involvement and Development, Conservation and Sustainability Compliance and Stakeholder Relations.

Actions Requiring Board of Commissioners' Approval

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

- The acquisition of a new business;
- Approval of any subsidiary's acquisition of a new business;
- The acquisition or sale of assets or properties representing more than 5% of the Company's total assets;
- Approval of the acquisition of new assets or properties by a subsidiary;
- Approval of the transfer or encumbrance of more than 50% of the total net assets or property of a subsidiary;
- Changes in the Company's business plan or budget;
- 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; and
- Approval of any amendment to a subsidiary's articles of association or other constitutional documents, or a merger, acquisition, consolidation and spin-off of a subsidiary, or a bankruptcy, liquidation, winding up or dissolution of a subsidiary.

Oversight of ANJ's subsidiaries

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

Board of Directors' Charter

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

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

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

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

Orientation for New Members of the Board of Directors

Newly appointed Directors receive a comprehensive induction program, facilitated by the Corporate Secretary, covering the Company, its business, the operating environment, and their duties and responsibilities. No new Directors were appointed in 2020, thus no orientations were held.

Composition of the Board of Directors

The legal basis for the appointment of the current Board, shown below, is Notarial Deed No. 47 dated June 10, 2020. The notification of the change in the Company's data was received and recorded by the Ministry of Law and Human Rights (MOLHR) through Letter No. AHU-AH.01.03-0276633 dated July 6, 2020.

Board of Directors as of December 31, 2020

Name	Position	Term started	Term ends
Istini Tatiek Siddharta	President Director	2020	2025
Lucas Kurniawan	Director	2017	2022
Geetha Govindan	Director	2020	2025
Naga Waskita	Director	2017	2022
Fakri Karim	Director	2019	2024

Meetings of the Board of Directors

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

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

The Board of Directors held the following meetings in 2020:

- Meeting A: Combined meetings with the Board of Commissioners, at least once every three months. Four of these meetings were held in 2020.
- Meeting B: Meetings of the Board of Directors, at least every two weeks where possible. Directors of the Company's subsidiaries and other invitees may also attend these meetings. In 2020 there were a total of 22 Board of Directors' meetings.

Meeting A in 2020

Name	Position	1 Feb 12, 2020	2 May 12, 2020	3 Aug 12, 2020	4 Nov 25, 2020	No. of Meetings	Number Attended	Attendance Percentage
IstiniTatiekSiddharta	President Director	✓	✓	✓	✓	4	4	100%
Lucas Kurniawan	Director	✓	✓	✓	✓	4	4	100%
Geetha Govindan	Director	✓	✓	✓	✓	4	4	100%
Naga Waskita	Director	✓	✓	✓	✓	4	4	100%
FakriKarim	Director	✓	✓	✓	✓	4	4	100%

Joint Board Meeting Agendas 2020

Date	Agenda
February 12, 2020	• Significant Events and Highlights of Q4 2019. • Corporate Risk and Opportunity Map. • Consolidated Financial Performance FY 2019. • Budget Revision Proposal for Year 2020. • Highlight Responsible Development Project 2019.
May 12, 2020	• Significant Events and Highlights of Q1 2020. • Consolidated Financial Performance Q1 2020. • Rolling Forecast Stress Test Cash Flow 2020. • ANJ Business Risk: Covid 19.
August 12, 2020	• Significant Events and Highlights of Q2 2020. • Consolidated Financial Performance of Q2 2020. • Rolling Forecast Stress Test Cash Flow 2020. • ANJ Group Strategy - Summary.
November 25, 2020	• Significant Events and Highlights of Q3 2020 Business Segment Update Q3 2020. • Progress Higlight on Major Engineering Project. • Consolidated Financial Performance of Q3 2020 and LE 2020. • ANJ Group Consolidated Budget Proposal 2021 Summary of Consolidated Budget Proposal, Group Cash Flow Planning and Scenario Planning for the year 2021. • Approval on Consolidated Budget Proposal 2021.

Meeting B in 2020

Name	Position	Number of Meetings	Total Attended	% Attended
Istini Tatiek Siddharta	President Director	22	22	100 %
Lucas Kurniawan	Director	22	22	100 %
Geetha Govindan	Director	22	21	95 %
Naga Waskita	Director	22	19	86 %
Fakri Karim	Director	22	21	95 %

Competency Development of the Board of Directors

Details of the training and competency development for the Board of Directors in 2020 are provided in the Company Profile section of this Annual Report page 74.

Remuneration of the Board of Commissioners and Board of Directors

Remuneration Policy

Members of the Board of Commissioners receive a monthly honorarium, while members of the Board of Directors receive compensation consisting of a basic salary, performance bonus, allowances, benefits and management stock options. All Commissioners and Directors are covered by liability insurance.

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

Procedure for Determining the Remuneration Amount in 2020

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

Basis for Determining the Remuneration Amount

Board of Directors

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

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

Board of Commissioners

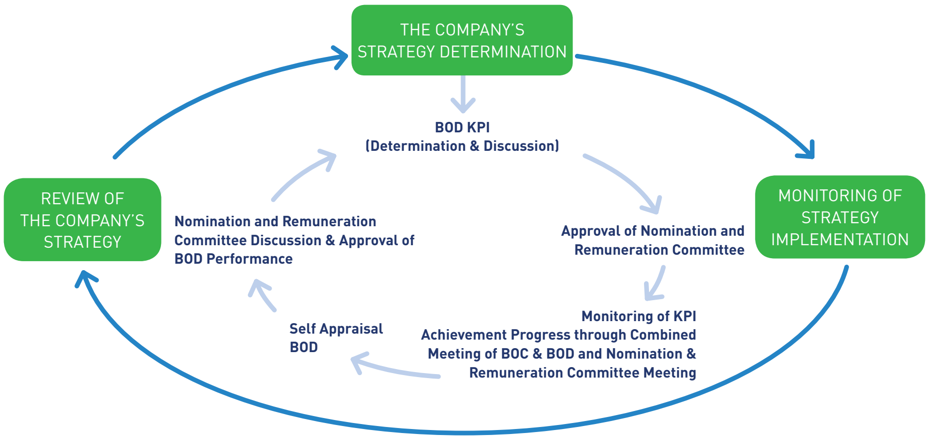
In determining the amount of the remuneration for the Commissioners, the Nomination and Remuneration Committee takes into account the market rates for such positions, and the participation of individual commissioners in the various committees under the Board of Commissioners.

Remuneration Amount in 2020

The amount of remuneration received by the members of the Board of Commissioners and the Board of Directors in 2020 amounted to USD 3,193,699.

Performance Assessment of the Board of Commissioners and Board of Directors

The Annual General Meeting of Shareholders evaluates the performance of the Board of Commissioners and Board of Directors every year, based on their annual accountability reports. In addition, both Boards conduct an annual self-assessment of their performance. In 2020, no external parties were appointed to evaluate the performance of either the Board of Commissioners or the Board of Directors.



Performance Assessment Procedure and Criteria

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

Assessing Parties

The Boards' performance is evaluated by:
- The Board members themselves through a self-assessment process;
- The President Commissioner, President Director and the Nomination and Remuneration Committee, through their verification of the self-assessment results;
- The shareholders at the AGMS.

Majority and Controlling Shareholders

The Company's majority and controlling shareholders are PT Austindo Kencana Jaya, which holds 40.85% of the shares, and whose President Director is Mr. Sjakon George Tahija, and PT Memimpin Dengan Nurani, which also holds 40.85% of the shares, and whose President Director is Mr. George Santosa Tahija.

PT Austindo Kencana Jaya is 100% owned by Mr. Sjakon George Tahija, who is the company's President Director, and members of his family. PT Memimpin Dengan Nurani is 100% owned by Mr. George Santosa Tahija, the company's President Director, and members of his family.

A chart showing the majority and controlling shareholders and individual shareholders of the Company is presented in the Company Profile section on page 60 of this Report.

Company Profile of PT Memimpin Dengan Nurani (MDN)

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

a) Engages in business:
   - Services in general
   - Consultancy services

b) Engages in business:
   - Trade in general
   - Export and import
   - Local (domestic) wholesaler
   - Vendor, supplier, surveyor and commission house
   - Distributor, agent and as a representative corporate entities.

Board Composition
As of December 31, 2020, the members of the Board of Commissioners and Board of Directors were as follows:

Board of Commissioners
President Commissioner: Laurel Claire Pekar Tahija
Commissioner: Istini Tatiek Siddharta

Board of Directors
President Director: George Santosa Tahija
Director: Sonny Susanto

The members above were appointed pursuant to Deed No. 3922 dated January 29, 2020.

Shareholders Structure
Pursuant to Deed No. 76 dated August 30, 2012, the shareholder composition is as follows:

Share	Par value IDR 1,000,000,- per share		
	Total Shares	Total Par Value (IDR)	%
Authorized capital	680,000	680,000,000,000.00	
Issued and paid-up capital			
George Santosa Tahija	85,505	85,505,000,000.00	50.00
Laurel Claire Pekar Tahija	85,502	85,502,000,000.00	49.9982
Julia Pratiwi Tahija	3	3,000,000.00	0.0018
Total issued and paid-up capital	**171,010**	**171,010,000,000.00**	**100.00**
Unissued capital	**508,990**	**508,990,000,000.00**	

Company Profile of PT Austindo Kencana Jaya (AKJ)

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

a) Engages in business:
   - Services in general
   - Laboratory management and healthcare services facilities
   - Consultancy services

b) Engages in business:
   - Trade in general
   - Export and import
   - Local (domestic) wholesaler
   - Vendor, supplier, surveyor and commission house
   - Distributor, agent and as a representative corporate entity.

Board Composition
The composition of the Board of Commissioners and Board of Directors as of December 31, 2020 was as follows:

Board of Commissioners
President Commissioner: Shelley Laksman Tahija
Commissioner: George Santosa Tahija
Commissioner: Istini Tatiek Siddharta

Board of Directors
President Director: Sjakon George Tahija
Director: Sonny Susanto

The members above were appointed pursuant to Deed No. 147 dated July 29, 2019.

Shareholders Structure

Pursuant to Deed No. 130 dated September 27, 2012, the shareholder composition is as follows:

Share	Par value IDR 1,000,000.- per share		
	Total Shares	Total Par Value (IDR)	%
Authorized capital	800,000	800,000,000,000.00	
Issued and paid-up capital			
Sjakon George Tahija	172,883	172,883,000,000.00	75.00
Shelley Laksman Tahija	23,052	23,052,000,000.00	10.00
Cynthia Jean Tahija	11,525	11,525,000,000.00	5.00
Krisna Arinanda Tahija	11,525	11,525,000,000.00	5.00
Nina Aryana Tahija	11,525	11,525,000,000.00	5.00
Total issued and paid-up capital	**230,510**	**230,510,000,000.00**	**100.00**
Unissued capital	**569,490**	**569,490,000,000.00**	

Affiliations Between the Board of Commissioners, Board of Directors and Controlling Shareholders

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

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

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

Committees under the Board of Commissioners

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

Audit Committee from left to right:
Darwin Cyril Noerhadi, Muljawati Chitro, Danrivanto Budhijanto, Osman Sitorus, Irawan Soerodjo.

Audit Committee

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

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

Audit Committee Composition as of December 31, 2020

Member	Position	Basis of Appointment	Period
Darwin Cyril Noerhadi	Chairman	BoC Resolution No. 08/ANJ/GEN/2020 dated June 10, 2020	2020-2025
Muljawati Chitro (Until June 10, 2020)	Member	BoC Resolution No.001/ ANJ/2013 dated February 6, 2013	2013-2020
Danrivanto Budhijanto (Until June 10, 2020)	Member	BoC Resolution No.001/ANJ/2013 dated February 6, 2013	2013-2020
Irawan Soerodjo (From June 10, 2020)	Member	BoC Resolution No. 08/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025
Osman Sitorus (From June 10, 2020)	Member	BoC Resolution No. 08/ANJ/GEN/2020 dated June 10, 2020	2020 - 2025

The Profile of the Audit Committee

Dr Noerhadi was appointed as the chairman of the Audit Committee on June 10, 2020, based on the Resolution of the Board of Commissioners No. 08/ANJ/GEN/2020 dated June 10, 2020. He is an Independent Commissioner of the Company. His profile can be seen in the Commissioners' profiles on page 50 of this Annual Report.

Muljawati Chitro (until June 10, 2020)
Indonesian citizen, born in Jakarta in 1967 (aged 54).

Experience: Ms Chitro has been a member of ANJ's Audit Committee since 2013. She is currently a partner in the public accounting firm Muljawati, Rini & Partner (since 2000), and a member of the audit committees of PT Asuransi Wana Artha (since 2011) and PT Samudera Indonesia Tbk (since 2009). She has also served on the audit committees of PT Asuransi Bintang Tbk. (2005-2010), PT Century Textile Industry Tbk. (2002-2008), and PT Metrodata Tbk. (2002-2003). From 1988 to 2000 she was an Associate Partner at the public accounting firm Siddharta, Siddharta & Wijaya. Since 2005, she has been on the Education Committee at the Indonesian Institute of Public Accountants.

Education: Ms Chitro holds a degree in economics from Atma Jaya University (1990) and a Master's degree in finance from PPM School of Management (2002).

Basis of appointment as a member: Resolution of the Board of Commissioners No.001/ ANJ/2013 dated February 6, 2013.

Danrivanto Budhijanto (until June 10, 2020)
Indonesian citizen, born in Cimahi in 1971 (aged 49).

Experience: Mr Budhijanto was appointed to ANJ's Audit Committee in 2013. He currently also serves as an arbitrator (FCBArb.) at the Indonesian National Board of Arbitration (since 2010), lecturer in the graduate program at Padjadjaran University in Bandung (since 2003), and lecturer in Padjadjaran University's law faculty (since 1998). Prior to that, he was a member of the telecommunications regulatory committee in the Indonesian Telecommunication Regulatory Authority (BRTI) at the Ministry of Communication and Informatics (2009-2012), a member of the audit committee at PT Kimia Farma Tbk (2005-2012), a lecturer in the Master's program in the Management, Business and Management School, Bandung Institute of Technology (2007-2008), and an associate lawyer at law firm Makes & Partners (1995-1997).

Education: Mr Budhijanto holds a degree in international law from Padjadjaran University, Bandung (1995), a Master's degree in information technology law from John Marshall Law School, Chicago (2003), and a doctorate in the science of law from Padjadjaran University (2009).

Basis of appointment as a member: Resolution of the Board of Commissioners No.001/ANJ/2013 dated February 6, 2013.

Irawan Soerodjo (from June 10, 2020)
Indonesian Citizen, born in Banyuwangi in 1952 (aged 68)

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

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

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

Osman Sitorus (from June 10, 2020)
Indonesian Citizen, born in North Sumatra in 1959 (aged 61)

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

Education: Mr. Sitorus graduated from the Faculty of Economics at the University of North Sumatera in 1986, majoring in accounting.

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

Appointment of Audit Committee Members

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

Independence of the Audit Committee

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

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

Audit Committee Charter

The Audit Committee Charter, which specifies the Committee's duties and responsibilities, was adopted on February 6, 2013. It undergoes periodic review and was last updated in 2018 to comply with OJK Regulations No. 55/POJK.04/2015, No. 56/ POJK.04/2015, and No. 13/POJK.03/2017. It is available on ANJ's website at www.anj-group.com/en/commissioners-commitees.

Duties and Responsibilities of the Audit Committee

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

1. The Audit Committee is tasked with providing opinions to the Board of Commissioners on reports or matters submitted by the Board of Directors, identifying matters that require the Commissioners' attention and carrying out other duties related to the duties of the Board of Commissioners, including the following:
   a. Ensuring that there are satisfactory review procedures in place for the information submitted/issued by the Company to the public, shareholders, and/or authorities, including the quarterly financial statements, projections and other reports related to the Company's financial information.
   b. Assessing the planning, implementation and results of audits conducted by the internal and external auditors to ensure that the audit procedures and reporting are done in accordance with the applicable audit standards.
   c. Reviewing compliance with the laws and regulations related to the Company's activities.

d. Providing independent opinion in the event of disagreements between management and the external auditor in relation to the services provided by the external auditor.
e. Providing recommendations to the Board of Commissioners on the appointment of an external auditor, based on their independence, the scope of the assignment, and service fees.
f. Reviewing complaints relating to the Company's accounting and financial reporting processes.
g. Reviewing and providing advice to the Board of Commissioners regarding potential interests of the Company.
h. Providing recommendations on the strengthening of the Company's internal control system and its implementation.
i. Carrying out other duties given by the Board of Commissioners insofar as they are within the scope of duties and obligations of the Board of Commissioners.

2. The Audit Committee receives and reviews the annual work plans of the Internal Audit Unit (IAU), and their realization, and provides input to the Board of Commissioners.
3. The Audit Committee conducts a quarterly review of the implementation of the internal audits and supervises the implementation of follow-up actions by the Board of Directors on the findings of the internal auditors.
4. The Audit Committee reviews the Risk Management Committee's periodic reports on items that are risks for the Company and the follow-up actions taken to mitigate said risks.
5. The Audit Committee must maintain the confidentiality of documents, data, and information regarding the Company forever.

The Role of the Audit Committee Concerning External Auditors are:

a. Nominating and recommending the appointment and termination of the external auditor to the Board of Commissioners.
b. Monitoring the external auditor appointment process.
c. Evaluating the potential risk of using the same external auditor's services for a period of 3 (three) consecutive financial years.
d. Providing recommendations and considerations for the re-appointment of the use of the same external auditor's services after a period of 2 (two) financial years when the reporting period does not use the same external auditor's services.
e. Reviewing and recommending a reasonable fee for external auditor services to the Board of Commissioners.
f. Together with Internal Audit Unit and the Director of Finance, discussing the objectives and scope of the audit with the external auditor before the audit.
g. Conducting periodic reviews of the progress of the external auditors' work.
h. If necessary, the Audit Committee may discuss the results of the external auditor's audit with management, external auditors, and UAI.
i. Monitoring the performance of the external auditors to ensure external auditors' compliance with applicable professional standards and ensure that the independence of the external auditors is maintained.
j. Provide independent opinion in the event of disagreements between management and accountants for the services rendered.

Audit Committee Meetings

In compliance with OJK Regulation No.55/POJK.04/2015 on the Establishment and Working Guidelines for Audit Committees and the provisions of the Audit Committee Charter, the Audit Committee meets at least four times a year. The Audit Committee held four meetings in 2020, all in conjunction with the Internal Audit, including two meetings together with the external auditor on the result and reports.

Audit Committee Meetings in 2020

Name	Position	No. of Meetings/No. Attended	% Attendance
Darwin Cyril Noerhadi	Chairman	4/4	100%
Muljawati Chitro (until June 10, 2020)	Member	1/1	100%
Danrivanto Budhijanto (until June 10, 2020)	Member	1/1	100%
Irawan Soerodjo (from June 10, 2020)	Member	3/3	100%
Osman Sitorus (from June 10, 2020)	Member	3/3	100%

Training and Development for Audit Committee Members

No training or development was provided for Audit Committee in 2020.

Audit Committee Activities in 2020

The Audit Committee reviewed the following in 2020:
- The implementation of risk management by the Company's Board of Directors;
- The quarterly financial reports disclosed to the public and the authorities;
- The performance and independence of the external auditor, Siddharta, Widjaja & Rekan;
- The Company's compliance with applicable laws and regulations; and
- The implementation of the internal audit function and management's follow-up to internal audit findings.

Nomination and Remuneration Committee

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

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

Nomination and Remuneration Committee Composition as of December 31, 2020

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

The Profile of the Nomination and Remuneration Committee Members

The NRC members are all members of the Company's Board of Commissioners. Their profiles can be seen in the Board of Commissioners' profile on page 44 - 50 of this Annual Report.

Appointment of Nomination and Remuneration Committee Members

The NRC comprises a chairman and three other members, who are appointed for a term that runs until the fifth AGMS following his or her appointment.

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

Independence of the Nomination and Remuneration Committee

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

Nomination and Remuneration Committee Charter

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

Duties and Responsibilities of the Nomination and Remuneration Committee

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

Nomination function:

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

Remuneration function:

• Provide recommendations to the Board of Commissioners relating to the policy, structure and amount of remuneration for the Board of Directors and the Board of Commissioners.

• Assist the Board of Commissioners in evaluating performance against remuneration for each member of the Board of Directors and Board of Commissioners.

Nomination and Remuneration Committee Meetings

As specified by its Charter, the Nomination and Remuneration Committee meets at least once every four months. Meetings may be held in person or by teleconference, and there is a pre-approved agenda for each meeting. The Committee held four meetings in 2020.

Nomination and Remuneration Committee Meetings in 2020

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

Training and Development for Nomination and Remuneration Committee Members

No training or development was provided for Nomination and Remuneration Committee in 2020.

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

Succession Policy for the Board of Commissioners

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

Succession Policy for the Board of Directors

The Company's policy is to promote from within, where possible. The Human Resources division is continuously mapping talent with leadership potential across the organization and providing future leaders with integrated management development programs that include on-the-job assignments and rotation, as well as training, coaching and mentoring, and ensuring that they have a path to leadership positions through strategic promotions.

As part of its succession planning for the Board of Directors, the Nomination and Remuneration Committee develops and determines appropriate selection criteria, and identifies and recommends suitable candidates, which may include internal candidates. The appointment of a Director is subject to the approval of the General Meeting of Shareholders.

Nomination and Remuneration Committee Activities in 2020

The Nomination and Remuneration Committee reports its activities to the Board of Commissioners at the quarterly Board of Commissioners' meetings. Its activities in 2020 included the following:

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

Risk Management Committee

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

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

Risk Management Committee Composition as of December 31, 2020

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

The Profiles of the Risk Management Committee Members

All of the members of the RMC are members of the Company's Board of Commissioners, and their profiles can be seen on page 44 - 50 of this Report.

Independence of the Risk Management Committee

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

Risk Management Committee Charter

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

Duties and Responsibilities of the Risk Management Committee

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

Risk Management Committee Meetings

According to the RMC Charter, the Committee must meet at least six times a year, either in person or by teleconference, with a pre-approved agenda for each meeting. The RMC held eleven meetings in 2020.

Risk Management Committee Meetings in 2020

Name	Position	No. Attended/ No. of Meetings	% Attendance
George Santosa Tahija	Chairman	11/11	100 %
Adrianto Machribie	Member	10/11	91%
Anastasius Wahyuhadi	Member	11/11	100 %
J. Kristiadi	Member	11/11	100 %

Training and Development for Risk Management Committee Members

No training or development was provided for Risk Management Committee in 2020.

Risk Management Committee Activities in 2020

The RMC communicated with management at least once a month, where possible, during 2020, either at meetings or by other means, to:

a) Review the Company's policies on risk management and compliance, giving due consideration to existing and new regulations, the Company's Code of Ethics, and any conflicts of interest;
b) Identify and monitor any issues related to risk management and compliance that required the attention of the Board of Commissioners; and
c) Seek information on and discuss issues that could potentially negatively impact the Company's performance.

The RMC chairman reported on the Committee's activities to the Board of Commissioners at the scheduled Board of Commissioners' meetings and joint meetings of the Board of Commissioners and the Board of Directors.

Corporate Social Responsibility and Sustainability Committee

The Corporate Social Responsibility and Sustainability Committee was originally established as the Corporate Social Responsibility Committee in 2013. The current structure, composition and basis of appointment of the Corporate Social Responsibility and Sustainability Committee (CSRS) are stated in table below:

Corporate Social Responsibility and Sustainability Committee Composition as of December 31, 2020

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

The Profiles of the Corporate Social Responsibility and Sustainability Committee Members

All the CSRS Committee members are also members of the Company's Board of Commissioners, whose profiles can be seen on page 44-50 of this Report.

Independence of the Corporate Social Responsibility and Sustainability Committee

The CSRS Committee works independently of the Company's management. One member, J. Kristiadi, is an Independent Commissioner of the Company.

Corporate Social Responsibility and Sustainability Committee Charter

The CSRS Committee Charter was adopted on February 10, 2015 and defines the duties and responsibilities of the Committee.

Duties and Responsibilities of the Corporate Social Responsibility and Sustainability Committee

The CSRS Committee supports the oversight function of the Board of Commissioners by monitoring the development and implementation of the Group's corporate social responsibility and sustainability plans and policy. The Committee also advises the Board of Directors on these matters.

Corporate Social Responsibility and Sustainability Committee Meetings

According to the CSRS Committee Charter, the Committee should hold at least two meetings every year, either in person or by teleconference, with a pre-approved agenda for each meeting. The committee held four meetings in 2020.

Name	Position	No. Attended/ No. of Meetings	% Attendance
Sjakon George Tahija	Chairman	4/4	100 %
Anastasius Wahyuhadi	Member	4/4	100 %
J. Kristiadi	Member	4/4	100 %

Training and Development for Corporate Social Responsibility and Sustainability Committee Members

No training or development was provided for CSRS Committee in 2020.

Corporate Social Responsibility and Sustainability Committee Activities in 2020

The CSRS Committee's activities in 2020 included reviewing and updating the following:

a) The strategic direction of the Company's corporate social responsibility and sustainability program.
b) The Company's Sustainability Policy.
c) Company policies and practices relating to corporate social responsibility and sustainability, the environment, politics and government.
d) The Company's response to issues of major concern or material non-compliance related to corporate social responsibility and sustainability.

Corporate Secretary

The Corporate Secretary facilitates internal communications between all the functions and units of the Company, as well as external communications with the Company's external stakeholders, including the capital market authorities, financial regulators, shareholders and the investor community. In addition, the Corporate Secretary manages the Company's compliance with all relevant laws and regulations and advises the Board of Directors on compliance issues and any changes in the regulatory environment.

Corporate Secretary Profile

The Company's Corporate Secretary is Mr Naga Waskita, who has served continuously as the Company's Legal Director since May 24, 2017. He was appointed as Corporate Secretary pursuant to a Letter of Appointment No.001/FAD/ANJ/2013 dated January 3, 2013. His profile can be seen in the Board of Directors' profiles on page 54 of this Annual Report.

The Corporate Secretary serves from the date of appointment until such time as a new Corporate Secretary is appointed by the Board of Directors.

Duties and Responsibilities of the Corporate Secretary

The Corporate Secretary's duties and responsibilities include:

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

Training and Development for the Corporate Secretary

Details of the training and development undertaken by the Corporate Secretary in 2020 are provided on page 77 of this Annual Report.

Corporate Secretary Activities 2020

The Corporate Secretary's activities in 2020 included the following:

- Ensured full compliance with the prevailing laws and regulations, particularly with Indonesia Stock Exchange (IDX) and capital market regulations.
- Provided input and recommendations to the Board of Directors in respect of the Company's compliance with applicable laws and regulations, particularly pertaining to the capital market.
- Liaised with and submitted the required reports and notices to the OJK, IDX and other relevant parties.
- Kept abreast of developments and changes in capital market and other regulations, and communicated these to the Board of Directors.
- Gave input and recommendations to the Board of Directors regarding the Company's legal affairs and corporate action plans.
- Led the organization of meetings of the Board of Directors and Board of Commissioners and general meetings of shareholders, as well as the Company's annual public exposé.
- Convened the Annual General Meeting of Shareholders on June 10, 2020.
- Convened the Annual Public Expose on November 23, 2020.

Internal Audit

The Internal Audit Unit's primary function is to provide independent and objective assurance on the Company's financial and operational processes and controls, the risk management systems, compliance, and general governance. In addition, it provides consulting services to management on strengthening the effectiveness of these operations to ensure that the Company's business and sustainability objectives are met, in the best interests of the Company and its stakeholders. The Internal Audit Unit was established on the basis of:

- OJK Regulation No. 56 /POJK.04/2015 on the Establishment and Working Guidelines of the Internal Audit.
- Resolution of the Board of Directors No 02/BOD/ANJ/GEN/2017 dated December 13, 2017.

Head of Internal Audit

The Head of the Internal Audit Unit is Mr Christian Lunard Sitorus, who was appointed in 2017.

Christian Lunard Sitorus

Indonesian citizen, born in Pematang Siantar in 1970 (aged 50).

Experience: Mr Sitorus was appointed as the Head of Internal Audit in December 2017. His prior positions include Head of the Corporate Audit Department at PT Triputra Agro Persada (2016-2017), Head of the Internal Audit Division at PT Eagle High Plantation Tbk (2006-2015), and Internal Audit Supervisor at PT RGM Indonesia (Asian Agri) (2002-2006).

Education: He holds a Diploma in Finance (1994) and an Extension in Financial Management (1999), both from the University of North Sumatra.

Appointment of the Head of the Internal Audit Unit

The Head of the Internal Audit Unit is appointed and dismissed by the President Director, subject to the approval of the Board of Commissioners. Any change in the status of the Head of the Internal Audit is reported immediately to the OJK.

Number and Qualifications of Internal Auditors

The Internal Audit Unit comprises 9 people, specifically chosen for their expertise in agronomy, agriculture and engineering as well as finance and accounting to reflect the scope of ANJ's operations. While none of them have professional internal audit qualifications, they all fulfill the Company's requirements regarding professionalism, integrity, and technical knowledge and experience in relevant disciplines.

Training and Development for the Internal Audit Unit

To strengthen the capabilities of the internal auditors and ensure that the team can meet the increasingly complex challenges of the business, the Company provides regular training, including an annual internal workshop to improve the team's understanding of industrial relations, ethics and related issues. Details of the training and development undertaken by members of the Internal Audit Unit in 2020 are provided on page 77 of this Annual Report.

Structure and Position of the Internal Audit Unit

The Internal Audit Unit (IAU) is part of the management structure, reporting directly to the President Director and the Audit Committee, in compliance with OJK Regulation No. 56 / POJK.04/2015 on the Establishment and Working Guidelines of the Internal Audit. The IAU coordinates with the Audit Committee on its day-to-day activities.

Internal Audit Unit Charter

The Internal Audit Charter sets out the duties and responsibilities of the IAU. Adopted on February 6, 2014, it is regularly reviewed and was last updated in 2017 to comply with OJK Regulations No. 55 /POJK.04/2015; No. 56 /POJK.04/2015, and No. 13/ POJK.03/2017. The Charter is available on ANJ's website: www.anj-group.com/en/internal-audit.

Duties and Responsibilities of the Internal Audit Unit

The Internal Audit Unit's responsibilities are as follows:

1. Formulate and implement an annual internal audit plan;
2. Report on the implementation and achievement of the annual internal audit plan;
3. Evaluate the relevance, reliability and integrity of internal controls and risk management in line with Company policy and strategic objectives;
4. Formulate and implement an annual internal audit plan;
5. Report on the implementation and achievement of the annual internal audit plan;
6. Evaluate the relevance, reliability and integrity of internal controls and risk management in line with Company policy and strategic objectives;
7. Perform audits to assess the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology and other functions;
8. Verify the existence of assets and assess the effectiveness of asset safeguarding;
9. Assess compliance with internal policies, procedures and instructions as well as relevant laws and regulations;
10. With the approval of the Company's President Director, Board of Commissioners or Audit Committee, perform special audits in relation to suspected conflicts of interest, unlawful conduct, corruption or fraud, determining the urgency and scope of the audit by taking into account the potential losses and impact of the alleged case, and the duration of the intended assignment;
11. Prepare internal audit reports for submission to the President Director and the Audit Committee, with a copy to the Board of Commissioners;
12. Make suggestions and recommendations for improving systems and procedures to prevent inefficiency and fraud at all management levels;
13. Give advice and consultation on strong and effective administrative, operational and financial systems;
14. Monitor, analyze and report on the implementation of suggested improvements;
15. Coordinate with appropriate management levels to execute investigative and corrective actions in the event of any indication of fraud or systems failure;
16. Establish and maintain effective communication and cooperation with the Audit Committee; and
17. Prepare programs to evaluate the quality of internal audit tasks.

Internal Audit Reporting Flow

The following Internal Audit Unit reports are submitted to the President Director and the Audit Committee, and copied to the Board of Commissioners:

- Annual accountability report;
- Reports on individual audits; and
- Reports on management's follow-up of remedial actions.

Internal Audit Activities in 2020

The Internal Audit Unit continued to focus on the most serious corporate risks in 2020, completing a total of 37 audit projects, thus meeting the target of 37 projects specified in the work plan. The planned audits included the following:

- Harvesting and EPMS utilization at KAL, ANJA, PPM and PMP;
- Upkeep and fertilizer use at ANJA, ANJAS, and SMM;
- Composting at ANJAS and SMM;
- Edamame Harvesting and Cooperation Agreement (KSO) at GMIT;
- Mill Process at ANJA, ANJAS, KAL, SMM and PMP; and
- Commercial activities for CPO, FFB and PK at KAL.

Internal Audit Unit Activities by Type

Activity	Planned	Realization
Follow up	1	1
Project Initiatives	4	4
Regular audit	21	21
Audit committee and training	6	6
Whistleblowing System	5	5
Total	**37**	**37**

Internal Audit Focus for 2021

The Internal Audit Unit will continue to focus on the Company's strategic objectives, capital expenditure and key risks, as follows. Additional ***ad hoc*** risk-based audits may also be performed upon request.

In Region 1 and Region 2, the key audit areas will include:

1. Biomass at AANE;
2. Supply Chain Management (SCM) at Head Office and the Regional Office;
3. Mill Process at ANJA, ANJAS, KAL, and SMM;
4. Edamame Harvesting and Cooperation Agreement (KSO) & Frozen Line at GMIT;
5. Composting at ANJAS and SMM;
6. Harvesting at ANJAS and KAL;
7. Upkeep at GSB;
8. Central Workshop and Transportation (CWT) at ANJA and SMM; and
9. School Foundation at ANJA and ANJAS.

In Region 3, the key audit areas will include:

1. Upkeep and Sago Production at PPM, PMP and ANJAP;
2. Mill Process at PMP;
3. General charge at Regional Office Sorong; and
4. Cooperative activities at PPM and PMP.

External Auditor

The Company's consolidated financial statements for the year ended December 31, 2020, were audited, for the fourth consecutive year, by the public accounting firm Siddharta Widjaja & Rekan (a member firm of the KPMG network). The firm was selected through a tender supervised by the Company's Audit Committee in 2017, which included four leading accounting firms in Indonesia. Following the tender, the Board of Commissioners appointed Siddharta Widjaja & Rekan. Pursuant to the OJK Regulation No.13/2017 that requires the Public Accountant to be rotated after three (3) consecutive years of audit, followed by two (2) years of total non-involvement "time out" period before the individual can become involved with the audit engagement, the audit partner for financial statement 2020 was replaced to Mrs. Kartika Singodimejo from Mr Budi Susanto as the audit partner of financial statements of 2017-2019.

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

External auditors for ANJ's financial statements, 2016-2020

Year	Public Accountants	Signing Partner
2020	Siddharta Widjaja	Kartika Singodimejo
2019	Siddharta Widjaja	Budi Susanto
2018	Siddharta Widjaja	Budi Susanto
2017	Siddharta Widjaja	Budi Susanto
2016	Satrio Bing Eny	Satrio Kartikahadi

Public Accountant's Fee

The fee paid for the audit of the consolidated financial statements of the Company for the year ended December 31, 2020 and other services was IDR 800 million.

Other Services Rendered

No other services rendered by Public Accountant in 2020.

Risk Management System

ANJ Risk Management Policy

ANJ recognizes that risks are an inherent part of doing business. To minimize exposure to these risks and ensure that they do not impede strategic objectives and business goals, ANJ is committed to ensuring that key risks are properly identified, evaluated, mitigated and effectively managed.

Our principal objective is to safeguard the long-term continuity of the business by ensuring a consistent, reliable supply of agribusiness products to our customers at a margin adequate to safeguard future growth and ensuring shareholder returns. Given the capital-intensive and long-term nature of the plantation business, we take a proactive, conservative approach to anticipating and neutralizing risks.

In accordance with the OJK's corporate governance framework, responsibility for risk management rests primarily with the Board of Directors, while the Board of Commissioners exercises oversight. The Risk Management Committee supports this oversight function and advises the Directors on identifying, assessing, and mitigating risks.

Evaluation of Risk Management Effectiveness

Every year, the Board of Directors determines the Company's risk management priorities, with oversight from the Risk Management Committee. The Business Development and Corporate Planning Division facilitates and documents this process during the annual strategic planning session. To ensure the compliance of the risk mitigation strategies, the Internal Audit Unit will plan the audit process based on risk priorities.

The procedure is as follows:
1. Determine the corporate-wide risk exposures and appetite, as well as what opportunities, if any, that may rise from the risk itself;
2. Formulate the corporate-wide strategic initiatives to manage the Company's exposure and mitigate severe impacts from the risks;
3. Cascade and direct each business unit to make an internal assessment of its risks and control measures;
4. Formulate an internal audit plan that includes high-risk areas and enables timely identification of areas for follow-up by management, especially to identify areas that have potential to improve productivity, efficacy of capital expenditures realization and internal control and procedures; and
5. Perform periodic monitoring of the priority risks and opportunities based on their likelihood and impact to the Company objectives

These processes ensure that inherent risks are regularly reassessed, emerging risks are identified, monitored and control adequacy and effectiveness is regularly tested. The ongoing review and identification of significant operational and financial risk areas by management are discussed at monthly Board of Directors meetings, as well as at the Risk Management Committee meetings.

Key Risks to Our Business, and Their Mitigation

The key risks assessments by the Company in 2020 are summarized below, together with the ongoing mitigating actions. Any of the risks below could adversely affect our business, performance results, financial cash flows, financial condition, our growth prospects, and/or reputation.

With the inherent dynamics of the business environment, there may be other risks and uncertainties not currently identified as major risks to the business. These risks could emerge at any time and negatively impact the business, therefore we are vigilant in anticipating emerging risks.

Risk	Mitigation
Fluctuations in the CPO Price	
CPO prices in the past few years have been characterized by high volatility and cyclicality. There are a number of factors that affect international prices for our products. These include changes in world production, supply and demand for palm oil and other vegetable oils, world consumption and stock levels of CPO and other vegetable oils, import and export tariffs, as well as the implementation of recent regulations regarding biodiesel mix mandates by the Government of Indonesia, Malaysia and Thailand. In addition, the COVID-19 global pandemic has also had obvious impacts on the supply and demand of commodities, including vegetable oils. Other factors that may potentially impact CPO price include weather conditions and other natural factors; environmental and conservation regulations, economic and demographic developments, population growth, per capita consumption and food demand; and the world economy in general.	Management has anticipated the possibility of low selling prices since 2013, and we have therefore consistently focused on reducing costs and improving efficiency to mitigate the impact. In addition, the Board of Commissioners has authorized management to enter into derivative forward contracts if we believe the CPO price trend is declining. The limitations of this in terms of mitigating the risk are: 1) the price range, volume for each contract and total volume are entered in due observance of the break-even price levels for the consolidated profit or loss and the palm oil segment; 2) the forward contract period may not exceed six months. Overriding these limitations requires the approval of the Board of Commissioners.
Increases in labor costs	
We operate in a labor-intensive industry in which government regulations concerning wages can significantly affect us. The Manpower and Transmigration Ministry Law No.7/2013 stipulates that the minimum wage is determined and implemented annually by provincial governments based on the annual living cost conditions of each respective province. Further, Government Regulation No. 78/2015 specifies a measured annual wage increase based on current growth rates of inflation and gross domestic product. Due to the combined effect of these regulations, we have experienced sharp increases in our labor costs, and we expect increases to continue. Labor costs are a significant component of our total production costs, typically accounting for about 30-40%. The new Omnibus Law was issued in November 2020. It aims to balance the burden of increasing wages without reducing livelihood quality of workers and to support the ease of doing business in Indonesia. In February 2021, the implementing regulations for this law were issued. As of the date of issuance of this Annual Report, we are still evaluating the impact of these regulations.	Since 2015, we have continually introduced initiatives to control or mitigate labor cost increases, including improving productivity and optimizing resources. We introduced incentive programs to boost workers' productivity and applied stricter standards to ensure that our FFB are harvested at the optimal time in order to achieve higher oil extraction rates, which indicate more efficient CPO and PK production. To move towards greater efficiency, we have embarked on innovations through automation, mechanisation and digitalization of processes. We have implemented harvesting mechanization in non-undulating plantation areas such as Belitung, North Sumatra I and West Papua, and in our West Papua sago operation. We also transformed our production data recording with the Electronic Plantation Mobile System (EPMS) to reduce manual recording and to initiate paperless business process documentation. All of these initiatives have also helped to mitigate the challenge posed by skilled labor availability constraints in our operating areas.
Fluctuation in Foreign Exchange Rates	
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 this mismatch, any appreciation of the Rupiah against the dollar will reduce our net income and increase our expenditures in US dollar terms. In contrast, our subsidiaries that are still at the planting stage are required to use rupiah as their operating currency, while their borrowing, if any, is denominated in either US dollars or Rupiah. Any appreciation of the dollar against the Rupiah will result in foreign exchange losses for these entities.	Company policy allows us to enter into forward exchange-rate contracts to hedge against fluctuations, provided that any such contract does not exceed six months and the value of the contracts does not exceed the amount of Rupiah needed for three months' operational expenses. Regarding cash holdings, our general policy is to hold enough Rupiah for two weeks' operational requirements, but we may increase our Rupiah cash holdings up to a maximum amount sufficient to cover up to three months' operational expenses, if we judge the future trend of the Rupiah to be unfavorable. Since 2015 our policy has been that any borrowing by a subsidiary should be in the functional currency (i.e. bookkeeping currency) of that subsidiary. This has significantly reduced our exposure to foreign exchange volatility. For subsidiaries that maintain their bookkeeping records in rupiah, we have converted their borrowings into Rupiah. While the interest rate for Rupiah borrowing is higher than for US dollar borrowing, we believe this policy enables us to measure currency risks and take action more promptly and effectively.

Risk	Mitigation
Adverse weather, climate, crop disease, pests and natural disasters	
The plantation business is vulnerable to adverse weather conditions, natural disasters, disease, crop pests and other factors that can affect crop production and harvesting. In particular 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. Insufficient rainfall also causes unfavorable growing conditions for our Edamame business in Jember. Indonesia is particularly vulnerable to climate change and is predicted to experience increased and more frequent droughts, increased flooding and high intensity rain events. El Niño induced extended drought or dry spells create water deficits and increase the risk of uncontrolled wild fires spreading into the plantation. On the other hand, prolonged wet conditions and extreme rainfall events lead to waterlogging and flooding in low lying plantations adversely impacting crops and infrastructure.	We manage the risk of weather and climate-related disruption by keeping informed of, and applying agronomic best practices and building prevention infrastructures. This includes the use of high quality, high-resilience seeds in all new plantation developments; water gates and water catchment systems to preserve water during the long dry season; applying composting from empty fruit bunchs to plantation land to maintain moisture and rejuvenate the soils; implementing soil conservation and anti-erosion measures; planting cover crops to reduce weeds and pests; and conducting chemical soil analyses to determine the best fertilizer regimes. Our R&D team are also trialing drip fertigation combining fertilizer and irrigation to mitigate water deficit due to dry spells. We have invested in fire prevention and mitigation infrastructure in areas with historical risk of fire, such as wide closed canals accross our boundaries, water reservoirs and fire towers. We have also leveraged the advantages of remote sensing technology, such as satellite data and drone, for early fire detection. We work closely with the government and local communities (*Kelompok Tani Peduli Api*) to prevent vegetation fires in the areas surrounding our plantations. To prevent severe impacts from flooding, we are building river bunds and implementing periodic maintenance and cleaning of debris from rivers.
Difficulties in attracting or retaining skilled staff	
Our business success and growth depend on our ability to attract and retain highly qualified, skilled and experienced personnel in the palm oil industry. Our inability to attract, recruit, train and retain either experienced senior management or sufficiently qualified key personnel such as plantation or mill managers, field assistants and engineers could have a material adverse effect on our business, financial condition, and operations. In addition, oil palm plantations require extensive labour. Harvesters and other plantation workers are increasingly mobile, and if we are unable to hire and retain sufficient workers to maintain our workforce, or if the minimum wage rate is increased significantly, our business and prospects could be adversely affected.	We review our remuneration and benefit programs on an ongoing basis and benchmark them against the market and seek to improve our performance-related pay program to help retain our employees and attract new candidates. We aim to ensure that our employees enjoy a good quality of life while working on our plantations, with a healthy and safe environment, comfortable living conditions, transportation, water, electricity, health care, clubhouse facilities, childcare facilities, training facilities and schooling. We also regularly update our learning and development programs, with an emphasis on leadership development. We have a dedicated management training program for recent graduates as well as internal training and career path programs to ensure the continuous improvement of capabilities. We also offer retention programs for qualified personnel and senior management, and pay retention bonuses where appropriate. In light of the Covid-19 pandemic which has prevented us from having an in-person training program, we have tailored our training program and leveraged the technology to have virtual training to ensure that our development program can still continue.
Transportation or logistics disruptions or mishaps	
We typically sell our products on an ex-mill, ex-jetty or FOB basis, and our customers transport the products they purchase from us. Any disruption of transportation services due to bad weather, strikes, lock-outs or other events could impair their ability to take delivery of our products or increase their freight costs, thereby making our products more expensive for them. Such disruptions may also result in storage problems at our plantations. It is our practice only to sell CPO once it is available for supply in our storage facilities, thus we rely on efficient transportation for timely off-take by our customers. Our West Papua businesses also present logistics and construction challenges, as those project areas are located mainly in the interior (palm oil) and in swampland (sago). Both are relatively far from any town or city and, consequently, remote from reliable infrastructure and electricity supplies.	We have made significant investments in developing flexible and reliable transportation systems, and we only enter into transport contract agreements with reliable and experienced logistics companies. We anticipated the logistical challenges posed by our West Papua businesses early in the planning process. Taking into account the size, remoteness and scale of economic investment, we established a dedicated department to improve logistics planning develop integrated logistics systems and create logistical synergies between our estates in order to reduce disruption risks. We also rent storage facilities in Dumai to enable us to export our product to foreign buyers requiring volumes that are economically sizeable enough for shipment.

Risk	Mitigation
Delays in land compensation in developing plantations	
To develop our plantations and obtaining land cultivation right (*Hak Guna Usaha*, or HGU), plantation owners must release and compensate the land from legal right and customary right from the communities to avoid future third-party claims. This usually involves complicated negotiations with local stakeholders such as communities, tribes, indigenous people and influential community figures. Achieving concensus and resolution can be complex and therefore time-consuming, affecting the plantation's development and operation timeline.	We seek to offer attractive compensation for the land, combined with economic development plans that will benefit the community. During the process, we establish a local land compensation committee that includes community leaders and representatives of local authorities and neighboring industries to facilitate amicable communication to expedite the compensation process. We make concerted efforts to publicize and explain the benefits of our business to the community. These benefits include employment opportunities, improved infrastructure, our community development initiatives, and the multiplier effects thereof. We completed the land compensation process for our West Papua land banks in 2017. Land compensation at our South Sumatra land bank is still ongoing, and we are following the principles stated above to develop a mutually agreeable land compensation plan. In all of our land compensation process, we seek to adhere to RSPO Guidelines and follow the principle of Free, Prior and Informed Consent (FPIC) that are well documented for future accountability.
Delays or difficulties in developing land or obtaining land rights	
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 HGU rights for the plantation. This is a lengthy, complex process that can be met with with significant delays.	All but one of our subsidiaries, including our developing estates in West Papua, already hold HGU rights, which considerably reduces this risk. We also ensure that we initiate the extension process for all permits and titles well in advance of their expiry date. We take care to build and maintain good relationships with all stakeholders, including government agencies, based on mutual benefit and respect. We also make sure to comply with all relevant laws and regulations and adhere to the principles of responsible and sustainable plantation development in order to reduce the potential for legal obstacles.
Community social conflict and land disputes	
Even after land has been acquired for a plantation or other uses, plantation owners commonly face contested land claims from people living or working on such land and are required to negotiate the payment of compensation with such claimants. Resolving such contested land rights issues can be a difficult and time-consuming process.	We seek to build and maintain positive community relationships based on mutual benefit and respect, and ensure that we use fair processes and proper administration procedures. We are implementing sustainable corporate social responsibility initiatives to support social and economic development in the communities close to our business operations. We also cooperate with NGOs on community development and environmental management, and welcome input from various organizations to improve our programs. Through our CID department, we engage in regular communication and dialogue with community members to communicate the benefits of the Company's presence and hear their concerns.
Low community understanding of our plasma program activities	
Under the Indonesian Government's Plasma Program, oil palm plantation companies who obtained a plantation business license (IUP) since 2007 must develop part of the plantation to be operated by local smallholders. Accordingly, our West Kalimantan plantation currently has a plasma program. In developing our West Papua and South Sumatra land banks, we are setting aside the required 20% of the plantable area to be allocated for the plasma program. To mitigate the risk of receiving inferior quality of FFB through our plasma program, we develop our programs through cooperative structures. However, these programs may not be accepted by the smallholders and, as such, we may be forced to purchase FFB harvested from oil palms grown and maintained by the communities instead of by us.	Our plasma program is based on cooperative ownership, which we believe is in the best interests of both smallholders and the Company. We plan to run any future plasma programs in the same way. We have made management service agreements with our cooperatives to ensure that our standards of maintenance and harvesting are upheld in our plasma areas. In line with our sustainability objectives, we continue to develop our capacity-building and coaching programs for cooperative members and smallholders to develop their plantation, agronomic and business management capabilities and enable them to grow with us. We also support our plasma smallholders in gaining RSPO certification to give them the opportunity to get premium prices. A series of programs and activities have been ongoing and as a result, in 2019 three of our smallholder partnerships in SMM, and one plasma in KAL received RSPO certification. We are working to assist more of our plasma and partnership with smallholder farmers in gaining RSPO certification.

Internal Control

ANJ's internal control framework is designed to provide reasonable, but not absolute, assurance of the effectiveness and integrity of the Company's financial and operational activities, focusing on the following areas:

- Operational effectiveness and efficiency;
- Asset management and monitoring;
- Timely and accurate reporting; and
- Compliance with laws and regulations.

Alignment of the Company's Internal Control System with the COSO Internal Control Framework

Since 2015 the Company's internal control system has been aligned with the internal control framework approach advocated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), an initiative of five US private-sector organizations dedicated to global excellence in corporate governance, business ethics, internal control, enterprise risk management, fraud and financial reporting. The COSO approach works across the three principal control objective categories of operations, reporting and compliance, and across all the units and activities of an organization. It comprises five key components, which ANJ applies as follows:

Components of the Internal Control System

- **Control Environment**: The key element in internal control is the behavior of each individual at every level of the organization. ANJ's Code of Ethics and core values have been instilled throughout the organization and are regularly refreshed across all our operational sites through the activities of the internal audit, our internal promotion programs, our network of Value Champions and the whistleblowing system (see page 141 of this Report).
- **Risk Assessment**: Operational and strategic risks that could materially affect the Company's performance, prospects or reputation are identified, assessed and continuously monitored. Any change in the risk environment is immediately detected and analyzed.
- **Control Activities**: Internal control and operational activities are in place to mitigate the impact of potentially serious risks. These include the continuous strengthening of our procedures and policies according to the following principles: segregation of duties; limited access, authority and responsibility; adequate documentation; and a phased review system. All our internal control activities are designed to ensure that these internal control objectives are achieved.
- **Information and Communication**: Information related to the structures and status of the internal control system, including improvements and challenges, is communicated regularly through quarterly Audit Committee meetings, internal audit reports, management meetings and reports from the Value Champion team, as well as to the relevant external stakeholders as necessary.
- **Monitoring Activities**: All the internal control components are regularly reviewed to ensure that they are present and functioning properly. If any deficiencies are found, the relevant managers are promptly informed so that they can take remedial actions.

Management's Evaluation of Internal Control Effectiveness in 2020

The Internal Audit Unit, the Corporate Secretary and the Risk Management Committee monitor the internal control system and the Company's daily operations on an ongoing basis, while the Audit Committee provides an additional layer of supervision through its quarterly review. The Company's external auditor also evaluates the system as part of its annual audit of the Company's financial statements.

To make the internal control system more effective and responsive, the Company took various remedial and strengthening actions in 2020, including the following:

- Strengthening the capacity of the internal audit team through training based on IIA standards;
- Reducing misstatement risks in our financial disclosures by using dedicated computer software to generate statements; sampling financial transactions for review by the Internal Audit Unit; and ensuring a more rigorous review of quarterly financial reports by the Audit Committee prior to disclosure;
- Ensuring that all financial results were reported to the Board of Commissioners and the Board of Directors as well as the Audit Committee for control purposes; and
- Strengthening the management of company data using the Company's dedicated system, One Database.

On the basis of the review and follow-up actions, we are satisfied that the Company's internal control system gives reasonable assurance i) that any potential risks and bottlenecks will be identified promptly; and ii) that appropriate action will be taken to mitigate the impact on the Company and the achievement of our business objectives. Nevertheless, we recognize that no internal control system can provide absolute assurance against human error, poor judgment, intentional misconduct or other irregularities.

Material Litigation

In 2020, the Company, its subsidiaries, and members of the Board of Commissioners and the Board of Directors of the Company and its subsidiaries, were not involved in any material cases involving civil, criminal, bankruptcy, taxation or arbitration proceedings with any court or arbitration board that would have materially affected the Company or posed a risk to the continuity of the business if the court had found against either the Company or the Board of Commissioners or Board of Directors.

Land Title Claims

Up to the end of 2020, there were no major outstanding land title claims against the Company.

Administrative Sanctions

The Company, its subsidiaries and members of the Board of Commissioners and the Board of Directors were not subject to any administrative sanctions from the capital market authorities or any other authorities in 2020.

Access to Corporate Data and Information

The latest information on the Company's share price movements, corporate actions and other news, as well as our quarterly and annual results, press releases, investor newsletters and other corporate information, is available on our website, www.anjgroup.com.

Inquiries may be addressed to the Company at any time via the website, by email, by phone/fax or in writing to:

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Code of Conduct

The Company adopted its Code of Ethics on Business Conduct (the "Code") in 2014. The Code serves as a guide and a reference for the Company's employees and management on how to carry out their duties effectively, lawfully and safely.

The Code is based on the Company's three core values, Integrity, Respect for People and the Environment, and Continuous Improvement, which reflect the corporate culture that the ANJ Group seeks to create. We believe that these values will support the achievement of ANJ's vision, mission and objectives. The Code describes various principles and behaviors derived from these values that are essentially aimed at maintaining the trust and respect of our stakeholders through transparency, accountability, objectivity and equality. Every manager and employee is expected to internalize and practice these behaviors at all times.

We review the Code from time-to-time to ensure that it is commensurate with and relevant to the growing scope of our business, the interests of our stakeholders and the social, economic and regulatory environment, including the challenges we face.

Main Principles of the Code of Ethics on Business Conduct

The Company's Code of Ethics on Business Conduct is set out below:

- **Corporate Values**
  Brief information about the Corporate Values of the Company can be seen on page 37 of this Annual Report.

- **Compliance with Laws and Regulations**
  The Company complies with all prevailing laws and regulations and will ensure that all obligations are carried out in accordance with the prevailing laws and regulations. Employees also are obliged to understand the laws and regulations in accordance with their duties and work.

- **Workplace safety, health and the environment**
  The Company prioritizes the safety and health of our employees as well as the work environment, starting from employees' mind sets and actions to methods of continued supervision, as well as ways of obtaining commitments to uphold this from all parties.

- **Work relations, including professionalism, fairness and the separation of personal and corporate interests**
  Professionalism that enables a focus on the achievement of best performance; fairness and equal treatment based on the principles of transparency and objectivity; a distinct division between personal interests and the interests of the Company.

- **Relationships with suppliers and customers, including responsibility for product quality**
  The Company does not accept the granting of gifts which are exclusive in nature in the form of cash, cash equivalents or others, either personally or from any organization which is doing or seeking to do business with ANJ or a competitor of ANJ.

- **Relations with the government**
  The Company complies with all laws and regulations to support a clean government to realize a state economic competitive advantage.

- **Conflicts of interest**
  The Company makes a clear and distinct division between personal interests and the interests of the Company and avoids any situation which may result in or be perceived as a conflict of interest between the interests of the Company and personal interests.

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

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

  The Company also will not manipulate accounting treatments, records or preparations of financial statements of the Company. All financial statements of the Company, accounting records, research reports, sale reports, records on liabilities, production reports, reports on the entry of employees and other reports will always be prepared based on accurate and complete data which clearly represent the relevant facts or the true nature of the transactions.

- **Relationships with investors and the media**
  The Company will:
  1. Not provide information on behalf of the Company to any party (including, among others, the shareholders, share agents, investment analysts, candidate investors and the mass media) if we are not so authorized.
  2. Treat each member of the investment community and the mass media fairly, in accordance with reasonable business practices in the investment community and the mass media.

- **Insider trading**
  The Company maintains and respects the principle of ensuring that information is released to the market in a balanced and fair manner, so that the activity of a so-called insider in relation to the trading of securities of the Company is done only on the basis of a balance of information, whether it be factual or conjectural, being available on the same basis to both (company) insiders and the general public.

The Code can be found on our website at www.anj-group.com/en/code-of-conduct.

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

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

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

Disciplinary Policy

The Company may impose the following sanctions for misconduct or violations of the Code, in order of severity:
1. First warning letter;
2. Second warning letter;
3. Final warning letter;
4. Suspension;
5. Dismissal.

Breaches of the Code of Ethics and Sanctions Imposed In 2020

The following Code violations were substantiated in 2020:
1. Abuse of authority in the harvesting process.
2. Theft of plasma FFB by the contractor's driver.
3. Abuse of authority by an Estate Manager.

With regard to the violations above, the Company imposed the following sanctions:
- Warning letter.
- Report to police to be processed according to law.
- Work termination.

Anti-Corruption and Gratuity Control Policies

The Company's policies on prohibiting corruption, including insider trading and the giving/receiving of gratuities from external parties, are included in the Code.

Corporate Culture

Value Champions

ANJ aspires to create a corporate culture based on our three core values of Integrity, Respect for People and the Environment, and Continuous Improvement. These three values provide the foundation for all our objectives, policies and operations. At each of our offices and estates, we have appointed one-to-three Value Champions who, in addition to their regular work for the Company, also help to model and communicate the values to their co-workers. In this way, we aim to ensure that the values are internalized and upheld across the organization. When necessary, they also serve as intermediaries between management and employees, for example, by facilitating employees in making complaints, voicing grievances or finding appropriate assistance. There were a total of 26 Value Champions in the Company by the end of 2020.

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

Whistleblowing System

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

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

Procedure for Reporting Misconduct

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

- Email: beranibicara@anj-group.com
- Phone/SMS/WhatsApp: 0811 999 3553

Handling of Whistleblower Reports

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

its investigation, the team makes a report on its findings. If the case does not involve the President Director, this report is submitted to the President Director, the Board of Commissioners and the Audit Committee. However, if the President Director is involved, the report is sent directly to the Board of Commissioners and the Audit Committee, bypassing the President Director.

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

Protection for Whistleblowers

The Whistleblowing System protects informants against retaliation by:

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

Whistleblowing System Manager

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

Whistleblowing Reports in 2020

In 2020, a total of seven reports were received through the whistleblowing system, of which three were found to be non-whistleblower-related. The remaining four cases were followed up, investigated by the Internal Audit Unit and passed to the Commissioners, the President Director and Audit Committee for review. Misconduct was proven in one of the four cases.

Sanctions

The proven case of misconduct resulted in an improvement in process period.

Description	2020	2019
Related to Fraud	4	4
Proven	1	4
In Progress	3	-
Related to Code of Ethics	3	3
Total Report Received	7	7

Share Ownership Program

Information about the Employee Stock Allocation Program (ESAP) and the Management Stock Option Plan (MSOP) is provided in the Management Discussion and Analysis chapter of this Report on page 93.

Goods and Services Procurement

The Company's procurement policy states that the procurement of any goods and services by the Company must be effective, efficient, professional, independent, performed with integrity, contain no conflict of interest and uphold the GCG principles of transparency, accountability, responsibility, independence and fairness/equality. This is aimed at ensuring that procurement is carried out inclusively, in a manner that supports local economies by empowering small businesses along our supply chain, including cooperatives and suppliers close to our operational areas.

Each vendor must meet specific qualifications related to their administrative, financial and technical capability and capacity, and fulfill all licensing and tax matters required by law. They must also satisfy the Company's standards with regard to environmental, health and safety management systems, quality management, technical specifications and scheduling, and the Company's Sustainability Policy.

They are also required to sign an integrity pact stating explicitly that they will not offer, give or accept any item, including but not limited to money, gifts or facilities, to or from any employee or person associated with the Company and the Group for the purpose of influencing any decision. The Company reserves the right to unilaterally cancel a contract if the vendor is found to have acted in any way that conflicts with the principles of integrity and honesty specified in the pact.

Insurance

The Company has comprehensive insurance coverage to protect against the various risks to our operational assets. In 2020, our insurance policies included the following:

- Property all risk insurance: this covers the risk of potential loss of buildings, machinery and equipment and vehicles as well as assets under construction, in our head office and in our operating companies across Indonesia.
- Indonesian Standard Earthquake Insurance: provides cover for physical loss, destruction or damage to the insured property from any cause.
- EEI (Electronic Equipment Insurance): the majority of our operating companies are covered against potential loss or damage to their electronic equipment.
- Money insurance: this covers the risk of loss of money in transit or on our premises.
- Fidelity guarantee insurance: this insures against infidelity risk on the part of our employees by providing indemnity to the employer against the loss of money or properties belonging to the Company as a result of acts of fraud or dishonesty by any employee, such as forgery, embezzlement, larceny or fraudulent conversion.
- Public liability insurance: all our operating companies are covered against claims of loss or damage to other parties.
- Marine cargo: this covers most of our operational companies against the risk of potential loss of inventory, including inventory in warehouses and in transit.
- DNO (Directors and Officers Liability Insurance): our executives, members of the Board of Directors and officers are protected by this liability coverage for losses or advancement of legal defense costs in the event of a claim against them brought for alleged wrongful acts in their capacity as directors and officers.
- Health Insurance and Life Insurance: provides cover for all ANJ employees.
- Environmental Liability insurance: this protect us against pollution exposure and natural resources damage at all of our operating sites.

Tax Compliance

ANJ fully supports the government's policy of promoting national development through optimizing tax revenue. ANJ has assessed tax compliance throughout the Group and consistently complies with the provisions of the prevailing tax laws and regulations, including by submitting tax returns accurately and on time.

Diversity

The Company recognizes the value of diversity throughout the Company, including at the senior level. Collectively, the current members of the Board of Commissioners and the Board of Directors possess the wide-ranging experience, qualifications expertise and knowledge that the Company believes are needed to achieve the Company's objectives.

Compliance with Corporate Governance Guidelines for Public Companies

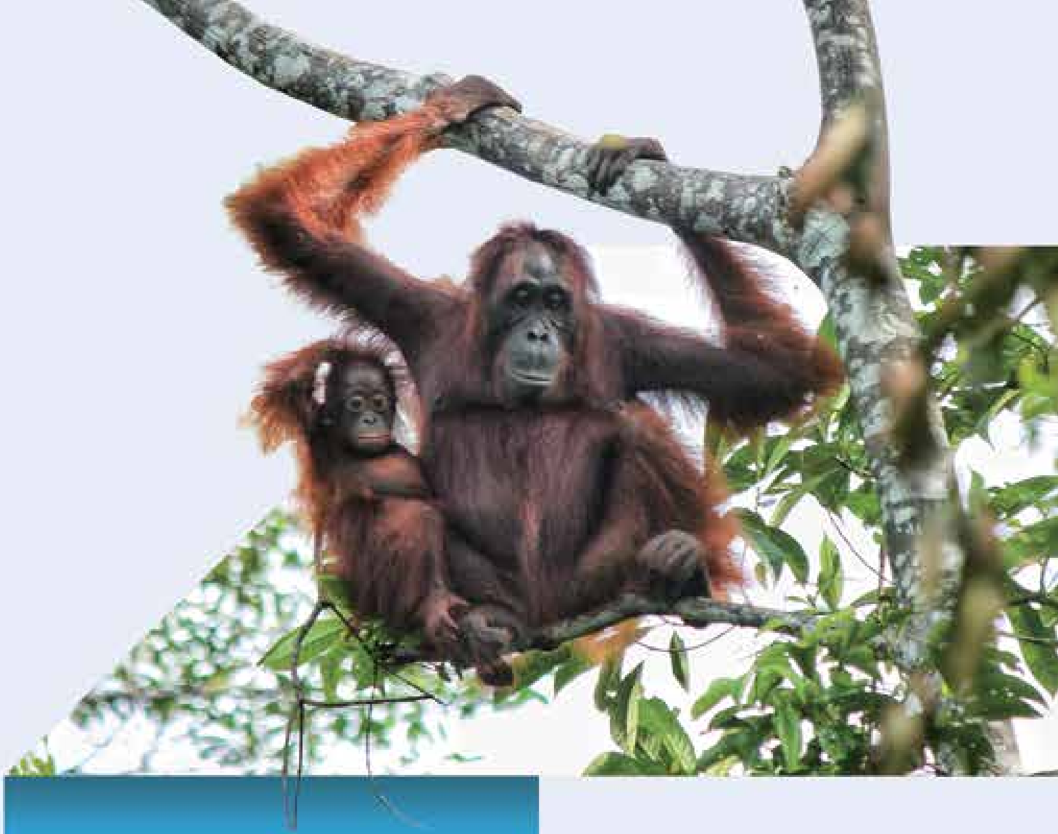
The Company's compliance with the Corporate Governance Aspects and Principles specified in the provisions of OJK Regulation No.21/ POJK.04/2015 is outlined in the following table.

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

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

Corporate Social Responsibility

Corporate Social Responsibility is reported in our Sustainability Report 2020 which is available on our website at https://anj-group.com/en/sustainability-report.



Consolidated Financial Statements

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PT AUSTINDO NUSANTARA JAYA Tbk
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONTENTS

**THE DIRECTORS' STATEMENT OF RESPONSIBILITY
FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES**

We, the undersigned:

1.	Name	:	Istini Tatiek Siddharta
	Office address	:	Menara BTPN 40th Floor, Jalan. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950
	Domicile as in ID Card	:	Jl. Gunung Sahari VII B/11
	Office telephone	:	(021) 29651777
	Function	:	President Director
2.	Name	:	Lucas Kurniawan
	Office address	:	Menara BTPN 40th Floor, Jalan. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950
	Domicile as in ID Card	:	Jl. Pulau Pelangi II No. 7, Kembangan Utara
	Office telephone	:	(021) 29651777
	Function	:	Director

declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of the Company and subsidiaries, and supplementary information;
2. The consolidated financial statements and supplementary information have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. The disclosures we have made in the consolidated financial statements and supplementary information are complete and accurate;

   b. The consolidated financial statements and supplementary information do not contain misleading information, and we have not omitted any information or facts that would be material to the consolidated financial statements and supplementary information;
4. We are responsible for the internal control.

This statement is made truthfully.

Jakarta, 25 March 2021

METERAI TEMPEL
201EAJX116630018

Istini Tatiek Siddharta President Director	Lucas Kurniawan Director

PT Austindo Nusantara Jaya Tbk.
Menara BTPN Lantai 40
Jalan Dr. Ide Anak Agung Gde Agung Kav. 5.5 - 5.6
Kawasan Mega Kuningan, Jakarta 12950
T (62 21) 2965 1777 **F** (62 21) 2965 1788
www.anj-group.com

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020 AND 2019

	Notes	31 December 2020	31 December 2019
		US$	**US$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	15,887,126	18,484,660
Investments in marketable securities	6	490,209	2,290,209
Receivable from service concession arrangement	44	64,228	57,266
Trade accounts receivable	7	1,136,353	5,084,254
Other receivables	8	3,509,421	790,073
Inventories	9	17,132,182	11,734,226
Biological assets	11	3,234,440	3,050,900
Prepayments and advances	10	25,054,621	25,345,421
TOTAL CURRENT ASSETS		**66,508,580**	**66,837,009**
NON-CURRENT ASSETS			
Receivable from service concession arrangement	44	779,583	856,194
Investments in equity securities	12	6,068,486	6,069,127
Deferred tax assets	39	5,013,408	11,164,151
Bearer plants	13	304,820,634	271,885,314
Property, plant and equipment	14	206,861,002	217,237,259
Intangible assets	15	1,184,641	1,557,757
Right-of-use assets	16	1,147,272	-
Advances	17	11,876,003	14,603,107
Goodwill	18	4,967,256	4,967,256
Claims for tax refund	19	5,914,581	8,880,345
Other non-current assets	20	21,002,366	21,650,585
TOTAL NON-CURRENT ASSETS		**569,635,232**	**558,871,095**
TOTAL ASSETS		**636,143,812**	**625,708,104**

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

	Notes	31 December 2020 US$	31 December 2019 US$
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	21	3,142,999	2,473,635
Trade accounts payable	22	5,661,890	3,035,247
Taxes payable	23	3,404,812	5,078,363
Derivative payable	41b	2,037,319	4,029,641
Other payables	24	4,912,646	11,925,791
Accrued expenses	25	6,082,689	3,939,500
Long-term bank loan-current maturities	21	2,665,668	958,761
Lease liabilities-current maturities	16	430,258	-
Provision for service concession arrangement-current maturities	44	67,848	-
TOTAL CURRENT LIABILITIES		**28,406,129**	**31,440,938**
NON-CURRENT LIABILITIES			
Long-term bank loans-net of current maturities	21	190,114,005	187,024,157
Lease liabilities-net of current maturities	16	751,360	-
Provision for service concession arrangement-net of current maturities	44	366,891	432,737
Deferred tax liabilities	39	427,697	373,587
Employee benefits obligation	26	20,319,686	17,715,336
Other non-current liabilities		689	13,288
TOTAL NON-CURRENT LIABILITIES		**211,980,328**	**205,559,105**
TOTAL LIABILITIES		**240,386,457**	**237,000,043**
EQUITY			
Capital stock-Rp 100 par value per share Authorized-12,000,000,000 shares Issued and paid-up-3,354,175,000 shares as of 31 December 2020 and 2019	27	46,735,308	46,735,308
Additional paid in capital	28	50,307,877	50,307,877
Treasury stock	1c,27	(3,926,668)	(3,926,668)
Difference in value due to changes in equity of subsidiaries	30	30,706,366	30,706,366
Other reserves	30	(29,173,010)	(33,473,743)
Retained earnings			
Appropriated		6,824,453	6,824,453
Unappropriated		292,289,905	290,745,669
Equity attributable to the owners of the Company		393,764,231	387,919,262
Non-controlling interests	31	1,993,124	788,799
TOTAL EQUITY		**395,757,355**	**388,708,061**
TOTAL LIABILITIES AND EQUITY		**636,143,812**	**625,708,104**

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

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEARS ENDED 31 DECEMBER 2020 AND 2019

	Notes	Year ended 31 December 2020 US$	2019 US$
Revenue	32	164,099,644	130,355,274
Cost of revenue	33	(124,010,517)	(106,590,252)
GROSS PROFIT		**40,089,127**	**23,765,022**
Dividend income	36	97,177	109,803
Foreign exchange gain (loss), net	46	3,137,837	(564,928)
Selling expenses		(9,642,430)	(7,706,111)
Personnel expenses	34	(12,176,581)	(10,679,347)
General and administrative expenses	35	(5,454,095)	(12,658,650)
Other income, net	38	1,532,188	14,539,474
OPERATING PROFIT		**17,583,223**	**6,805,263**
Share of profit of equity-accounted investees		-	811,801
Finance costs, net	37	(2,559,606)	(140,101)
PROFIT BEFORE TAX		**15,023,617**	**7,476,963**
Income tax expense	39	(12,812,792)	(12,035,155)
PROFIT (LOSS) FOR THE YEAR		**2,210,825**	**(4,558,192)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Changes resulting from actuarial remeasurements of post-employment benefits obligation	26	(1,017,748)	673,813
Income tax on items that will not be reclassified to profit or loss	39	216,314	(168,454)
		(801,434)	505,359

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

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
YEARS ENDED 31 DECEMBER 2020 AND 2019

	Notes	Year ended 31 December 2020	2019
		US$	**US$**
Items that will be reclassified subsequently to profit or loss:			
Changes in fair value of investments in equity securities	12,30	(641)	1,747
Difference in translation of subsidiaries' financial statements in foreign currencies		4,431,544	6,247,934
		4,430,903	6,249,681
OTHER COMPREHENSIVE INCOME, NET OF TAX		**3,629,469**	**6,755,040**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,840,294**	**2,196,848**
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		2,347,918	(4,196,839)
Non-controlling interests		(137,093)	(361,353)
		2,210,825	**(4,558,192)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		5,844,969	2,514,460
Non-controlling interests	31	(4,675)	(317,612)
		5,840,294	**2,196,848**
EARNINGS (LOSS) PER SHARE	40		
Basic earning (loss) per share		0.000709	(0.001267)
Diluted earning (loss) per share		0.000709	(0.001267)

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

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2020 AND 2019

	Notes	Capital stock	Additional paid in capital	Treasury stock	Difference in value due to changes in equity of subsidiaries	Other reserves: Unrealized gain (loss) on investments in equity securities	Other reserves: Difference in translation of subsidiaries' financial statements in foreign currencies	Retained earnings: Appropriated	Retained earnings: Unappropriated	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
		2020										
		US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Balance as of 31 December 2019		46,735,308	50,307,877	(3,926,668)	30,706,366	2,279,299	(35,753,042)	6,824,453	290,745,669	387,919,262	788,799	388,708,061
Changes in equity due to capital paid in advance from non-controlling interests in subsidiary	31	-	-	-	-	-	-	-	-	-	1,209,000	1,209,000
Profit for the year		-	-	-	-	-	-	-	2,347,918	2,347,918	(137,093)	2,210,825
Other comprehensive income:												
Changes resulting from actuarial remeasurements of post-employment benefits obligation, net of tax		-	-	-	-	-	-	-	(803,682)	(803,682)	2,248	(801,434)
Changes in fair value of investments in equity securities	12, 30	-	-	-	-	(641)	-	-	-	(641)	-	(641)
Difference in translation of subsidiaries' financial statements in foreign currencies	30	-	-	-	-	-	4,301,374	-	-	4,301,374	130,170	4,431,544
Balance as of 31 December 2020		**46,735,308**	**50,307,877**	**(3,926,668)**	**30,706,366**	**2,278,658**	**(31,451,668)**	**6,824,453**	**292,289,905**	**393,764,231**	**1,993,124**	**395,757,355**

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

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
YEARS ENDED 31 DECEMBER 2020 AND 2019

	Notes	Capital stock	Additional paid in capital	Treasury stock	Difference in value due to changes in equity of subsidiaries	Other reserves: Unrealized gain (loss) on investments in equity securities	Other reserves: Difference in translation of subsidiaries' financial statements in foreign currencies	Retained earnings: Appropriated	Retained earnings: Unappropriated	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
		2019										
		US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Balance as of 31 December 2018		46,735,308	50,307,877	(3,926,668)	30,706,366	2,277,552	(41,952,538)	6,824,453	294,432,452	385,404,802	984,411	386,389,213
Changes in equity due to capital paid in advance from non-controlling interests in subsidiary	31	-	-	-	-	-	-	-	-	-	122,000	122,000
Loss for the year		-	-	-	-	-	-	-	(4,196,839)	(4,196,839)	(361,353)	(4,558,192)
Other comprehensive income:												
Changes resulting from actuarial remeasurements of post-employment benefits obligation, net of tax		-	-	-	-	-	-	-	510,056	510,056	(4,697)	505,359
Changes in fair value of investments in equity securities	12, 30	-	-	-	-	1,747	-	-	-	1,747	-	1,747
Difference in translation of subsidiaries' financial statements in foreign currencies	30	-	-	-	-	-	6,199,496	-	-	6,199,496	48,438	6,247,934
Balance as of 31 December 2019		**46,735,308**	**50,307,877**	**(3,926,668)**	**30,706,366**	**2,279,299**	**(35,753,042)**	**6,824,453**	**290,745,669**	**387,919,262**	**788,799**	**388,708,061**

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

PT AUSTINDO NUSANTARA JAYA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2020 AND 2019

	Year ended 31 December	
	2020	**2019**
	US$	**US$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	168,372,619	134,827,305
Cash received from interest income	199,134	333,275
Cash received from income tax restitution	2,769,115	1,255,954
Cash received from VAT refund	7,133,133	10,659,262
Payments of employee benefits	(238,809)	(422,278)
Payments of contribution to pension fund	(2,960,845)	(3,010,915)
Income taxes paid	(5,250,166)	(8,177,590)
Payments to employees	(35,624,616)	(31,627,328)
Payments to suppliers	(82,283,182)	(76,464,880)
Payments for other operating activities	(17,062,131)	(18,679,749)
Net cash provided by operating activities	**35,054,252**	**8,693,056**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	85,162	97,161
Proceeds from sale of property, plant and equipment	155,272	258,021
Proceeds from sale investment in marketable securities	1,800,000	-
Additional investment in marketable securities	-	(2,000,000)
Proceeds from sale of investments in associates and equity securities	-	47,270,961
Acquisitions of property, plant and equipment	(16,413,621)	(25,596,213)
Additions of bearer plants	(29,370,778)	(44,768,897)
Additions of advances	(4,976,312)	(2,676,398)
Acquisitions of intangible assets	(38,978)	(51,653)
Acquisitions of other non-current assets	(1,961,359)	(3,094,595)
Net cash used in investing activities	**(50,720,614)**	**(30,561,613)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from additional capital by non-controlling interests of a subsidiary	1,209,000	122,000
Payments for loan interest expenses	(3,171,043)	(1,552,680)
Lease liabilities payment	(542,553)	-
Proceeds from short-term bank loans	104,583,764	100,677,772
Payments of short-term bank loans	(101,165,161)	(123,701,956)
Proceeds from long-term bank loans	175,853,400	52,867,062
Payments of long-term bank loans	(163,355,744)	(16,155,052)
Payments for deferred financing costs	(342,835)	(1,138,093)
Net cash provided by financing activities	**13,068,828**	**11,119,053**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,597,534)**	**(10,749,504)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**18,484,660**	**29,234,164**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**15,887,126**	**18,484,660**

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

1. GENERAL

a. Establishment and General Information

PT Austindo Nusantara Jaya Tbk (the Company), formerly PT Austindo Teguh Jaya, was established by Deed No. 72 of Notary Mr. Sutjipto, S.H., dated 16 April 1993 which was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-3479.HT.01.01.TH.93 dated 21 May 1993, and was published in Supplement No. 4010 to the State Gazette No. 70, dated 31 August 1993. The Company's Articles of Association have been amended several times, among others, by Deed No. 161 of Notary Dr. Irawan Soerodjo, S.H., M.Si., dated 17 January 2013, pertaining to the Initial Public Offering (IPO) of the Company, which included the change in the Company's status, the IPO plan through the issuance of new shares from Company's portfolio, the approval of share allocation program to employees and the management stock option program, changes in composition of the Board of Commissioners and the Board of Directors and the change in the Articles of Association in order to comply with the regulation of Financial Service Authority ("OJK", formerly Bapepam-LK). The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-03796.AH.01.02. Tahun 2013 dated 31 January 2013.

The amendment to the entire Articles of Association by the Deed No. 270 of notary Dr. Irawan Soerodjo, S.H., M.Si., dated 22 June 2015, pertaining to the merger between the Company and PT Pusaka Agro Makmur ("PAM"), changes to the Company's principal business activities and the change to the Company's Articles of Association in order to comply with the regulation of OJK. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter of the Changes to the Articles of Association No. AHU-0937905.AH.01.02. Tahun 2015 dated 23 June 2015. The Notification of Merger and Notification of Amendment to the Articles of Association of the Company has been recorded in the database of the Legal Entity Administrative System of the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-AH.01.10-0105667 and No. AHU-AH.01.03-0944887, respectively, both dated 23 June 2015. The Articles of Association have been further amended by the Deed No. 98 of notary Dr. Ir. Yohanes Wilion, S.H, S.E., M.M. dated 31 May 2016 pertaining to the issuance of new shares from the Company's portfolio in relation with the management stock option program. The deed has been accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter of the Changes to the Articles of Association No. AHU-AH.01.03-0053226 dated 31 May 2016.

In accordance with the latest amendment in Article 3 of the Company's Articles of Association, the scope of its activities is to engage in the general trading, services and integrated palm oil plantation with its processing into crude palm oil and palm kernel. The Company is eligible to, among others, pursue business opportunities and investments. The Company started its commercial operations in 1993. Currently, the Company provides management services, operates in palm oil plantations and also operates as a holding company for its subsidiaries and associates operating in the agribusiness industry, which are palm oil plantation, sago processing, tobacco processing and horticultural agriculture as well as renewable energy.

As of 31 December 2020 and 2019, the Company and its subsidiaries (the Group) had 6,981 and 7,089 permanent employees (unaudited), respectively.

The Company is domiciled in Jakarta and its head office is located at Menara BTPN 40th floor, Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, Kawasan Mega Kuningan, Jakarta 12950.

Based on Deed No. 143 of Notary Christina Dwi Utami, S.H., M.Hum., M.Kn., dated 15 May 2019, the Company's shareholders approved the appointment of Mr. Fakri Karim as the Company's Director effective from 15 May 2019. The deed was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia and accepted in its Decision Letter No. AHU-AH.01.03-0285424 dated 10 June 2019.

1. GENERAL (Continued)

a. Establishment and General Information (Continued)

As of 31 December 2020 and 2019, the composition of the Company's Board of Commissioners and Board of Directors are as follows:

	2020 and 2019
President Commissioner	Mr. Adrianto Machribie Reksohadiprodjo
Commissioners	Mr. George Santosa Tahija
	Mr. Sjakon George Tahija
	Mr. Istama Tatang Siddharta
	Mr. Anastasius Wahyuhadi
	Mr. Josep Kristiadi
	Mr. Darwin Cyril Noerhadi
President Director	Mrs. Istini Tatiek Siddharta
Directors	Mr. Lucas Kurniawan
	Mr. Geetha Govindan Kunnath Gopalakrishnan
	Mr. Naga Waskita
	Mr. Fakri Karim

The Company paid benefits to its Commissioners and Directors as follows:

	2020	2019
	US$	US$
Short-term benefits	3,193,699	4,206,269

The members of the Audit Committee as of 31 December 2020 and 2019 were as follows:

	2020	2019
Chairman	Mr. Darwin Cyril Noerhadi	Mr. Darwin Cyril Noerhadi
Members	Mr. Prof. Dr. Irawan Soerodjo, S.H., Msi	Mr. Danrivanto Budhijanto
	Mr. Osman Sitorus	Mrs. Muljawati Chitro

b. Initial Public Offering

On 1 May 2013, the Company obtained an effective statement from Otoritas Jasa Keuangan (OJK) by virtue of its letter No. S-101/D.04/2013 for its initial offering of 333,350,000 shares to the public at par value of Rp 100 per share on the Indonesia Stock Exchange at an initial offering price of Rp 1,200 per share. On 8 May 2013, all of these shares were listed on the Indonesia Stock Exchange.

Based on Deed No. 100 of Notary Dr. Irawan Soerodjo, S.H., M.Si., dated 14 June 2013, in accordance with the shareholders register dated 31 May 2013, the shares issued by the Company to the public in the Initial Public Offering were 333,350,000 shares, representing 10% of the outstanding shares. The deed was reported to the Minister of Law and Human Rights of the Republic Indonesia and accepted in its Decision Letter No. AHU-AH.01.10-25577 dated 24 June 2013.

As of 31 December 2020, all of the Company's 3,354,175,000 outstanding shares have been listed at the Indonesian Stock Exchange.

1. GENERAL (Continued)

c. Merger with PT Pusaka Agro Makmur and Treasury Stock

The Extraordinary General Meeting of Shareholders (EGMS) of the Company on 22 June 2015 approved the merger of the Company and PAM (subsidiary), as stated in Deed No. 270 dated 22 June 2015 of notary Dr. Irawan Soerodjo, S.H., M.Si. The effective date of the merger is 23 June 2015, which is the approval date of the merger by the Minister of Law and Human Rights of the Republic of Indonesia as stated in its decision letter No. AHU-AH.01.10-0105667 dated 23 June 2015. Prior to merger, PAM was a wholly-owned subsidiary of the Company and its financial statements were consolidated to the Group's consolidated financial statements. Accordingly, the merger does not have any impact to the consolidated financial statements of the Group. At the effective date of the merger, all assets and liabilities were transferred to the Company, and PAM was liquidated in accordance with laws and regulations in Indonesia. The approval by the Capital Investment Coordinating Board was obtained on 29 January 2016.

In accordance with Law No. 40 of 2007 regarding Limited Liability Company ("Company Law") and Government Regulation No. 27 of 1998 regarding Merger, Consolidation and Acquisition of a Limited Liabilty Company ("PP 27/1998"), the shareholders of the Company who disagreed with the EGMS resolution as discussed above can exercise their rights to have their shares purchased by the Company at a fair price determined by the Company which is Rp 1,224 per share. On 30 June 2015, the Company completed the purchase of 115,651,300 shares from the shareholders who disagreed with the EGMS resolution for total acquisition cost of Rp 141,840 million (including other direct acquisition costs of Rp 283 million) or equivalent to US$ 10.6 million.

In December 2015, the Company submitted its application to use the book value in relation with this merger to the Directorate General of Taxation (DGT). On 19 February 2016, DGT issued the approval letter No. KEP-563/WPJ.07/2016 for using the net book value in the merger between the Company and PAM.

d. Subsidiaries

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

Subsidiaries' name and principal activities	Location	Year of commercial operation	Percentage of Group's ownership		Total assets before elimination	
			2020	2019	2020	2019
			%	%	US$	US$
Direct Subsidiaries						
Renewable Energy						
PT Austindo Aufwind New Energy (AANE)	Belitung, Bangka Belitung	2013	99.22	99.22	1,154,166	1,179,882
Agribusiness						
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga, North Sumatera	1995	99.99	99.99	522,916,110	500,068,319
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	2017	99.99	99.99	14,769,204	16,707,031
PT Gading Mas Indonesia Teguh (GMIT)	Jember	2000	80.00	79.99	11,820,746	11,273,004
Consumer Products						
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	2014	99.99	99.99	160,865	142,731

1. GENERAL (Continued)

d. Subsidiaries (Continued)

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

Subsidiaries' name and principal activities	Location	Year of commercial operation	Percentage of Group's ownership		Total assets before elimination	
			2020	2019	2020	2019
			%	%	US$	US$
Indirect Subsidiaries						
Agribusiness						
PT Sahabat Mewah dan Makmur (SMM)	Belitung, Bangka Belitung	1994	99.99	99.99	58,305,519	50,502,321
PT Austindo Nusantara Jaya Agri Siais (ANJAS)	South Angkola, North Sumatera	2009	99.99	99.99	55,158,474	57,544,711
PT Kayung Agro Lestari (KAL)	Ketapang, West Kalimantan	2014	99.99	99.99	90,045,190	90,129,979
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	Pre-operating	99.99	99.99	10,069,048	10,233,828
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat, Papua	2020	99.99	99.99	146,255,873	134,935,035
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	2020	99.99	99.99	106,822,361	99,483,865
PT Lestari Sagu Papua (LSP)	South Sorong, Papua	Pre-operating	51.00	51.00	271,861	260,829

PT Austindo Nusantara Jaya Agri (ANJA)

Based on Deed No. 1423 of Notary Kartika, S.H., M.Kn. dated 15 November 2019, the shareholders of ANJA approved the decrease of authorized capital from Rp 1,000,000,000,000 to Rp 581,461,877,600 and the decrease of issued and paid up capital from Rp 472,896,142,400 to Rp 145,365,469,400 by retiring of 3,275,306,730 shares, all of which was owned by the Company. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0004959.AH.01.02 dated 18 January 2020. The Company's direct ownership in ANJA remains at 99.99%.

Based on Deed No. 6 of Notary Mala Mukti, S.H., LL.M. dated 1 December 2020, the shareholders of ANJA approved the transfer of all 100,000 shares held by Mr. Thomas Andrew Marshall to ANJB for total cash consideration of US$ 21,000. The change in the shareholders composition was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0204035.AH.01.011 dated 3 December 2020. The Company's direct ownership in ANJA remains at 99.99%.

PT Austindo Nusantara Jaya Agri SIAIS (ANJAS)

Based on Deed No. 2884 of Notary Kartika, S.H., M.Kn. dated 27 November 2019, the shareholders of ANJAS approved the decrease of authorized capital from Rp 800,000,000,000 to Rp 380,840,000,000 and the decrease of issued and paid up capital from Rp 225,770,000,000 to Rp 95,210,000,000 by retiring 130,560 shares owned by ANJA. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0007408.AH.01.02 dated 28 January 2020. ANJA's direct ownership in ANJAS remains at 99.99%.

Based on Deed No. 1994 of Notary Kartika, S.H., M.Kn. dated 13 February 2020, the shareholders of ANJAS approved the decrease of authorized capital from Rp 380,840,000,000 to Rp 232,840,000,000 and the decrease of issued and paid up capital from Rp 95,210,000,000 to Rp 58,210,000,000 by retiring 37,000 shares owned by ANJA. The decrease in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0029730.AH.01.02 dated 15 April 2020. ANJA's direct ownership in ANJAS decreased from 99.99% to 99.98%.

1. GENERAL (Continued)

d. Subsidiaries (Continued)

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

PT Austindo Nusantara Jaya Agri SIAIS (ANJAS) (Continued)

Based on Deed No. 1073 of Notary Kartika, S.H., M.Kn. dated 17 September 2020, the shareholders of ANJAS approved the increase of authorized capital from Rp 232,840,000,000 to Rp 400,000,000,000 and the increase of issued and paid up capital from Rp 58,210,000,000 to Rp 214,527,000,000 through the conversion of additional paid in capital (APIC) of US$ 10,695,615 to capital which were propotionally distributed to the shareholders. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU- 0064610.AH.01.02 dated 18 September 2020. ANJA's direct ownership in ANJAS remains the same.

PT ANJ Agri Papua (ANJAP)

Based on Deed No. 1789 of Notary Kartika, S.H., M.Kn. dated 19 November 2019, the shareholders of ANJAP approved the increase of issued and paid up capital from Rp 798,092,000,000 to Rp 865,102,000,000 by issuing 67,010 new shares, all of which was subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0362648 dated 21 November 2019. The Company's direct ownership in ANJAP increased from 99.794% to 99.810%.

Based on Deed No. 1401 of Notary Kartika, S.H., M.Kn. dated 23 October 2020 the shareholders of ANJAP approved the increase of issued and paid up capital from Rp 865,102,000,000 to Rp 890,452,000,000 by issuing 25,350 new shares, of which 20,950 shares were subscribed and paid by the Company and 4,400 shares were subscribed and paid by SMM. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0401341 dated 23 October 2020. The Company's direct ownership in ANJAP decreased from 99.81% to 99.32%.

PT Galempa Sejahtera Bersama (GSB)

Based on Deed No. 343 of Notary Kartika, S.H., M.Kn. dated 15 December 2020, the shareholders of GSB approved the increase of issued and paid up capital from Rp 197,200,000,000 to Rp 231,770,000,000 by issuing 345,700 new shares, of which 328,415 shares were subscribed and paid by ANJA and 17,285 shares were subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0419429 dated 15 December 2020.

PT Putera Manunggal Perkasa (PMP)

Based on Deed No. 504 of Notary Kartika, S.H., M.Kn. dated 8 September 2020, the shareholders of PMP approved the increase of authorized capital from Rp 600,000,000,000 to Rp 1,500,000,000,000 and the increase of issued and paid up capital from Rp 511,722,000,000 to Rp 1,197,680,000,000 by issuing 685,958,000 new shares, of which 394,700,500 shares were subscribed and paid by ANJA and 291,257,500 shares were subscribed and paid by the Company. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0062352.AH.01.02 dated 10 September 2020. ANJA's direct ownership in PMP decreased from 75.00% to 65.00% and Company's direct ownership increased from 25.00% to 35.00%.

1. GENERAL (Continued)

d. Subsidiaries (Continued)

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

PT Permata Putera Mandiri (PPM)

Based on Deed No. 506 of Notary Kartika, S.H., M.Kn. dated 8 September 2020, the shareholders of PPM approved the increase of authorized capital from Rp 600,000,000,000 to Rp 1,500,000,000,000 and the increase of issued and paid up capital from Rp 464,160,000,000 to Rp 1,034,740,000,000 by issuing 570,580,000 new shares, of which 324,461,000 shares were subscribed and paid by ANJA and 246,119,000 shares were subscribed and paid by the Company. The increase in capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-062355.AH.01.02 dated 10 September 2020. ANJA's direct ownership in PPM decreased from 75.00% to 65.00% and Company's direct ownership increased from 25.00% to 35.00%.

PT Gading Mas Indonesia Teguh (GMIT)

Based on Deed No.8 of Notary Mala Mukti, S.H., LL.M. dated 1 December 2020, the shareholders of GMIT approved the transfer of all 62 shares held by Mr. Thomas Andrew Marshall to the Company for a total cash consideration of Rp 25,600,000. The change in shareholders composition was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0415209 dated 3 December 2020. The Company's direct ownership in GMIT increased from 79.99% to 80.00%.

PT Austindo Nusantara Jaya Boga (ANJB)

Based on Deed No. 1788 of Notary Kartika, S.H., M.Kn. dated 19 November 2019, the shareholders of ANJB approved the increase of issued and paid up capital from Rp 5,000,000,000 to Rp 6,365,000,000 by issuing 1,365,000 new shares, all of which was subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0362624 dated 21 November 2019.

Based on Deed No. 505 of Notary Kartika, S.H., M.Kn. dated 8 September 2020, the shareholders of ANJB approved the increase of issued and paid up capital from Rp 6,365,000,000 to Rp 6,880,000,000 by issuing 515,000 new shares, all of which was subscribed and paid by the Company. The increase in paid up capital was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0384900 dated 10 September 2020. The Company's direct ownership in ANJB is 99.99%.

PT Kayung Agro Lestari (KAL)

Based on Deed No. 1400 of Notary Kartika, S.H., M.Kn., dated 23 October 2020, the shareholders of KAL approved the increase of issued and paid-up share capital from Rp 1,410,205,000,000 to Rp 1,550,285,000,000 by issuing 280,160 new shares, of which 280,000 shares were subscribed and paid by ANJA and 160 shares subscribed and paid by SMM. The increase in capital was approved by Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0401330 dated 23 October 2020. ANJA's direct ownership in KAL remains at 99.95%.

ii. Details of non-wholly owned subsidiaries that have non-controlling interests to the Group are further disclosed in Note 31.

2. ADOPTION OF NEW STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK")

a. PSAK effective in the current year

In the current year, the Group has applied a number of PSAK issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant and effective for accounting period beginning on 1 January 2020, as follows:

- PSAK 71, "Financial Instruments"
- PSAK 72, "Revenue from Contracts with Customers"
- PSAK 73, "Leases".

The adoption of PSAK 71, 72 and 73 have resulted in changes in the Group's accounting policies which are further described in Notes 3h, 3x and 3u to the consolidated financial statements, respectively. The adoption of PSAK 71 and 72 do not have material effect on the amounts reported for the current or prior financial periods. Further, the Group applied the modified retrospective approach in applying the transitional provision of PSAK 73 by calculating the right-of-use assets and lease liabilities as at 1 January 2020.

The adoption of PSAK 73 including the amendment PSAK 73: "Leases" which is effective from 30 June 2020 do not have material effect on the retained earning as of 1 January 2020 and therefore, the Group does not adjust its retained earnings as of 1 January 2020.

b. Standards issued, but not yet adopted

The following standards were issued, but are not yet effective in 2020:

- Amendment PSAK 22: "Business Combination"
- Amendment PSAK 71: "Financial Instruments".

The standard will be effective for the financial reporting beginning on 1 January 2021 and early adoption is permitted.

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

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods in these consolidated financial statements, except for notes 3h, 3x and 3u.

a. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Basis of Preparation

The Company's directors approved the consolidated financial statements for issuance on 25 March 2021.

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

b. Basis of Preparation (Continued)

The consolidated financial statements, have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement at the end of each reporting period, as explained in the accounting policies below. These consolidated financial statements are presented in United States Dollar (US$), which is the Company's functional currency.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated statements of cash flows are prepared using the direct method with classification of cash flows into operating, investing and financing activities.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

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

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

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

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

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

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 71 (previously PSAK 55) or when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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

d. Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

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

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

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

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

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

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

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

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

e. Business Combination Under Common Control

Business combination of entities under common control that qualifies as a business is accounted for using pooling of interest method where assets and liabilities acquired in the business combination are recorded by the acquirer at their book values.

The difference between the transfer price and the book value is presented as Additional Paid in Capital and is not recycled to profit or loss.

The pooling of interest method is applied as if the entities had been combined from the period when the merging entities were placed under common control.

f. Foreign Currency Transactions and Translation

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

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

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

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

g. Transactions with Related Parties

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

(a) A person or a close member of that person's family is related to the reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

g. Transactions with Related Parties (Continued)

(b) An entity is related to the reporting entity if any of the following conditions applies:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiaries and fellow subsidiaries is related to the other).
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group, of which the other entity is a member).
iii. Both entities are joint ventures of the same third party.
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring entities are also related to the reporting entity.
vi. The entity is controlled or jointly controlled by a person identified in (a).
vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

h. Financial Instruments

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

i. Financial Assets

Policy applicable from 1 January 2020 (PSAK 71)

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

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

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

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

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

h. Financial Instruments (Continued)

i. Financial Assets (Continued)

Policy applicable before 1 January 2020 (PSAK 55)

The Group's financial assets comprise cash in banks and cash equivalents, investments in marketable securities, receivable from service concession arrangement, trade accounts receivable, other receivables and other non-current assets. Investment in equity securities comprise equity securities held for trading and derivative payable comprise forward foreign exchange contract, are categorized as "Fair-value-through-profit or loss".

Financial assets that are categorized as loans and receivables are initially measured at fair value, plus any directly attributable transaction costs. Subsequent to initial measurement, they are carried at amortized cost, net of provision for impairment, if necessary. Amortized cost is measured by discounting the asset amounts using the effective interest rate, unless effect of discounting would be insignificant. The effective interest rate is the rate at which the expected future cash flows are discounted on initial recognition in order to arrive at the net carrying amount. The interest amounts resulting from the application of discounting are recognized in profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, changes therein are recognized in profit or loss. Transaction costs are recognized immediately in profit or loss as incurred.

ii. Financial liabilities

Financial liabilities are classified as either measured at amortized cost, or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative, or if it is designated as such on initial recognition.

Bank loans, trade accounts payable, derivative payable, provision for service concession arrangement, other payables, lease liabilities and accruals, are initially measured at fair value, plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derivative payables are classified as at FVTPL, and all gains or losses, and interest charges, are recognized in profit or loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred: i.e. when control over the financial asset is relinquished.

In a transaction where a financial asset is transferred but the risks and rewards associated with ownership are somehow retained, the transferred asset is not derecognized.

Financial liabilities

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

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

h. Financial Instruments (Continued)

iii. Derecognition (Continued)

Financial liabilities (Continued)

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

iv. Offsetting

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

v. Impairment

Policy applicable from 1 January 2020 (PSAK 71)

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

Measurement of ECLs

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

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade and other receivables measured at amortized cost are always measured at an amount equal to lifetime ECL.

Policy applicable before 1 January 2020 (PSAK 55)

An impairment provision is recognized for financial assets that are categorized as loans and receivables when there is an objective evidence that the Group will not be able to recover the carrying amounts according to the original terms of the instruments. The amount of the impairment loss is the difference between the carrying amount of the financial assets and the present value of its estimated future cash flows, discounted at the original effective interest rate. Changes in the impairment provision are recognized in the profit or loss as part of other expense.

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

i. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consists of cash on hand and in banks and investments which (i) have maturities of three months or less from the date of placement, (ii) are not pledged as collateral and (iii) are unrestricted.

j. Time Deposits

Time deposits with maturities of three months or less which are pledged as collateral or restricted and time deposits with maturities of more than three months that are realizable within one year from reporting period are presented separately.

k. Receivable from Service Concession Arrangement

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

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

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

l. Inventories

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

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

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

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

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

m. Investment in Associates and Joint Ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

m. Investment in Associates and Joint Ventures (Continued)

The results of operations and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58, Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture).

The Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any excess of the cost of acquisition over the Group's share of the net fair value of identifiable assets, liabilities and contingent liabilities of the associate or a joint venture recognized at the date of acquisition, is recognized as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of PSAK 71 (previously PSAK 55), Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with PSAK 48, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures any retained investment at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 71 (previously PSAK 55). The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

m. Investment in Associates and Joint Ventures (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investmet in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities).

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of its interest in the associate or joint venture that are not related to the Group.

n. Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

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

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

o. Property, plant and equipment – Direct Acquisitions

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets, computed on the cost of assets less estimated residual value using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings, roads and bridges	4 - 20
Machinery and equipment	4 - 20
Computer and communication equipment	4
Office equipment, furniture and fixtures	4 - 8
Motor vehicles	4 - 8

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

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

The estimated useful lives and depreciation method are reviewed at each year end. In 2019, the Group changed the estimated remaining useful lives of certain machinery and equipment. The effect of change in this estimate was accounted for on a prospective basis from 1 January 2019.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently related to addition, replacement or service of property, plant and equipment are recognized as asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in progress is stated at cost, which include borrowing costs during construction on debts incurred to finance the construction. Accumulated cost will be transferred to the respective property, plant and equipment account when the construction is completed and the asset is ready for use.

Land

Land is stated at cost and not depreciated.

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

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

p. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent periods.

On the disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

q. Bearer Plants

Bearer plants (palm plantations) are classified as immature and mature plantations.

Immature plantations are stated at cost which represents accumulated costs incurred on the palm plantations before they mature and produce crops. Such costs include the cost for nurseries, field preparation, planting, fertilizing, maintenance, interest on debts incurred to finance the development of plantations until maturity, and allocation of other indirect costs based on hectares planted. These costs are accumulated up to the time the plantations are ready for harvest, for as long as the carrying value of such immature plantations do not exceed the higher of replacement cost or recoverable amount.

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

q. Bearer Plants (Continued)

Palm plantations are considered mature when (1) the age of the plantations in a block are at the minimum 36 months old with the productivity at a minimum of 3.5 ton per hectare per year or (2) the age of the plantations in a block has reached 48 months. At the time palm plantations are considered mature, immature plantations are reclassified to mature plantations account and are depreciated from the date of transfer.

Mature plantations are stated at cost as of the date of transfer, less accumulated depreciation. Mature plantations are depreciated using the straight line method based on the estimated productive lives of the mature plantations which is 20 years.

r. Biological Assets

Biological assets comprise of agricultural produce growing on bearer plants up to the point to be harvested, which are referred as Fresh Fruit Bunches (“FFB”) that grows on mature palm plantations and edamame plants. Biological assets measured at fair value less costs to sell. Gains or losses arising from the initial recognition and changes in fair value are recognized in the profit or loss for the period when they arise.

The fair value of FFB biological assets is estimated by reference to the projected harvest quantities and market price of FFB as at the financial position date, net of depreciation, maintenance and harvesting costs and estimated costs to sell. The fair value of edamame plants biological assets is estimated by reference to the estimated harvesting yields and market price of edamame as at the financial position date, net of maintenance and harvesting costs and estimated cost to sell. FFB and edamame plants biological assets are presented as part of current assets in the consolidated statement of financial position.

s. Intangible Assets

Intangible assets comprise of deferred charges for landrights and computer software, which have finite useful lives, and are measured at cost less accumulated amortization. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use. The Group’s estimated useful life of the computer software is 4 years while for deferred charges of landrights is over the legal term of the renewal extension or over the economic life of the asset, whichever is shorter, ranging from 20 – 55 years.

t. Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

Further policy for impairment of financial assets is discussed in Note 3h, while for impairment of goodwill is discussed in Note 3p.

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

u. Leases

Policy applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2020.

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

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

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

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

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

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

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

u. Leases (Continued)

Policy applicable from 1 January 2020 (Continued)

When the lease liability is measured this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2020

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 Lessee

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.

v. Provisions

Provision is recognized when: (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that the Group will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for Service Concession Arrangements

Under the concession arrangement, AANE as the service provider is responsible for the maintenance of Electricity Generation Facility under its management. In this case, AANE is responsible to conduct a major overhaul of gas engine, which varies every 12,000 hours (approximately 4 years) until 64,000 hours (approximately 8 years) of its operation.

Since AANE are not specifically remunerated for its maintenance activities, such maintenance costs are then recognized and measured in accordance with PSAK 57, Provision, Contingent Liabilities and Contingent Assets, that is, at the present value of the expenditures expected to be required to settle the obligations using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

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

w. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets including development of immature plantations, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

x. Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a product to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies, both under PSAK 72 and PSAK 23.

Revenue recognition applicable from 1 January 2020

Revenue is recognized when the customer obtains control of the goods. Export sales are recognized when the control is transferred upon shipping in accordance with the sales term, while domestic sales are recognized when the control is transferred upon delivery of the goods to the customers because by that time the customer can direct the use of the goods and will obtain substantially all of the economic benefits from the goods.

The Group does not provide shipping and handling services after control of the goods is transferred to the customers.

Revenue recognition applicable before 1 January 2020

The Group recognized revenue when the customer obtains control of the goods. Indicators that control has been transferred are:

- The customer can direct the use of the goods acquired, and
- The customer will obtain the economic benefits from holding the goods.

Export sales are recognized when the control is transferred upon shipment of the goods to the customers in accordance with the sales term. Domestic sales are recognized when the control is transferred upon delivery of the goods to the customers.

Shipping and handling services is not considered as separately identifiable component of revenue. Instead, they are considered as fulfillment activities incidental to transferring the goods.

Service Concession Arrangement

Group recognizes a financial asset arising from a service concession arrangement when it has unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor. Such financial assets are measured at fair value on initial recognition and classified as loan and receivables. Subsequent to initial recognition, the financial assets are measured at amortized cost.

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

x. Revenue Recognition (Continued)

Service Concession Arrangement (Continued)

Construction services related to service concession arrangement are recognized as revenue in accordance with PSAK 72 ”Revenue from Contracts with Customers” (previously PSAK 34 “Construction Contracts”) using the percentage of completion method based on the assumption of zero profit margin, considering that the construction cost is approximate to the fair value of construction revenue.

Under the service concession arrangement, AANE received only one consideration for its services. Management is of the opinion that the margin of the overall consideration should then be split into two different activities i.e. (1) financing activities and (2) operation and maintenance activities. AANE employed the residual value method in allocating the margin of the overall consideration into financing, and operation and maintenance activities. The finance income from the financing activities is determined based on prevailing rate of lending for a similar concession arrangement.

Dividend Income

Dividend income from investments is recognized when the shareholders’ rights to receive the payment have been established.

Interest Income

Interest income is recognized on a timely basis, by reference to the outstanding principal and at the applicable effective interest rate.

y. Employee Benefits

The Company and certain subsidiary established defined benefit pension plan covering all the local permanent employees. In addition, the Group also provides post-employment benefits as required under Labor Law No. 13/2003 (the “Labor Law”). For normal pension scheme, the Group calculates and recognizes the higher of the benefits under the Labor Law and those under such pension plan.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earning and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs. Gains or losses arising from actuarial remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income.

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

y. Employee Benefits (Continued)

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

z. 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 of the awards, 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 equity.

aa. Income Tax

The tax currently payable is based on taxable profit to the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax expense is determined based on the taxable income for the period computed using prevailing tax rates.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

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

aa. Income Tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax regulation) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

ab. Earnings per Share

Basic earnings per share is calculated by dividing net income attributable to the owners of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing net income attributable to the owners of the Company by the weighted average number of shares outstanding which has taken into account all effects of all dilutive potential ordinary shares.

ac. Segment Information

Operating segments are identified based on internal reports on components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

a) That engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);
b) Whose operating results are reviewed regularly by the entity’s chief operating decision maker responsible for resources allocation to the segments and assessment of its performance; and
c) For which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of their performance is specifically focused on the category by industry.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, the Board of Directors are required to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are made based on historical experience and other relevant factors. Actual results may differ from these estimated amounts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the consolidated financial statements, apart from those involving estimates, which are described below.

Key Sources of Estimation Uncertainty

Information about the assumptions and estimation uncertainties that may result in causing a material adjustment to the carrying amounts of assets and liabilities within the following year, are discussed below:

i. Impairment Loss on Loans and Receivables

The Group assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, management makes judgement as to whether there is objective evidence that loss event has occurred (Note 3h on impairment of financial assets). Management also makes judgement as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between the estimated loss and actual loss. The carrying amount of loans and receivables are disclosed in Notes 5, 6, 7, 8, 20 and 44.

ii. Estimated Useful Lives of Bearer Plants and Property, Plant and Equipment

The useful life of each item of the Group's palm oil plantations as well as property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is made based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectation differs from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. Future results of operation could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

The carrying amount of bearer plants and property, plant and equipment are disclosed in Notes 13 and 14.

iii. Biological Assets Valuation

As described in Note 3r, the fair value of FFB biological assets is estimated by reference to the projected harvest quantities and market price of FFB as at the financial position date, net of depreciation, upkeep and harvesting costs and estimated costs to sell. The estimation of fair value of biological assets is highly dependent on the weather, price and the related cost at the time of harvesting. The carrying amount of biological assets is disclosed in Note 11.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

iv. Impairment of Goodwill

Determination of goodwill impairment requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected from the cash-generating unit using an appropriate growth rate and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill is disclosed in the consolidated statement of financial position and Note 18.

v. Allowance for Decline in Value of Inventories

The Group provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will affect the result of the Group’s operation.

The carrying value of inventories after the provision of the impairment loss of inventories is disclosed in Note 9.

vi. Realizability of Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Based on current assessment, management believes that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

The carrying amount of deferred tax assets is disclosed in Note 39.

vii. Employment Benefits

The cost of defined benefit plan and present value of the pension obligation are determined based on actuarial valuation which makes use of various assumptions such as discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. The defined benefit obligation is highly sensitive to changes in the assumptions.

The carrying amount of the obligation is disclosed in Note 26.

viii. Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is calculated based on the available data from binding sales transactions done at an arm’s length term of similar assets or observable market price less incremental costs for disposing the asset. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the specific risks to the asset.

ix. Valuation of Financial Instruments

As described in Note 48, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 48 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

5. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
	US$	US$
Cash on hand	254,502	104,412
Bank - third parties		
Rupiah		
PT Bank Mandiri (Persero) Tbk	3,502,697	2,107,785
PT Bank OCBC NISP Tbk	3,234,362	1,776,919
PT Bank CIMB Niaga Tbk	527,284	405,859
PT Bank Rakyat Indonesia (Persero) Tbk	233,540	244,192
PT Bank Syariah Mandiri	230,081	241,787
PT Bank Negara Indonesia (Persero) Tbk	225,940	132,822
PT Bank Central Asia Tbk	30,203	116,203
PT Bank UOB Indonesia	58,786	689
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	24,929	22,117
U.S. Dollar		
PT Bank OCBC NISP Tbk	2,829,337	2,071,874
PT Bank Mandiri (Persero) Tbk	1,565,962	1,820,005
PT Bank CIMB Niaga Tbk	737,637	114,285
Bank OCBC Singapore	196,953	197,802
J.P. Morgan International Bank Ltd.	40,742	23,631
PT Bank UOB Indonesia	7,033	1,592
Credit Suisse Singapore	1,852	68
PT Bank BTPN Tbk	1,165	-
PT Bank Central Asia Tbk	308	4,408
Euro		
PT Bank Mandiri (Persero) Tbk	-	573
Time deposits - third parties		
Rupiah		
PT Bank OCBC NISP Tbk	226,870	2,198,715
PT Bank Mandiri (Persero) Tbk	116,943	114,745
U.S. Dollar		
PT Bank OCBC NISP Tbk	1,550,000	300,000
Credit Suisse Singapore	290,000	1,984,177
PT Bank CIMB Niaga Tbk	-	4,500,000
Total	15,887,126	18,484,660
Interest rate per annum of time deposits		
Rupiah	2.40%-6.30%	4.25%-6.30%
U.S. Dollar	0.23%-2.45%	1.23%-2.75%

As of 31 December 2020 and 2019, all of the Company's, ANJA's, SMM's, SIAIS', PPM's and PMP's bank accounts at PT Bank OCBC NISP Tbk were used as collateral for the bank loan obtained from PT Bank OCBC NISP Tbk (Note 21).

6. INVESTMENTS IN MARKETABLE SECURITIES

The fair value of the investments in money market fund and bonds is based on market value at the end of reporting period.

	31 December 2020		
	Acquisition cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	490,209	-	490,209
Bonds	65,000	(65,000)	-
Total	555,209	(65,000)	490,209

	31 December 2019		
	Acquisition cost	Unrealized loss	Fair value
	US$	US$	US$
Money market fund	2,290,209	-	2,290,209
Bonds	65,000	(65,000)	-
Total	2,355,209	(65,000)	2,290,209

All investments in marketable securities are placed with third parties.

7. TRADE ACCOUNTS RECEIVABLE

	31 December 2020	31 December 2019
	US$	US$
Third parties		
Palm oil	870,742	4,706,042
Electricity power	116,987	70,516
Sago starch	114,617	277,434
Others	34,007	30,262
Total	1,136,353	5,084,254

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

	31 December 2020	31 December 2019
	US$	US$
U.S. Dollar	-	3,291,667
Rupiah	1,136,353	1,792,587
Total	1,136,353	5,084,254

7. TRADE ACCOUNTS RECEIVABLE (Continued)

The summary of the aging profile of trade accounts receivable not impaired is as follows:

	31 December 2020	31 December 2019
	US$	US$
Not yet due	202,585	263,376
Overdue < 30 days	894,189	4,491,047
Overdue 31 - 60 days	39,579	329,831
Total	1,136,353	5,084,254

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

8. OTHER RECEIVABLES

	31 December 2020	31 December 2019
	US$	US$
MSOP and ESPP loan	2,864,065	-
Employee receivables	172,052	311,199
Others	714,650	723,762
	3,750,767	1,034,961
Less: allowance for impairment losses	(241,346)	(244,888)
Total	3,509,421	790,073

The Group provided an interest bearing loan to the Group's eligible employees to finance the purchase of the Company's shares through Management Stock Option Program (MSOP) and Employee Stock Purchase Plan (ESPP). The number of new shares issued for the MSOP and the number of treasury shares issued under ESPP are 18,650,000 shares and 15,000,000 shares, respectively. The loan bears interest at 5% per annum and will mature on 15 May 2021. As of 31 December 2020, the balance of MSOP and ESPP loan amounted to Rp 40.4 billion (equivalent to US$ 2.9 million). As of 31 December 2019, the MSOP and ESPP loan were presented as other non-current assets (Note 20).

Management believes that the allowance for impairment losses as of 31 December 2020 and 2019 of US$ 241,346 and US$ 244,888, respectively are adequate to cover any possible losses from uncollectible other receivables.

9. INVENTORIES

	31 December 2020	31 December 2019
	US$	US$
Palm oil	11,576,081	6,218,842
Sago starch	660,944	1,316,194
Supplementary materials, spareparts and others	5,876,433	5,487,625
Total	18,113,458	13,022,661
Allowance for decline in value of inventories	(981,276)	(1,288,435)
Net	17,132,182	11,734,226

	2020	2019
	US$	US$
Changes in the allowance for decline in value of inventories:		
Beginning balance	1,288,435	975,485
(Reversal) addition	(177,521)	842,871
Write-off	(129,638)	(529,921)
Ending balance	981,276	1,288,435

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

As of 31 December 2020 and 2019, ANJA's palm oil inventories amounting to US$ 4.5 million were used as collateral for the bank loan obtained from PT Bank OCBC NISP Tbk (Note 21).

Palm oil and sago starch inventories were insured against losses from fire and other risks under a blanket policy amounting to US$ 12.9 million and Rp 18.4 billion as of 31 December 2020 and US$ 13.1 million and Rp 15 billion as of 31 December 2019. Management believes that the insurance coverage is adequate to cover possible losses to the Group.

10. PREPAYMENTS AND ADVANCES

	31 December 2020	31 December 2019
	US$	US$
Prepayments:		
Insurance	222,874	230,960
Rent	145,649	362,812
Other	50,066	84,960
Value added taxes	23,716,581	23,670,324
Advances	919,451	996,365
Total	25,054,621	25,345,421

11. BIOLOGICAL ASSETS

The following is the carrying value movements of biological assets:

	31 December 2020	31 December 2019
	US$	US$
Fair value		
Beginning balance	3,050,900	1,573,973
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the year (Note 33)	167,568	1,467,337
Translation adjusments	15,972	9,590
Ending balance	3,234,440	3,050,900

The fair value of biological assets FFB is estimated by reference to the projected harvest quantities of fruits for one month after the reporting period and market price of FFB as at the financial position date, net of maintenance and harvesting costs and estimated costs to sell. The fair value technique is included in fair value measurement hierarchy level 3. The estimated fair value of biological assets would increase (decrease) if:

- The estimated prices for FFB and edamame were higher (lower);
- The estimated yields per hectare were higher (lower); and
- The estimated maintenance, harvesting and transportation costs were lower (higher).

12. INVESTMENTS IN EQUITY SECURITIES

This account represents the Group's investments in shares of other investees with ownership interest of less than 20%.

	31 December 2020			
	Acquisition cost	Acquisition cost after impairment	Changes in fair value	Fair value or acquisition cost after impairment
	US$	US$	US$	US$
PT Agro Muko	2,240,108	2,240,108	3,178,578	5,418,686
PT Moon Lion Industries Indonesia	1,026,225	643,164	-	643,164
Cyprium Australia Pty Ltd. (CYM) (formerly ARC Exploration Ltd. (ARC))	2,911,153	111,913	(105,277)	6,636
Others	41,964	-	-	-
Total (classified as non-current assets)	6,219,450	2,995,185	3,073,301	6,068,486

	31 December 2019			
	Acquisition cost	Biaya Acquisition cost after impairment	Changes in fair value	Fair value or acquisition cost after impairment
	US$	US$	US$	US$
PT Agro Muko	2,240,108	2,240,108	3,178,578	5,418,686
PT Moon Lion Industries Indonesia	1,026,225	643,164	-	643,164
Cyprium Australia Pty Ltd. (CYM) (formerly ARC Exploration Ltd. (ARC))	2,911,153	111,913	(104,636)	7,277
Others	41,964	-	-	-
Total (classified as non-current assets)	6,219,450	2,995,185	3,073,942	6,069,127

12. INVESTMENTS IN EQUITY SECURITIES (Continued)

Due to adoption PSAK 71, Financial Instruments, since 1 January 2020, the Group made an irrevocable election to present changes in the fair value of equity investments that are not held for trading in other comprehensive income. All gains or losses are recognized in other comprehensive income and are not reclassified to the income statement when the investments are disposed of, aside from dividends which are recognized in the income statement when the right to receive payment is established. Equity investments are recorded in non-current assets unless they are expected to be sold within one year.

Cyprium Australia Pty Ltd. (CYM) (formerly ARC Exploration Ltd.)

For the years ended 31 December 2020 and 2019, based on the quoted market price of CYM shares, the (decrease) increase in the fair value of CYM amounted to (US$ 641) and US$ 1,747, respectively, was recognized in other comprehensive income.

13. BEARER PLANTS

	1 January 2020	Additions	Deductions	Reclassification	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	208,013,369	-	(1,423,531)	62,907,957	1,411,942	270,909,737
Accumulated depreciation	(109,329,868)	(10,497,954)	1,423,531	-	(51,680)	(118,455,971)
	98,683,501	(10,497,954)	-	62,907,957	1,360,262	152,453,766
Immature plantation - at cost	173,201,813	32,147,370	(129,987)	(49,875,204)	(2,977,124)	152,366,868
	271,885,314					**304,820,634**

	1 January 2019	Additions	Deductions	Reclassification	Translation adjustments	31 December 2019
	US$	US$	US$	US$	US$	US$
Mature plantation						
Cost	203,134,786	-	(7,594,005)	11,018,392	1,454,196	208,013,369
Accumulated depreciation	(107,562,854)	(7,418,732)	5,915,578	-	(263,860)	(109,329,868)
	95,571,932	(7,418,732)	(1,678,427)	11,018,392	1,190,336	98,683,501
Immature plantation - at cost	133,240,869	45,912,406	(297,064)	(11,018,392)	5,363,994	173,201,813
	228,812,801					**271,885,314**

Depreciation expense allocated to cost of revenue for the years ended 31 December 2020 and 2019 amounted to US$ 10,497,954 and US$ 7,418,732, respectively (Note 33).

Borrowing cost capitalized to the acquisition cost of immature plantations for the years ended 31 December 2020 and 2019 amounted to US$ 9,265,564 and US$ 12,795,211, respectively.

As of 31 December 2020, amount of US$ 12,968,939 from KAL, PPM, and PMP relating to estate infrastructure, was reclassified from property, plant and equipment to bearer plants, whereas residual value of bearer asset amounted to US$ 63,814 was reclassification from advance.

13. BEARER PLANTS (Continued)

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

	31 December 2020		
	Mature plantation (hectare)	Immature plantation (hectare)	Total planted area (hectare)
Belitung, Bangka Belitung	10,121	4,134	14,255
Ketapang, West Kalimantan	9,180	403	9,583
Binanga, North Sumatera	8,185	1,569	9,754
Batang Angkola, North Sumatera	7,752	-	7,752
South Sorong, West Papua	2,639	5,468	8,107
Empat Lawang, South Sumatera	-	724	724
Total	37,877	12,298	50,175

	31 December 2019		
	Mature plantation (hectare)	Immature plantation (hectare)	Total planted area (hectare)
Belitung, Bangka Belitung	9,926	4,344	14,270
Ketapang, West Kalimantan	9,107	476	9,583
Binanga, North Sumatera	8,348	1,406	9,754
Batang Angkola, North Sumatera	7,752	-	7,752
Empat Lawang, South Sumatera	-	754	754
South Sorong, West Papua	-	7,908	7,908
Total	35,133	14,888	50,021

Management believes that there are no events or changes in circumstances that indicate any impairment on immature plantations and mature plantations as of 31 December 2020 and 2019.

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

14. PROPERTY, PLANT AND EQUIPMENT

	1 January 2020	Additions	Deductions	Reclassifications	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$	US$
Cost						
Direct acquisitions						
Land	78,917,997	95,366	(75,164)	-	(276,940)	78,661,259
Buildings, roads and bridges	88,861,717	563,083	(94,811)	15,554,007	37,818	104,921,814
Machinery and equipment	85,595,558	1,055,776	(346,408)	14,104,590	(55,019)	100,354,497
Computer and communication equipment	816,712	85,435	(6,941)	-	(9,017)	886,189
Office equipment, furniture and fixtures	5,142,412	147,229	(75,581)	67,826	(14,553)	5,267,333
Motor vehicles	9,095,685	90,673	(147,083)	1,310	(66,022)	8,974,563
Construction in progress	56,243,764	12,065,140	-	(42,696,672)	(2,032,077)	23,580,155
Total cost	324,673,845	14,102,702	(745,988)	(12,968,939)	(2,415,810)	322,645,810
Accumulated depreciation						
Direct acquisitions						
Buildings, roads and bridges	(34,289,371)	(4,904,746)	70,570	-	17,772	(39,105,775)
Machinery and equipment	(47,819,125)	(3,288,184)	336,672	-	49,866	(50,720,771)
Computer and communication equipment	(642,088)	(154,776)	6,897	-	79,693	(710,274)
Office equipment, furniture and fixtures	(3,635,695)	(427,632)	74,897	-	(63,771)	(4,052,201)
Motor vehicles	(6,350,142)	(707,071)	147,083	-	22,673	(6,887,457)
Total accumulated depreciation	(92,736,421)	(9,482,409)	636,119	-	106,233	(101,476,478)
Impairment provision	(14,700,165)	-	-	-	391,835	(14,308,330)
Net carrying amount	**217,237,259**					**206,861,002**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2019	Additions	Deductions	Reclassifications	Translation adjustments	31 December 2019
	US$	US$	US$	US$	US$	US$
Cost						
Direct acquisitions						
Land	78,149,198	-	-	-	768,799	78,917,997
Buildings, roads and bridges	81,645,307	3,781,397	(144,307)	2,359,175	1,220,145	88,861,717
Machinery and equipment	83,839,929	1,193,231	(1,333,746)	402,494	1,493,650	85,595,558
Computer and communication equipment	474,676	39,346	(32,777)	236,257	99,210	816,712
Office equipment, furniture and fixtures	4,492,209	326,330	(401,650)	674,250	51,273	5,142,412
Motor vehicles	9,153,216	150,425	(401,398)	3,777	189,665	9,095,685
Construction in progress	35,032,127	23,141,434	-	(3,675,953)	1,746,156	56,243,764
Total cost	292,786,662	28,632,163	(2,313,878)	-	5,568,898	324,673,845
Accumulated depreciation						
Direct acquisitions						
Buildings, roads and bridges	(29,981,546)	(4,119,162)	41,420	-	(230,083)	(34,289,371)
Machinery and equipment	(46,060,314)	(2,517,388)	1,099,197	-	(340,620)	(47,819,125)
Computer and communication equipment	(340,439)	(158,542)	30,478	-	(173,585)	(642,088)
Office equipment, furniture and fixtures	(3,760,587)	(388,148)	392,606	-	120,434	(3,635,695)
Motor vehicles	(5,761,329)	(847,601)	357,134	-	(98,346)	(6,350,142)
Total accumulated depreciation	(85,904,215)	(8,030,841)	1,920,835	-	(722,200)	(92,736,421)
Impairment provision	(13,573,144)	(550,990)	-	-	(576,031)	(14,700,165)
Net carrying amount	**193,309,303**					**217,237,259**

As of 31 December 2020, there was reclassification from property, plant and equipment to bearer plants amount of US$ 12,968,939 from KAL, PPM, and PMP, relating to estate infrastructure.

As of 31 December 2020, management believes that the fair value of the property, plant and equipment is not significantly different with its net carrying amount, except for land. The total estimated fair value of land is US$ 391,360,443 (as of 31 December 2020, the carrying amount of these land is US$ 78,661,259). The fair value of these assets is measured based on the calculation by qualified appraiser using the market comparison (fair value level 2). The valuation model considers quoted market prices for similar assets when they are available.

Depreciation expense for the years ended 31 December 2020 and 2019 were allocated as follows:

	2020	2019
	US$	US$
Cost of revenue (Note 33)	8,120,084	6,445,828
General and administrative expenses (Note 35)	452,123	441,504
Capitalized to immature plantation	910,202	1,143,509
Total	9,482,409	8,030,841

Borrowing cost capitalized to the acquisition cost of property, plant and equipment for the years ended 31 December 2020 and 2019 amounted to US$ 644,470 and US$ 592,685, respectively.

ANJA and its subsidiaries own several parcels of land with cultivation rights title (HGU) totaling to 91,212 hectares in Binanga, Ramba, Batang Angkola and Siais (North Sumatera Province), Gantung and Dendang (Bangka and Belitung Province), Laman Satong, Kuala Satong and Kuala Tolak (West Kalimantan Province), Metamani, Kais, North Kokoda and South Aifat (West Papua Province) and land with building use rights title (HGB) covering a total area of 189 hectares in Dendang and Laman Satong. Those HGU and HGB will expire between 2035 and 2091.

GMIT and LSP own several parcels of land with HGB in Jember and Lumajang (East Java) and Sorong (West Papua). This HGB will expire between 2024 and 2042.

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

As of 31 December 2020, construction in progress represents buildings, roads and bridges under construction as well as machinery and equipment under installation which belong to the subsidiaries. These construction in progress are estimated to be completed between 2021-2022.

Property, plant and equipment, except land, were insured against fire, theft, earthquake, flood and other possible risks for a total coverage of US$ 71,501 thousand and Rp 1,021 billion as of 31 December 2020 and US$ 71,952 thousand and Rp 1,935 billion as of 31 December 2019. Management believes that the insurance coverage is adequate to cover the possible losses on the assets insured.

Cost of fully depreciated property, plant and equipment which were still utilized in operation as of 31 December 2020 and 2019 amounted to US$ 46,449,942 and US$ 45,832,918, respectively.

Certain property, plant and equipment were sold and disposed in 2020 and 2019. The reconciliation between gain (loss) on sale and disposal of property, plant and equipment and proceeds from sale of property, plant and equipment are as follows:

	2020	2019
	US$	US$
Proceeds from sale of property, plant and equipment	155,272	258,021
Net carrying amount of property, plant and equipment sold and disposed	(109,869)	(393,043)
Gain (loss) on sale and disposal of property, plant and equipment (Note 38)	45,403	(135,022)

15. INTANGIBLE ASSETS

	1 January 2020	Additions	Deductions	Translation adjustments	31 December 2020
	US$	US$	US$	US$	US$
Landrights					
Cost	1,075,310	24,470	(1,372)	(5,598)	1,092,810
Accumulated amortization	(186,200)	(29,833)	909	1,729	(213,395)
	889,110				879,415
Software and implementation					
Cost	2,223,242	14,508	(171,262)	(5,942)	2,060,546
Accumulated amortization	(1,554,595)	(373,009)	171,262	1,022	(1,755,320)
	668,647				305,226
	1,557,757				**1,184,641**

15. INTANGIBLE ASSETS (Continued)

	1 January 2019	Additions	Deductions	Translation adjustments	31 December 2019
	US$	US$	US$	US$	US$
Landrights					
Cost	1,057,676	-	-	17,634	1,075,310
Accumulated amortization	(162,877)	(16,241)	-	(7,082)	(186,200)
	894,799				889,110
Software and implementation					
Cost	2,231,283	51,653	-	(59,694)	2,223,242
Accumulated amortization	(1,180,474)	(370,545)	-	(3,576)	(1,554,595)
	1,050,809				668,647
	1,945,608				**1,557,757**

Amortization expense for the years ended 31 December 2020 and 2019 were allocated as follows:

	2020	2019
	US$	US$
General and administrative expenses (Note 35)	374,009	371,641
Cost of revenue	28,833	15,145
Total	402,842	386,786

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases office space and machineries. The leases of office space run for a period of 5 years and the leases of machineries run for a period of 2 year. There is an option to renew the lease of office space and machineries after the end of the contract term.

Right-of-use assets

	31 December 2020		
	Property	Machine	Total
	US$	US$	US$
Balance as of 31 December 2019	-	-	-
Adjustment to beginning balance	1,244,534	5,174	1,249,708
Balance as of 1 January 2020	1,244,534	5,174	1,249,708
Addition for the period	-	428,444	428,444
Depreciation allocated to general and administrative expense	(250,267)	(136,251)	(386,518)
Depreciation capitalized to construction in progress	-	(57,793)	(57,793)
Translation adjustment	(80,104)	(6,465)	(86,569)
Balance as of 31 December 2020	914,163	233,109	1,147,272

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

Lease liabilities

Future minimum lease payments for these leases as of 31 December 2020 was as follows:

	31 December 2020
	US$
Finance lease liabilities are payable as follows:	
2021	525,320
2022	324,096
2023	268,137
2024	268,137
Total future minimum lease payments	1,385,690
Interest portion of the lease payments	(204,072)
Present value of minimum lease payments	1,181,618
Lease liabilities-current maturities	(430,258)
Lease liabilities-net of current maturities	751,360

	31 December 2020
	US$
Amount recognized in profit or loss:	
Depreciation of right-of-use assets (Note 35)	386,518
Interest on lease liabilities (Note 37)	127,694
Expense relating to short-term leases (Note 35)	121,489
Total	635,701

Some leases of offices contain extension option exercisabe by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement whether it is reasonably Scertain to exercise the extension options. The Group reassesses this assessment if there is a significant event or significant change in circumstances within its control. The discount rate used in calculating the present value of the lease liabilities is 8.90%-9.25% as of 31 December 2020.

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

	31 December 2020
	US$
Lease Liabilities, 1 January 2020	1,635,882
Non-cash changes: interest amortization	127,694
Cash flows: payment of lease liabilities	(542,553)
Translation adjustments	(39,405)
Lease liabilities, 31 December 2020	1,181,618

17. ADVANCES

	31 December 2020	31 December 2019
	US$	US$
Third parties:		
Advances for legal processing of landrights	7,602,055	7,645,525
Advances for palm plantation	2,208,509	4,050,421
Advances for purchase of property, plant and equipment	1,847,926	2,742,350
Other advances	217,513	164,811
Total	11,876,003	14,603,107

17. ADVANCES (Continued)

Advances for legal processing of landrights represent payments to obtain HGU for several estates.

Advances for palm plantation represent down payments paid to third party contractors for land clearing and other activities related to the immature plantation.

18. GOODWILL

Goodwill represents the excess of acquisition cost over the Company's interest in the fair value of the net assets of ANJA and its subsidiaries at the acquisition date.

Management believes that there is no impairment loss on goodwill as of 31 December 2020 and 2019.

Impairment test of goodwill

The recoverable amount of the cash generating unit/CGU was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of CGU.

The key assumptions used in the calculation of the recoverable amount are set out below:

	31 December 2020	31 December 2019
Discount rate	4.80%	6.00%
Terminal value multiple	10	10
Budgeted revenue growth rate (average of next ten years)	5.06%	4.65%

The discount rate was a post-tax measure estimated based on past experience, and the relevant CGU's weighted average cost of capital.

The terminal value multiple is assumed based on management's experience and understanding of the relevant industry sector and capital market.

Ten years of future cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal industry growth rate for the country in which the CGU operates and the budgeted revenue growth rate (average of next ten years) estimated by management. The budgeted revenue growth rate (average of next ten years) was based on the past experience of the CGU and management's best knowledge of future industry outlook.

19. CLAIMS FOR TAX REFUND

	31 December 2020	31 December 2019
	US$	US$
Claims for tax refund	1,126,174	875,012
Overpayment of corporate income tax	4,788,407	8,005,333
Total	5,914,581	8,880,345

19. CLAIMS FOR TAX REFUND (Continued)

Overpayment of corporate income tax

As of 31 December 2019, overpayment of the corporate income tax balance represents corporate income tax overpayments of ANJA, ANJAS, KAL and SMM for fiscal year 2019, and corporate income tax overpayment of the Company, ANJAS and SMM for fiscal year 2018.

In May, June, and August 2020, the Company, ANJAS, and SMM have received the refund on corporate income tax overpayment for fiscal year 2018 amounting to US$ 268,036, US$ 1,704,583 and US$ 796,496, respectively from the total overpayment amount of US$ 670,172, US$ 1,819,759, and US$ 921,699, respectively (the remaining amount was recognized in the consolidated profit or loss).

As of 31 December 2020, overpayment of corporate income tax balance represents corporate income tax overpayments of the Company and KAL for fiscal year 2020, and ANJA, ANJAS, KAL and SMM for fiscal year 2019.

Other claims for tax refund

As of 31 December 2019, claims for tax refund balance represents ANJA's claim on prepaid VAT for fiscal year 2013 and 2017 and ANJAS' claim on prepaid VAT for fiscal year 2016 and fiscal period January-July 2017.

In July and August 2020, ANJA has received the refund on prepaid VAT for fiscal year 2017 amounting to US$ 21,456 from the total prepaid VAT amount of US$ 37,255 (the remaining amount was recognized in the current year's consolidated profit or loss).

As of 31 December 2020, ANJAS has written off claim on prepaid VAT for fiscal year 2016 and fiscal period January-July 2017 due to cancelation appeal to the Tax Court.

As of 31 December 2020, claims for tax refund balance represent ANJA's claim on prepaid VAT for fiscal year 2013, and KAL's claim on prepaid VAT for fiscal period February-December 2018 and fiscal period April-May 2020. As of 31 December 2020, ANJA's claim on prepaid VAT for fiscal year 2013 is in judicial review stage at the Supreme Court. Up to the date of the issuance of these consolidated financial statements, ANJA has not received the decision of this judicial review. As of 31 December 2020, KAL's claim on prepaid VAT for fiscal period February-December 2018 and April-May 2020 is in objection stage at Directorate General of Taxation. Up to the date of the issuance of these consolidated financial statements, KAL has not received the decision on this tax objection.

20. OTHER NON-CURRENT ASSETS

	31 December 2020	31 December 2019
	US$	US$
Advances for plasma and partnership plantation projects - net	12,010,641	10,427,420
Plasma receivables - net	8,607,760	7,597,692
MSOP and ESPP loan	-	3,227,352
Others	383,965	398,121
Total	21,002,366	21,650,585

Advances for plasma and partnership plantation projects represent payments made to develop palm oil plantation partnership by SMM, KAL and ANJAS and plasma palm oil plantation by PPM and PMP. Plasma receivables represent all payments made to develop palm oil plasma plantation by KAL, located in Ketapang, West Kalimantan, net of proceeds from loan facility for plasma financing. KAL has commitments on this plasma plantation project (Note 43c).

21. BANK LOANS

	31 December 2020	31 December 2019
	US$	US$
Short-term bank loans		
Rupiah		
PT Bank OCBC NISP Tbk		
Subsidiaries	742,999	1,473,635
U.S. Dollar		
PT Bank BTPN Tbk		
Subsidiaries	2,000,000	-
PT Bank CIMB Niaga Tbk		
The Company	400,000	-
PT Bank OCBC NISP Tbk		
Subsidiaries	-	1,000,000
Total	3,142,999	2,473,635
Long-term bank loans		
Rupiah		
PT Bank OCBC NISP Tbk		
Subsidiaries	94,617,957	175,027,337
PT Bank CIMB Niaga Tbk		
Subsidiaries	7,949,309	8,272,781
U.S. Dollar		
PT Bank OCBC NISP Tbk		
Subsidiaries	84,000,000	7,000,000
PT Bank BTPN Tbk		
Subsidiaries	6,800,000	-
Total	193,367,266	190,300,118
Less: deferred financing cost	(587,593)	(2,317,200)
Total	192,779,673	187,982,918
Long-term bank loan current maturities	(2,665,668)	(958,761)
Long-term bank loans - net of current maturities	190,114,005	187,024,157

	31 December 2020	31 December 2019
Effective interest rates per annum		
Short-term bank loans		
Rupiah	8.75% - 9.75%	9.25% - 9.50%
U.S. Dollar	2.64% - 4.28%	4.26%
Long-term bank loans		
Rupiah	8.75% - 10.00%	9.25% - 9.75%
U.S. Dollar	2.64% - 3.5%	4.26%

The following table summarizes the repayment schedule for principal balance of long-term bank loans as of 31 December 2020 and 2019:

	31 December 2020	31 December 2019
	US$	US$
Due:		
Within one year	2,665,668	958,761
1 - 5 years	188,255,657	78,546,675
> 5 years	2,445,941	110,794,682
Total	193,367,266	190,300,118

21. BANK LOANS (Continued)

PT Bank CIMB Niaga Tbk with the Company, KAL, and ANJA

On 28 July 2015, the Company, KAL, and ANJA entered into a short-term loan agreement with PT Bank CIMB Niaga Tbk for a total facility of US$ 35 million. On 16 October 2019, KAL was no longer the party in the loan agreement. On 20 October 2020, the loan agreement was amended and the total facility is US$ 30 million. The loan facility will expire on 28 July 2021. The loan bears annual interest rate at 2.5% to 3% above LIBOR for borrowings in U.S. Dollar and 2.25% to 3% above JIBOR for borrowings in Rupiah. The loan facility is secured with corporate guarantee from ANJA, ANJAS and SMM.

On 19 December 2016, ANJA and KAL entered into a long-term loan agreement with PT Bank CIMB Niaga Tbk. On 17 October 2019, the loan agreement was amended and therefore the credit facilities in ANJA and KAL were as follows:

- Credit facility of US$ 25 million or equivalent to Rp 337.5 billion. The facility bears annual interest rate at 3.5% above LIBOR for the U.S. Dollar withdrawal and annual interest rate at 3.5% above JIBOR for the Rupiah withdrawal. This facility is available until the due date of 19 December 2020. In May 2020, the interest rate was decreased to 2.5% above LIBOR.
- Credit facility of Rp 115 billion. The facility bears floating annual interest rate at 9.5%. This facility is available until the due date of 31 December 2026. In August 2020, the interest rate was decreased to 8.75% p.a.

The credit facilities are guaranteed with the fiduciary of machinery and equipment in KAL’s mill and bulking amounting to Rp 390.9 billion, assignment of insurance proceeds of machinery and equipment in KAL’s mill and bulking amounting to Rp 390.9 billion and corporate guarantee from ANJA, ANJAS and SMM.

The Company, ANJA and KAL should fulfill certain financial covenants in ANJA’s consolidated financial statements which among others maintaining a maximum leverage of 1.5x, interest bearing debt to EBITDA ratio of not more than 6.5x and 4.5x for financial year 2020 and 2021 and afterwards, respectively, interest service coverage ratio of not less than 2x and debt service coverage ratio of not less than 1.25x.

As of 31 December 2020 and 2019, the Company, ANJA and KAL are in compliance with the terms and conditions of the loan agreement.

PT Bank OCBC NISP Tbk (OCBC NISP)

<u>OCBC NISP with the Company, ANJA, PPM, PMP, ANJAS and SMM</u>

On 24 August 2015, the Company, ANJA, PPM, PMP, ANJAS and SMM entered into loan agreement with OCBC NISP. This loan agreement has been amended several times which on 27 February 2019, the credit facilities of the Company, ANJA, PPM, PMP, ANJAS and SMM were amended as follows:

- Overdraft credit facility of US$ 5 million with the allocation limit to the Company, ANJA, PMP and PPM of US$ 2 million, US$ 2 million, US$ 0.5 million and US$ 0.5 million, respectively. The credit facility is available until the due date of 19 March 2020.
- Demand Loan 1 credit facility of US$ 3 million or its equivalent in Rupiah and available until the due date of 19 March 2020.
- Demand Loan 2 credit facility of Rp 10 billion available only in Rupiah and US$ 5.6 million and available until the due date of 19 March 2020.
- Term Loan A credit facility of US$ 222 million or its equivalent in Rupiah for the Company, SMM, PPM and PMP. The credit facility is available until the due date of 19 March 2025 and can be extended until 19 March 2028.
- Term Loan B credit facility of US$ 20 million or its equivalent in Rupiah for the Company, PPM and PMP and available until the due date of 19 March 2025 and can be extended until 19 March 2028.

21. BANK LOANS (Continued)

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

- Foreign exchange transaction facility of US$ 10 million which is available until the due date of 19 March 2020.

Effective on 26 December 2019, the loan facilities bear annual interest rate at 2.5% above LIBOR for the U.S. Dollar withdrawal and floating annual interest rate at 1.25% below OCBC NISP's Prime Lending rate for the Rupiah withdrawal. In March 2020, this loan agreement was terminated.

On 20 March 2020, the Company, ANJA, PPM, PMP, ANJAS and SMM entered into a loan agreement with OCBC NISP. On 12 October 2020, the loan agreement was amended and therefore the credit facilities were as follows:

- Overdraft credit facility of US$ 5 million with the allocation limit to the Company, ANJA, PMP and PPM of US$ 2 million, US$ 2 million, US$ 0.5 million and US$ 0.5 million, respectively.
- Demand Loan 1 credit facility of US$ 8.62 million or its equivalent in Rupiah.
- Demand Loan 2 credit facility of Rp 55 billion available only in Rupiah.
- Term Loan 1 credit facility of US$ 38 million or its equivalent in Rupiah for ANJA.
- Term Loan 2 credit facility of US$ 27 million or its equivalent in Rupiah for SMM.
- Term Loan 3 credit facility of US$ 22 million or its equivalent in Rupiah for ANJAS.
- Term Loan 4 credit facility of Rp 1,057 billion for PPM and PMP.
- Term Loan 5 credit facility of US$ 52 million or its equivalent in Rupiah for the Company, PPM and PMP.
- Foreign exchange transaction facility of US$ 20 million.
- Combined Trade Facility of US$ 12 million or its equivalent in Rupiah.

Term Loan facilities bear annual interest rate at LIBOR + 2.5% for the U.S. Dollar withdrawal and 8.75% for the Rupiah withdrawal. Combined Trade Facility and Demand Loan Facility bear annual interest rate at 3.5% for the U.S. Dollar withdrawal and 8.75% for the Rupiah withdrawal.

Effective from 26 August 2020, the loan facilities bear annual interest rate at 3.5% for the new U.S. Dollar withdrawal and annual interest rate at 8.75% for the new Rupiah withdrawal.

Overdraft, demand loan credit facilities and foreign exchange transaction facility are due on 19 March 2021, while the Term loan credit faciilities are due on 19 March 2025 and can be extended until 19 March 2028.

The loan facilities are guaranteed with:

- Pledges of ANJA's shares in SMM;
- Pledges of ANJA's shares in ANJAS;
- Pledges of the Company's shares in PMP;
- Pledges of the Company's shares in PPM;
- Pledges of ANJA's shares in PMP;
- Pledges of ANJA's shares in PPM;
- Corporate guarantee from ANJA;
- Fiduciary of inventory in the amount of US$ 4.5 million from ANJA;
- Charge over all accounts of the Company, ANJA, SMM, SIAIS, PPM and PMP at OCBC NISP; and;
- Assignment of insurance proceeds of inventory in the amount of US$ 4.5 million from ANJA.

21. BANK LOANS (Continued)

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

Combined Trade Facilities are guaranteed with fiduciary of account receivable in the amount of US$ 3 million each from ANJA, SMM, ANJAS; and US$1.5 million each from PPM and PMP.

The Company, ANJA, PPM, PMP, ANJAS and SMM should fulfill certain financial covenants in the Group's consolidated financial statement which among others maintain debt to equity ratio at a maximum of 1x, debt service coverage ratio of not less than 1.25x and debt to EBITDA ratio of not more than 5.5x, 4.5x and 3.5x for the financial year 2021 until 2023 and afterwards, respectively.

The Company, ANJA, PPM, PMP, ANJAS and SMM should also fulfill certain non-financial covenants which among others maintain the ownership of Tahija family at least at 51%, restrict the Group to incur financial activities in the amounts which equivalent with the loan financing, submit the annual budget plan to the bank for the next accounting year at the latest 30 days after the year end of the current year and submit the loan monitoring report at the latest 60 days after the year end.

As of 31 December 2020 and 2019, the Company, ANJA, PPM, PMP, ANJAS and SMM are in compliance with the terms and conditions of the loan agreement.

OCBC NISP with KAL

On 29 January 2016, KAL entered into loan agreement with OCBC NISP which has been amended on 31 July 2019 for the following loan facilities:

- Term Loan 1 credit facility of Rp 225 billion bearing annual interest rate at 0.75% below OCBC NISP's Prime Lending rate. The loan facility will be due in 72 months after 29 January 2016.
- Term Loan 2 credit facility of Rp 75 billion, bearing annual interest rate at 0.75% below OCBC NISP's Prime Lending rate. The loan facility will be due in 60 months after 31 July 2019.
- Term Loan 3 credit facility of US$ 5 million with sub-limit facility Letter of Credit (LC) Sight/Usance of US$ 2.5 million, bearing annual interest rate at 3.25% above LIBOR for the U.S. Dollar withdrawal and annual interest rate at 0.75% below OCBC NISP's Prime Lending rate for the Rupiah withdrawal. The loan facility will be due in 84 months after 31 July 2019.
- Demand Loan facility amounting to US$ 4 million, bearing annual interest rate at 2.5% above LIBOR for the U.S. Dollar withdrawal and annual interest rate at 1% below OCBC NISP's Prime Lending rate for the Rupiah withdrawal. The loan facility will be due on 31 July 2020.
- Foreign exchange transaction facility of US$ 4.5 million. The loan facility will be due on 29 July 2020.

On 22 September 2020, the loan agreement was amended to be as follows:

- Term Loan 2 credit facility of Rp 75 billion. The loan facility will be due on 31 July 2024.
- Term Loan 3 credit facility of US$ 5 million with sub-limit facility Letter of Credit (LC) Sight/Usance of US$ 2.5 million. The loan facility will be due on 31 July 2026.
- Demand Loan facility amounting to US$ 4 million. The loan facility will be due on 31 July 2021.
- Foreign exchange transaction facility of US$ 4.5 million. The loan facility will be due on 31 July 2021.

Effective on 10 August 2020, the loan facilities bear annual interest rate at 3.5% for the U.S. Dollar withdrawal and 8.75% for the Rupiah withdrawal.

21. BANK LOANS (Continued)

OCBC NISP with KAL (Continued)

KAL should fulfill certain financial covenants which among others maintain debt to equity ratio at a maximum of 2x and debt service coverage ratio of not less than 1.25x and current ratio of not less than 1x.

The credit facilities are guaranteed with the fiduciary of machinery and equipment in KAL's mill and bulking amounting to Rp 390.9 billion, assignment of insurance proceeds of machinery and equipment in KAL's mill and bulking amounting to Rp 390.9 billion and corporate guarantee from ANJA, ANJAS and SMM.

As of 31 December 2020 and 2019, KAL is in compliance with the terms and conditions of the loan agreement.

OCBC NISP with GMIT

On 30 May 2016, GMIT entered into loan agreement with OCBC NISP. The loan agreement has been amended several times until 30 May 2019 and therefore the credit facilities in GMIT were as follows:

- Demand Loan credit facility of Rp 10.5 billion and available until the due date of 15 July 2020.
- Term Loan B and C credit facilities of Rp 63 billion and Rp 7 billion, respectively, and available until the due date of 5 June 2024.

Effective on 26 December 2019, the loan facilities bear annual interest rate at 1% below OCBC NISP's Prime Lending rate and effective on 26 September 2020 was changed to 8.75% per annum.

The credit facilities are mainly used for financing the operation of edamame business as well as the construction of frozen line facilities for edamame and other vegetables.

GMIT should fulfill certain financial covenants which among others:

- Debt to equity ratio at maximum 3x for year 2018 and 2019, 2x for year 2020 and 1x for year 2021 and afterwards.
- Debt service coverage ratio of not less than 1.25x as of March 2020 and afterwards.
- Current ratio of not less than 1x.

The credit facilities are guaranteed with GMIT's frozen line factory facilities along with its insurance claim, corporate guarantee from SMM and letter of awareness from Asia Frozen Food Corp.

On 13 July 2020, the loan agreement was amended to be as follows:

- Termination of Term Loan B and C credit facilities
- Demand Loan credit facility of Rp 10.5 billion is extended to be available until the due date of 31 May 2021 and bears annual interest rate of 9%.
- The credit facility is guaranteed with corporate guarantee from SMM and letter of awareness from Asia Frozen Food Corp.
- GMIT should fulfill financial covenants of current ratio of not less than 1x.

As of 31 December 2020 and 2019, GMIT is in compliance with the terms and conditions of the loan agreement.

21. BANK LOANS (Continued)

PT Bank BTPN Tbk with the Company, ANJA, ANJAS and SMM

On 16 March 2020, the Company, ANJA, ANJAS, and SMM entered into loan agreement with PT Bank BTPN Tbk. to obtain the following credit facilities:

- Loan on certificate facility of US$ 8 million with the allocation limit to the Company, ANJA, ANJAS and SMM of US$ 10 thousand, US$ 8 million, US$ 8 million and US$ 8 million, respectively. The credit facility is available until 30 September 2020 and due on 31 March 2025.
- Loan on note facility of US$ 2 million or its equivalent in Rupiah with the allocation limit to the Company, ANJA, ANJAS and SMM of US$ 10 thousand, US$ 2 million, US$ 2 million and US$ 2 million, respectively. The credit facility is available until 31 March 2021 and due in three months after the last utilization date of the facility.

The loan facilities bear annual interest rate at 2.5% above LIBOR for the U.S. Dollar withdrawal and floating annual interest rate at 3.25% above JIBOR for the Rupiah withdrawal.

The Company, ANJA, ANJAS and SMM should fulfill certain financial covenants in ANJA’s consolidated financial statements which among others maintain debt to equity ratio at a maximum of 1.25x and debt service coverage ratio of not less than 1.25x.

The credit facilities are guaranteed with the fiduciary of ANJAS’ present and future crude palm oil, machineries and the infrastructures amounting to Rp 100 billion.

22. TRADE ACCOUNTS PAYABLE

	31 December 2020	31 December 2019
	US$	US$
Third parties		
Palm oil	5,564,956	2,834,111
Sago	66,103	65,656
Others	30,831	135,480
Total	5,661,890	3,035,247

Based on currencies:

	31 December 2020	31 December 2019
	US$	US$
Rupiah	5,661,890	3,035,247
Total	5,661,890	3,035,247

23. TAXES PAYABLE

	31 December 2020	31 December 2019
	US$	US$
Corporate income tax		
The Company	-	3,892,008
Subsidiaries	2,947,598	652,587
Income taxes		
Article 21	257,608	333,598
Article 25	67,528	-
Other taxes	132,078	200,170
Total	3,404,812	5,078,363

24. OTHER PAYABLES

	31 December 2020	31 December 2019
	US$	US$
Payable to third parties	4,642,470	11,910,843
Contract liabilities	270,176	14,948
Total	4,912,646	11,925,791

Contract liabilities mainly represent receipt of cash advance from several customers for the sale of crude palm oil whose deliveries will be made based on further instructions from those customers.

All other payable is payable to third parties.

25. ACCRUED EXPENSES

	31 December 2020	31 December 2019
	US$	US$
Salaries, bonuses and allowances	3,326,517	1,910,426
Professional fees	818,231	441,524
Contractor	695,807	99,188
Interest	119,868	234,854
Others	1,122,266	1,253,508
Total	6,082,689	3,939,500

26. EMPLOYEE BENEFITS OBLIGATION

Defined Benefit Pension Plan

The Group provides post-employment benefits for their eligible employees in accordance with Labor Law No. 13/2003.

Except for AANE, ANJAP, ANJB, GSB and LSP, the pension fund for the Group's employees is managed by Dana Pensiun Lembaga Keuangan (DPLK) Manulife Indonesia, the deed of establishment of which was approved by the Minister of Finance of the Republic of Indonesia in its decision letter No. KEP-231/KM.17/1994 dated 5 August 1994.

The defined benefit pension plan typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan assets are placed at the state owned banks and in money market.

Interest Risk

A decrease in the bond interest rate will increase the plan liability, however this will be partially offset by an increase in the return on the plan's assets.

Salary Risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of the plan's participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in profit or loss and other comprehensive income in respect of the defined benefit costs are as follows:

	2020	2019
	US$	US$
Recognized in profit or loss:		
Current service cost	3,671,375	3,524,743
Past service cost	53,264	52,240
Termination cost, curtailment and settlement	1,298,205	318,613
Interest cost	1,481,049	1,334,183
Interest income on plan assets	(255,533)	(202,654)
Components of defined benefit costs recognized in profit or loss	6,248,360	5,027,125
Recognized in other comprehensive income:		
Remeasurement on the net defined benefit asset/liability:		
Return on plan assets	87,373	121,857
Actuarial loss/(gains)	930,375	(795,670)
Components of defined benefit costs recognized in other comprehensive income	1,017,748	(673,813)
Total	7,266,108	4,353,312

26. EMPLOYEE BENEFITS OBLIGATION (Continued)

All the expenses for the years ended 31 December 2020 and 2019 of US$ 6,248,360 and US$ 5,027,125, respectively, are recorded as part of personnel expenses and cost of revenue.

The amounts included in the consolidated statement of financial position arising from the Group's obligation in respect of the defined benefits plan is as follows:

	31 December 2020 US$	31 December 2019 US$
Present value of funded obligations	26,552,905	21,549,023
Fair value of plan assets	(6,233,219)	(3,833,687)
Net liability	20,319,686	17,715,336

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

	2020 US$	2019 US$
Opening balance of defined benefit obligation	21,549,023	17,775,220
Current service cost	3,671,375	3,524,743
Past service cost	53,264	52,240
Interest cost	1,481,049	1,334,183
Benefits paid	(992,005)	(1,030,146)
Remeasurement on the net defined benefit liability:		
Actuarial losses (gains) arising from changes in financial assumptions	761,695	(879,504)
Actuarial losses from experience adjustments	105,552	83,834
Actuarial losses from demographic assumptions	63,200	-
Foreign exchange differential	(140,248)	688,453
Ending balance of defined benefit obligation	26,552,905	21,549,023

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

	2020 US$	2019 US$
Opening balance of fair value of plan assets	3,833,687	1,253,759
Interest income	255,533	202,654
Remeasurement loss:		
Return on plan assets	(87,373)	(121,857)
Contributions from the employer	2,960,845	3,010,915
Foreign exchange differences on plans	23,723	96,084
Benefits paid	(753,196)	(607,868)
Ending balance of fair value of plan assets	6,233,219	3,833,687

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

	2020 US$	2019 US$
Cumulative amounts at beginning of year	3,687,614	3,013,801
Actuarial (loss) gain for the year	(1,017,748)	673,813
Cumulative amounts at end of year	2,669,866	3,687,614

26. EMPLOYEE BENEFITS OBLIGATION (Continued)

The major category of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows:

	Expected rate of return		Fair value of plan assets	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	%	%	US$	US$
Investment in money market	6.75%	7.60%	6,233,219	3,833,687
Fair value of plan assets			6,233,219	3,833,687

The fair value of the investments in money market are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

The cost of providing employee benefits is calculated annually by a qualified actuary, PT Dayamandiri Dharmakonsilindo. The actuarial valuation was carried out using the following key assumptions:

	31 December 2020	31 December 2019
Mortality rate	TMI 4 2019	TMI 3 2011
Normal pension age	56-60 years	56-60 years
Salary increment rate per annum	In 2021 is 3%, and then 8% thereafter	In 2020 is 2%, and then 8% thereafter
Discount rate per annum	5.70% - 7.47%	7.00% - 8.20%

Historical information:	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
	US$	US$	US$	US$	US$
Present value of defined benefit obligation	26,552,905	21,549,023	17,775,220	18,671,471	14,821,094
Experience adjustments	105,552	83,834	628,584	368,753	187,370

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher (lower), the defined benefit obligation would decrease to US$ 24,907,927 (increase to US$ 28,427,026) in 2020 and would decrease to US$ 20,162,789 (increase to US$ 23,124,152) in 2019.
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase to US$ 28,485,500 (decrease to US$ 24,855,937) in 2020 and increase to US$ 23,177,425 (decrease to US$ 20,115,938) in 2019.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognized in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

26. EMPLOYEE BENEFITS OBLIGATION (Continued)

Defined benefit pension plan of the Company, ANJA, ANJAS, KAL, SMM, PMP, PPM and GMIT are funded through DPLK Manulife Indonesia. There is no minimum funding requirement under the arrangement with DPLK Manulife Indonesia nor is there a minimum funding requirement under the prevailing regulations. As of 31 December 2020, defined benefit pension plan of AANE, ANJAP, ANJB, GSB and LSP is unfunded.

The average duration of the benefit obligation as of 31 December 2020 is 6.15 - 20.86 years (2019: 6.78 - 21.68 years). This number can be analysed from average expected future service of active members: 8.24 - 12.28 years for 2020 and 8.22 - 12.70 years for 2019.

27. CAPITAL STOCK AND TREASURY STOCK

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

	31 December 2020 and 2019			
		Percentage of	Total paid-in capital stock	
Name of shareholders	Number of shares	ownership	Rp	Equivalent in US$
PT Memimpin Dengan Nurani	1,370,050,012	41.3724%	137,005,001,200	14,040,188
PT Austindo Kencana Jaya	1,370,050,012	41.3724%	137,005,001,200	14,040,188
Mr. George Santosa Tahija	158,988,351	4.8011%	15,898,835,100	7,545,604
Mr. Sjakon George Tahija	158,891,813	4.7982%	15,889,181,300	7,541,023
Yayasan Tahija	1,500	0.0001%	150,000	73
Public (each below 5%)	253,523,700	7.6558%	25,352,370,000	3,130,595
Total outstanding shares	3,311,505,388	100.0000%	331,150,538,800	46,297,671
Treasury stock	42,669,612	-	4,266,961,200	437,637
Number of shares issued and fully paid	3,354,175,000	100.0000%	335,417,500,000	46,735,308

Based on Deed No. 98 of notary Dr. Ir. Yohanes Wilion, S.H., S.E., M.M. dated 31 May 2016, in accordance with the announcement to the Indonesian Stock Exchange dated 26 May 2016, the Company issued 18,650,000 shares with total nominal value of Rp 1,865,000,000 (equivalent to US$ 137,072) in relation with Management Stock Option Program. The Company has recorded an addition to shareholders' equity amounting to US$ 1.5 million as a result of this transaction.

In accordance with the announcement to the Indonesian Stock Exchange dated 27 June 2016, the Company issued 15,000,000 shares from its treasury stock to the Employee Stock Purchase Plan (ESPP) participants on 23 June 2016. The Company has recorded an addition to shareholders' equity amounting to US$ 1.4 million as a result of this transaction.

On 27 July 2016, the Company has reissued 57,981,688 shares from its treasury stock to PT Austindo Kencana Jaya, PT Memimpin Dengan Nurani, Mr. George Santosa Tahija and Mr. Sjakon George Tahija for a total value of Rp 103,564 million (equivalent to US$ 7,887,592). The difference of the proceeds with the carrying amount of the treasury stock were recorded as additional paid in capital.

As of 31 December 2020 and 2019, the total Company's public shares owned by the Company's Directors is amounted to 12,779,563 shares.

As discussed in Note 1c, the Company has acquired 115,651,300 shares of its issued and paid up shares from the shareholders who disagreed with the resolution of the Extraordinary General Meeting of Shareholders held on 22 June 2015 regarding the merger between the Company and PAM. Total acquisition cost of these treasury stock which was paid by the Company on 30 June 2015 amounted to Rp 141,840 million (including other direct acquisition cost of Rp 283 million) or equivalent to US$ 10.6 million. These shares are recorded as part of "treasury stock" in Equity. As of 31 December 2020 and 2019 , total treasury stock which were held by the Company was 42,669,612 shares with the value of US$ 3,926,668 at its acquisition cost.

28. ADDITIONAL PAID IN CAPITAL

	31 December 2020	31 December 2019
	US$	US$
Excess of IPO price over par value	37,643,466	37,643,466
Share issuance costs	(5,496,381)	(5,496,381)
Net excess of IPO proceeds over paid in capital	32,147,085	32,147,085
Management Stock Option Plan exercised	2,179,887	2,179,887
Lapsed Management Stock Option Plan	370,964	370,964
Sale of treasury stock	2,605,608	2,605,608
Subtotal	37,303,544	37,303,544
Differences in value from restructuring transaction between entities under common control:		
Sale of investment in shares of ANJHC	8,024,263	8,024,263
Sale of investment in shares of BKM	1,490,208	1,490,208
Sale of investment in properties	32,592	32,592
Sale of property, plant and equipment	3,569,959	3,569,959
Sale of other assets	(112,689)	(112,689)
Subtotal	13,004,333	13,004,333
Total	50,307,877	50,307,877

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

Sale of investment in shares of ANJHC

On 7 May 2012, the Company transferred 165,837,499 shares or 99.99% ownership in PT Austindo Nusantara Jaya Healthcare (ANJHC) to PT Austindo Nusantara Jaya Husada Cemerlang with the selling price of US$ 20,000,000. The difference between the selling price and the book value of equity transferred of US$ 8,024,263 represents difference in value from restructuring transaction between entities under common control.

Sale of investment in shares of BKM

On 23 July 2012, the Company transferred 27,750 shares in PT Bina Kosala Metropolitan (BKM) to PT Austindo Nusantara Jaya Husada Cemerlang with the selling price of US$ 2,630,886. The difference between the selling price and the book value of equity transferred of US$ 1,490,208 represents the difference in value from restructuring transaction between entities under common control.

Sale of investment properties

On 14 August 2012, the Company sold its investment in land and buildings to PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya with total selling price of US$ 2,606,165. The difference between the selling price and the book value of US$ 994,316 represents the difference in value from restructuring transaction between entities under common control.

On 5 September 2012, the Company sold its investment in properties to PT Austindo Nusantara Jaya Husada Cemerlang with the total selling price of US$ 4,324,371. The difference between the selling price and the book value of (US$ 961,724) represents the difference in value from restructuring transaction between entities under common control.

Sale of property, plant and equipment

On 6 December 2012, the Company sold building, office equipment, furniture and fixtures to PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya with a total selling price of US$ 2,970,834. The difference between the selling price and the book value of US$ 2,392,599 represents the difference in value from restructuring transaction between entities under common control.

On 16 May 2012, GMIT sold its land and building located in Jember to entities under common control, PT Memimpin Dengan Nurani and PT Austindo Kencana Jaya. The difference between the selling price and the book value of those land and building of US$ 1,177,360 was recorded as difference in value from restructuring transaction between entities under common control.

28. ADDITIONAL PAID IN CAPITAL (Continued)

Sale of other assets

On 29 June 2012, the Company sold other assets to Mr. Sjakon George Tahija with a selling price of US$ 42,440. The difference between the selling price and the book value of (US$ 112,689) represents the difference in value from restructuring transaction between entities under common control.

29. MANAGEMENT STOCK OPTIONS

The Company provides a management stock option plan (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 are 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
Tranche 3	11,925,000	8-May-15	8-May-18	327.26

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 was from 3 November 2014 until 12 December 2014. The exercise period for Tranche 1 and Tranche 2 in 2015 was from 8 May 2015 until 15 June 2015 and 2 November 2015 until 4 December 2015. The exercise period for Tranche 2 and Tranche 3 in 2016 is from 9 May 2016 until 10 June 2016. The exercise period for Tranche 3 in 2017 was from 3 May 2017 until 9 June 2017. The exercise price is Rp 1,095.

Fair value of stock options granted

The fair value of the stock options on the grant date was measured using the Black and Scholes model. As of 31 December 2017, there was no more outstanding stock options and all the stock options lapsed amounted to US$ 55,939 was reclassified to additional paid in capital (Note 28).

30. DIFFERENCE IN VALUE DUE TO CHANGES IN EQUITY OF SUBSIDIARIES AND OTHER RESERVES

Difference in Value Due to Changes in Equity of Subsidiaries

	31 December 2020	31 December 2019
	US$	US$
Effect of changes in equity resulting from step acquisition of ANJA	29,217,031	29,217,031
Effect of changes in equity resulting from remeasurement of functional currency in SMM	1,860,354	1,860,354
Effect of changes in equity of ANJA from option conversion and purchase of shares from non-controlling interests	(469,794)	(469,794)
Effect of changes in equity from share ownership in GMIT	98,775	98,775
Total	30,706,366	30,706,366

30. DIFFERENCE IN VALUE DUE TO CHANGES IN EQUITY OF SUBSIDIARIES AND OTHER RESERVES (Continued)

Other Reserves

	2020	2019
	US$	US$
Unrealized gain (loss) on investments in equity securities		
Beginning balance	2,279,299	2,277,552
Changes in fair value of investments in equity securities	(641)	1,747
Subtotal	2,278,658	2,279,299
Difference in translation of subsidiaries' financial statements in foreign currencies		
Beginning balance	(35,753,042)	(41,952,538)
Difference in translation of subsidiaries' financial statements in foreign currencies	4,301,374	6,199,496
Subtotal	(31,451,668)	(35,753,042)
Total	(29,173,010)	(33,473,743)

31. NON-CONTROLLING INTERESTS

	31 December 2020	31 December 2019
	US$	US$
PT Gading Mas Indonesia Teguh	1,859,256	652,243
PT Lestari Sagu Papua	130,537	125,091
PT Austindo Aufwind New Energy	3,331	2,849
PT Austindo Nusantara Jaya Agri	-	8,616
Total	1,993,124	788,799

Summarized financial information in respect to PT Gading Mas Indonesia Teguh and PT Lestari Sagu Papua, subsidiaries that has material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	2020	2019
	US$	US$
PT Gading Mas Indonesia Teguh		
Balance at beginning of year	652,243	847,700
Addition from capital injection	1,209,000	122,000
Share of loss for the year	(144,644)	(356,232)
Share of other comprehensive income (loss)	2,271	(4,796)
Translation adjustments	140,386	43,571
Total	1,859,256	652,243
PT Lestari Sagu Papua		
Balance at beginning of year	125,091	123,637
Share of profit (loss) for the year	7,022	(3,641)
Translation adjustments	(1,576)	5,095
Total	130,537	125,091

31. NON-CONTROLLING INTERESTS (Continued)

31 December 2020	PT Lestari Sagu Papua	PT Gading Mas Indonesia Teguh	Other subsidiaries with immaterial non-controlling interests	Total
	US$	US$	US$	US$
Non-controlling interests' percentage of ownership	49%	20%		
Current assets	183,564	1,284,931		
Non-current assets	88,297	10,863,755		
Current liabilities	(5,459)	(929,948)		
Non-current liabilities	-	(377,716)		
Capital paid in advance	-	(8,199,746)		
Net assets attributable to owners of the Company	266,402	2,641,276		
Capital paid in advance from non-controlling interests	-	1,331,000		
Net assets attributable to non-controlling interests	130,537	1,859,256	3,331	1,993,124
Revenue	14,330	461,280		
Expenses	-	(1,184,499)		
Profit (loss) for the year	14,330	(723,219)		
Total comprehensive loss attributable to owners of the Company	14,330	(711,863)		
Total comprehensive loss attributable to non-controlling interests	7,022	(142,373)	506	(134,845)
Difference in translation of subsidiaries financial statements in foreign currency	(1,576)	140,386	(8,640)	130,170
Total comprehensive loss attributable to non-controlling interests after translation	5,446	(1,987)	(8,134)	(4,675)
Cash flows from (used in) operating activities	14,062	(566,847)		
Cash flows used in investing activities	(161,235)	(777,987)		
Cash flows from financing activities	-	1,335,042		
Net decrease in cash and cash equivalents	(147,173)	(9,792)		

31 December 2019	PT Lestari Sagu Papua	PT Gading Mas Indonesia Teguh	Other subsidiaries with immaterial non-controlling interests	Total
	US$	US$	US$	US$
Non-controlling interests' percentage of ownership	49%	20.01%		
Current assets	171,236	553,904		
Non-current assets	89,593	11,130,499		
Current liabilities	(5,542)	(186,153)		
Non-current liabilities	-	(6,124,447)		
Capital paid in advance	-	(2,723,915)		
Net assets attributable to owners of the Company	255,287	2,649,888		
Capital paid in advance from non-controlling interests	-	122,000		
Net assets attributable to non-controlling interests	125,091	652,243	11,465	788,799
Revenue	-	332,031		
Expenses	(7,430)	(2,112,301)		
Loss for the year	(7,430)	(1,780,270)		
Total comprehensive loss attributable to owners of the Company	(7,430)	(1,804,237)		
Total comprehensive loss attributable to non-controlling interests	(3,641)	(361,028)	47,057	(317,612)
Cash flows used in operating activities	(3,424)	(1,276,244)		
Cash flows used in investing activities	-	(2,506,774)		
Cash flows from financing activities	-	3,725,661		
Net decrease in cash and cash equivalents	(3,424)	(57,357)		

32. REVENUE

Revenue consists of revenue from sales and service concession revenue.

	2020	2019
	US$	US$
Revenue from sales	163,525,401	129,910,970
Service concession revenue	574,243	444,304
Total	164,099,644	130,355,274

a. Revenue from Sales

	2020	2019
	US$	US$
Crude palm oil (CPO)	145,860,602	114,963,913
Palm kernel (PK)	15,308,410	13,574,978
Palm kernel oil (PKO)	351,398	-
Fresh fruit bunch (FFB)	319,928	-
Sago starch	1,207,268	1,019,630
Others	477,795	352,449
Total	163,525,401	129,910,970

b. Service Concession Revenue

	2020	2019
	US$	US$
Service concession revenue	464,163	328,056
Financing revenue from service concession	110,080	116,248
Total	574,243	444,304

33. COST OF REVENUE

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

	2020	2019
	US$	US$
Cost of sales	123,626,586	106,150,462
Cost of service concession	383,931	439,790
Total	124,010,517	106,590,252

a. Cost of Sales

	2020	2019
	US$	US$
Crude palm oil, palm kernel oil and palm kernel	118,401,744	100,480,574
Sago starch	4,570,653	4,471,272
Others	654,189	1,198,616
Total	123,626,586	106,150,462

33. COST OF REVENUE (Continued)

a. Cost of Sales (Continued)

	2020	2019
	US$	US$
Palm oil production costs		
Harvesting expenses	14,137,436	13,265,764
Maintenance costs of mature plantation	17,995,444	16,797,903
Factory overhead and indirect costs	28,707,490	20,929,057
Depreciation of mature plantation (Note 13)	10,497,954	7,418,732
Depreciation of property, plant and equipment (Note 14)	7,090,389	5,399,504
Purchases of Fresh Fruit Bunches	45,197,135	36,720,076
Impairment loss of inventories	80,990	-
Fair value adjustments on derivative instruments	(2,846,307)	4,029,641
Realized loss from derivative transactions, net	3,036,583	172,863
Total palm oil production costs	123,897,114	104,733,540
Sago starch production costs		
Tual harvesting costs	702,304	793,958
Sago processing costs	2,623,298	2,838,866
Impairment (reversal) loss for decline in value of sago inventories	(388,149)	184,447
Depreciation of property, plant and equipment (Note 14)	1,017,498	1,033,102
Total sago starch production costs	3,954,951	4,850,373
Depreciation of property, plant and equipment (Note 14)	12,197	13,222
Others	641,992	948,985
Finished goods:		
Beginning of year		
Palm oil	6,218,842	3,609,596
Sago starch	1,316,194	893,538
End of year		
Palm oil	(11,576,081)	(6,218,842)
Sago starch	(660,944)	(1,316,194)
Translation adjustments of inventories	(10,111)	103,581
Net changes in the fair values of biological assets and harvested agriculture produce transferred to inventories during the year (Note 11)	(167,568)	(1,467,337)
Cost of sales	123,626,586	106,150,462

The details of suppliers with purchases exceeding 10% of the total consolidated net fresh fruit bunches (FFB) purchases are as follows:

	2020		2019	
Name	Amount	Percentage of net purchases	Amount	Percentage of net purchases
	US$	%	US$	%
Haji Sati Rambe	9,137,937	20	6,325,903	17

b. Cost of Service Concession

For the years ended 31 December 2020 and 2019, this account mainly represents expenses in order to maintain production capacity according to the service concession contract, which amounted to US$ 383,931 and US$ 439,790, respectively.

34. PERSONNEL EXPENSES

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

35. GENERAL AND ADMINISTRATIVE EXPENSES

	2020	2019
	US$	US$
Professional fees	1,585,843	2,502,136
Tax penalty expenses	507,322	1,115,803
Travel and transportation	505,170	4,646,776
Depreciation of property, plant and equipment (Note 14)	452,123	441,504
Depreciation of right-of-use assets (Note 16)	386,518	-
Amortization of intangible assets (Note 15)	374,009	371,641
Membership and subscription fees	212,629	141,970
Training, seminars and meeting	181,768	238,601
Insurance	169,100	142,101
Office expenses	162,271	264,217
Communication and electricity	144,496	191,902
Rent	121,489	917,408
Repairs and maintenance	90,489	129,247
Custodian fees and bank charges	49,899	92,057
Donation	17,710	137,899
Impairment losses on financial assets	-	947,486
Others	493,259	377,902
Total	5,454,095	12,658,650

36. DIVIDEND INCOME

	2020	2019
	US$	US$
Investments in stocks	80,098	84,280
Money market funds	17,079	25,523
Total	97,177	109,803

37. FINANCE COSTS, NET

	2020	2019
	US$	US$
Finance income:		
Interest income from plasma receivables	567,311	1,304,821
Interest income from time deposits and current accounts	199,045	333,275
Amortized cost adjustment of the security deposit	-	50,680
Total	766,356	1,688,776
Finance costs:		
Loan interest expense	(3,056,057)	(1,746,634)
Amortization of financing cost	(142,211)	(82,243)
Interest on lease liabilities (Note 16)	(127,694)	-
Total	(3,325,962)	(1,828,877)
Total, net	(2,559,606)	(140,101)

38. OTHER INCOME, NET

	2020	2019
	US$	US$
Other income:		
Income from shell sales	589,130	349,004
Management service income from plasma and other third parties	308,073	387,916
Gain from sale of RSPO certificate	247,220	249,121
Insurance claim	101,342	247,402
Gain from sale of property, plants and equipment (Note 14)	45,403	-
Gain on sale of investments in associates and equity securities	-	13,966,798
Others	304,572	140,530
Total	1,595,740	15,340,771
Other expenses:		
Loss on sale and disposal of property, plant and equipment (Note 14)	-	(135,022)
Others	(63,552)	(666,275)
Total	(63,552)	(801,297)
Total, net	1,532,188	14,539,474

39. INCOME TAXES

Income tax expense of the Group consists of the following:

	2020	2019
	US$	US$
Current tax	6,686,462	9,728,661
Deferred tax:		
Origination and reversal of temporary differences	4,336,418	2,244,901
Adjustment due to change in tax rate	1,789,912	-
Other adjustment	-	61,593
Total income tax expense of the Group	12,812,792	12,035,155

On 31 December 2020, the corporate income taxes rate has reduced to 22% for fiscal year 2020-2021 and 20% for fiscal year 2022 onwards.

Current Tax

The reconciliation between consolidated profit before tax per consolidated statements of profit or loss and other comprehensive income and taxable income of the Company is as follows:

	2020	2019
	US$	US$
Consolidated profit before tax	15,023,617	7,476,963
(Profit) loss before tax of subsidiaries	(17,940,366)	16,283,210
Profit adjustment based on cost method	-	(811,801)
(Loss) profit before tax of the Company	(2,916,749)	22,948,372
Temporary differences:		
Bonus	307,846	(549,760)
Employee benefits (including foreign exchange effects)	269,437	(2,982,100)
Depreciation and amortization	199,095	24,110
Right-of-use assets	95,369	-
Subtotal	871,747	(3,507,750)

39. INCOME TAXES (Continued)

The reconciliation between consolidated profit before tax per consolidated statements of profit or loss and other comprehensive income and taxable income of the Company is as follows: (Continued)

	2020	2019
	US$	US$
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Interest income	(31,565)	(43,986)
Personnel expenses	844,147	1,292,444
Interest expense	25,851	107,161
Donation	-	14,438
Others	97,587	805,967
Subtotal	936,020	2,176,024
Total taxable (loss) income of the Company	(1,108,982)	21,616,646

	2020	2019
	US$	US$
Current income tax expense - the Company		
Current year	-	5,404,162
Adjustment to prior years' current income tax expense	(5,845)	(23,544)
Current income tax expense - subsidiaries		
PT Austindo Nusantara Jaya Agri and its subsidiaries	6,685,912	4,329,273
PT Gading Mas Indonesia Teguh	6,395	18,770
Total income tax expense - current	6,686,462	9,728,661

The Company has submitted its corporate income tax return for fiscal year 2019 in April 2020. As of the issuance date of these consolidated financial statements, the Company has not submitted its corporate income tax return for fiscal year 2020.

Deferred Tax

As of 31 December 2020 and 2019, the Company had temporary differences from employee benefits obligation, fixed assets, security deposit and investments in equity securities, bonus and right-of-use assets.

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

	31 December 2020	31 December 2019
	US$	US$
Tax loss carry forwards	9,060,016	13,649,101
Impairment provision of property, plant and equipment	2,758,728	3,180,924
Allowance for impairment of receivable from service concession arrangement	237,894	274,301
Allowance for decline in value of inventories	123,051	243,625
Provision for service concession arrangement	95,643	108,184
Bonus accrual	2,804	3,233
Total	12,278,136	17,459,368

The Group's tax loss carry forwards, which as of 31 December 2020 and 2019 amounting to US$ 66,406,849 and US$ 87,169,455, respectively, will expire between 2021 and 2025 (2019: will expire between 2020 and 2024) if not utilized against future taxable profits. Deferred tax assets have not been recognized with respect to certain portion of the tax loss carry forwards as of 31 December 2020 amounting to US$ 44,560,443 (2019: US$ 54,596,404), impairment provision of property, plant and equipment, allowance for decline in value of inventories, allowance for impairment of receivable from service concession arrangement, provision for service concession arrangement and bonus accrual, because it is not probable that future taxable profits will be available against which the Group can utilize the benefits therefrom. Realization of the Company's and subsidiary's deferred tax assets is dependent upon their profitable operations. Management believes that these deferred tax assets below are probable of being realized through offset against taxes due on future taxable income.

39. INCOME TAXES (Continued)

The details of deferred tax assets and liabilities of the Group are as follows:

	1 January 2020	Credited (charged) to profit or loss	Adjustment due to change in tax rate	Credited (charged) to other comprehensive income	Other adjustment	Translation adjustments	31 December 2020
	US$	US$		US$	US$	US$	US$
Deferred tax assets							
The Company	710,361	191,784	(158,791)	97,150	-	-	840,504
GMIT	911,295	(49,856)	(173,027)	(2,839)	-	(20,701)	664,872
ANJA	9,435,956	(4,328,285)	(1,476,851)	95,286	(48,785)	(266,321)	3,411,000
ANJAP	106,539	8,261	(21,399)	5,427	-	(1,796)	97,032
Total	11,164,151	(4,178,096)	(1,830,068)	195,024	(48,785)	(288,818)	5,013,408
Deferred tax liabilities							
AANE	(199,365)	(58,588)	48,230	756	-	2,563	(206,404)
ANJA	(174,222)	(99,734)	(8,074)	20,534	48,785	(8,582)	(221,293)
Total	(373,587)	(158,322)	40,156	21,290	48,785	(6,019)	(427,697)
Net		(4,336,418)	(1,789,912)	216,314	-		

	1 January 2019	Credited (charged) to profit or loss	Credited (charged) to other comprehensive income	Other adjustment	Translation adjustments	31 December 2019
	US$	US$	US$	US$	US$	US$
Deferred tax assets						
The Company	1,016,745	(876,937)	570,553	-	-	710,361
GMIT	900,988	(29,233)	7,989	-	31,551	911,295
ANJA	11,023,595	(1,160,899)	(644,957)	(111,637)	329,854	9,435,956
ANJAP	85,513	18,842	(1,686)	-	3,870	106,539
Total	13,026,841	(2,048,227)	(68,101)	(111,637)	365,275	11,164,151
Deferred tax liabilities						
AANE	(120,302)	(71,386)	(1,375)	-	(6,302)	(199,365)
ANJA	-	(125,288)	(98,978)	50,044	-	(174,222)
Total	(120,302)	(196,674)	(100,353)	50,044	(6,302)	(373,587)
Net		(2,244,901)	(168,454)	(61,593)		

A reconciliation between total income tax expense of the Group and the amount computed by applying the prevailing tax rates to profit before tax of the Company is as follows:

	2020	2019
	US$	US$
(Loss) profit before tax of the Company	(2,916,749)	22,948,372
Tax benefit (expense) at prevailing tax rates	641,685	(5,737,093)
Effect of non-tax deductible expenses (non-taxable income/subject to final tax):		
Interest income	6,944	10,996
Personnel expenses	(185,712)	(323,111)
Interest expense	(5,687)	(26,790)
Donation	-	(3,609)
Others	(21,469)	(201,492)
Total	(205,924)	(544,006)
Effect of change in tax rate	(158,791)	-
Adjustment to prior years' current income tax	5,845	23,544
Current year's unrecognized tax losses	(243,977)	-
Income tax benfit (expense) of the Company	38,838	(6,257,555)
Total income tax expense of subsidiaries	(12,851,630)	(5,777,600)
Total income tax expense of the Group	(12,812,792)	(12,035,155)

40. EARNING (LOSS) PER SHARE

The computation of profit (loss) per share attributable to the owners of the Company is based on the following data:

	2020	2019
	US$	US$
Earning (loss)		
Profit (loss) for the year attributable to owners of the Company	2,347,918	(4,196,839)
Number of shares		
Weighted average number of ordinary shares outstanding for basic profit (loss) per share computation	3,311,505,388	3,311,505,388
Weighted average number of ordinary shares outstanding for diluted profit (loss) per share computation	3,311,505,388	3,311,505,388
Earning (loss) per share		
Basic	0.000709	(0.001267)
Diluted	0.000709	(0.001267)

As of 31 December 2020 and 2019, the Company has no dilutive potential common shares.

41. DERIVATIVE INSTRUMENTS

a. ANJA entered into forward currency contract facilities with PT Bank OCBC NISP Tbk to minimize foreign exchange exposure. Foreign currency contracts require ANJA, at a future date, to buy and sell U.S. Dollar against Rupiah using the rates agreed at the inception of the contracts. As of 31 December 2020 and 2019, there was no outstanding balance of the facility.

b. As of 31 December 2020, ANJA and SMM have CPO commodity swap contracts with several financial institutions for a total notional amount of 4,000 metric tonnes and strike price at US$ 612 – US$ 750 per metric tonne. The commodity swap contracts will mature between January until March 2021.

c. On 9 March 2020, the Company, ANJA, SMM entered into a forward currency contract agreement for a total facility of US$ 20 million with PT Bank UOB Indonesia to minimize foreign exchange exposure. As of 31 December 2020, there was no outstanding balance of the facility.

d. On 20 October 2020, the Company, ANJA, and KAL entered into a forward currency contract agreement for a total facility of US$ 15 million with PT Bank CIMB Niaga Tbk to minimize foreign exchange exposure. This facility is due on 28 July 2021. On 31 December 2020, there was no outstanding balance of the facility.

42. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of Relationship

- Mr. George Santosa Tahija, Mr. Sjakon George Tahija, Yayasan Tahija, PT Memimpin Dengan Nurani (MDN) and PT Austindo Kencana Jaya (AKJ) are the Company’s shareholders.

Transaction with Related Parties

GMIT utilizes land and building in Jember owned by AKJ and MDN as its office, employee housing, training centre and warehouse in accordance with the lend and use agreement dated 17 May 2012. This agreement has been renewed and valid until 17 May 2022. Based on this lend and use agreement, GMIT has no obligation to pay anything to AKJ or MDN, however, GMIT has to bear and pay the Land and Building tax, fire insurance, repair and maintenance, electricity, water, telephone, security and all other maintenance costs related to the land and building during the lend and use period.

43. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

a. On 29 November 2012, Perusahaan Listrik Negara (PLN) and AANE entered into a Power Purchase Agreement (PPA) which is valid for 15 years since the signing date. AANE agreed to sell electricity power to PLN and PLN agreed to purchase the electricity power generated by the power plant built by AANE with a capacity of 1,200 kW in Desa Jangkang, subdistrict Dendang, regency of Belitung Timur. AANE has an agreed price of Rp 975/kWh, adjustable to new price if announced by PLN. AANE will also be responsible in designing, building, providing fund, construction, testing, commissioning and providing interconnection facilities and transaction points to connect the power plant owned by AANE to PLN's electricity system, operating and maintaining the power plant in accordance with standard operating procedures (SOP) as determined and agreed by both parties. Commercial date of operation for the electricity sales from AANE to PLN was 31 December 2013.

   On 18 December 2015, the PPA was amended to increase the electricity production capacity by 600 kW to 1,800 kW. All increase in electricity production from this capacity will continue to be sold to PLN. On 29 January 2016, PLN and AANE have signed the Commercial Operation Date Agreement for the increase of 600 kW electricity capacity.

   On 4 August 2016, the Minister of Energy and Mineral Resources (ESDM) issued Ministry Regulation No. 21 Tahun 2016 which determined the electricity tariff calculation using "Feed in Tariff" (FIT) scheme. Following this regulation, AANE received the approval letter from The Directorate General of Renewable Energy of Ministry of ESDM for the electricity tariff adjustment at US$ 0.1356/ kWh. Despite having received the approval letter from the Directorate General of Renewable Energy of Ministry of ESDM to apply the revised tariff, PLN declines to adopt the new tariff. In light of respecting the prevailing regulation, AANE has started charging PLN at the revised tariff of US$ 0.1356/kWh from October 2016. However, PLN continues to decline to pay AANE's invoices from October 2016 to December 2016 at the revised tariff therefore AANE has reduced the tariff using the old tariff.

   On 30 January 2017, the Minister of ESDM issued Minister Regulation No. 12 Year 2017 which further revised the tariff. Under this new regulation, the tariff is indexed to the Regional Cost of Production to Generate ("CPG"). If the Regional CPG is lower than the National CPG, the tariff will be based on the National CPG whereas if the Regional CPG exceeds the National CPG, the maximum tariff is 85% of the Regional CPG. AANE has discussed with PLN regarding the implementation of this regulation and in 2018, PLN has declined AANE's request to adjust the electricity tariff.

b. ANJAS, ANJA, PPM and PMP entered into security service agreements with PT Nawakara Perkasa Nusantara to provide security services. The agreements are valid from 9 January 2017 until 21 January 2019. On 18 September 2019, the agreements have been extended until 8 January 2021.

   On 10 December 2020, the agreements have been extended until 8 April 2021 for ANJA and ANJAS, 21 April 2021 for PPM and PMP. The total fees related to these security services are Rp 25.9 billion per year.

43. COMMITMENTS AND CONTINGENCIES (Continued)

c. Based on the Ministry of Agriculture Regulation No. 26 year 2007, KAL has plasma obligation for a minimum 20% of hectares. In July 2014, KAL allocate 2,431 hectares for plasma plantation that are owned by Bina Satong Lestari Cooperative, Laman Mayang Sentosa Cooperative and for cooperative in Desa Kuala Tolak which its establishment is still in process. Management cooperation agreements between KAL and Bina Satong Lestari Cooperative and Laman Mayang Sentosa Cooperative were signed on 19 August 2014, whereas KAL (referred to as the Nucleus) is required to perform the following, among others:

   - Act as business partner to develop the plantation for smallholders based on the mutual agreement between the Nucleus and the Cooperatives.
   - Purchase the fresh fruit bunches (FFB) produced by plasma plantations at prevailing price in West Kalimantan Province.
   - Plasma financing is derived from bank loan made between bank and the Cooperatives.

   The period of the agreement is 30 years.

   Meanwhile, the bank loan agreements between the cooperatives and PT Bank Mandiri (Persero) Tbk were signed on 22 August 2014. The loan facility was Rp 31.6 billion and Rp 130.3 billion, respectively and guaranteed by KAL. The bank loan period is until 2025, bearing floating interest rate of 10.75% p.a.

d. ANJA, ANJAS, KAL and SMM has CPO sales commitments with several customers for delivery of CPO in 2021 maximum of 18,300 metric tonnes per month and for delivery of PK maximum of 5,200 metric tonnes per month. The average sales price under this sales commitment is subject to variance adjustment calculated based on formula defined in these agreements. These commitments are cancellable with 1 to 3 months notice in advance.

e. SMM entered into cooperation agreements related to development and management of palm oil plantation with Mitra Anugrah Cooperative and Mitra Lestari Cooperative on 30 October 2014 and with Lindong Raya Cooperative, Gunong Nyerundong Cooperative, Sambang Jaya Makmur Cooperative and Tiong Sejahtera Cooperative on 13 April 2018, whereas SMM (referred to as the Nucleus) is required to perform the following, among others:

   - Act as business partner to develop the plantation for small holders based on the mutual agreement between the Nucleus and the Cooperatives (small holders).
   - Purchase the fresh fruit bunches (FFB) produced by plasma plantation at prevailing price in Bangka Belitung Province.
   - Plasma financing is derived from bank loan made between bank and the Cooperatives.

   The period of the agreement is 30 years.

   The bank loan agreements between Mitra Anugrah Cooperative and Mitra Lestari Cooperative and PT Bank CIMB Niaga Tbk were signed on 27 July 2016. The loan facility was Rp 3.7 billion and Rp 3.6 billion, respectively, and guaranteed by SMM. The bank loans' periods are until 2026 for Mitra Anugrah Cooperative and until 2024 for Mitra Lestari Cooperative, bearing floating interest rate of 9.00% p.a.

   Meanwhile, the bank loan agreements between Sambang Jaya Makmur Cooperative, Gunong Nyerundong Cooperative, Tiong Sejahtera Cooperative, Lindong Raya Cooperative and PT Bank CIMB Niaga Tbk were signed on 18 September 2018. The loan facility was Rp 3.9 billion, Rp 10.3 billion, Rp 3.7 billion and Rp 24.3 billion, respectively, and guaranteed by SMM. The bank loans' periods are until 2026 for Sambar Jaya Makmur Cooperative, Gunong Nyerundong Cooperative and Tiong Sejahtera Cooperative and until 2028 for Lindong Raya Cooperative, bearing floating interest rate of 9.00% p.a.

43. COMMITMENTS AND CONTINGENCIES (Continued)

f. In July 2018, ANJAS allocate 158 hectares for plasma plantation that are owned by Tani Binasari Cooperative. Management cooperation agreements between ANJAS and Tani Binasari Cooperative were signed on 12 July 2018, whereas ANJAS (referred to as the Nucleus) is required to perform the following, among others:

   - Act as business partner to develop the plantation for smallholders based on the mutual agreement between the Nucleus and the Cooperatives.
   - Purchase the fresh fruit bunches (FFB) produced by plasma plantations at prevailing price in North Sumatera Province.

   In September 2020, ANJAS and Tani Binasari Cooperative signed a "Loan Extinguishment Minutes" stating the termination of the cost of funds in 2020 and agreed to make an allowance at 15% of purchase FFB by ANJAS from Tani Binasari Cooperative for replanting funds in the future.

g. On 13 August 2014 and 5 May 2015, ANJAS and SMM entered into composting agreements with PT Bar Formula, respectively, where ANJAS and SMM must each pay for at least a total of 2,000 metric ton of compost fertilizer per month, subject to the minimum nutritional specifications, with the agreed prices for ANJAS and SMM of Rp 448,400 per metric ton and Rp 492,238 per metric ton, respectively. These agreed prices are subject to annual incremental of 2% starting from 1 January 2016. These agreements are valid for ANJAS and SMM until 12 August 2022 and 4 May 2023, respectively.

h. Other than the above commitments, the Group through its various subsidiaries have various contracts to assist the Group to develop its plantations. The contracts will expire throughout 2021 or 2022, but may be extended with agreements from both parties. The total significant contracts commitment as of 31 December 2020 is as follows:

	Contract value	Total amount have been paid
	US$	US$
USD	US$ 1.44 million	US$ 0.20 million
IDR	Rp 325.95 billion	Rp 219.10 billion

CONTINGENCIES

As of 31 December 2020, KAL, SMM and ANJAS are in the judicial review process relating to the request filed by the tax authorities with the Supreme Court. KAL, SMM and ANJAS have not recorded additional tax liabilities in relation to those ongoing judicial review because KAL, SMM and ANJAS assessed that KAL, SMM and ANJAS have technical ground to support its tax position.

44. SERVICE CONCESSION ARRANGEMENT

Energy Sales Contract (ESC) of AANE (Note 43a) fulfill all characteristics of a concession arrangement and the infrastructure arising from those contracts is controlled by the grantor, therefore, the management treated those contracts as service concession arrangements.

Receivable from Service Concession Arrangement

The movement in the net carrying amount of receivable from service concession arrangement is as follows:

	2020	2019
	US$	US$
Balance at beginning of year	913,460	921,331
Repayment	(54,618)	(45,510)
Translation adjustments	(15,031)	37,639
Balance at end of year	843,811	913,460
Less:		
Current maturity	(64,228)	(57,266)
Non-current portion	779,583	856,194

AANE has used an implicit interest rate of 13%.

Provision For Service Concession Arrangement

The provision for service concession arrangement represents the present value of minimum contractual obligations from the related service concession arrangement.

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

	2020	2019
	US$	US$
Balance at beginning of year	432,737	383,034
Provision during the year	66,561	33,138
Realization during the year	(58,567)	-
Translation adjustment	(5,992)	16,565
Balance at end of year	434,739	432,737
Less:		
Current maturity	(67,848)	-
Non-current portion	366,891	432,737

The discount rate used in calculating the present value of the AANE's provision is 5.70%-6.82% for 2020 (2019: 3.35%).

45. SEGMENT INFORMATION

For management reporting purposes, the Group is segmented into 4 segments based on product line, comprising of palm oil, sago, energy and others. These segments form the basis for operation segment reporting of the Group.

The organization of the Group is not entirely grouped by each business segment, therefore the segment information available on the earnings and assets is directly related to the main activity. The Group has no reasonable basis for allocating revenues, expenses and other assets to each segment. The Group's business segments operate in Indonesia.

45. SEGMENT INFORMATION (Continued)

Entity wide information

For the years ended 31 December 2020 and 2019, total revenue to external customers by geographical areas are as follows:

	2020	2019
	US$	US$
Domestic	76,640,100	96,579,910
Offshore countries	87,459,544	33,775,364
	164,099,644	130,355,274

As of 31 December 2020 and 2019, the total of non-current assets other than financial instruments and deferred tax assets (there are no rights arising from insurance contracts) amounted to US$ 536,771,389 and US$ 519,031,796, respectively, and all is located in Indonesia.

Below is the operating segment information:

a. Segment Results

	2020						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
Revenue	161,840,338	574,243	1,207,268	477,795	164,099,644	-	164,099,644
Cost of revenue	(118,401,744)	(383,931)	(4,570,653)	(654,189)	(124,010,517)	-	(124,010,517)
Gross profit	43,438,594	190,312	(3,363,385)	(176,394)	40,089,127	-	40,089,127
Foreign exchange (loss) gain, net	3,270,568	(200)	2,855	2,936	3,276,159	-	3,276,159
Selling expenses	(9,595,408)	-	(23,919)	(23,103)	(9,642,430)	-	(9,642,430)
Personnel expenses	(6,180,088)	(54,051)	(221,369)	(377,343)	(6,832,851)	-	(6,832,851)
General & administrative expenses	(7,021,467)	(62,170)	(526,666)	(201,643)	(7,811,946)	4,086,872	(3,725,074)
Other income (expense), net	1,370,649	-	(694)	201,754	1,571,709	(21,127)	1,550,582
Operating profit (loss)	25,282,848	73,891	(4,133,178)	(573,793)	20,649,768	4,065,745	24,715,513
Finance income (costs), net	(2,726,246)	4,297	14,145	4,111	(2,703,693)	237,315	(2,466,378)
Segment profit (loss) before tax	22,556,602	78,188	(4,119,033)	(569,682)	17,946,075	4,303,060	22,249,135
Unallocated loss before tax					(11,503,506)	4,277,988	(7,225,518)
Profit before tax					6,442,569	8,581,048	15,023,617
Income tax expense:							
Segment	(12,598,856)	(10,358)	(13,138)	(229,278)	(12,851,630)	-	(12,851,630)
Unallocated					38,838	-	38,838
Total income tax expense					(12,812,792)	-	(12,812,792)
Net profit (loss) for the year					(6,370,223)	8,581,048	2,210,825
Net profit (loss) for the year attributable to:							
Owners of the company					(6,233,130)	8,581,048	2,347,918
Non-controlling interests					(137,093)	-	(137,093)
Net profit (loss) for the year					(6,370,223)	8,581,048	2,210,825
Total comprehensive income attributable to:							
Owners of the Company					(2,736,079)	8,581,048	5,844,969
Non-controlling interests					(4,675)	-	(4,675)
Total comprehensive income					(2,740,754)	8,581,048	5,840,294

45. SEGMENT INFORMATION (Continued)

a. Segment Results (Continued)

	2019						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
COMPREHENSIVE INCOME							
Revenue	128,538,891	444,304	1,019,630	352,449	130,355,274	-	130,355,274
Cost of revenue	(100,480,574)	(439,790)	(4,471,272)	(1,198,616)	(106,590,252)	-	(106,590,252)
Gross profit	28,058,317	4,514	(3,451,642)	(846,167)	23,765,022	-	23,765,022
Foreign exchange (loss) gain, net	(494,261)	13	12,141	(1,892)	(483,999)	-	(483,999)
Selling expenses	(7,491,841)	-	(209,562)	(4,708)	(7,706,111)	-	(7,706,111)
Personnel expenses	(3,658,126)	(61,168)	(204,516)	(612,008)	(4,535,818)	-	(4,535,818)
General & administrative expenses	(12,484,175)	(61,348)	(737,472)	(332,976)	(13,615,971)	4,447,696	(9,168,275)
Other income (expense), net	1,249,158	-	4,686	(11,721)	1,242,123	(20,689)	1,221,434
Operating profit (loss)	5,179,072	(117,989)	(4,586,365)	(1,809,472)	(1,334,754)	4,427,007	3,092,253
Share of profit of equity-accounted investees	811,801	-	-	-	811,801	-	811,801
Finance income (costs), net	(146,604)	1,619	26,340	1,365	(117,280)	-	(117,280)
Segment profit (loss) before tax	5,844,269	(116,370)	(4,560,025)	(1,808,107)	(640,233)	4,427,007	3,786,774
Unallocated profit (loss) before tax					(774,239)	4,464,428	3,690,189
Profit (loss) before tax					(1,414,472)	8,891,435	7,476,963
Income tax expense:							
Segment	(5,677,053)	(71,386)	18,842	(48,003)	(5,777,600)	-	(5,777,600)
Unallocated					(6,257,555)	-	(6,257,555)
Total income tax expense					(12,035,155)	-	(12,035,155)
Loss for the year					(13,449,627)	8,891,435	(4,558,192)
Loss for the year attributable to:							
Owners of the Company					(13,088,274)	8,891,435	(4,196,839)
Non-controlling interests					(361,353)	-	(361,353)
Loss for the year					(13,449,627)	8,891,435	(4,558,192)
Total comprehensive income attributable to:							
Owners of the Company					(6,376,975)	8,891,435	2,514,460
Non-controlling interests					(317,612)	-	(317,612)
Total comprehensive income					(6,694,587)	8,891,435	2,196,848

b. Segment Assets and Liabilities

	31 December 2020						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	575,231,950	1,154,166	14,930,070	12,148,686	603,464,872	761,103	604,225,975
Unallocated assets					340,435,760	(308,517,923)	31,917,837
Total consolidated assets							636,143,812
LIABILITIES							
Segment liabilities	233,049,479	727,023	873,317	1,307,665	235,957,484	(1,072,152)	234,885,332
Unallocated liabilities					5,518,840	(17,715)	5,501,125
Total consolidated liabilities							240,386,457
Capital expenditure							
Segment	45,013,811	374	738,218	960,107	46,712,510	-	46,712,510
Unallocated					4,984	-	4,984
Total capital expenditure							46,717,494
Depreciation and amortization							
Segment	19,101,225	2,619	1,071,124	58,841	20,233,809	-	20,233,809
Unallocated					593,707	-	593,707
Total depreciation and amortization							20,827,516

45. SEGMENT INFORMATION (Continued)

b. Segment Assets and Liabilities (Continued)

	31 December 2019						
	Palm oil	Energy	Sago	Others	Total	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$
CONSOLIDATED FINANCIAL POSITION							
ASSETS							
Segment assets	554,865,936	1,179,882	16,849,762	11,684,403	584,579,983	1,807,288	586,387,271
Unallocated assets					346,655,630	(307,334,797)	39,320,833
Total consolidated assets							625,708,104
LIABILITIES							
Segment liabilities	229,762,872	814,419	1,083,413	6,310,600	237,971,304	(9,132,267)	228,839,037
Unallocated liabilities					8,471,558	(310,552)	8,161,006
Total consolidated liabilities							237,000,043
Capital expenditure							
Segment	71,891,671	-	845,941	1,449,480	74,187,092	-	74,187,092
Unallocated					409,130	-	409,130
Total capital expenditure							74,596,222
Depreciation and amortization							
Segment	14,325,500	947	1,056,021	39,949	15,422,417	-	15,422,417
Unallocated					413,942	-	413,942
Total depreciation and mortization							15,836,359

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

As of 31 December 2020 and 2019, the Group had monetary assets and liabilities in currencies other than U.S. Dollars as follows:

	31 December 2020		31 December 2019	
	Foreign currencies	Equivalent to US$	Foreign currencies	Equivalent to US$
Assets				
Cash and cash equivalents				
Rupiah	121,808,466,780	8,635,836	103,788,271,745	7,466,245
Euro	-	-	511	573
Trade accounts receivable				
Rupiah	16,028,259,065	1,136,353	24,918,751,887	1,792,587
Other receivables				
Rupiah	49,500,383,205	3,509,421	10,982,804,773	790,073
Receivable from service concession arrangement				
Rupiah	11,901,954,155	843,811	12,698,007,460	913,460
Prepayments - Value Added Taxes				
Rupiah	334,522,375,005	23,716,581	329,041,173,924	23,670,324
Other current assets				
Claims for tax refund				
Rupiah	16,846,208,015	1,194,343	12,163,541,812	875,012
Other non-current assets				
Rupiah	295,851,895,430	20,974,966	300,583,894,685	21,623,185
Total		60,011,311		57,131,459

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

	31 December 2020		31 December 2019	
	Foreign currencies	Ekuivalen/ Equivalent to	Foreign currencies	Ekuivalen/ Equivalent to
		US$		US$
Liabilities				
Short-term bank loans				
Rupiah	10,480,000,895	742,999	20,485,000,000	1,473,635
Trade accounts payable				
Rupiah	79,860,958,450	5,661,890	42,192,968,547	3,035,247
Taxes payable				
Rupiah	6,449,003,470	457,214	7,419,908,968	533,768
Long-term bank loans				
Rupiah	1,446,711,286,930	102,567,266	2,548,054,940,318	183,300,118
Other payables				
Rupiah	24,295,735,555	1,722,491	165,572,628,543	11,910,843
Accruals				
Rupiah	38,494,378,650	2,729,130	54,762,989,500	3,939,500
Provision for service concession arrangement				
Rupiah	6,131,993,595	434,739	6,015,477,037	432,737
Lease Liabilities				
Rupiah	16,666,721,890	1,181,618	-	-
Employee benefits obligation				
Rupiah	286,609,171,030	20,319,686	246,260,885,736	17,715,336
Total		135,817,033		222,341,184
Total liabilities, net		(75,805,722)		(165,209,725)

As of 31 December 2020 and 2019, the conversion rates used by the Group were as follows:

	31 December 2020	31 December 2019
	US$	US$
Currencies:		
1 Rupiah	0.000071	0.000072
1 Euro	0.813907	0.891741

In relation to the fluctuation of the U.S. Dollar exchange rate against foreign currencies, the Group recorded the foreign exchange net profit (loss) of US$ 3,137,837 and (US$ 564,928), respectively for the years ended 31 December 2020 and 2019.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital Risk Management

The Group manages capital risk to ensure that they will be able to continue as a going concern, in addition to maximizing shareholders profit through the optimization of the balance of debt and equity.

Management periodically reviews the Group’s capital structure. As part of this review, the Board of Directors considers the cost of capital and related risk.

The Group's capital structure consists of equity attributable to the owners of the Company (consisting of capital stock, additional paid in capital, difference in value due to changes in equity of subsidiaries, management stock option, other comprehensive income, and retained earnings) and debt. The Group is not required to meet certain capital requirements.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

a. Capital Risk Management (Continued)

The debt to equity ratio as of 31 December 2020 and 2019 were as follows:

	31 December 2020	31 December 2019
	US$	US$
Debts		
Short term bank loans	3,142,999	2,473,635
Long-term bank loan - current maturities	2,665,668	958,761
Long-term bank loans - net of current maturities	190,114,005	187,024,157
Lease liabilities - current maturities	430,258	-
Lease liabilities - net of current maturities	751,360	-
Total debt	197,104,290	190,456,553
Equity attributable to the owners of the Company	393,764,231	387,919,262
Debt to equity ratio	50.05%	49.10%

Categories and classes of financial instruments

	Financial assets/ liabilities at amortized cost	Investment in equity securities	Financial assets/ liabilities at fair value through profit or loss (FVTPL)
	US$	US$	US$
31 December 2020			
Current financial assets			
Cash in banks and cash equivalents	15,632,624	-	-
Investment in marketable securities	-	-	490,209
Receivable from service concession arrangement	64,228	-	-
Trade accounts receivable	1,136,353	-	-
Other receivables	3,509,421	-	-
Non-current financial assets			
Receivable from service concession arrangement	779,583	-	-
Investments in equity securities	-	6,068,486	-
Other non-current assets	21,002,366	-	-
Current financial liabilities			
Short-term bank loans	(3,142,999)	-	-
Trade accounts payable	(5,661,890)	-	-
Derivative payables	-	-	(2,037,319)
Other payables	(4,912,646)	-	-
Accrued expenses	(6,082,689)	-	-
Long term bank loan – current maturities	(2,665,668)	-	-
Lease liabilities - current maturities	(430,258)	-	-
Provision for service concession arrangement - current maturities	(67,848)	-	-
Non-current financial liabilities			
Long-term bank loans - net of current maturities	(190,114,005)	-	-
Lease liabilities - net of current maturities	(751,360)	-	-
Provision for service concession arrangement - net of current maturities	(366,891)	-	-
Total	(172,071,679)	6,068,486	(1,547,110)

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

a. Capital Risk Management (Continued)

	Loans and receivable	Available-for-sale financial assets	Assets/liabilities at fair value through profit or loss (FVTPL)	Financial liabilities at amortized cost
	US$	US$	US$	US$
31 December 2019				
Current financial assets				
Cash in banks	18,380,249	-	-	-
Investment in marketable securities	-	-	2,290,209	-
Receivable from service concession arrangement	57,266	-	-	-
Trade accounts receivable	5,084,254	-	-	-
Other receivables	790,073	-	-	-
Non-current financial assets				
Long-term receivable from service concession arrangement	856,194	-	-	-
Investments in available-for-sale financial assets	-	6,069,127	-	-
Other non-current assets	21,650,585	-	-	-
Current financial liabilities				
Short-term bank loans	-	-	-	(2,473,635)
Trade accounts payable	-	-	-	(3,035,247)
Derivative payables	-	-	(4,029,641)	-
Other payables	-	-	-	(11,910,843)
Accrued expenses	-	-	-	(3,939,500)
Long term bank loan - current maturities	-	-	-	(958,761)
Non-current financial liabilities				
Long-term bank loans - net of current maturities	-	-	-	(187,024,157)
Provision for service concession arrangement - net of current maturities	-	-	-	(432,737)
Other non-current liabilities	-	-	-	(13,288)
Total	46,818,621	6,069,127	(1,739,432)	(209,788,168)

b. Financial Risk Management Objectives and Policies

The Group's financial risk management objective and policy are implemented to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign currency risk, foreign currency sensitivity, interest rate risk, price risk, credit risk and liquidity risk. The Group operates within defined guidelines that are approved by the Board of Directors.

The Group divides risks into the following categories: market risk, credit risk and liquidity risk. Market risks include foreign exchange rate risk, interest rate risk and price risk. In managing risk, the Group considers priorities based on the probability of the risk will materialize and the scale of potential impacts if the risk occurs.

i. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuates following changes in foreign exchange currency rates.

The majority of the Group transactions are done in United States Dollar (U.S. Dollar) currency, which is also its functional and reporting currency.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

i. Foreign Currency Risk (Continued)

The Group has monetary assets and liabilities denominated in currencies other than U.S. Dollar (mostly Rupiah) as disclosed in Note 46. In the event of sharp fluctuations, the operating performance may be affected. However, management mitigates this risk exposure by monitoring the foreign currency rate fluctuation and maintaining the balance between present and future assets and liabilities in foreign currency.

Foreign currency sensitivity

The following table details the Group's sensitivity to 5%, as well as 2% increase and decrease in U.S. Dollar rate against Rupiah in 2020 and 2019, respectively 5% (2019: 2%) 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 the outstanding foreign currency denominated monetary assets and liabilities and shows their translation effects at year end for every 5% change in the foreign currency rates of Rupiah at 31 December 2020.

	31 December 2020	
	Impact from Rupiah	
	5%	-5%
	US$	US$
Assets		
Cash and cash equivalents	(431,792)	431,792
Trade accounts receivable	(56,818)	56,818
Other receivables	(175,471)	175,471
Receivable from service concession arrangement	(42,191)	42,191
Prepayments - Value Added Taxes	(1,185,829)	1,185,829
Claims for tax refund	(59,717)	59,717
Other non-current assets	(1,048,748)	1,048,748
Total *)	(3,000,566)	3,000,566
Liabilities		
Short-term bank loans	37,150	(37,150)
Trade accounts payable	283,095	(283,095)
Taxes payable	22,861	(22,861)
Long-term bank loans	5,128,363	(5,128,363)
Other payables	86,125	(86,125)
Accruals	136,457	(136,457)
Lease liabilities	59,081	(59,081)
Provision for service concession arrangement	21,737	(21,737)
Employee benefits obligation	1,015,984	(1,015,984)
Total *)	6,790,853	(6,790,853)
Total assets (liabilities) net	3,790,287	(3,790,287)

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

i. Foreign Currency Risk (Continued)

	31 December 2019	
	Impact from Rupiah	
	2%	-2%
	US$	US$
Assets		
Cash and cash equivalents	(149,325)	149,325
Trade accounts receivable	(35,852)	35,852
Other receivables	(15,801)	15,801
Receivable from service concession arrangement	(18,269)	18,269
Prepayments - Value Added Taxes	(473,406)	473,406
Claims for tax refund	(17,500)	17,500
Other non-current assets	(432,464)	432,464
Total *)	(1,142,617)	1,142,617
Liabilities		
Short-term bank loans	29,473	(29,473)
Trade accounts payable	60,705	(60,705)
Taxes payable	10,675	(10,675)
Long-term bank loans	3,666,002	(3,666,002)
Other payables	238,217	(238,217)
Accruals	78,790	(78,790)
Provision for service concession arrangement	8,655	(8,655)
Employee benefits obligation	354,307	(354,307)
Total *)	4,446,824	(4,446,824)
Total assets (liabilities) net	3,304,207	(3,304,207)

*) included the 2020 translation effect of assets and liabilities amounted to Rp 572.3 billion and Rp 1,602.2 billion (2019: Rp 538.6 billion and Rp 2,785.2 billion), respectively, from subsidiaries with Rupiah reporting currency.

Other than its impact to monetary assets and liabilities value of each entity within the Group, an increase or decrease of Rupiah to U.S. Dollar currency will also affect the Group's equity as a whole. The impact comes from the difference in net equity translation adjustments of subsidiaries with Rupiah reporting currency when they are consolidated into the Group's consolidated financial statements in U.S. Dollar. This impact is recorded as "Difference in translation of subsidiaries financial statements in foreign currencies" (part of other reserves).

The following table shows impact to other comprehensive income from the translation adjustments, if the U.S. Dollar increases or decreases by 5% and 2% against Rupiah, respectively for the years ended 31 December 2020 and 2019:

	2020		2019	
	5%	-5%	2%	-2%
	US$	US$	US$	US$
Translation adjustments	2,956,423	(2,956,423)	3,184,349	(3,184,349)

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

b. Financial Risk Management Objectives and Policies (Continued)

ii. Interest Rate Risk

The Group is exposed to the interest rate risk since it has cash and cash equivalents and certain financial assets and financial liabilities with both fixed and floating interest rates.

Interest rate profile

The Group financial instruments that are exposed to fair value interest rate risk (i.e. fixed rate instruments) and cash flow interest rate risk (i.e. floating rate instruments), are as follows:

	Carrying amount	
	31 December 2020	31 December 2019
	US$	US$
Financial assets:		
Floating rate		
Cash in banks	13,448,811	9,282,612
Time deposits	2,183,813	9,097,637
Investments in marketable securities	490,209	2,290,209
Total	16,122,833	20,670,458
Fixed rate		
Receivable from service concession arrangement	843,811	913,460
Financial liabilities:		
Floating rate		
Short-term bank loans	3,142,999	2,473,635
Long-term bank loans	192,779,673	190,300,118
Total	195,922,672	192,773,753
Fixed Rate		
Lease liabilities	1,181,618	-
Provision for service concession arrangement	434,739	432,737
Total	1,616,357	432,737

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.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

ii. Interest Rate Risk (Continued)

Sensitivity analysis for floating rate financial instruments

The following cash flows sensitivity analysis has been determined based on the exposure to interest rates for the Group's financial instruments outstanding at the reporting date. This analysis is prepared assuming the amount of financial instruments outstanding at the end of reporting period represents the balance throughout the year, taking into account the movement of the actual principal amount throughout the year. This sensitivity analysis utilizes the assumption of an increase and decrease of 25 basis points on the relevant interest rates with other variables held constant. The 25 basis points increase and decrease represents the management's assessment on rational interest rate changes after considering the current economic conditions.

	31 December 2020	
	+ 25 basis points	- 25 basis points
	US$	US$
Financial assets		
Cash in bank	33,622	(33,622)
Time deposits	5,460	(5,460)
Investments in marketable securities	1,226	(1,226)
Financial liabilities		
Provision for service concession arrangement	(1,256)	1,256
Lease liabilities	(2,954)	2,954
Short-term bank loans	(7,857)	7,857
Long-term bank loans	(483,418)	483,418
Total	(455,177)	455,177

	31 December 2019	
	+ 25 basis points	- 25 basis points
	US$	US$
Financial assets		
Cash and cash equivalents	23,207	(23,207)
Investments in marketable securities	5,726	(5,726)
Financial liabilities		
Provision for service concession arrangement	(1,082)	1,082
Short-term bank loans	(6,184)	6,184
Long-term bank loans	(475,751)	475,751
Total	(454,084)	454,084

iii. Price Risk

The Group is exposed to price risks arising from investments in marketable securities which are classified as financial assets at FVTPL. Investments in marketable securities is held for trading purposes. To manage price risk arising from investments in marketable securities, the Group diversifies its portfolio. Diversification of the portfolio is performed within the limits set by the Board of Directors.

The Group's investments in marketable securities (consisting of money market funds) is described in Note 6.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

iii. Price Risk (Continued)

The Group faces commodity price risk because crude palm oil ("CPO"), palm kernel oil ("PKO") and palm kernel ("PK") are commodity products traded in the global markets. CPO, PKO and PK prices are generally determined based on an international index as benchmark, which tend to be highly cyclical and subject to significant fluctuations. As a global commodity product, CPO, PKO and PK prices are principally dependent on the supply and demand dynamics of those products in the global export market. The Group has not entered into any CPO, PKO and PK pricing agreements to hedge its exposure to fluctuations in the prices but it may do so in the future. However, in order to minimize the risk, CPO, PKO and PK prices are negotiated with the customers to obtain favorable prices. ANJA and SMM entered into certain derivatives transactions for the purpose of economic hedge against commodity price risk.

iv. Credit Risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligation, resulting in a loss to the Group.

The Group's credit risk is primarily attributed to its cash and cash equivalents, trade receivables and plasma receivables. The Group places its cash and cash equivalents with credit worthy financial institutions. Management believes on its ability to control and maintain minimal exposure on credit risk considering the Group monitor the receivable collection in accordance with the credit terms in the sales agreements.

As for plasma receivables, the Group minimizes the credit risk by entering into legal agreement for sale of fresh fruit bunches by plasma plantations (Notes 43c, e and f).

Trade accounts receivable aging profile is disclosed in Note 7.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Group's exposure to credit risk.

v. Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of its financial assets and liabilities.

The following tables detail the Group's contractual details of financial assets and liabilities based on the remaining maturity profile as of 31 December 2020 and 2019. The tables represent the undiscounted cash flows and carrying amount of financial assets and liabilities based on the earliest required payment date:

	31 December 2020				
	Contractual cash flows				
	Less than 1 year	1 – 5 years	Beyond 5 years	Total	Carrying amount
	US$	US$	US$	US$	US$
Financial assets:					
Cash in banks and cash equivalents	15,632,624	-	-	15,632,624	15,632,624
Investments in marketable securities	490,209	-	-	490,209	490,209
Receivable from service concession arrangement	170,186	850,929	340,372	1,361,487	843,811
Trade accounts receivable	1,136,353	-	-	1,136,353	1,136,353
Other receivables	3,509,421	-	-	3,509,421	3,509,421
Other non-current assets	-	21,002,366	-	21,002,366	21,002,366
Total financial assets	20,938,793	21,853,295	340,372	43,132,460	42,614,784

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

v. Liquidity Risk (Continued)

	31 December 2020				
	Contractual cash flows				
	Less than 1 year	1 – 5 years	Beyond 5 years	Total	Carrying amount
	US$	US$	US$	US$	US$
Financial liabilities:					
Short-term bank loans:					
Rupiah	752,364	-	-	752,364	742,999
U.S. Dollar	2,414,071	-	-	2,414,071	2,400,000
Trade accounts payable	5,661,890	-	-	5,661,890	5,661,890
Derivative payable	2,037,319	-	-	2,037,319	2,037,319
Provision for service concession arrangement	67,848	387,196	47,543	502,587	434,739
Long-term bank loans:					
Rupiah	2,110,070	134,834,988	2,563,355	139,508,413	102,567,266
U.S. Dollar	1,332,405	99,819,597	-	101,152,002	90,800,000
Other payables	4,642,470	-	-	4,642,470	4,642,470
Lease liabilities	525,755	859,937	-	1,385,692	1,181,618
Accruals	6,082,689	-	-	6,082,689	6,082,689
Total financial liabilities	25,626,881	235,901,718	2,610,898	264,139,497	216,550,990
Total net liabilities	(4,688,088)	(214,048,423)	(2,270,526)	(221,007,037)	(173,936,206)

	31 December 2019				
	Contractual cash flows				
	Less than 1 year	1 – 5 years	Beyond 5 years	Total	Carrying amount
	US$	US$	US$	US$	US$
Financial assets:					
Cash and cash equivalents	18,484,660	-	-	18,484,660	18,484,660
Investments in marketable securities	2,290,209	-	-	2,290,209	2,290,209
Receivable from service concession arrangement	172,683	690,733	733,904	1,597,320	913,460
Trade accounts receivable	5,084,254	-	-	5,084,254	5,084,254
Other receivables	790,073	-	-	790,073	790,073
Other non-current assets	-	21,650,585	-	21,650,585	21,650,585
Total financial assets	26,821,879	22,341,318	733,904	49,897,101	49,213,241
Financial liabilities:					
Short-term bank loans					
Rupiah	1,517,681	-	-	1,517,681	1,473,635
U.S. Dollar	1,009,220	-	-	1,009,220	1,000,000
Trade accounts payable	3,035,247	-	-	3,035,247	3,035,247
Derivative payable	4,029,641	-	-	4,029,641	4,029,641
Provision for service concession arrangement	-	173,095	259,642	432,737	432,737
Long-term bank loans					
Rupiah	2,633,544	147,319,294	113,319,823	263,272,661	183,300,118
U.S. Dollar	-	3,971,191	4,424,018	8,395,209	7,000,000
Other payables	11,910,843	-	-	11,910,843	11,910,843
Accruals	3,939,500	-	-	3,939,500	3,939,500
Other non-current liabilities	-	13,288	-	13,288	13,288
Total financial liabilities	28,075,676	151,476,868	118,003,483	297,556,027	216,135,009
Total net liabilities	(1,253,797)	(129,135,550)	(117,269,579)	(247,658,926)	(166,921,768)

48. FAIR VALUE MEASUREMENTS

Fair value of financial instruments carried at amortized cost

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

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value measurement hierarchy of the Group's assets and liabilities

The following tables summarize the carrying amounts and fair values of the assets and liabilities, analyzed among those whose fair value is based on:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value measurements are based on market and net asset value adjusted with price of sales and purchase agreement, net present value and discounted cash flow models, comparison with similar instruments for which market observable price exist, or other valuation models.

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value measurements are based on net present value and discounted cash flow models that include information of projection for which that are no market observable exist such as CPO production, estimated capital expenditures and interest rates used for discount rate estimation.

48. FAIR VALUE MEASUREMENTS (Continued)

Fair value measurement hierarchy of the Group's assets and liabilities (Continued)

31 December 2020	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
Financial assets at FVTPL				
Investments in trading securities				
Investments in money market fund	490,209	-	-	490,209
Investment in equity securities				
Other investment	6,636	-	6,061,850	6,068,486
Non-financial assets				
Biological assets	-	-	3,234,440	3,234,440
Total	496,845	-	9,296,290	9,793,135
Financial liability				
Financial liability at FVTPL				
Derivative payable	-	2,037,319	-	2,037,319
Jumlah	-	2,037,319	-	2,037,319

31 December 2019	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
Financial assets at FVTPL				
Investments in trading securities				
Investments in money market fund	2,290,209	-	-	2,290,209
Available-for-sale financial Assets (AFS)				
Other investment	7,277	5,418,686	-	5,425,963
Non-financial assets				
Biological assets	-	-	3,050,900	3,050,900
Total	2,297,486	5,418,686	3,050,900	10,767,072
Financial liability				
Financial liability at FVTPL				
Derivative payable	-	4,029,641	-	4,029,641
Total	-	4,029,641	-	4,029,641

At 31 December 2020, other investment with carrying amount of USD 5,418,686 were transferred from Level 2 to Level 3 because of the absence of quoted prices for similar assets in the market. To determine the fair value of such instrument, management used a Discounted Cash Flows valuation technique in which certain significant inputs were based on non-observable market data, such as production volume, production cost and interest rate used for discount rate estimation. There were no transfers between Level 1 and 2 during the period and no transfers in either direction in 2020.

49. NON-CASH FINANCING AND INVESTING ACTIVITIES

	2020 US$	2019 US$
Non-cash financing and investing activities:		
Acquisitions of property, plant and equipment through:		
Reclassification from other advances	2,055,413	1,456,638
Other payables	1,715,642	6,370,094
Capitalization of amortization of financing cost	230,327	4,758
Depreciation of right-of-use asset	57,793	-
Addition of bearer plants through:		
Capitalization of depreciation of property, plant and equipment (Note14)	910,202	1,143,509
Amortization of financing cost	1,866,390	-
Reclassification from advances	63,814	-
Addition of other non-current assets through the amortized cost adjustment	-	50,680
Addition of deferred financing costs through other payables	200,000	-

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

	2020 US$	2019 US$
Beginning balance of short-term and long-term bank loans (Note 21)	190,456,553	171,416,082
Cash flows:		
Proceeds from short-term bank loans	104,583,764	100,677,772
Proceeds from long-term bank loans	175,853,400	52,867,062
Payments of short-term bank loans	(101,165,161)	(123,701,956)
Payments of long-term bank loans	(163,355,744)	(16,155,052)
Payments for deferred financing costs	(342,835)	(1,138,093)
Non-cash changes:		
Capitalization of amortization of financing cost	230,327	4,758
Amortization of financing cost	142,211	82,243
Foreign exchange differences	(10,479,844)	6,403,737
Ending balance of short-term and long-term bank loans (Note 21)	195,922,671	190,456,553

50. GLOBAL MACROECONOMIC UNCERTAINTY DUE TO COVID-19 PANDEMIC

Many countries, including Indonesia, have experienced and reported outbreaks of Covid-19. This global pandemic has created significant uncertainty in the macroeconomic conditions, including volatility in exchange rates and interest rates, volatility in commodity prices, disruption to supply chains and a significant slowdown in demand for commodity products, including palm oil.The Government of the Republic of Indonesia has launched various fiscal and monetary policy measures and is going to deploy the mass vaccinations in 2021 to counter the adverse impact of the Covid-19 outbreak, the outcome of which cannot be determined at present. As of the date of issuance of the Group's financial statement, there has been no significant adverse impact from the Covid-19 outbreak on the Group's operations. The Group has implemented policies and procedures at all its operational sites to monitor and manage the risks associated with Covid-19. However, much depends on the success of the vaccinations to stop the outbreak, the success of the Government's efforts to contain it and the successful implementation of the Government's fiscal and monetary policies. All these factors will affect the Group's operations in the near future.

51. SUPPLEMENTARY INFORMATION

The supplementary information on Appendices 1 to 11 presented the statements of financial position, profit or loss and other comprehensive income, changes in equity, cash flows and other explanatory information of the parent entity only. The parent entity only financial statements, which exclude the balances of the Company's subsidiaries, have been prepared using the accounting policies that are consistent with those applied to the Group's consolidated financial statements, except for investments in subsidiaries, which have been presented at cost.

PT AUSTINDO NUSANTARA JAYA Tbk

SUPPLEMENTARY INFORMATION
STATEMENTS OF FINANCIAL POSITION
PARENT ENTITY ONLY
31 DECEMBER 2020 AND 2019

	Notes	31 December 2020	31 December 2019
		US$	US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,883,215	7,417,303
Investments in marketable securities		490,209	2,290,209
Other receivables		1,751,139	657,254
Loan to a subsidiary	3	-	7,800,000
Prepayments and advances		59,641	193,353
TOTAL CURRENT ASSETS		5,184,204	18,358,119
NON-CURRENT ASSETS			
Investments in subsidiaries		274,457,299	274,320,348
Investments in equity securities		6,068,486	6,069,127
Advances		35,545,764	26,404,276
Deferred tax assets	2	840,504	710,361
Property and equipment		22,668,357	22,884,582
Right-of-use assets		660,911	-
Overpayment of corporate income tax	2	127,904	670,172
Other non-current assets		301,023	2,657,339
TOTAL NON-CURRENT ASSETS		340,670,248	333,716,205
TOTAL ASSETS		**345,854,452**	**352,074,324**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loan		400,000	-
Taxes payable	1	173,307	4,182,615
Other payables		24,691	349,872
Accruals		610,919	1,144,004
Lease liabilities-current maturities		148,478	-
TOTAL CURRENT LIABILITIES		1,357,395	5,676,491
NON-CURRENT LIABILITIES			
Lease liabilities-net of current maturities		607,801	-
Employee benefits obligation		3,553,644	2,795,068
TOTAL NON-CURRENT LIABILITIES		4,161,445	2,795,068
TOTAL LIABILITIES		**5,518,840**	**8,471,559**
EQUITY			
Capital stock - Rp 100 par value per share			
Authorized - 12,000,000,000 shares			
Issued and paid-up - 3,354,175,000 shares as of			
31 December 2020 and 2019		46,735,308	46,735,308
Additional paid in capital		41,136,732	41,136,732
Treasury stock		(3,926,668)	(3,926,668)
Other reserves		3,415,000	3,415,641
Retained earnings			
Appropriated		6,824,453	6,824,453
Unappropriated		246,150,787	249,417,299
TOTAL EQUITY		340,335,612	343,602,765
TOTAL LIABILITIES AND EQUITY		**345,854,452**	**352,074,324**

PT AUSTINDO NUSANTARA JAYA Tbk

SUPPLEMENTARY INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PARENT ENTITY ONLY
YEARS ENDED 31 DECEMBER 2020 AND 2019

		Year ended 31 December	
	Notes	**2020**	**2019**
		US$	**US$**
Dividend income		97,177	117,800
Revenue from management services	3	4,012,159	4,372,469
Interest income		276,673	205,813
Gain on sale of investments		-	28,820,560
Other income		33,515	-
TOTAL REVENUE		4,419,524	33,516,642
Personnel expenses		(5,341,481)	(6,142,332)
General and administrative expenses		(1,716,289)	(3,491,571)
Finance costs		(125,198)	(228,634)
Foreign exchange loss		(138,323)	(80,928)
Other expenses		(14,982)	(624,805)
TOTAL EXPENSES		(7,336,273)	(10,568,270)
(LOSS) PROFIT BEFORE TAX		**(2,916,749)**	**22,948,372**
Income tax benefit (expense)	2	38,838	(6,257,555)
(LOSS) PROFIT FOR THE YEAR		**(2,877,911)**	**16,690,817**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Changes resulting from actuarial remeasurements of employee benefits obligation		(485,751)	(2,282,211)
Income tax on items that will not be reclassified to profit or loss	2	97,150	570,553
		(388,601)	(1,711,658)
Items that will be reclassified subsequently to profit or loss:			
Changes in fair value of investments in equity securities		(641)	1,747
		(641)	1,747
Other comprehensive income, net of tax		**(389,242)**	**(1,709,911)**
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		**(3,267,153)**	**14,980,906**

PT AUSTINDO NUSANTARA JAYA Tbk

SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN EQUITY
PARENT ENTITY ONLY
YEARS ENDED 31 DECEMBER 2020 AND 2019

				Other reserves		Retained earnings		
	Capital stock	Additional paid in capital	Treasury stock	Unrealized gain (loss) on investments in equity securities	Translation adjustments	Appropriated	Unappropriated	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$
Balance as of 31 December 2018	**46,735,308**	**41,136,732**	**(3,926,668)**	**2,277,552**	**1,136,342**	**6,824,453**	**234,438,140**	**328,621,859**
Profit for the year	-	-	-	-	-	-	16,690,817	16,690,817
Other comprehensive income:								
Changes in fair value of investments in equity securities	-	-	-	1,747	-	-	-	1,747
Changes resulting from actuarial remeasurements of employee benefits obligation, net of tax	-	-	-	-	-	-	(1,711,658)	(1,711,658)
Balance as of 31 December 2019	46,735,308	41,136,732	(3,926,668)	2,279,299	1,136,342	6,824,453	249,417,299	343,602,765
Loss for the year	-	-	-	-	-	-	(2,877,911)	(2,877,911)
Other comprehensive income:								
Changes in fair value of investments in equity securities	-	-	-	(641)	-	-	-	(641)
Changes resulting from actuarial remeasurements of employee benefits obligation, net of tax	-	-	-	-	-	-	(388,601)	(388,601)
Balance as of 31 December 2020	**46,735,308**	**41,136,732**	**(3,926,668)**	**2,278,658**	**1,136,342**	**6,824,453**	**246,150,787**	**340,335,612**

PT AUSTINDO NUSANTARA JAYA Tbk

SUPPLEMENTARY INFORMATION
STATEMENTS OF CASH FLOWS
PARENT ENTITY ONLY
YEARS ENDED 31 DECEMBER 2020 AND 2019

	Year ended 31 December	
	2020	**2019**
	US$	**US$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from rendering of services	4,554,674	5,126,198
Payments to employees	(5,138,974)	(6,427,680)
Income taxes paid	(3,611,930)	(1,512,154)
Cash received from income tax restitution	268,036	-
Payments of employee benefits	(14,565)	(2,955,345)
Interest received	276,673	205,813
Payments for operating activities	(1,332,971)	(3,251,351)
Net cash used in operating activities	**(4,999,057)**	**(8,814,519)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	97,177	117,800
Acquisition of property and equipment	(4,984)	(408,815)
Proceeds from sale of property and equipment	150	-
Proceeds from sale investment in marketable securities	1,800,000	-
Additional investment in marketable securities	-	(2,000,000)
Acquisitions investments in subsidiaries	(47,283,838)	(18,260,790)
Sale of investments in associates and equity securities	-	47,270,961
Proceeds from capital decrease of investment in subsidiary	38,000,000	-
Acquisition of other non-current assets	-	(315)
Addition of advances	-	(19,162)
Net cash (used in) provided by investing activities	**(7,391,495)**	**26,699,679**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bank loan	7,330,000	39,418,629
Payments of short-term bank loan	(6,930,000)	(46,402,808)
Disbursement of loan to a subsidiary	(58,000,000)	(31,200,000)
Payments of loan from a subsidiary	65,800,000	23,400,000
Payments of interest	(124,904)	(202,636)
Lease liabilities payment	(218,632)	-
Net cash provided by (used in) financing activities	**7,856,464**	**(14,986,815)**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(4,534,088)**	**2,898,345**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**7,417,303**	**4,518,958**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**2,883,215**	**7,417,303**

1. TAXES PAYABLES

	31 December 2020	31 December 2019
	US$	US$
Corporate income tax Article 29 (Note 2)	-	3,892,008
Income tax:		
Article 4 (2)	9,224	4,013
Article 21	142,923	281,503
Article 23/26	2,717	1,949
Article 15	-	3,142
Value Added Taxes	18,443	-
Total	173,307	4,182,615

2. INCOME TAX

Income tax expense of the Company consists of the followings:

	2020	2019
	US$	US$
Current tax:		
Current year	-	5,404,162
Adjustment to prior years' current income tax	(5,845)	(23,544)
Deferred tax	(32,993)	876,937
Income tax (benefit) expense of the Company	(38,838)	6,257,555

On 31 December 2020, the corporate income taxes rate has decreased to 22% for fiscal year 2020 - 2021, and 20% for fiscal year 2022 onwards.

Current tax

The reconciliation between profit before tax of the Company per statements of profit or loss and other comprehensive income and taxable income of the Company is as follows:

	2020	2019
	US$	US$
(Loss) Profit before tax of the Company	(2,916,749)	22,948,372
Temporary differences:		
Bonus	307,846	(549,760)
Employee benefits (including foreign exchange effects)	269,437	(2,982,100)
Depreciation and amortization	199,095	24,110
Rental	95,369	-
Subtotal	871,747	(3,507,750)

2. INCOME TAX (Continued)

	2020	2019
	US$	US$
Non-tax-deductible expenses (non-taxable income/subject to final tax):		
Interest income	(31,565)	(43,986)
Personnel expenses	844,147	1,292,444
Interest expense	25,851	107,161
Donation	-	14,438
Others	97,587	805,967
Subtotal	936,020	2,176,024
Total taxable (loss) income of the Company	(1,108,982)	21,616,646

Current corporate income tax expense and (overpayment) payable of the Company are computed as follows:

	2020	2019
	US$	US$
Current tax expense - the Company	-	5,404,162
Less: prepaid taxes		
Article 23 - the Company	(127,904)	(112,154)
Article 25 - the Company	-	(1,400,000)
Corporate income tax (overpayment) payable	(127,904)	3,892,008

Deferred Tax

As of 31 December 2020 and 2019, the Company has temporary differences from employee benefits, fixed assets, security deposit and investments in equity, bonus and right-of-use asset. Realization of the Company’s deferred tax assets is dependent upon their profitable operations. Management believes that these deferred tax assets below are probable of being realized through offset against taxes due on future taxable income.

2. INCOME TAX (Continued)

The details of deferred tax assets of the Company are as follows:

	1 January 2020	Credited (charged) to profit or loss	Adjustment due to change in tax rate	Credit to other comprehensive income	31 December 2020
	US$	US$	US$	US$	US$
Employee benefits obligation	698,767	59,276	(144,465)	97,150	710,728
Security deposits	31,000	-	(6,200)	-	24,800
Investments in equity securities	14,546	-	(2,909)	-	11,637
Fixed assets	(33,952)	43,801	(3,310)	-	6,539
Bonus	-	67,726	-	-	67,726
Right-of-use-assets	-	20,981	(1,907)	-	19,074
Total	710,361	191,784	(158,791)	97,150	840,504

	1 January 2019	Credited (charged) to profit or loss	Credited to other comprehensive income	Other adjustment	31 December 2019
	US$	US$	US$	US$	US$
Employee benefits obligation	380,171	(745,525)	570,553	493,568	698,767
Security deposits	31,000	-	-	-	31,000
Investments in equity securities	14,546	-	-	-	14,546
Fixed assets	(39,981)	6,029	-	-	(33,952)
Bonus	631,009	(137,441)	-	(493,568)	-
Total	1,016,745	(876,937)	570,553	-	710,361

A reconciliation between income tax expense of the Company and the amount computed by applying the prevailing tax rates to (loss) profit before tax of the Company is as follows:

	2020	2019
	US$	US$
(Loss) Profit before tax of the Company	(2,916,749)	22,948,372
Tax benefit (expense) at prevailing tax rates	641,685	(5,737,093)

2. INCOME TAX (Continued)

	2020	2019
	US$	US$
Effect of non-tax deductible expenses (non-taxable income/subject to final tax):		
Interest income	6,944	10,996
Personnel expenses	(185,712)	(323,111)
Interest expense	(5,687)	(26,790)
Donation	-	(3,609)
Others	(21,469)	(201,492)
Total	(205,924)	(544,006)
Effect of change in tax rate	(158,791)	-
Adjustment to prior years' current income tax expense	5,845	23,544
Current year's unrecognized tax losses	(243,977)	-
Income tax expense of the Company	38,838	(6,257,555)

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of relationship

During 2020 and 2019, the following related parties, in which the Company is a shareholder (directly or indirectly), has transactions with the Company:

- PT Austindo Nusantara Jaya Agri (ANJA)
- PT Gading Mas Indonesia Teguh (GMIT)
- PT Sahabat Mewah dan Makmur (SMM)
- PT Austindo Nusantara Jaya Agri Siais (ANJAS)
- PT Kayung Agro Lestari (KAL)
- PT Galempa Sejahtera Bersama (GSB)
- PT ANJ Agri Papua (ANJAP)
- PT Permata Putera Mandiri (PPM)
- PT Putera Manunggal Perkasa (PMP)
- PT Austindo Nusantara Jaya Boga (ANJB)
- PT Austindo Aufwind New Energy (AANE)

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES (Continued)

Transaction with related parties

In the normal course of business, the Company entered into certain transactions with its related parties, including the followings:

- On 14 December 2015, the Company entered into a Management Service Agreement with each of its subsidiaries, to provide the subsidiaries with certain management assistance to support the business operation of the subsidiaries. In return, the subsidiaries shall pay the Company management fee on a monthly basis, as specified in the agreement between the Company and each subsidiary. This agreement has been renewed on 27 May 2019, except for GMIT on 29 October 2018 and KAL on 28 August 2020. This agreement for the period until 31 December 2020 and will be automatically extended for another one year period. Management fee charged to subsidiaries is amounted to US$ 4,012,159 and US$ 4,372,469 for the years ended 31 December 2020 and 2019, respectively.

- On 8 October 2019, the Company provided loan facility to ANJA amounting to US$ 15,000,000 with interest rate at 2.5% above LIBOR p.a to finance ANJA's operation and working capital. On 25 November 2019, both parties agreed to amend the loan facility to become US$ 50,000,000. This facility will be available until 7 October 2021. As of 31 December 2020 and 31 December 2019, the outstanding loan to ANJA is amounted to nil and US$ 7,800,000.

- On 3 February 2020, the Company provided loan facility to ANJAS amounting to US$ 22,000,000 with interest rate at 2.5% above LIBOR p.a to finance ANJAS's operation and working capital. This facility will be available for one year from agreement date and will be automatically extended for another one year period. As of 31 December 2020, the outstanding loan to ANJAS is amounted to nil.

3. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES (Continued)

Transaction with related parties (Continued)

– For the years ended 31 December 2020 and 2019, the Company received dividend distributions from the following related parties:

	2020 US$	2019 US$
PT Sahabat Mewah dan Makmur	-	7,997

– The Company paid benefits to its Commissioners and Directors as follows:

	2020 US$	2019 US$
Short-term employee benefits	3,193,699	4,206,269

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As of 31 December 2020 and 2019, investments in subsidiaries and associates were as follows:

Subsidiaries and associates names	Domicile	Nature of business	Percentage of Company's ownership 2020 %	Percentage of Company's ownership 2019 %	Percentage of Company's voting rights 2020 %	Percentage of Company's voting rights 2019 %
Direct Subsidiaries						
PT Austindo Aufwind New Energy (AANE)	Belitung, Bangka Belitung	Renewable energy	99.22	99.22	99.22	99.22
PT Austindo Nusantara Jaya Agri (ANJA)	Binanga, North Sumatera	Agribusiness	99.99	99.99	99.99	99.99
PT Austindo Nusantara Jaya Boga (ANJB)	Jakarta	Consumer products	99.99	99.99	99.99	99.99
PT Gading Mas Indonesia Teguh (GMIT)	Jember	Agribusiness	80.00	79.99	80.00	79.99
PT ANJ Agri Papua (ANJAP)	South Sorong, Papua	Agribusiness	99.32	99.81	99.99	99.99
Indirect Subsidiaries						
PT Galempa Sejahtera Bersama (GSB)	South Sumatera	Agribusiness	5.00	5.00	99.99	99.99
PT Putera Manunggal Perkasa (PMP)	South Sorong and Maybrat, Papua	Agribusiness	35.00	25.00	99.99	99.99
PT Permata Putera Mandiri (PPM)	South Sorong, Papua	Agribusiness	35.00	25.00	99.99	99.99
PT Sahabat Mewah dan Makmur (SMM)	Belitung, Bangka Belitung	Agribusiness	0.04	0.04	99.99	99.99
PT Austindo Nusantara Jaya Agri Siais (ANJAS)	South Angkola, North Sumatera	Agribusiness	-	-	99.99	99.99
PT Kayung Agro Lestari (KAL)	Ketapang, West Kalimantan	Agribusiness	-	-	99.99	99.99
PT Lestari Sagu Papua (LSP)	South Sorong, Papua	Agribusiness	-	-	51.00	51.00

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Independent Auditors' Report

No.: 00107/2.1005/AU.1/01/0847-1/1/III/2021

The Shareholders,
Board of Commissioners and Board of Directors
PT Austindo Nusantara Jaya Tbk:

We have audited the accompanying consolidated financial statements of PT Austindo Nusantara Jaya Tbk and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of 31 December 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Appendices 1 through 11, which comprises the statement of financial position of PT Austindo Nusantara Jaya Tbk (parent entity only), and the related statements of profit or loss and other comprehensive income, changes in equity, cash flows for the year then ended, is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Siddharta Widjaja & Rekan
Registered Public Accountants

Kartika Singodimejo, S.E., CPA
Public Accountant License No. AP. 0847

25 March 2021

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