



BUMITAMA AGRI LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200516741R)

Unaudited condensed interim consolidated financial statements
For the six months and full year ended 31 December 2022

Table of Content

A. Condensed interim consolidated statement of profit or loss	1
B. Condensed interim consolidated statement of comprehensive income	2
C. Condensed interim statements of financial position.....	3
D. Condensed interim statements of changes in equity	5
E. Condensed interim consolidated statements of cash flows.....	8
F. Notes to the condensed interim consolidated financial statements.....	10
G. Other information required under Appendix 7.2 of the SGX-ST Listing Rules	21

A. Condensed interim consolidated statement of profit or loss

	Note	Group					
		2H2022 IDR million	2H2021 IDR million	Changes (%)	FY2022 IDR million	FY2021 IDR million	Changes (%)
Revenue	4	6,860,934	6,810,435	0.7%	15,829,281	12,248,630	29.2%
Cost of Sales	5	(4,900,320)	(4,518,614)	8.4%	(10,096,426)	(8,791,975)	14.8%
Gross profit		1,960,614	2,291,821	-14.5%	5,732,855	3,456,655	65.8%
Interest income		83,156	97,720	-14.9%	167,209	195,655	-14.5%
Fair value changes in biological assets	15	(87,458)	82,066	n.m.	(87,458)	82,066	n.m.
Selling expenses		(188,120)	(140,154)	34.2%	(327,620)	(297,462)	10.1%
General and administrative expenses		(226,506)	(216,939)	4.4%	(476,552)	(399,338)	19.3%
Finance cost		(61,807)	(73,896)	-16.4%	(130,443)	(153,309)	-14.9%
Foreign exchange (loss)/gain		(171,520)	71,948	n.m.	(296,619)	(37,949)	n.m.
Other (expense)/income, net		(16,692)	6,363	n.m.	(10,795)	17,269	n.m.
Profit before taxation		1,291,667	2,118,929	-39.0%	4,570,577	2,863,587	59.6%
Taxation	8	(488,242)	(608,748)	-19.8%	(1,171,708)	(774,210)	51.3%
Profit for the period/year		803,425	1,510,181	-46.8%	3,398,869	2,089,377	62.7%
Attributable to:							
Owners of the Company		647,371	1,237,337	-47.7%	2,826,110	1,721,367	64.2%
Non-controlling interest		156,054	272,844	-42.8%	572,759	368,010	55.6%
		803,425	1,510,181	-46.8%	3,398,869	2,089,377	62.7%
EBITDA		1,913,219	2,307,112	-17.1%	5,686,087	3,497,978	62.6%
Earnings per share attributable to the owners of the Company *							
Basic and diluted (IDR per share)		371	709		1,618	986	

* based on weighted average number of shares

n.m. – not meaningful

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

B. Condensed interim consolidated statement of comprehensive income

	Group			
	2H2022	2H2021	FY2022	FY2021
	IDR million	IDR million	IDR million	IDR million
Profit for the period/year	803,425	1,510,181	3,398,869	2,089,377
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation gain/(loss)	17,252	17,060	964	(2,319)
Fair value reserve on derivative financial assets/liabilities	53,804	22,159	150,385	14,317
<i>Item that will not be reclassified to profit or loss:</i>				
Re-measurement gain/(loss) on defined benefit plans	23,562	(4,389)	23,562	(4,389)
Other comprehensive income for the period/year, net of tax	94,618	34,830	174,911	7,609
Total comprehensive income for the period/year	898,043	1,545,011	3,573,780	2,096,986
Total comprehensive income attributable to:				
Owners of the Company	740,126	1,272,638	2,999,158	1,729,447
Non-controlling interests	157,917	272,373	574,622	367,539
	898,043	1,545,011	3,573,780	2,096,986

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

C. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-22 IDR million	31-Dec-21 IDR million	31-Dec-22 IDR million	31-Dec-21 IDR million
ASSETS					
Non-current assets					
Plasma receivables	11	1,544,101	2,278,267	-	-
Property, plant and equipment	12	4,568,619	4,147,075	478	1,410
Bearer plants	13	7,843,235	7,770,977	-	-
Land use rights		1,032,983	986,757	-	-
Investment in subsidiaries		-	-	2,225,482	2,028,786
Intangible assets	14	194,076	185,438	-	-
Derivative financial assets		68,788	10,628	68,788	10,628
Deferred tax assets		107,680	127,015	-	-
Due from subsidiaries		-	-	5,353,187	5,684,742
Total non-current assets		15,359,482	15,506,157	7,647,935	7,725,566
Current assets					
Biological assets	15	288,618	376,076	-	-
Inventories		2,327,206	822,371	-	-
Deferred charges		8,376	8,311	-	-
Trade and other receivables		214,855	119,965	963	245
Due from related companies		50	50	-	-
Plasma receivables	11	283,529	153,429	-	-
Prepayments and advances		58,061	18,205	213	191
Prepaid taxes		531,779	505,008	105	63
Cash and short-term deposits		826,210	175,964	512,902	20,834
Total current assets		4,538,684	2,179,379	514,183	21,333
Total assets		19,898,166	17,685,536	8,162,118	7,746,899
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	16	78,655	-	-	-
Trade and other payables		459,479	411,919	94	117
Accrued operating expenses		277,030	262,472	34,418	51,731
Sales advances		422,813	246,538	-	-
Taxes payable		620,252	296,723	1,097	8
Total current liabilities		1,858,229	1,217,652	35,609	51,856

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

C. Condensed interim statements of financial position (cont'd)

	Note	Group		Company	
		31-Dec-22 IDR million	31-Dec-21 IDR million	31-Dec-22 IDR million	31-Dec-21 IDR million
Non-current liabilities					
Deferred tax liabilities		192,916	178,891	-	-
Loans and borrowings	16	1,854,834	1,752,641	1,854,834	1,752,641
Islamic medium term notes	17	1,421,992	2,390,425	1,421,992	2,390,425
Employee benefits liability		114,067	130,540	-	-
Derivative financial liabilities		-	16,815	-	16,815
Total non-current liabilities		3,583,809	4,469,312	3,276,826	4,159,881
Total liabilities		5,442,038	5,686,964	3,312,435	4,211,737
Net assets		14,456,128	11,998,572	4,849,683	3,535,162
Equity attributable to owners of the Company					
Share capital	18	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	18	(161,366)	(161,366)	(161,366)	(161,366)
Other reserves		(10,734)	(183,535)	167,343	16,958
Retained earnings		11,039,781	9,020,320	1,606,269	779,257
Foreign currency translation reserve		(181,052)	(182,016)	1,430,392	1,093,268
		12,493,674	10,300,448	4,849,683	3,535,162
Non-controlling interests		1,962,454	1,698,124	-	-
Total equity		14,456,128	11,998,572	4,849,683	3,535,162

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

D. Condensed interim statements of changes in equity

Group	Attributable to owners of the Group							
	Share capital (Note 18) IDR million	Treasury shares (Note 18) IDR million	Retained earnings IDR million	Other reserves IDR million	Foreign currency translation reserves IDR million	Total share capital and reserves IDR million	Non-controlling interests IDR million	Total equity IDR million
2022								
Balance as of 1 January 2022	1,807,045	(161,366)	9,020,320	(183,535)	(182,016)	10,300,448	1,698,124	11,998,572
Profit for the year	-	-	2,826,110	-	-	2,826,110	572,759	3,398,869
<u>Other comprehensive income:</u>								
Fair value reserve on derivative financial assets	-	-	-	150,385	-	150,385	-	150,385
Foreign currency translation gain	-	-	-	-	964	964	-	964
Re-measurement gain on defined benefit plan	-	-	21,699	-	-	21,699	1,863	23,562
Total comprehensive income for the year, net of tax	-	-	2,847,809	150,385	964	2,999,158	574,622	3,573,780
<u>Contributions by and distributions to owners:</u>								
Decrease in ownership in a subsidiary without a change in control (Note 20)	-	-	-	22,416	-	22,416	31,249	53,665
Dividends on ordinary shares (Note 9)	-	-	(828,348)	-	-	(828,348)	-	(828,348)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(341,541)	(341,541)
Balance as at 31 December 2022	1,807,045	(161,366)	11,039,781	(10,734)	(181,052)	12,493,674	1,962,454	14,456,128

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

D. Condensed interim statements of changes in equity (cont'd)

Group	Attributable to owners of the Group							
	Share capital (Note 18) IDR million	Treasury shares (Note 18) IDR million	Retained earnings IDR million	Other reserves IDR million	Foreign currency translation reserves IDR million	Total share capital and reserves IDR million	Non-controlling interests IDR million	Total equity IDR million
2021								
Balance as of 1 January 2021	1,807,045	(161,366)	7,764,128	(213,435)	(179,697)	9,016,675	1,517,168	10,533,843
Profit for the year	-	-	1,721,367	-	-	1,721,367	368,010	2,089,377
<u>Other comprehensive income:</u>								
Fair value reserve on derivative financial assets/liabilities	-	-	-	14,317	-	14,317	-	14,317
Foreign currency translation loss	-	-	-	-	(2,319)	(2,319)	-	(2,319)
Re-measurement loss on defined benefit plan	-	-	(3,918)	-	-	(3,918)	(471)	(4,389)
Total comprehensive income for the year, net of tax	-	-	1,717,449	14,317	(2,319)	1,729,447	367,539	2,096,986
<u>Contributions by and distributions to owners:</u>								
Dividends on ordinary shares (Note 9)	-	-	(461,257)	-	-	(461,257)	-	(461,257)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(163,500)	(163,500)
<u>Changes in ownership interest in subsidiaries:</u>								
Acquisition of non-controlling interests without a change in control	-	-	-	15,583	-	15,583	(23,083)	(7,500)
Balance as at 31 December 2021	1,807,045	(161,366)	9,020,320	(183,535)	(182,016)	10,300,448	1,698,124	11,998,572

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

D. Condensed interim statements of changes in equity (cont'd)

Company	Attributable to owners of the Company					
	Share capital (Note 18) IDR million	Treasury shares (Note 18) IDR million	Retained earnings IDR million	Other reserves IDR million	Foreign currency translation reserves IDR million	Total share capital and reserves IDR million
2022						
Balance as of 1 January 2022	1,807,045	(161,366)	779,257	16,958	1,093,268	3,535,162
Profit for the year	-	-	1,655,360	-	-	1,655,360
Other comprehensive income:						
Fair value reserve on derivative financial assets	-	-	-	150,385	-	150,385
Foreign currency translation gain	-	-	-	-	337,124	337,124
Total comprehensive income for the year, net of tax	-	-	1,655,360	150,385	337,124	2,142,869
Distribution to owners:						
Dividends on ordinary shares (Note 9)	-	-	(828,348)	-	-	(828,348)
Balance as at 31 December 2022	1,807,045	(161,366)	1,606,269	167,343	1,430,392	4,849,683
2021						
Balance as of 1 January 2021	1,807,045	(161,366)	561,915	2,641	1,052,144	3,262,379
Profit for the year	-	-	678,599	-	-	678,599
Other comprehensive income:						
Fair value reserve on derivative financial assets/liabilities	-	-	-	14,317	-	14,317
Foreign currency translation gain	-	-	-	-	41,124	41,124
Total comprehensive income for the year, net of tax	-	-	678,599	14,317	41,124	734,040
Distribution to owners:						
Dividends on ordinary shares (Note 9)	-	-	(461,257)	-	-	(461,257)
Balance as at 31 December 2021	1,807,045	(161,366)	779,257	16,958	1,093,268	3,535,162

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

E. Condensed interim consolidated statements of cash flows

	Group	
	FY2022 IDR million	FY2021 IDR million
Cash flows from operating activities		
Cash receipts from customers	15,976,560	12,162,624
Cash payments to suppliers, employees and for other operating expenses	(11,726,323)	(9,040,439)
Income tax paid	(736,863)	(473,098)
Net cash flows generated from operating activities	3,513,374	2,649,087
Cash flows from investing activities		
Decrease in plasma receivables	650,137	296,454
Additions of intangible assets	(14,092)	(7,598)
Additions of bearer plants	(399,704)	(384,362)
Purchase of property, plant and equipment, net	(831,885)	(664,278)
Additions of land use rights	(65,623)	(34,302)
Interest received	167,209	195,655
Net cash flows used in investing activities	(493,958)	(598,431)
Cash flows from financing activities		
Proceeds from loans and borrowings	71,775	552,452
Repayment of loans and borrowings	(71,855)	(2,406,549)
Repayment of Islamic medium term notes	(1,086,584)	-
Dividends paid	(1,169,889)	(679,352)
Acquisition of non-controlling interests	-	(7,500)
Interest paid	(121,224)	(128,499)
Net cash flows used in financing activities	(2,377,777)	(2,669,448)
Net increase/(decrease) in cash and cash equivalents	641,639	(618,792)
Effect of exchange rate changes on cash and cash equivalents	8,607	2,803
Cash and cash equivalents at beginning of the year	175,964	791,953
Cash and cash equivalents at end of the year	826,210	175,964

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

E. Condensed interim consolidated statements of cash flows (cont'd)

Cash Flows from Operating Activities:	Group	
	FY2022 IDR million	FY2021 IDR million
Profit before taxation	4,570,577	2,863,587
Depreciation and amortisation	768,199	720,854
Finance cost	130,443	153,309
Interest income	(167,209)	(195,655)
Post employment benefits	22,961	30,057
Unrealised foreign exchange loss	369,777	62,756
Fair value changes in biological assets	87,458	(82,066)
Operating cash flows before working capital changes	5,782,206	3,552,842
Decrease/(increase) in:		
- Trade and other receivables	(39,611)	(49,109)
- Inventories	(1,504,835)	30,031
- Prepaid taxes	(26,785)	(133)
- Prepayment and advances	(39,837)	13,408
- Deferred charges	(66)	(480)
(Decrease)/increase in:		
- Trade and other payables	41,652	(187,446)
- Accrued operating expenses	(44,953)	(32,418)
- Other taxes payable	(84,582)	(163,692)
- Sales advances	176,275	(34,583)
Cash flows generated from operations	4,259,464	3,128,420
Income tax paid	(736,863)	(473,098)
Employee defined benefits paid	(9,227)	(6,235)
Net cash flows generated from operating activities	3,513,374	2,649,087

The accompanying explanatory notes form an integral part of the condensed interim consolidated financial statements.

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

Bumitama Agri Ltd. (the "Company") is a limited liability company, incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The Company's immediate holding company is Wellpoint Pacific Holdings Ltd. ("Wellpoint") incorporated in British Virgin Islands. Wellpoint is ultimately held by the Hariyantors.

The registered office of the Company is located at 10 Anson Road, #11-19, International Plaza, Singapore 079903. The principal place of operations of the Group is located at Jl. Melawai Raya No. 10, Kebayoran Baru, Jakarta Selatan, Indonesia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are that of investment holding, operating oil palm plantations and palm oil mills located across the Indonesian provinces of Central Kalimantan, West Kalimantan and Riau, and the production and trading of crude palm oil and related products.

Related companies in these condensed interim consolidated financial statements refer to the Hariyanto family's group of companies.

2. Summary of significant accounting policies

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Indonesian Rupiah ("IDR"), and all values are rounded to the nearest million (IDR million), except otherwise indicated.

2.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and SFRS(I) Interpretations ("SFRS(I) INT") which are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management was required to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of asset and liabilities, income and expense. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management did not make any judgements that have effect on the amounts recognised in the condensed interim consolidated financial statements, the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. The estimates and underlying assumptions applied are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2021.

2.3. Auditor's review

The condensed interim consolidated financial statements presented have not been audited or reviewed by the Company's auditor.

The audited financial statements as at 31 December 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

3. Seasonal operations

The Fresh Fruit Bunches ("FFB"), which serve as the raw material for palm products, are impacted by the weather, rainfall patterns, and the implementation of best agronomy practices.

4. Revenue

	Group			
	2H2022	2H2021	FY2022	FY2021
	IDR million	IDR million	IDR million	IDR million
Disaggregation of revenue by major product:				
Crude Palm Oil ("CPO")	6,179,812	5,988,924	13,792,115	10,650,101
Palm Kernel ("PK")	681,122	821,511	2,037,166	1,598,529
Total revenue recognised at a point in time	<u>6,860,934</u>	<u>6,810,435</u>	<u>15,829,281</u>	<u>12,248,630</u>

All sales advances at the beginning of each financial year have been recognised as revenue during the financial year.

The Group's primary business activities are cultivating and harvesting palm trees, processing FFB and selling CPO and PK in Indonesia. Accordingly, no segmental information is presented as it is not meaningful.

5. Cost of Sales

	Group			
	2H2022	2H2021	FY2022	FY2021
	IDR million	IDR million	IDR million	IDR million
Cost of inventories recognised as an expense	2,702,014	3,000,517	5,862,175	5,553,244
Depreciation of mature bearer plants, property, plant and equipment and amortisation of land use rights	369,503	351,387	740,443	692,223
Plantation costs	1,607,888	1,000,212	3,087,908	2,211,340
Milling and processing costs	220,915	166,498	405,900	335,168
Total cost of sales	4,900,320	4,518,614	10,096,426	8,791,975

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 2021:

	Note	Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		IDR million	IDR million	IDR million	IDR million
Financial assets:					
Due from subsidiaries		-	-	3,747,231	3,808,777
Derivative financial assets		68,788	10,628	68,788	10,628
Trade and other receivables		214,855	119,965	963	245
Due from related companies		50	50	-	-
Plasma receivables	11	1,827,630	2,431,696	-	-
Cash and short-term deposits		826,210	175,964	512,902	20,834
		2,937,533	2,738,303	4,329,884	3,840,484
Financial liabilities:					
Derivative financial liabilities		-	16,815	-	16,815
Loan and borrowings	16	1,933,489	1,752,641	1,854,834	1,752,641
Islamic medium term notes	17	1,421,992	2,390,425	1,421,992	2,390,425
Trade and other payables		459,479	411,919	94	117
Accrued operating expenses		277,030	262,472	34,418	51,731
		4,091,990	4,834,272	3,311,338	4,211,729

7. Related party transactions

The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period/year:

	Group			
	2H2022	2H2021	FY2022	FY2021
	IDR million	IDR million	IDR million	IDR million
Rental paid to related parties	5,891	5,847	11,741	11,413

7. Related party transactions (cont'd)

The Group has entered into office premise lease agreements with Mr. Gunardi Hariyanto Lim and Goldwood Investments Ltd for a total amount of IDR 4,541 million for the period ended 31 December 2022 (2021: IDR 4,513 million).

The Group also entered into barge lease agreement with PT Lima Srikandi Jaya, a related party, amounting to IDR 7,200 million for the period ended 31 December 2022 (2021: IDR 6,900 million).

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	2H2022	2H2021	FY2022	FY2021
	IDR million	IDR million	IDR million	IDR million
Current income tax	(321,292)	(410,758)	(943,694)	(546,190)
Deferred income tax	12,796	(107,157)	(26,714)	(124,998)
Withholding tax on interest income and dividend from subsidiaries	(179,746)	(90,833)	(201,300)	(103,022)
	<u>(488,242)</u>	<u>(608,748)</u>	<u>(1,171,708)</u>	<u>(774,210)</u>

9. Dividends

	Group and Company	
	FY2022	FY2021
	IDR million	IDR million
Declared and paid during the financial year:		
Dividend on ordinary shares:		
- Final exempt (one-tier) dividend for 2021: SGD 0.033 (2020: SGD 0.02) per share	597,963	378,388
- Interim tax exempt (one-tier) dividend for 2022: SGD 0.0125 (2021: SGD 0.0045) per share	230,385	82,869
	<u>828,348</u>	<u>461,257</u>

10. Net Asset Value

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	IDR million	IDR million	IDR million	IDR million
Net asset value per ordinary share*	7,205	5,940	2,797	2,039

* excluding treasury shares

11. Plasma receivables

As at 31 December 2022, the carrying amount of the Group's plasma receivables is IDR 1,827,630 million (2021: IDR 2,431,696 million).

There is no expected credit loss provided as at the end of each reporting period.

12. Property, plant and equipment

As at 31 December 2022, the carrying amount of the Group's property, plant, and equipment is IDR 4,568,619 million (2021: IDR 4,147,075 million).

13. Bearer plants

As at 31 December 2022, the carrying amount of the Group's bearer plants is IDR 7,843,235 million (2021: IDR 7,770,977 million).

14. Intangible Assets

Group	Goodwill	Software	Total
	IDR million	IDR million	IDR million
Cost			
At 1 January 2021	174,464	43,941	218,405
Additions	-	7,598	7,598
At 31 December 2021 and 1 January 2022	174,464	51,539	226,003
Additions	-	14,412	14,412
Disposals	-	(220)	(220)
At 31 December 2022	174,464	65,731	240,195
Accumulated amortisation and impairment losses			
At 1 January 2021	6,563	29,236	35,799
Amortisation for the year	-	4,766	4,766
At 31 December 2021 and 1 January 2022	6,563	34,002	40,565
Amortisation for the year	-	5,774	5,774
Disposals	-	(220)	(220)
At 31 December 2022	6,563	39,556	46,119
Net carrying amount			
At 31 December 2021	167,901	17,537	185,438
At 31 December 2022	167,901	26,175	194,076

14. Intangible assets (cont'd)

14.1. Goodwill impairment

Impairment testing of goodwill

Goodwill arising from business combinations is allocated to the individual cash-generating units ("CGU") for the purpose of goodwill impairment testing.

The recoverable amounts of the CGUs have been determined based on fair values less cost of disposal ("FVLCO") calculations using cash flows projections from financial budgets approved by Board of Directors. The FVLCO calculations were based on the following key assumptions:

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Discount Rate	12.33%	11.63%
Inflation Rate	3.0% - 3.4%	2.9% - 3.4%
Projected CPO Price (IDR/kg)	<u>11,536 – 11,642</u>	<u>10,789 - 11,146</u>

The FVLCO calculations applied a discounted cash flow model using cash flow projections and projected CPO price of IDR 11,536 - IDR 11,642 (2021: IDR 10,789 - IDR 11,146) per kg. The cash flows calculated is based on a professional valuer's judgement with reference to monetary policy report published by Bank Indonesia, International Monetary Fund Data and World Economic Outlook database.

Key assumptions used in FVLCO calculations

The calculations of FVLCO are most sensitive to the following assumptions:

Discount rate - The discount rate applied to the cash flow projection is post-tax derived from the weighted average cost of capital of the oil palm plantation sectors on the assumption that funds are available at the prevailing rates and will continue to be available throughout the forecast period.

Inflation rate - The inflation rate is based on the International Monetary Fund data.

Projected CPO price -The CPO price was based on the international market price retrieved from Economist Intelligence Unit, World Bank and local market price retrieved from Badan Pengawas Perdagangan Berjangka Komoditi ("Bappebti").

Based on the above analysis, management has assessed that goodwill is not impaired as at 31 December 2022 and 2021.

15. Biological Assets

	<u>Group</u>	
	<u>31-Dec-22</u>	<u>31-Dec-21</u>
	IDR million	IDR million
Biological Assets	288,618	376,076

As at 31 December 2022, the Group recognised fair value loss of IDR 87,458 million (2021: fair value gain of IDR 82,066 million) on its biological assets.

16. Loans and borrowings

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	IDR million	IDR million	IDR million	IDR million
Among due within one year Unsecured	78,655	-	-	-
Among due more than one year Unsecured	1,854,834	1,752,641	1,854,834	1,752,641
	<u>1,933,489</u>	<u>1,752,641</u>	<u>1,854,834</u>	<u>1,752,641</u>

The unsecured borrowings contain negative pledge clauses.

17. Islamic medium term notes

The carrying amount of the Islamic Medium Term Notes ("IMTN") as at end of the year is as follows:

	Maturity Date	Distribution rate (per annum)	Group and Company	
			31-Dec-22 IDR million	31-Dec-21 IDR million
Third issuance	22 July 2024	4.10%	-	1,024,817
Fourth issuance	22 July 2026	4.20%	1,422,451	1,366,422
			<u>1,422,451</u>	<u>2,391,239</u>
Less:				
Issuance costs			816	1,295
Accumulated amortisation			(357)	(481)
			<u>459</u>	<u>814</u>
Islamic medium term notes, net			<u>1,421,992</u>	<u>2,390,425</u>

On 27 July 2022, the Group had early redeemed the IMTN tranche 3 with nominal value of MYR 300 million issued under the Sukuk Musharakah Programme.

Islamic medium term notes are unsecured.

18. Share capital and treasury shares

	Group and Company			
	31-Dec-22 Number of Shares	31-Dec-22 IDR million	31-Dec-21 Number of Shares	31-Dec-21 IDR million
Issued and fully paid ordinary shares as at 1 January and 31 December	<u>1,757,531,844</u>	<u>1,807,045</u>	<u>1,757,531,844</u>	<u>1,807,045</u>

18. Share capital and treasury shares (cont'd)

The treasury held by the Company as at 31 December 2022 and 2021 are as follow:

	Group and Company			
	31-Dec-22	31-Dec-22	31-Dec-21	31-Dec-21
	Number of Shares	IDR million	Number of Shares	IDR million
Treasury shares	23,387,800	161,366	23,387,800	161,366

There were no treasury shares of the Company and subsidiary holdings which were sold, transferred, cancelled or used in the current financial period.

As at 31 December 2022, the issued and paid up share capital of the Company excluding treasury shares comprised of 1,734,144,044 ordinary shares (31 December 2021: 1,734,144,044 ordinary shares).

19. Fair value of assets and liabilities

19.1. Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19. Fair value of assets and liabilities (cont'd)

19.2. Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	IDR million	IDR million	IDR million	IDR million
31 December 2022				
Asset measured at fair value				
Non-financial assets:				
Biological assets	-	-	288,618	288,618
Financial assets:				
Derivative financial assets	-	68,788	-	68,788
31 December 2021				
Asset measured at fair value				
Non-financial assets:				
Biological assets	-	-	376,076	376,076
Financial assets:				
Derivative financial assets	-	10,628	-	10,628
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial liabilities	-	16,815	-	16,815
Company				
31 December 2022				
Asset measured at fair value				
Financial assets:				
Derivative financial assets	-	68,788	-	68,788
31 December 2021				
Asset measured at fair value				
Financial assets:				
Derivative financial assets	-	10,628	-	10,628
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial liabilities	-	16,815	-	16,815

19. Fair value of assets and liabilities (cont'd)

19.3. Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivative financial assets/liabilities

Cross currency swap contracts and interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

19.4. Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value	Valuation techniques	Unobservable inputs	Value
	IDR million			
2022				
Recurring fair value measurements				
Biological assets	288,618	Income approach	Projected harvest quantities	139,092 Tonnes
			Average market price of FFB as at 31 December	2,466 IDR/kg
2021				
Recurring fair value measurements				
Biological assets	376,076	Income approach	Projected harvest quantities	138,492 Tonnes
			Average market price of FFB as at 31 December	3,057 IDR/kg

For biological assets, a significant increase/(decrease) in the market price of FFB and projected harvest quantities would result in a significantly higher/(lower) fair value measurement.

Movements in Level 3 assets measured at fair value

The movements in biological assets measured at fair value are disclosed in Note 15.

Valuation policies and procedures

To determine the fair value of biological assets, the corporate finance team obtained the projected harvest quantities and the market price of the FFB from the physical census reports and from the publicly available index price set by the local government, net of estimated cost to sell.

Significant changes in fair value measurements from period to period are evaluated by the corporate finance team for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

19. Fair value of assets and liabilities (cont'd)

19.5. Assets and liabilities not carried at fair value but for which fair value is disclosed

Group and Company	Fair value measurements at the end of the reporting period using				Carrying Amount IDR million
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
	IDR million	IDR million	IDR million	IDR million	
31 December 2022					
Liabilities					
Islamic medium term notes	-	1,405,473	-	1,405,473	1,421,992
31 December 2021					
Liabilities					
Islamic medium term notes	-	2,426,978	-	2,426,978	2,390,425

20. Restructuring Exercise

During FY2022, the Group has undertaken internal restructuring exercise. PT Bumitama Gunajaya Agro ("BGA"), the Company's subsidiary, acquired 99.999% of PT Bumitama Sawit Lestari ("BSL") which initially held 95.0% by the Company and 5.0% by a non-controlling shareholder, by way of the issuance and allotment of additional equity in BGA. The aggregate consideration was IDR 965.77 billion.

In order to maintain the existing 90%:10% equity ratio of BGA, the non-controlling shareholders subscribed for additional equity in BGA for an aggregate subscription price of IDR 53.665 billion.

This restructuring exercise has been approved by the Ministry of Law and Human Rights of Indonesia on 30 December 2022.

21. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

**OTHER INFORMATION REQUIRED UNDER APPENDIX 7.2
OF THE SGX-ST LISTING RULES**

OTHER INFORMATION

1. Review of performance of the Group

REVIEW OF INCOME STATEMENT

Overview

The Group reported a decrease in profit during the second half of the year ("2H2022") due to weakening of CPO and PK sales price, as an effect by the export ban imposed by the Indonesia Government earlier this year followed with effort to flush out the country's overflowing stockpiles of CPO, coupled with the increase in fertiliser and fuel prices during the period.

Meanwhile, the Group's overall performance during full year of 2022 ("FY2022") has improved compared to previous corresponding year as contributed by the strengthening of CPO price as well as increase in sales volume of palm products during the year.

Revenue

Rise of revenue during FY2022 compared to previous corresponding year were mainly attributable to increase in the palm products selling price.

The breakdown of revenue for 2H2022 and FY2022 compared to the previous corresponding period/year was as follow:

Revenue	2H2022 IDR million	2H2021 IDR million	Change (%)	FY2022 IDR million	FY2021 IDR million	Change (%)
CPO	6,179,812	5,988,924	3.2%	13,792,115	10,650,101	29.5%
PK	681,122	821,511	-17.1%	2,037,166	1,598,529	27.4%
Total	6,860,934	6,810,435	0.7%	15,829,281	12,248,630	29.2%

Sales Volume	2H2022 mt	2H2021 mt	Change (%)	FY2022 mt	FY2021 mt	Change (%)
CPO	570,406	512,610	11.3%	1,101,723	1,080,968	1.9%
PK	126,212	111,891	12.8%	245,898	226,314	8.7%

Average sales prices	2H2022 IDR / kg	2H2021 IDR / kg	Change (%)	FY2022 IDR / kg	FY2021 IDR / kg	Change (%)
CPO	10,834	11,683	-7.3%	12,519	9,852	27.1%
PK	5,397	7,342	-26.5%	8,285	7,063	17.3%

Cost of Sales

Cost of sales comprised mainly costs in relation to FFB purchased externally (from plasma and external parties), plantation maintenance, harvesting, plantation overhead, milling and depreciation and amortisation.

Increase in cost of sales was mainly driven by higher FFB purchase price, as well as hike of fertiliser and fuel price during the period/year triggered by the escalation of the Russia - Ukraine conflict. Despite this increase, the Group was able to contain its cost through effective management measures.

Selling Expenses

Selling expenses was mainly comprised of freight and loading expenses. Increase in selling expenses in 2H2022 and FY2022 was mainly attributable to increase in sales volume of CPO and PK, as well as increase in fuel price during the period/year.

Interest Income

Interest income mainly consisted of interest income earned from advances extended to the plasma farmers. Decrease in interest income was mainly affected by decrease in plasma receivables during the period/year.

Fair Value Changes in Biological Assets

In accordance with SRFS(I) 1-41, the agriculture produce growing on bearer plants are measured at fair value less cost to sell.

The Group recorded a decrease in fair value changes in biological assets amounted to IDR 87 billion based on market value of the agriculture produce as at 31 December 2022.

General and Administrative Expenses

General and administrative expenses increased by 4.4% to IDR 227 billion in 2H2022 and by 19.3% to IDR 477 billion in FY2022 mainly due to increase in salary and remuneration, as affected by the improvement of Group's performance result.

Finance Cost

Finance cost decreased by 16.4% to IDR 62 billion in 2H2022 and by 14.9% to IDR 130 billion mainly attributable to early redemption of IMTN tranche 3 ahead its maturity which resulted in lower borrowings during the period/year.

Foreign Exchange Loss

The Group recorded higher net foreign exchange loss of IDR 172 billion in 2H2022 and IDR 297 billion in FY2022 mainly represent higher translation loss of USD denominated borrowings in the Group's IDR financial statements arising from higher depreciation of IDR against USD during the period/year.

Taxation

Changes in income tax expense was inline with the movement of profit during the period/year.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 31 December 2022, the Group's total non-current assets decreased by IDR 147 billion from IDR 15,506 billion to IDR 15,359 billion mainly due to the decrease in plasma receivables as affected by increase in collection received from plasma cooperatives as well as funding received from banks to refinance some of the plasma loans. It was, however, offset by the increase in property, plant and equipment, consist of building, machinery and equipment, vehicle and heavy equipment, as well as infrastructures.

Current Assets

The increase in current assets by IDR 2,359 billion as at 31 December 2022 from IDR 2,179 billion to IDR 4,539 billion was mainly due to increase in inventories as well as cash and short-term deposits, which will be explained in the cash flow section in the following page of this report.

Increase in inventories were attributable to higher volume and prices of fertiliser as well as higher volume of palm products due to increase in production and slower shipment caused by logistical challenges resulted from weather-related condition (i.e. high rainfall and high wave) during the last quarter of the year.

Current Liabilities

The increase in current liabilities by IDR 641 billion as at 31 December 2022 from IDR 1,218 billion to IDR 1,858 billion was mainly due to increase in taxes payable, sales advance, as well as loan and borrowings. The increase in taxes payable was attributable to increase in corporate income tax for current year as affected by the Group's improved financial performance. Increase in sales advance was affected by slower shipment impacted by logistic constraint resulted from weather-related condition at the end of the year, as mentioned above. Increase in loan and borrowings represented revolving credit facility (RCF) amounting to USD 5 million which will due within 12 months period.

Non-Current Liabilities

As at 31 December 2022, the Group's total non-current liabilities decreased by IDR 886 billion from IDR 4,469 billion to IDR 3,584 billion, mainly due to early redemption of IMTN tranche 3 ahead its maturity on 27 July 2022.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net increase in cash and cash equivalents of IDR 642 billion as at 31 December 2022, bringing the cash and bank balances to IDR 826 billion, as follows:

- The Group recorded higher net cash flows generated from operating activities amounting to IDR 3,513 billion in FY2022 mainly due to the increase in cash collection from customers arising from higher revenue during the year.
- The Group recorded net cash flows used in investing activities of IDR 494 billion in FY2022 which was lower compared to previous corresponding year mainly due to collection received from plasma cooperatives to repay some of their advances as a result of improvement in FFB price during the year as well as funding received by some cooperatives to refinance their loans, offset by increase in purchase of property, plant, and equipment compared to prior year. Increase in purchase of property, plant, and equipment was related to construction of building and infrastructure, as well as purchase of vehicle, heavy equipment, and machinery and equipment,
- The Group recorded net cash flows used in financing activities amounting to IDR 2,378 billion in FY2022 mainly represents early redemption of IMTN during the year amounting to MYR 300 million, as well as payment of dividends.

2. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

2022 was a year of vitality for the palm oil industry with some supply constraints from Indonesia due to extreme weather condition, balanced by demands to fill dwindling stock and new markets especially from India and Middle East. This was the year where we see CPO prices hitting a new high but holding around the average of MYR 4,917/ USD1,125 per MT.

Moving forward, the expected growth in supply both from Malaysia and Indonesia will exert pressure on the palm prices, trading slightly below the average price in 2022 for the first half of 2023. However, Indonesia policy of biodiesel blended from B30 to B35 starting from February 2023 and its periodic export restriction used to manage Indonesia's domestic cooking oil prices, on-going conflicts of Russia and Ukraine, China's relaxation on Covid lockdown will provide support to further pressure on palm prices.

The Group will continue to focus on business continuity, improvement through innovative processes and harnessing latest technologies to improve yields and cost management. The Group is optimistic in the long-term fundamental of palm oil industry.

4. Dividend information

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

The Directors have recommended for the Company to pay a final dividend in respect of the financial year ended 31 December 2022.

The payment of dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened on 20 April 2023.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

FY2021	
Name of Dividend	Final dividend
Dividend Type	Cash
Dividend amount per share	SGD 0.033
Payment Type	Tax Exempted (1-tier)

c. Date Payable

To be announced later.

d. Books Closure Date

To be announced later.

5. If no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision.

Not Applicable

6. Disclosure of the aggregate value of the transactions conducted under the shareholders' mandate for interested person transaction as required under Rule 920(1)(a)(ii) of the Listing Manual

The Group has the following interested person transactions ("IPT") for FY2022:

Name of interested person	Nature of the relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
		in IDR million	in IDR million
Mr Gunardi Hariyanto Lim ⁽¹⁾	Family relationship with the controlling shareholder of the Company	2,400	Nil
Goldwood Investments Ltd ⁽²⁾	Related company	2,141	Nil
IOI Corporation Berhad ⁽³⁾	Controlling shareholder of the Company	Nil	Nil
PT Lima Srikandi Jaya ⁽⁴⁾	Related company	7,200	Nil
TOTAL		11,741	Nil

Notes:

**For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the current period average rate*

- (1) *In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.*
- (2) *In respect of the aggregate rent paid by the Group to Goldwood Investments Ltd for office space in Singapore pursuant to the lease agreement between Goldwood Investments Ltd and the Company.*
- (3) *In respect of transactions conducted pursuant to the Shareholders' Mandate for transactions with IOI Corporation Berhad and its Associates (as described in the Prospectus).*
- (4) *In respect of the rental agreement of barge transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.*

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**8. A breakdown of sales as follows:-**

	Group		
	FY2022 IDR million	FY2021 IDR million	% increase/ (decrease)
(a) Sales reported for first half year	8,968,347	5,438,195	64.9%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,595,444	579,196	348.1%
(c) Sales reported for second half year	6,860,934	6,810,435	0.7%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	803,425	1,510,181	-46.8%

9. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director, CEO, or substantial shareholder of the issuer pursuant to the Rule 704(13) of the Listing Manual in the format below.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Lim Liana Sarwono	70	The Sister of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, Lim Christina Hariyanto, Executive Director of BAL and daughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Senior Purchasing Manager since 1998. - Responsible for securing quality purchases at reasonable prices.	No Change
Gunardi Hariyanto Lim	57	The Brother of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, and Lim Christina Hariyanto, Executive Director of BAL, and son of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL	Commissioner of PT Bumitama Gunajaya Agro since 2018 - Supervising the company in accordance with the Company's constitution; - Collating advises from other commissioner and shares this advice to the board of directors; and although not part of the daily company management but do provide oversight on management policies.	No Change
Lim Chuan Loong, Brian	30	The son of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, nephew of Lim Christina Hariyanto, Executive Director of BAL, and grandson of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL	Head of Plantation Operation - Riau region since end of 2021. - Responsible of executing, supporting, and supervising operational activities to achieve production targets for Riau region; - Planning and developing policies and strategies to improve the effectiveness, productivity, efficiency, and quality of operational activities in Riau region.	No Change

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
1 March 2023

Lim Hung Siang
Lead Independent Director