Bumitama Agri Ltd.

Excellence Through Discipline

ANNUAL REPORT 2022

CONTENTS

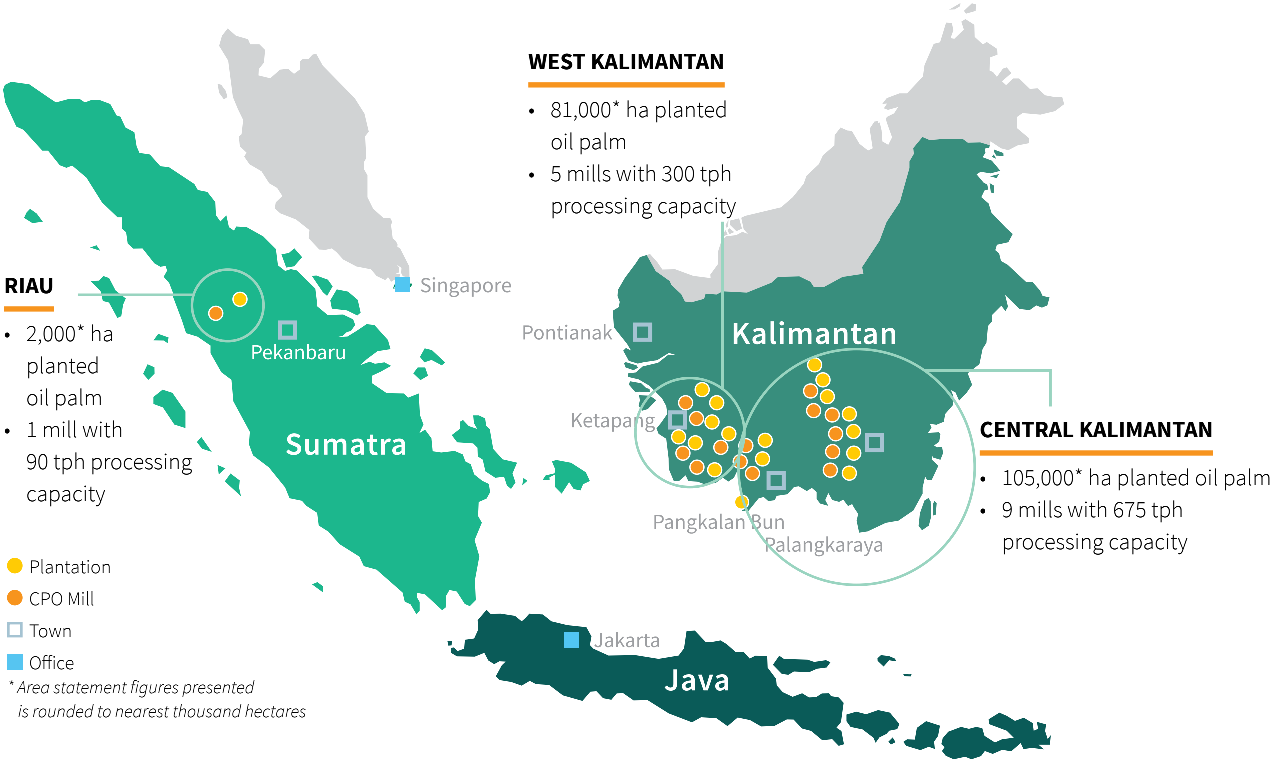
OUR VISION

To be a leading CPO producer through continuous improvement; focus on productivity, cost efficiency, sustainability and growth.

OUR MISSION

To enhance shareholder's value; to improve the benefits and quality of life of our employees; to improve the welfare of the local communities and the environment.

CORPORATE PROFILE



Bumitama Agri Ltd. ("Bumitama" or the "Group") is a leading producer of crude palm oil ("CPO") and palm kernel ("PK") in Indonesia. The Group is principally engaged in the cultivation of oil palm trees, as well as the harvesting and processing of fresh palm fruit bunches ("FFB") into CPO and PK. It was founded in 1996 and listed on the Singapore Exchange in 2012.

Our "Excellence Through Discipline" Motto

Bumitama's orientation to sustainable growth has been demonstrated through the accelerating rise of its key business metrics over the decades. It maintains prominence in the global oil palm industry thanks to a firm commitment to pursuing excellence through discipline, a core value that has been handed down by the Lim Family, our founding member, for generations.

This commitment is manifested in an all-around suite of strengths that has propelled Bumitama to sustain a robust performance amidst the challenging dynamics shaping the global palm oil industry.

A Key Industry Player with Highly Competitive Operational Metrics

Past expansion efforts, combined with continuous improvement in production processes, have bolstered Bumitama's FFB (nucleus and plasma) and CPO production volumes to climb significantly over the last ten years, with a CAGR of 9.9%. The Group has consistently strived for higher yields and extraction rates by investing in research and development, technology, and best agricultural practices in oil palm cultivation. The Group is among the top ten listed plantation firms regionally, and with a CPO yield of 4.8 tonnes per ha in 2022, ahead of the industry average in productivity metrics.

The Group has received numerous accolades acknowledging its stellar achievements. It has been listed as Forbes Asia's 200 Best Under a Billion in 2013, earned Frost & Sullivan Indonesia's Excellence Award in 2014, and obtained the Best Managed Small Cap Company in 2016, and the Most Outstanding Company in Singapore for the Decade (2010-2019) in 2019 from Asiamoney. Most recently, it was conferred with triple Most Outstanding Company in Singapore awards (in the Overall, Small/Mid-Cap, and Consumer Staples categories) by Asiamoney in 2022.

Financial Rigour

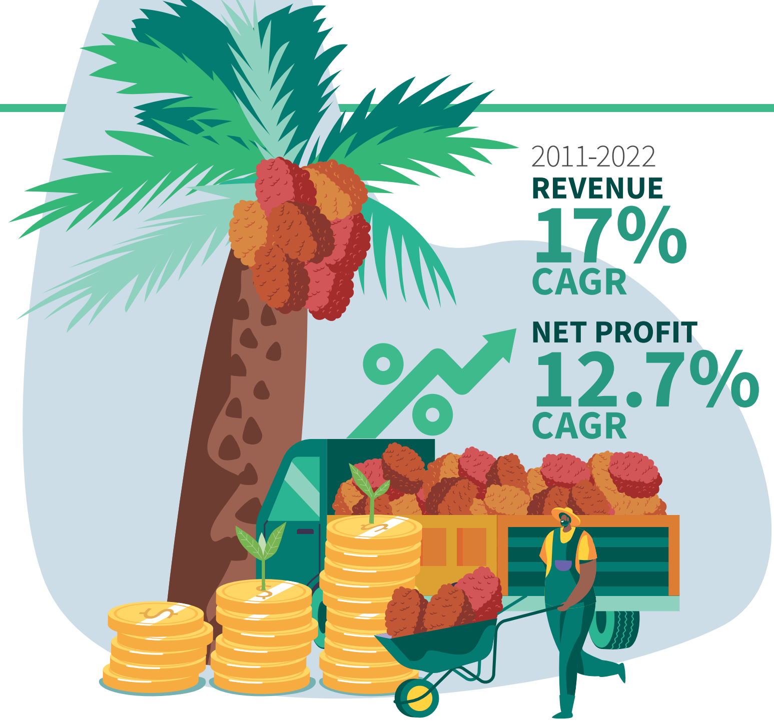
Industry-leading production processes have enabled Bumitama to post robust financial fundamentals throughout the years, despite the fluctuating nature of global CPO prices over the years. Revenue rose more than five-fold from 2011 to 2022 (a CAGR of 17%), while net profit[1] sustained a 12.7% CAGR over the same period. The Group keeps its balance sheet sound, along with a markedly low gearing ratio of 0.23x by end of 2022. In recognition of these achievements, RAM Ratings reaffirmed the Group's Sukuk 2014/2029's AA_2/Stable rating in early 2023.

The Group's financial excellence has been acknowledged with three awards from Asiamoney in 2022, as a Most Outstanding Company in Singapore in the Overall, Small/Mid Cap, and Consumer Staples categories.

[1] Net profit attributable to owners of the Company.

Strong Governance

Bumitama's discipline in managing its operations and finances has been forged in the framework of corporate governance that champions excellence through a culture of compliance as well as prudent and comprehensive risk management. By adhering to the



prevailing SGX corporate governance standards, global financial market best practices, the Ministry of Agriculture's Indonesian Sustainable Palm Oil ("ISPO") certification scheme's requirements and voluntary certification schemes' requirements, the Group is consolidating best practices in regulatory, social and environmental compliance.

Over the years, Bumitama's unwavering commitment to governance has earned it, the Asiamoney's Best Overall for Corporate Governance, Best for Disclosure & Transparency, and Best for Responsibilities of Management and the Board of Directors awards.

Commitment to Shareholder Value

Bumitama's long-standing focus on delivering high shareholder value is reflected in its active engagement with the capital market community, for which it has received Asiamoney's accolades namely Best for Investor Relations and Best for Shareholders' Rights and Equitable Treatment. Furthermore, the Company maintains a competitive dividend policy over the years, with increasingly attractive dividend distribution that has risen in tandem with the Group's ability to deliver rising net profit. Since 2013, dividend payment has risen by 23% in CAGR terms.

Favorable Plantation Profile with Geographic Advantage

As of end of 2022, Bumitama's total planted area of 187,628 hectares is spread across the Indonesian provinces of Central Kalimantan, West Kalimantan, and Riau – areas with ample precipitation and temperature range suitable for oil palm cultivation. As 96.4% of the planted area is either maturing, closing in towards prime age, or in peak productivity, Bumitama's production volume is set for a vigorous growth in the upcoming years. Weighted average age of its nucleus and smallholders plantation as of 31 December 2022 amounted to 12.3 years.

Strategic Locations

The Group's operates 15 palm oil mills located in close proximity to its plantations, allowing expeditious FFB evacuation and processing to ensure optimum productivity, and becoming one of the nation's most efficient producers by reducing overall transportation-related costs while keeping carbon footprint low. With a total annual FFB processing capacity of 6.39 million metric tonnes, these mills ensure consistent, high quality CPO output. In 2022, Bumitama sold 1.1 million metric tonnes of CPO and 245.9 thousand metric tonnes of PK to refineries across Indonesia.

Balanced Portfolio

Bumitama's plasma estates span 55,529 hectares, constituting a sizeable 29.6% of total planted area under the Group's management. This, along with a significant contribution from plasma smallholders making up 22.2% of total FFB in 2022, has ensured a balanced mix between highly profitable nucleus estates and a sustainable contribution from smallholder estates under management, supported by third party contributions from independent smallholders.

The Group's strong rapport with independent smallholders helps to mitigate social risk, arguably the greatest liability in plantation management. Sourcing from local communities also allows the Group to prudently take on three issues at once: managing environmental risk, securing steady margins amidst price volatility, and ensuring supply continuity especially during low cycle periods.

Social Capital Cultivation

Driven to increase transparency and product traceability, Bumitama strives to obtain sustainable certifications beyond its own managed plantation by working closely with its plasma and independent smallholders. With regards to the context of responsible sourcing, we endeavour to secure full traceability of all FFB processed within our mills. Amplifying the positive social impacts of these endeavours, the Group cultivates good relations with local communities, government bodies, and civil society partners through various multi-stakeholder collaborations in all operational areas.

Bumitama has achieved

9 RSPO certificates

4 ISPO certificates

Environmental Stewardship

As one of the first few oil palm growers to adopt a No Deforestation, No Peat and No Exploitation ("NDPE") policy, Bumitama is widely recognised for pioneering sustainability initiatives. These initiatives are strategically guided by a comprehensive Sustainability Policy, most recently updated in 2022. Through the Bumitama Biodiversity and Community Project ("BBCP"), a distinctive flagship programme linking environmental conservation and plantation management, Bumitama augments ecosystem services and strengthens local communities' self-reliance. Now running in its seventh year in West Kalimantan, BBCP also provides means to develop alternative sustainable livelihoods, seen as an effective solution to prevent further deforestation and ecosystem degradation. As BBCP continues to evolve, the Group is galvanising the industry-wide movement towards more sustainable operations.

CHAIRMAN'S MESSAGE

In the face of these challenges, once again Bumitama was able to act perceptively in anticipating market trends and surmounted them with agility.

Dear Shareholders,

Representing the Board of Directors of Bumitama Agri Ltd ("Bumitama" or the "Group"), I hereby convey to you our Annual Report for FY2022—a period of great volatility in which we made significant headway in the business and delivered record-breaking performance.

Following a strong recovery in 2021, global GDP in 2022 grew by 3.4%, according to International Monetary Fund's estimate. The year began with fresh hopes of a powerful economic rebound, given the gradual easing of the pandemic-controlling restrictions and a widespread booster vaccination programme rolled out in many countries. But such hopes were dashed with the surge in geopolitical tension in the Black Sea region in February 2022.

What unfolded next was a series of contrasting outcomes. The armed conflict between these two long-standing major exporting countries quickly gave rise to a supply shortage of an array of commodities, from fertilisers to edible oils. Prices soared on the back of a resurgence in global demand, in keeping with the reopening of economies and the stimulus measures of the prior two years. Concerned with the possibility of runaway inflation, various central banks shifted their stance and raised their policy rates multiple times within the year, resulting in the swiftest monetary policy tightening in decades, with negative implications on post-pandemic world economic recovery.

Rising inflation was partly driven by the commodity boom cycle in the first half of 2022. This was a boon to the palm oil industry. Global CPO prices ascended to a record high as early as March, around 40% above their previous peak recorded in 2021. Though the descent that followed was steep, on average CPO prices in 2022 still hovered considerably above their 2021 levels. With CPO supply experiencing a swing amidst a general shortage of edible oils worldwide, major CPO players could enjoy a windfall during this period of elevated prices. Nonetheless, higher fertiliser prices amid their global scarcity posed a notable challenge for palm oil players for much of the year.

Challenges Beaten, New Records Broken

In the face of these challenges, once again Bumitama was able to act perceptively in anticipating market trends and surmounted them with agility. Strong relationships with our long-term suppliers allowed us not only to obtain fertilisers faster and at competitive rates, but also, more importantly, ensure its supply continuity. We also used organic waste from our operations to replenish soil nutrients on our plantations, and enacted a highly granular manuring regime adjusted to the conditions of different plots across our estates. We combined these measures with ongoing water management initiatives and comprehensive enhancements to our estates—all key elements in our intensification strategy. With all this, we could conduct manuring according to the initial plan, even during the unusually lengthy period of heavy rains from the "triple-dip" La Niña.

We also continued to explore and progressively apply new technologies to assist our precision agronomy initiatives. We are confident these initiatives will deliver major advantages to the best-in-class agronomic practices which we have been engaging with discipline. Such practices brought us a substantial productivity increase in 2022, and will continue to benefit the Group.

Fresh Palm Fruit Bunches ("FFB") yield from our plantations rose by 15.1% to 21.4 Metric Tonnes ("MT") per ha in FY2022, as we produced a total of 3.86 million MT of internal FFB. Both FFB yield and production in FY2022 were the highest in our history, a testimony to our persistent drive for continuous improvement. Our Crude Palm Oil ("CPO") production increased by 13.0% from FY2021's figure to 1.19 million MT in FY2022, while CPO yield went higher by 14.3%, despite Oil Extraction Rate ("OER") slightly declining to 22.3% due to excessive rains. Our Palm Kernel ("PK") also exhibited a 12.5% growth to reach 250,935 MT in FY2022.

As of the end of FY2022, Bumitama's oil palm plantations covered a total of 187,628 hectares ("ha") across three Indonesian provinces. About 96.4% of them consisted of mature plants. We replanted 1,319 ha in FY2022 with seedlings that were superior in terms of yield and climate adaptability. This concerted early replanting effort, coupled with the average age profile of our plants, which at 12.3 years is at their prime and favorable versus the industry, reflects our aim to bring strong productivity to Bumitama in the near future.

Financial Results at All-Time High

The rally of CPO prices on top of a robust production recovery in the first half of FY2022 boosted Bumitama's financial results, allowing us to post all-time high revenue and profit figures for two consecutive years. Revenue climbed 29.2% year-on-year ("YoY") to IDR 15.83 trillion in FY2022, propped by the sale of 1.10 million MT of CPO at IDR 12,519 per kg and 245,898 MT of PK at IDR 8,285 per kg. Both our CPO and PK selling prices on average were higher than those in FY2021, by 27.1% and 17.3%, respectively.

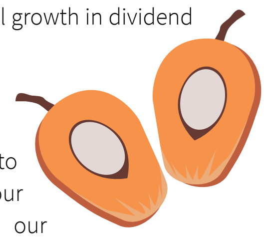
Our rigorous approach to operational efficiency by focusing on achieving optimal yield succeeded in suppressing the soaring cost of sales due to price hikes in fertiliser and fuel, as well as in FFB from external parties in line with the buoyant CPO market. Bumitama purchased 1.47 million MT of FFB from external parties in FY2022, a 15.7% increase from FY2021. This, in turn, contributed to the 14.8% increase in cost of sales.

With our highest-ever revenue, we reported EBITDA of IDR 5.69 trillion and net profit of IDR 3.40 trillion in FY2022. Both figures grew by nearly 63% from their FY2021 levels, attaining new historic peaks. We closed the year with a more robust balance sheet, with total assets standing at IDR 19.90 trillion, up by 12.5% from the end of FY2021. Equity made up 72.7% of total assets, an increase of 20.5% from its position as at the end of FY2021 to IDR 14.46 trillion as at the end of FY2022.

Holding a strong cash position throughout FY2022, we prioritised the repayment of part of our Sukuk Musharakah (Islamic Medium Term Notes), amounting to IDR 1.09 trillion, two years ahead of schedule. This early repayment reduced our gearing ratio further, from 0.35x in FY2021 to 0.23x in FY2022, the lowest in a decade. Our financial soundness was confirmed by RAM Ratings, which in early 2023 reaffirmed Bumitama's Sukuk Musharakah 2014/2019's rating at AA_2/Stable. From these sturdy foundations we have built, we endeavour to chart a sustainable growth path with excellence.

Consistently Attractive Shareholder Return

Over the years, we have consistently aspired to maximise shareholder value and pass the gains on to them in appreciation of their enduring trust and support. Thus, as Bumitama reported record-high profits for FY2022, we propose final one-tier tax exempt cash dividend of S$0.0442 per share on top of a special dividend of S$0.0213 per share, to be distributed upon obtaining shareholders' approval at the forthcoming annual general meeting. Including our previously distributed interim dividend last September, this dividend distribution will bring our total dividend from our FY2022 net profit to S$0.078 per share—the largest ever in the 25 years of Bumitama's history, to commemorate our 10 years of being listed on the Singapore Stock Exchange. It also signifies a 23% annual growth in dividend payment since 2013.



We are committed to maintaining our standing in the palm oil industry in terms of efficient operations while continuing to convey attractive dividends that reflect our financial performance. We take pride in our consistency in delivering meaningful value to our shareholders, and in our resolve to do so as we grow forward. In this regard, we were yet again given recognition through Asiamoney polls in 2022, with the Most Outstanding Company in Singapore triple awards.

Broadened Perspective on Sustainability

Continuous improvement towards excellence, which we pursue across our operations, rests upon the tenets of sustainable

growth. For years, we have been focusing our attention on aspects of environmental, social, and governance ("ESG") across many dimensions, encompassing multiple stakeholder groups. They include our own workforce and their family members, the communities around our operations, the public along with our investors and the relevant authorities, as well as the environmentalist in which we conduct business. Each of them is crucial to our long-term success, so with them we strive to work collectively to achieve our shared goals.

Recognising the importance of adaptiveness in ensuring business continuity, our employees have proven their agility in adapting the Group's ways of working to the latest practices in the industry and the wider trends in the labour market. As workforce demographic is shifting towards the younger generation, we have also shifted our approach in engaging them. Not only we place emphasis on financial rewards, we also take care of their well-being, along with their family members'. We have equipped and empowered women in our workforce and provided quality education for the children of our employees. All these initiatives have helped us attract and retain our talents, and strengthen our rapport with them.

Our employees' conduct attests to our commitment to upholding good corporate governance. This principled regulatory compliance is embedded in the stringent risk management and internal control measures governing our operations, on top of our efforts to obtain sustainability certifications. We preserve our social license to operate by engaging communities around us with far-reaching programmes to elevate their livelihoods and promote an equitable society. Our sustainability initiatives come full circle as we make a concerted effort with our employees and the communities to better steward the environment within our concessions and beyond. We recently broadened our Sustainability Policy scope by incorporating new standards and deepening our focus and approach to boost Bumitama's standing in global ESG rankings in the coming years.

Business Outlook

Notwithstanding the post-pandemic rebound, the International Monetary Fund's projects global economic growth to slow down further to 2.9% in 2023. Persistent inflationary pressures in tandem with hawkish central bankers and the possibility of the war in Ukraine escalating remain the major economic risks in 2023. For the palm oil industry, prices have been rangebound at around MYR 3,600–4,400 per MT since the start of 2023. Demand composition in Indonesia is expected to shift towards more domestic consumption, consistent with the government's announcement of the B35 biodiesel mandate. Production, on the other hand, will face the challenging effects from the likelihood of El Niño's return, aging plantation profile in both Indonesia and Malaysia and the lack of industry new plantings in particular starting 2015 onwards, will be aggravated further by years of under-manuring mainly in smallholders due to rising fertiliser prices and scarcity during 2022.

Across our estates, we are committed to continuing our yield intensification strategy with innovative precision agronomy practices and consistent manuring as planned. We stand poised for further gains with our productivity maintained at levels well above industry average. With capital expenditures budgeted at around IDR 1.5 trillion for FY2023, we aim to increase our internal FFB production by 3–7% as we conduct replanting on 1,500–2,000 ha and new planting on up to 500 ha. Furthermore, we are vigilant of the developments in the CPO market, and will use our advantageous cash position to prudently explore various investment opportunities that we believe will reinforce our business and create more value for shareholders. This will be strengthened by our comprehensive sustainability programmes to ensure that the benefits from our operations purposefully improve the social and environmental conditions around us.

We aim to increase our internal FFB production by

3-7%

as we conduct replanting on 1,500–2,000 ha and new planting on up to 500 ha

Our record-breaking performance in FY2022 has demonstrated our employees and partners' unwavering commitment to Bumitama's performance, and to them we express our utmost appreciation. We also thank our shareholders and the investment community for their trust and support. With caution and confidence, and guided by our corporate values, we forge our path forward and amplify the value we bring to all stakeholders.

Yours faithfully,

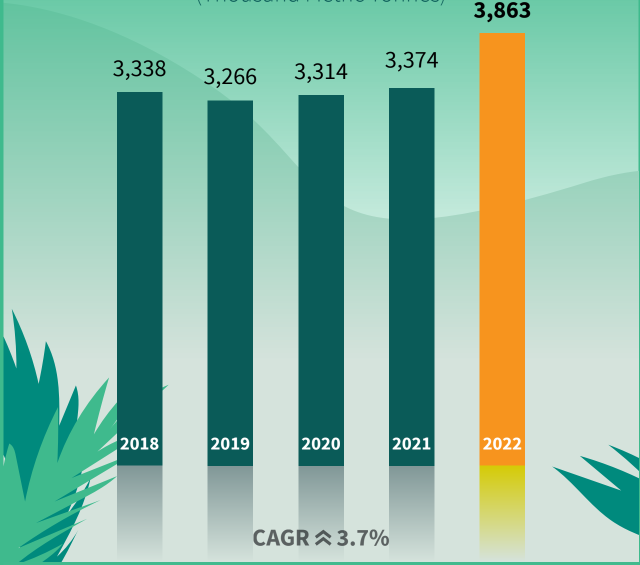
Gunawan H. Lim
Executive Chairman and Chief Executive Officer
24 March 2023

OPERATIONAL & FINANCIAL HIGHLIGHTS

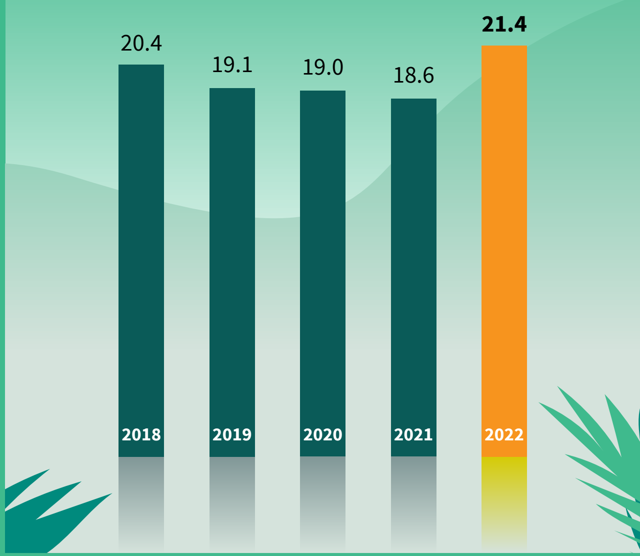
OPERATIONAL HIGHLIGHTS

FINANCIAL YEAR	2018	2019	2020	2021	2022
PLANTATION AREA (Hectares)					
Total Planted Area	185,165	187,567	187,917	187,917	**187,628**
Matured palms	162,815	170,053	173,464	181,211	**180,806**
Immature	22,350	17,514	14,453	6,706	**6,822**
Nucleus Planted Area	132,431	132,643	132,816	132,728	**132,099**
Matured palms	113,238	117,590	120,643	126,582	**125,462**
Immature	19,193	15,053	12,173	6,146	**6,637**
Plasma Planted Area	52,734	54,924	55,101	55,189	**55,529**
Matured palms	49,577	52,463	52,821	54,629	**55,344**
Immature	3,157	2,461	2,280	560	**185**
Planted Area by Location					
Kalimantan	182,856	185,258	185,608	185,608	**185,319**
Riau	2,309	2,309	2,309	2,309	**2,309**
PRODUCTION VOLUME (Metric Tonnes)					
Internal Fresh Fruit Bunches ("FFB")	3,338,234	3,266,483	3,314,128	3,373,559	**3,862,791**
Nucleus	2,276,866	2,231,353	2,270,745	2,336,178	**2,676,926**
Plasma	1,061,368	1,035,130	1,043,383	1,037,381	**1,185,865**
Crude Palm Oil ("CPO")	1,043,045	1,035,201	1,024,548	1,051,623	**1,188,156**
Palm Kernel ("PK")	208,311	213,065	215,691	223,000	**250,935**
PRODUCTIVITY					
FFB Yield per Matured Hectare (metric tonnes)	20.4	19.1	19.0	18.6	**21.4**
CPO Yield per Matured Hectare (metric tonnes)	4.5	4.3	4.3	4.2	**4.8**
Oil Extraction Rate (%)	22.1	22.7	22.6	22.6	**22.3**
Kernel Extraction Rate (%)	4.4	4.7	4.8	4.8	**4.7**

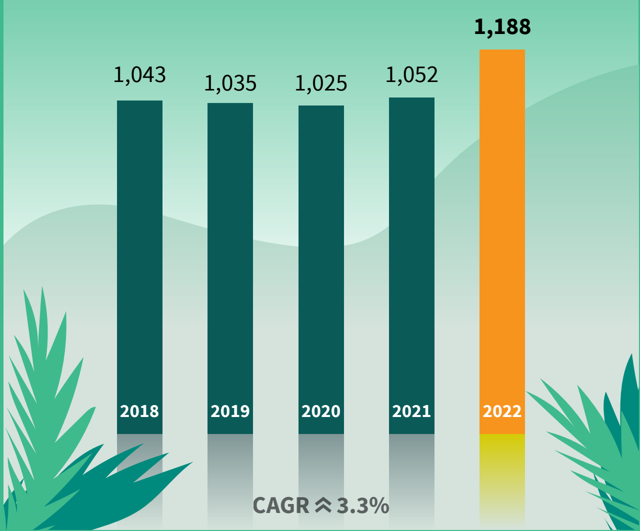
INTERNAL FFB Production
(Thousand Metric Tonnes)



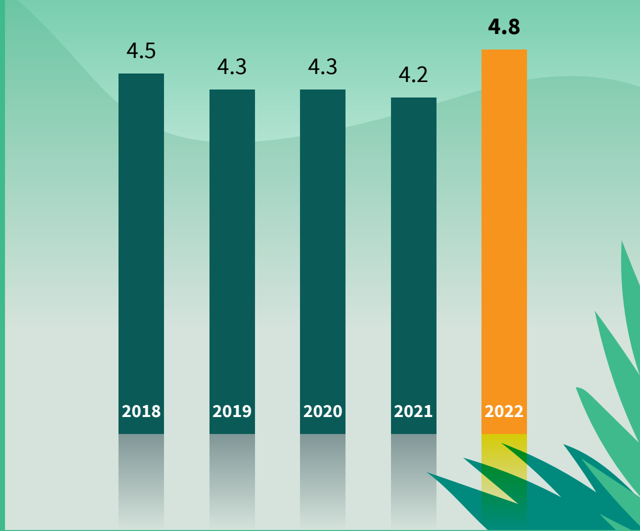
FRESH FRUIT BUNCHES YIELD
(Metric Tonnes/Matured Hectare)



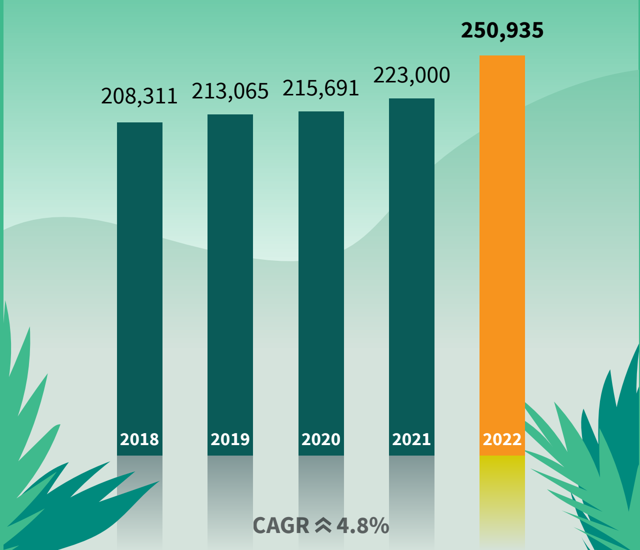
CRUDE PALM OIL PRODUCTION
(Thousand Metric Tonnes)



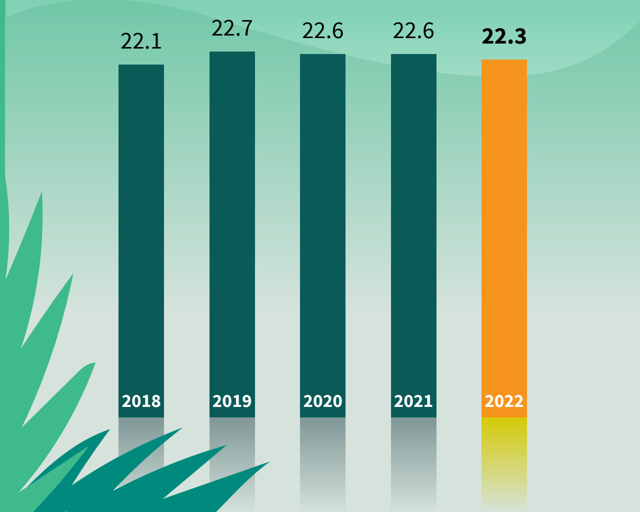
CRUDE PALM OIL YIELD
(Metric Tonnes/Matured Hectare)



PALM KERNEL PRODUCTION
(Metric Tonnes)



OIL EXTRACTION RATE
(Percentage)



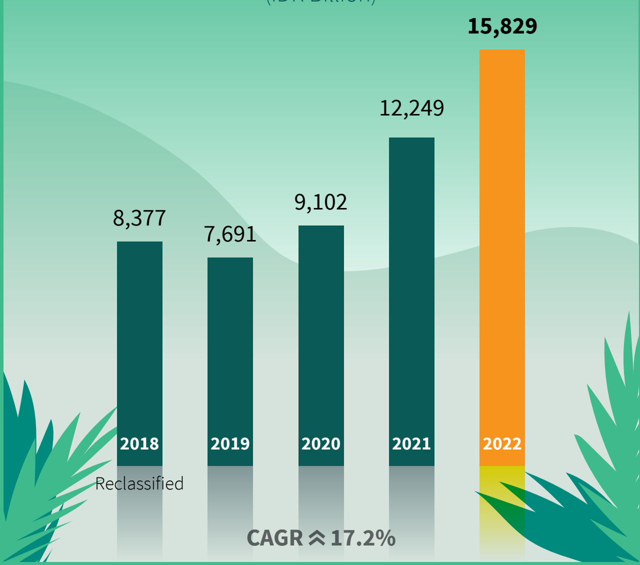
OPERATIONAL & FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

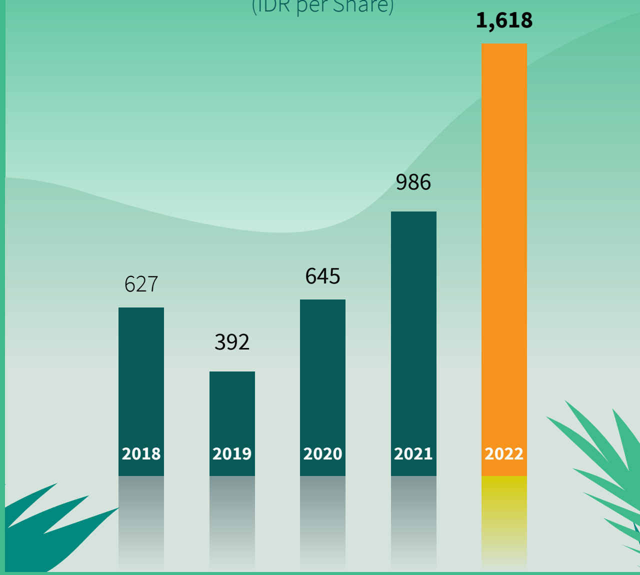
FINANCIAL YEAR	2018	2019	2020	2021	2022
INCOME STATEMENT (IDR Billion)					
Revenue	8,377[1]	7,691	9,102	12,249	**15,829**
Gross Profit	2,387	1,733	2,526	3,457	**5,733**
Fair Value Changes in Biological Assets	(48)	20	26	82	**(87)**
Profit before tax	1,705	1,193	1,931	2,864	**4,571**
EBITDA	2,395	1,694	2,575	3,498	**5,686**
Net Profit	1,295	840	1,362	2,089	**3,399**
Net Profit Attributable to Owners of the Company	1,097	686	1,126	1,721	**2,826**
EPS Attributable to Owners of the Company (IDR per Share)[2]	627	392	645	986	**1,618**
BALANCE SHEETS (IDR Billion)					
Total Assets	16,539	17,444	18,233	17,686	**19,898**
Total Current Assets	2,410	2,506	2,618	2,179	**4,539**
Total Current Liabilities	6,427	1,721	1,722	1,218	**1,858**
Total Non-current Liabilities	1,112	6,292	5,977	4,469	**3,584**
Total Equity	9,000	9,431	10,534	11,999	**14,456**
Equity Attributable to Owners of the Company	7,771	8,082	9,017	10,300	**12,494**
FINANCIAL STATISTICS					
Revenue Growth	3.0%	(8.2%)	18.3%	34.6%	**29.2%**
Gross Profit Margin	28.5%	22.5%	27.8%	28.2%	**36.2%**
Operating Profit Margin	22.0%	14.1%	21.1%	22.5%	**31.1%**
EBITDA Margin	28.6%	22.0%	28.3%	28.6%	**35.9%**
Net Profit Margin	15.5%	10.9%	15.0%	17.1%	**21.5%**
Return on Equity[3]	14.1%	8.5%	12.5%	16.7%	**22.6%**
Return on Assets[4]	6.6%	3.9%	6.2%	9.7%	**14.2%**
Net Debt[5]/Total Equity (Times)	0.55	0.66	0.50	0.33	**0.17**
Debt/Total Equity (Times)	0.58	0.71	0.57	0.35	**0.23**
Net Debt[5]/Total Assets (Times)	0.30	0.36	0.29	0.22	**0.13**

Remarks:
1. *Reclassified*
2. *The earnings per share has been computed based on the Company's total number of issued shares excluding treasury shares as at each balance sheet date*
3. *Return on Equity = Net Profit Attributable to Owners of the Company / Equity Attributable to Owners of the Company*
4. *Return on Assets = Net Profit Attributable to Owners of the Company / Total Assets*
5. *Net Debt = Interest bearing debts less cash and bank balances*

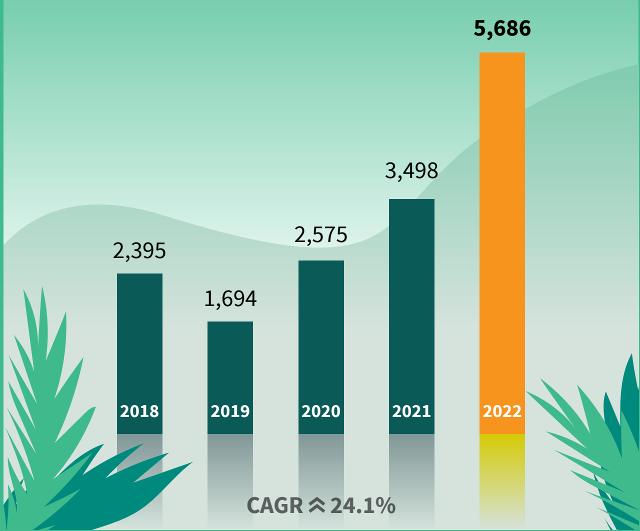
REVENUE
(IDR Billion)



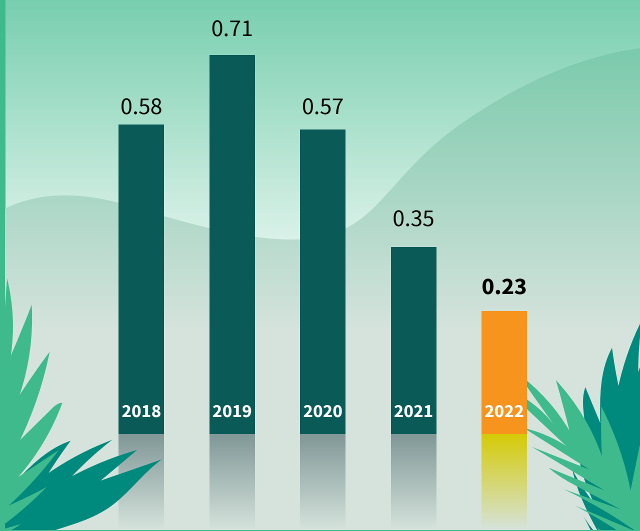
BASIC EARNINGS PER SHARE
(IDR per Share)



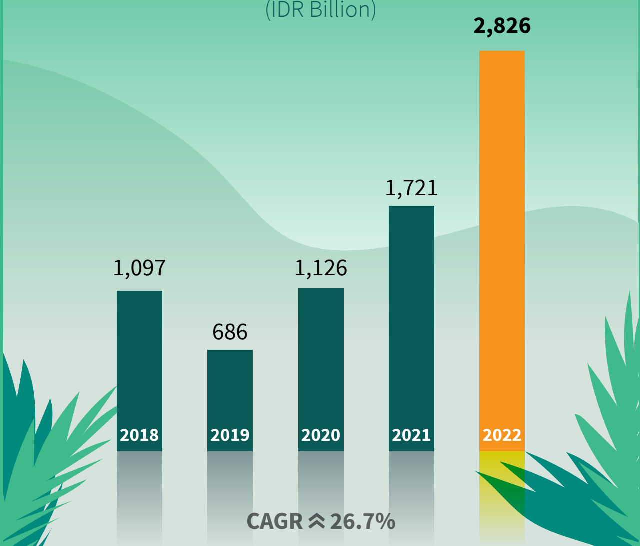
EBITDA
(IDR Billion)



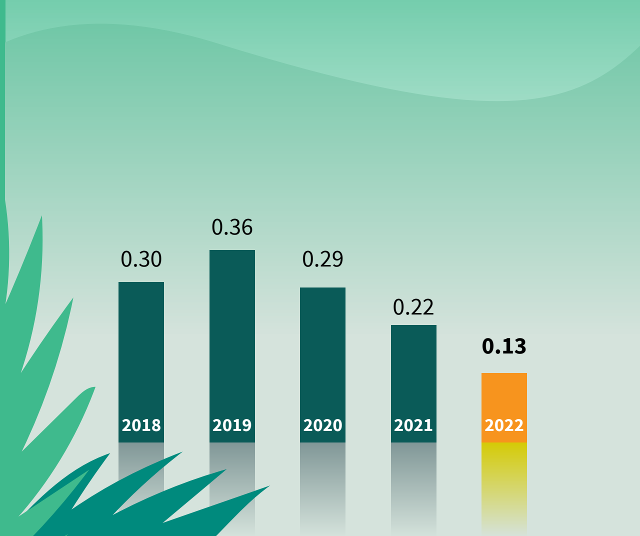
DEBT PER TOTAL EQUITY
(Times)



NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(IDR Billion)



NET DEBT PER TOTAL ASSETS
(Times)



OPERATIONAL & FINANCIAL REVIEW

The Group had taken into account various post-COVID scenarios in the formulation of its business plans, and then executed these plans with prudence and discipline.

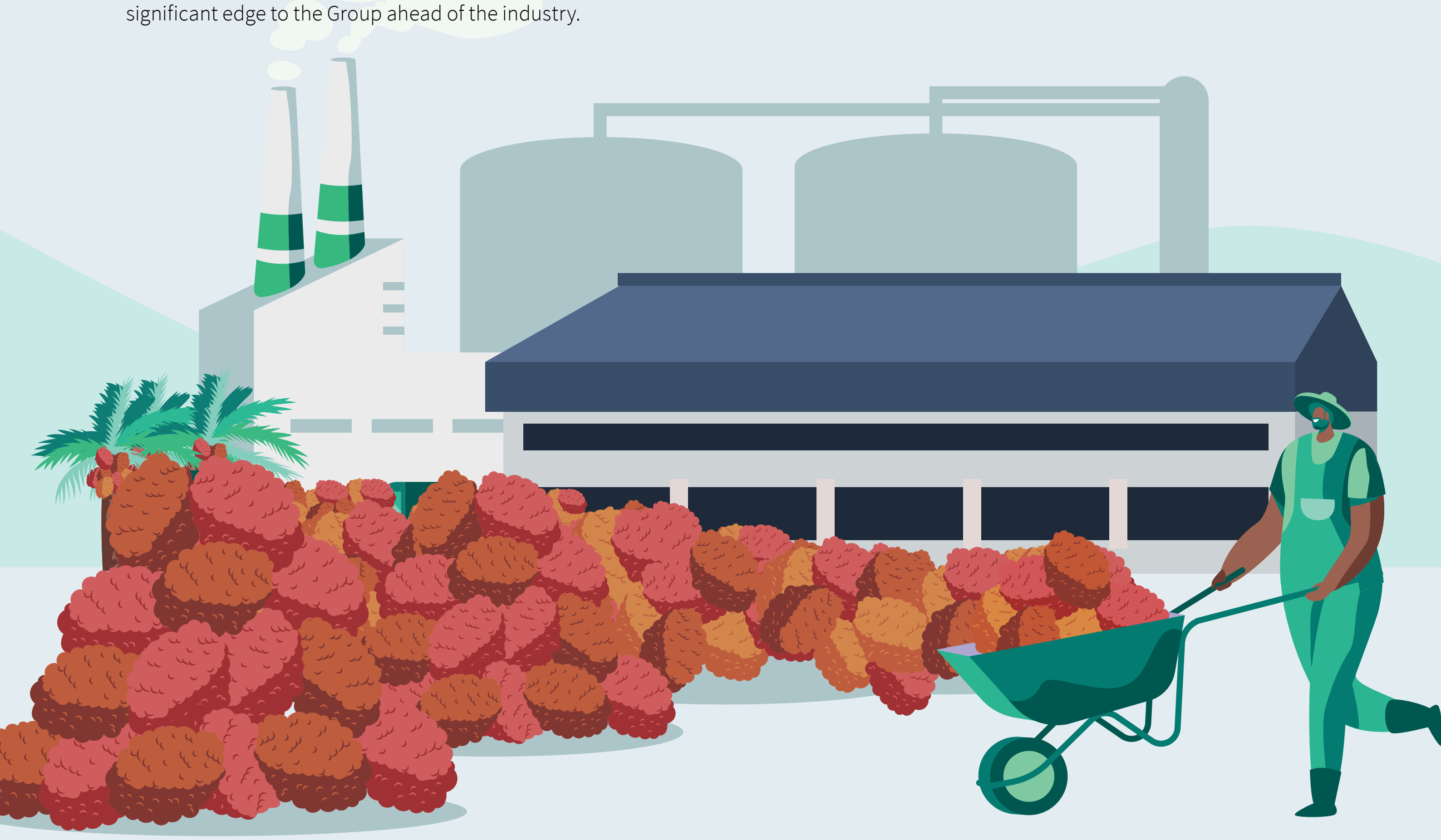
Operational Review

As the world pivoted away from the COVID-19 pandemic, Bumitama (or "the Group") continued to closely follow the government's policy on community activity restrictions to safeguard the health and safety of its employees and all parties across all of its operational areas. As the restrictions were gradually lifted and return to normalcy continued to take shape towards the end of the year, Bumitama adjusted its operations in its estates, mills, and other facilities accordingly, alongside the previously planned sustainability initiatives.

The Group had taken into account various post-COVID scenarios in the formulation of its business plans, and then executed these plans with prudence and discipline. Strategic initiatives and long-term enhancements deployed in 2022 effectively prepared Bumitama against certain trends in the industry, from global supply shortages and rising fertiliser prices, to the shifts in the labour market and sustainability landscape. They delivered a significant edge to the Group ahead of the industry.

Owing to a combination of a specifically tailored manuring regime, extensive improvements in estate management, and increasing adoption of precision agriculture technologies, total Fresh Palm Fruit Bunches ("FFB") include the external FFB production rose to a fresh new high of 5.33 million Metric Tonnes ("MT") in FY2022, from 4.64 million MT in FY2021. The 14.8% increase was driven primarily by a 14.5% growth in internal FFB production, which accounted for 72.5% of total FFB production in FY2022.

The Group's nucleus plantations contributed 2.68 million MT or 69.3% of total internal FFB in FY2022, while production from plasma plantations reached 1.19 million MT. The increase in internal FFB came from both nucleus and plasma estates under management, by 14.6% and 14.3%, respectively. These growth rates in FY2022 surpassed the industry's, which was largely hampered by more selective fertiliser application and a protracted period of excessive rains arising from the triple dip La Niña.

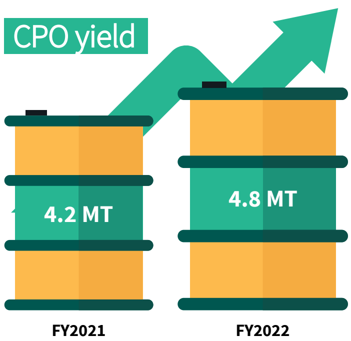


In the estates managed by the Group, La Niña events in FY2022 brought in 24% more rainy days than the 10-year average. Despite this, the Group's plantations in two regions registered robust production increases: 24.6% in West Kalimantan and 9.6% in Central Kalimantan, compared to their FY2021 figures. This was due to mitigation efforts to dampen negative impacts of continuing adverse weather conditions for three years running.

Record production levels achieved in FY2022 resulted in a steep increase of 15.1% in FFB yield per matured hectare ("ha") to 21.4 MT per ha, a record high in Bumitama's 25-year history. Combined FFB production (from nucleus and plasma estates) showed a Compound Annual Growth Rate ("CAGR") of 5.7% over the period 2019–2022. Meanwhile, the CAGR for FFB yield over the same period was 3.9%. In contrast, the Indonesian Palm Oil Association (GAPKI) has reported a decline in Indonesia's CPO production for four successive years, from a peak of 47.2 million MT in 2019 to 46.7 million MT in 2022.

A key element supporting the Group's considerable increase in productivity was consistent manuring management and multi-year water management initiatives that proved instrumental in mitigating the triple-dip La Niña's effects. Having secured sufficient supply of fertilisers, for three consecutive years up to FY2022, Bumitama's achievement of the manuring recommendation had been close to 100%. Throughout FY2022, Bumitama customised the mixtures of fertilisers and microorganisms for application on different parts of its estates, to effectively cater to the varying needs and characteristics of the soil in each part and promote sustainable soil health. This granular approach to nutrient management was further fortified by applying organic materials, from fronds and empty fruit bunches in the plantations to mill biowaste, to restore soil health to its optimum level. The Group also continued its progress in the use of Internet of Things (IoT) sensors and other related technologies in both the plantations and the mills, in keeping with its long-term digitalisation programme.

Excessive rains in FY2022 caused Oil Extraction Rate ("OER") to drop from 22.6% to 22.3%. A drop in OER, however, did not dampen Crude Palm Oil ("CPO") production, as it rose 13.0% from 1.05 million MT in FY2021 to 1.19 million MT in FY2022, and exhibited a CAGR of 4.7% over the period 2019–2022. With such an increase, CPO yield also rose 14.3% from 4.2 to 4.8 MT per ha from FY2021 to FY2022, the highest on record.



Palm Kernel ("PK") production in FY2022 amounted to 250,935 MT, an increase of 12.5% from 223,000 MT in FY2021. PK extraction rate declined from 4.8% in FY2021 to 4.7% in FY2022. In the period 2019–2022, PK production had grown with a CAGR of 5.6%.

The Group's total planted area was 187,628 ha in FY2022, with nucleus plantations covering 132,099 ha by the end of FY2022, making up 70.4% of total managed planted area. The coverage of plasma plantations increased by 0.6% to 55,529 ha in FY2022. Based on location, 98.8% of the total planted area is in Kalimantan, with the remainder in Riau Province.

By the end of FY2022, mature plantations coverage was slightly reduced to 180,806 ha, with those in nucleus area dropping by 1,120 ha. In FY2022, driven by the replanting of 1,319 ha across some estates, the Group's plantations had an average age of 12.3 years old. This demonstrates the advantageous position of Bumitama's estates to further improve its yield and maximise shareholder value in medium to long-term, consistent with the Group's commitment.

Financial Review

Income Analysis

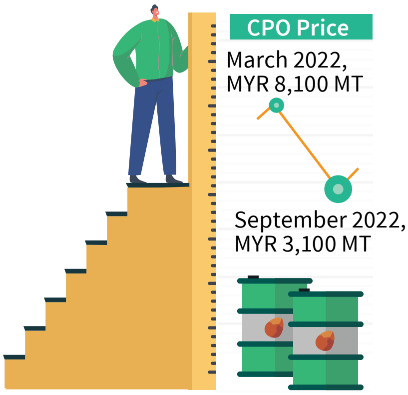
By exercising an agile and adaptive business strategy that is fully attuned to the evolving market dynamics, Bumitama successfully dealt with the excessive volatility which characterised the global market for palm oil throughout FY2022. Palm oil futures reached record high of over MYR 8,100 per MT in March, and then bottomed at nearly MYR 3,100 per MT by September.

The Group was able to extract meaningful gains from the rallying CPO price situation in the first half of the year, and addressed the decline in prices, mainly for PK, in the second half by increasing sales volume and prudent management in commercial-related activities. This had allowed the Group to post record-high financial figures for FY2022: EBITDA margin was at an 8-year high as Bumitama's average selling prices surged along with optimised productivity. This had more than offset the spike in fertiliser costs, while attaining nearly 100% field application by year-end.

The global edible oils market went through a critical phase in early 2022, with sunflower oil supply from the Black Sea region

disrupted by the war, and soybean farmers' productivity in Latin America hampered by prolonged drought. The Black Sea region accounted for roughly 60% of global sunflower oil output, and 76% of exports.

Palm oil was expected to make up for the shortfall. However, the combined effect of low-cycle period and adverse effects from extreme weather limited its supply. As buyers turned to CPO, its price soared to an all-time high in March 2022, grossing over MYR 8,100 per MT. As concerns of supply scarcity became less pressing following Indonesia's quick reversal from restricting export to flushing out its massively accumulated inventory, prices began their descent in June 2022, to average at around MYR 4,917 per MT, above 2021 level.



For much of 2022, persistent weather challenges and sub-optimal manuring caused Indonesia's CPO production to decline for the fourth consecutive year. However, Bumitama's best agricultural management practices, marked by a disciplined work culture, increasingly tech-assisted initiatives, and fluid execution of weather effects mitigation, were able to deliver superior output that bucked the industry's declining trend.

The Group's CPO average selling price of IDR 12,519 per kilogramme ("kg") was 27.1% higher than in FY2021. This was higher than the average increase in market prices owing to greater volumes of CPO sold by the Group in the first half of 2022. PK average selling price, of IDR 8,285 per kg in FY2022, showed an increase of 17.3% over the same period.

Despite a double-digit rise in production volume, extreme weather effects in Indonesian waters triggered the Ministry of Maritime Affairs to issue marine navigation advisory near the close of 2022, hampering scheduled deliveries. Total CPO sales volume recorded by the Group in FY2022 amounted to 1.10 million MT, up by only 1.9% from 1.08 million MT in FY 2021, while PK sales volume climbed 8.7% from 226,314 MT to 245,898 MT.

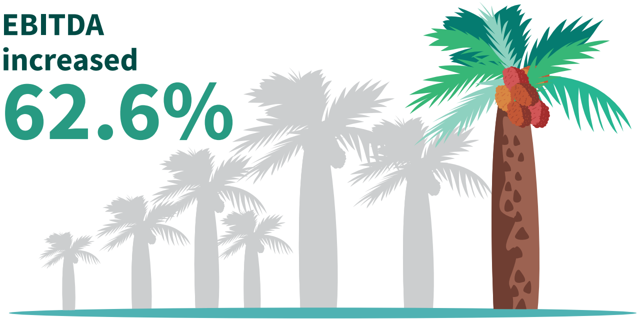
As both CPO and PK sales volumes went up along with their respective average selling prices, the Group recorded a 29.2% growth in revenue, from IDR 12.25 trillion in FY2021 to IDR 15.83 trillion in FY2022. CPO sales made up 87.1% of total revenue in FY2022, with the rest coming from PK sales. From the period 2018–2022, total revenue of the Group exhibited a CAGR of 17.2%.

Cost of sales exhibited a 14.8% increase from IDR 8.79 trillion in FY2021 to IDR 10.10 trillion in FY2022, mainly driven by the increase in plantation costs by 39.6%. This was due to a 24.3% rise in FFB purchase costs from plasma and external parties, in tandem with CPO price hikes. Additionally, fertiliser costs increased by 74.1% as prices surged.

The percentage increase of cost of sales in FY2022 was much smaller compared to that of revenue. As a result, the Group recorded gross profit of IDR 5.73 trillion in FY2022, a 65.8% jump from FY2021's figure. Gross profit margin reached 36.2%, higher than the previous year's figure of 28.2%. This figure, standing at an 8-year high, demonstrated the Group's success in maintaining optimal business processes despite highly volatile commodity prices due to global uncertainties and weather challenges during the year.

An annual valuation of biological assets resulted in a reduction in their value by IDR 87 billion in FY2022, based on the market value of the agricultural produce as of 31 December 2022, versus an increase of IDR 82 billion in the previous year, in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1–41.

Profit before tax rose 59.6% to IDR 4.57 trillion in FY2022 on the back of gross profit increase, which in turn sent Earnings before Interest, Taxes, Depreciation, and Amortisation ("EBITDA") to reach IDR 5.69 trillion, a 62.6% rise from IDR 3.50 trillion in FY2021. The Group's EBITDA has expanded by a CAGR of 24.1% in the last five financial years of 2018 to 2022, as EBITDA margin for FY2022 rose to an eight-year high of 35.9%.



Even amidst the multiple interest rate hikes by central banks worldwide, including the London Inter-bank Offered Rate ("LIBOR"), the Group successfully reduced its financing cost by repaying some of its debt, which is further detailed in the Financial Position discussion below. Accordingly, the Group's gearing ratio went down to 0.23x in FY2022 from FY2021's 0.35x.

There was also a significant rise in grossed-up dividend-related withholding tax in FY2022 amounting to IDR 176.85 billion, up 120% from the previous year arising from the Group's plan to propose a special dividend payment, to celebrate its 25th anniversary and 10 years of listing in SGX, at the upcoming annual general meeting of shareholder scheduled for late April 2023.

In FY2022, the Group surpassed its previous year's net profit record achievement with a growth of 62.7%, from IDR 2.09 trillion in FY2021 to reach IDR 3.40 trillion. About IDR 2.83 trillion or 83.1% of this figure was attributable to owners of the Company. With this new record, Earnings per Share ("EPS") attributable to owners of the Company reached IDR 1,618 per share, up by 64.1% from the previous year.

Financial Position

With improving business conditions in FY2022, at the end of the year the Group booked an increase of 12.5% in total assets, from IDR 17.69 trillion as at the end of FY2021 to IDR 19.90 trillion.

Of this figure, IDR 4.54 trillion or 22.8% was in the form of current assets. The amount more than doubled from IDR 2.18 trillion at the end of FY2021. Current assets were mainly composed of inventories and cash and short-term deposits, at IDR 2,327 billion and IDR 826 billion, respectively, making up 69.5% of total current assets. Rising inventories were due to higher fertiliser volume and prices, alongside the higher volume of palm products. CPO and PK shipments were hampered, even with increased production, by logistical issues due to inclement weather particularly in the last quarter of FY2022.

Components of non-current assets as at the end of FY2022 included bearer plants (at IDR 7.84 trillion or 51.1% of total non-current assets), property, plant, and equipment (IDR 4.57 trillion), and plasma receivables (IDR 1.54 trillion). They made up 90.9% of total non-current assets, which amounted to IDR 15.36 trillion as at the end of FY2022.

Liabilities as at the end of FY2022 reached IDR 5.44 trillion, dropping by 4.3% and extending their decline for the last three financial years since FY2019. As a result, the liabilities to equity ratio improved from 0.47x as at the end of FY2021 to 0.38x in FY2022, continuing the downward trend seen since 2020.

Current liabilities amounted to IDR 1.86 trillion, making up 34.1% of total liabilities. The IDR 641 billion or 52.6% rise in current liabilities was owing to the varying increases across all components, led by taxes payable at 109.0% and sales advances at 71.5%. The increase in taxes payable was due to improved financial performance that led to a higher corporate income tax for the year, while that of sales advances was caused by slower shipments in the latter part of the year, as detailed above.

With a robust financial performance in FY2022, the Company managed to increase its total equity by

20.5%

Non-current liabilities as at 31 December 2022 stood at IDR 3.58 trillion, a 19.8% reduction from its position one year prior. This reduction, amounting to IDR 886 billion, more than offset the increase in current liabilities. The Group reduced its debts in FY2022 by performing early redemption of the Islamic Medium Term Notes Tranche III in July 2022, ahead of its maturity date of July 2024. With this, the Group's gearing ratio decreased to 0.23x while its net debt to total assets went down to 0.13x over the period of FY2022. These figures were the lowest since the Group's listing in 2012. As at the end of FY2022, the outstanding amount of the Islamic Medium Term Notes was IDR 1.42 trillion, which was entirely derived from the fourth issuance (Tranche IV).

With a robust financial performance in FY2022, the Company managed to increase its total equity by 20.5% from IDR 12.00 trillion as at 31 December 2021 to IDR 14.46 trillion. Consistent with this increase, equity attributable to owners of the Company rose 21.3% to IDR 12.49 trillion as at the end of FY2022. A greater growth in revenue compared to that of equity in FY2022 caused the Group's Return on Equity ("ROE") to climb from 16.7% to 22.6%, while Return on Assets ("ROA") increased from 9.7% to 14.2%.

Cash Flows

The Group collected cash from customers amounting to IDR 15.98 trillion in FY2022, 31.4% higher than in FY2021, owing to higher revenue bolstered by both higher CPO selling prices and sales volume over the course of the year compared to the previous period. Accordingly, cash payments to suppliers, employees, and for other operating expenses also increased to IDR 11.73 trillion. This resulted in the net cash generated from operating activities that amounted to IDR 3.51 trillion.

The Group made purchases of property, plant, and equipment amounting to IDR 832 billion and added bearer plants amounting to IDR 400 billion in FY2022. Meanwhile, there was a decrease in plasma receivables to the tune of IDR 650 billion. Consequently, the net cash used in investing activities in FY2022 was IDR 494 billion.

With a robust financial performance in FY2022, the Company managed to increase its total equity by 20.5% from IDR 12.00 trillion as at 31 December 2021 to IDR 14.46 trillion.

Owing to the early repayment of the Islamic Medium Term Notes Tranche III of IDR 1.09 trillion, and the payment of dividends amounting to IDR 1.17 trillion, the net cash used by the Group in financing activities in FY2022 reached IDR 2.38 trillion. These payments were made possible by the high level of cash generated from CPO sales made throughout FY2022.

Following the above movements of cash and cash equivalents, the Group recorded a net increase of IDR 642 billion over the course of FY2022, resulting in the amount of cash and cash equivalents of IDR 826 billion at the end of the financial year.

BOARD OF DIRECTORS

Lim Gunawan Hariyanto

Executive Chairman and Chief Executive Officer

Mr. Lim Gunawan Hariyanto is one of the founders of the Group since 1998 before the Company was listed on the SGX. He was first appointed to the Board on 23 March 2012 and re-elected on 22 April 2022. He is responsible for providing strategic direction of the Group.

He is presently the Group President Director and Chief Executive Officer of PT Harita Jayaraya since 1998. He has a distinguished career in the palm oil and mining industry.

He holds a Bachelor of Business Administration degree from the University of Southern California, USA, having graduated in 1981.

Lim Christina Hariyanto

Executive Director

Ms. Lim Christina Hariyanto joined the Group in 2012 as Head of Investor Relations. She was first appointed to the Board on 1 June 2017 and re-elected on 24 April 2020. She is responsible for strengthening communication channels between the Company and the financial industry. She advocates greater awareness among investment and financial communities of Bumitama's endeavours through capital market outreach programmes, including company disclosures, site visits, analyst meetings, and investor conferences. Her accolades include Asiamoney's "Best in Investor Relations in Singapore" award for Bumitama in 2015 and 2016, and "Best Executive in Singapore" Award, which she received in 2016.

Since 2022, she has taken up the corporate communications role in Bumitama to ensure effective communications with relevant stakeholders, which include the public, while aligning corporate activities with Bumitama's strategic goals.

She concurrently presides in other roles, including as President Commissioner of Harita Kencana Sekuritas, and as a member of the Board of Advisors of Bumitama Foundation, whose focus is to provide quality education at the village level to future leaders, and to support local entrepreneurs to become independent in their communities.

She is also an active member of the Young Presidents' Organization (YPO) Indonesia, at which she was Chapter Chair in 2011-2012.

She graduated from the University of Southern California, USA, with a Bachelor of Business Administration in 1990.

Dato' Lee Yeow Chor

Non-Executive Director

Dato' Lee Yeow Chor was first appointed to the Board on 23 March 2012 and re-elected on 12 April 2021.

He is presently the Group Managing Director and Chief Executive of IOI Corporation Berhad, a prominent Malaysia-based global palm oil player, and a Board Member of IOI Properties Group Berhad since 2013. He was first appointed to the Board of IOI Corporation Berhad as Group Executive Director in 1996. Prior to his career in the private sector, he served in various capacities in the Attorney General's Chambers of Malaysia and the Malaysian Judiciary for about four years, with his final position as a Magistrate.

Dato' Lee was elected Chairman of the Malaysian Palm Oil Association ("MPOA") in June 2020. Prior to that, he was Chairman of the Malaysian Palm Oil Council from 2009 to 2020. He was also a member of the Board of Directors of Bank Negara, the Central Bank of Malaysia, from 2015 to 2018.

He qualified as a barrister from Gray's Inn, London, UK. He holds an LLB (Honours) from King's College London and a Postgraduate Diploma in Finance and Accounting from the London School of Economics.

Lim Hung Siang

Lead Independent Director

Mr. Lim Hung Siang was appointed to the Board on 1 June 2018 and re-elected on 12 April 2021. He was appointed as the Lead Independent Director of the Company in place of Mr. Lee Lap Wah George with effect from 18 March 2022.

His professional career encompasses an extensive experience running several companies in the transport and engineering sectors, including Singapore Automotive Engineering Group and ComfortDelgro Corporation. He has also overseen business development initiatives and mergers/acquisitions in Europe, Australia and China, as well as the setting up and operating of new business units.

After his retirement as Senior Executive Vice President of ComfortDelgro Corporation in 2007, he was appointed as an advisor and consultant for several companies in Singapore, China, and France.

He obtained both his Bachelor of Engineering (Mechanical) (First Class Honours) and Master of Science (Industrial Engineering) degrees from the University of Singapore in 1973 and 1979, respectively. He attended the Senior Executive Programme at Stanford University, USA, in 1989.

BOARD OF DIRECTORS

Lee Lap Wah George

Independent Director

Mr. Lee Lap Wah George was appointed to the Board on 1 June 2017 and re-elected on 22 April 2022.

He is an Independent Non-Executive Director at Oversea-Chinese Banking Corporation ("OCBC") Malaysia Bhd since his appointment on 1 September 2021. He is also an Independent Director of RE&S Holdings Limited and Wearnes-Starchase Limited. From 2016 to 2017, he was an advisor to the CEO and Management Committee at OCBC Malaysia Bhd. Previously, he served as Executive Vice President and Head of Global Corporate Banking at OCBC from 2012 to 2016 after having served as Executive Vice President and Head of Group Investment Banking of OCBC Limited since 2002.

Throughout his illustrious career spanning more than 40 years, he has held managerial positions in various merchant banking units based in Singapore, including Marine Midland Bank, Country Manager for Security Pacific Asian Bank, Head of Corporate Banking for South East Asia at Credit Suisse Singapore, and Director of Corporate Lending of Credit Suisse First Boston.

He was awarded the Chartered Financial Analyst (CFA) in 1987 and currently sits on the advisory panel of CFA Singapore. He obtained his Bachelor of Business Administration (Honours) from the University of Singapore in 1976.

Lawrence Lua Gek Pong

Independent Director

Mr. Lawrence Lua Gek Pong was appointed to the Board on 1 January 2020 and re-elected on 24 April 2020.

He is currently a Non-Executive Director and Chairman of Miclyn Express Offshore Limited. He also serves as a Non-Executive Director and Chairman of Azura Investment Partners Pte Ltd, Non-Executive Director of Lygend Resources & Technology Co Ltd and a Board Member of Maitri Asset Management Private Ltd.

Mr. Lua has an extensive and distinguished career in banking and finance, having started out with the Monetary Authority of Singapore before going on to serve in the Corporate Banking Groups of various foreign banks. In 1989, he moved into private banking where he held senior positions including Global Market Head and Country Head for Citibank Private Bank Singapore and Managing Director (Investments) for Merrill Lynch International Bank Singapore. He then went on to join DBS Bank in 2011 and served as Managing Director and Head of Private Bank for South East Asia, Member of the DBS Bank Singapore Management Committee and subsequently as Group Head of the Private Bank. He retired from DBS Bank at the end of 2022.

In addition to the above, he also served as Chairman of IBF Private Banking Industry Workgroup and Member of IBF Standards Committee from 2016 to 2020 and continues to serve on the Advisory Board for Wealth Management at the Singapore Management University. He has been the Founding Chairman of a not-for-profit child development organisation since 1991, as well as Chairman of the Nee Soon Link Citizens' Consultative Committee since 2020. For his dedicated and commendable service rendered to the community, he was awarded the Pingat Bakti Masyarakat (PBM) Public Service Medal by the Government of Singapore in 2021. He is also a Mentor to a social enterprise involved in helping the marginalised women and youth-at-risk.

He graduated with a Bachelor of Social Science (Honours in Economics) from the National University of Singapore in 1982.

Witjaksana Darmosarkoro

Independent Director

Mr. Witjaksana Darmosarkoro was appointed to the Board on 1 July 2021 and re-elected on 22 April 2022. He also holds the role as Director of Sustainability and Smallholders Development at the Secretariat of the Council of Palm Oil Producing Countries (CPOPC) in Jakarta.

He began his career in 1984 as a researcher at the Agronomy Division in the Coconut Research Center in North Sumatra, Indonesia. In 1990, he became the Head of the R&D Planning Section at the Soil Science and Agronomy Division of Marihat Research Station. From 2005 to 2014, he was the Director of Indonesian Oil Palm Research Institute (IOPRI), followed by his role as the Director for Replanting and Farmer Support at the Indonesia Estate Crop Fund (BPDPKS) from 2015 to 2016. He is an eminent Agronomy and Technical Advisor, having rendered his expertise to numerous oil palm companies throughout the years.

He obtained a Bachelor's degree in Soil Science and Master of Agronomy from Bogor Agricultural University, Indonesia, in 1983 and 1991, respectively. He holds a PhD from Iowa State University, USA, in Crop Production and Physiology in 1997.

KEY MANAGEMENT

Roebianto

Chief Operating Officer

Mr. Roebianto joined the Group in 2003 as General Manager in the Engineering Division of Bumitama Gunajaya Agro ("BGA"), a subsidiary. He currently serves as Chief Operating Officer of the Group, since his appointment on 1 January 2004. He is in charge of leading and coordinating the Group's overall operational activities, including plantation management, engineering and human capital.

His career spanning four decades began as a Field Superintendent in the Planning and Engineering Department of Indo Plywood ("Salim Group") in 1982. He was subsequently promoted to various managerial positions within Salim Group, until he parted ways in 1999. He then served as Director at Chua Sea Joo Plywood Industry Sdn Bhd, Malaysia, from 1999 to 2003. Prior to joining BGA, he was General Manager in PT Tirta Mahakam Resources Tbk.

He graduated with a Bachelor of Civil Engineering degree from the Christian University of Indonesia in 1982.

Sie Eddy Kurniawan

Chief Financial Officer

Mr. Sie Eddy Kurniawan joined the Group upon his appointment as the Group's Chief Financial Officer on 7 January 2013. He is responsible for supervising and coordinating all activities of the Group's finance, accounting, and ICT departments. He is also overseeing the Group's strategic and commercial activities.

His estimable career in finance began in 1994, initially as Financial Auditor, and later as Senior Auditor, with Arthur Andersen. He subsequently joined PricewaterhouseCoopers where he rose through the ranks to the position of Vice President in the Financial Advisory Services. In 2005, he served at Sampoerna Strategic Group as Business Development Executive. Prior to joining the Group, from 2007 to 2012, he was the Chief Financial Officer of PT Sampoerna Agro Tbk, a plantation company listed on the Indonesian Stock Exchange.

For his sound financial strategy, in addition to being a well-rounded and versatile leader, he was awarded "Top 10 Chief Financial Officer in Singapore 2023" by CEO insights ASIA Magazine.

He obtained his Bachelor of Economics degree from Parahyangan Catholic University, Indonesia, in 1994.

Lim Sian Choo

Chief Sustainability Officer

Ms. Lim Sian Choo joined the Group in 2011 as the Group Head of Corporate Secretarial Services and Corporate Social Responsibility. She serves as Chief Sustainability Officer of the Group with her appointment on 27 May 2020.

Since 2013, she has been working collectively with various stakeholders, including the RSPO, on various initiatives. She is an active member of numerous RSPO standing committees, working groups, and task forces, including as a member and co-chair of the Complaints Panel.

She initiated her career in 1982 as a Chartered Accountant and was involved in the accounts and finance departments of various businesses. In 1991, she joined the Hong Leong Group of Malaysia, holding various capacities including Operations Manager, and prior to joining the Group, she was the Group Financial Controller up to 2011. In 2009, she also served as a Non-Executive Director and a member of the Audit Committee of Southern Steel Berhad.

She obtained a Bachelor of Commerce and Administration degree from Victoria University, Wellington, New Zealand, in 1981. She is a member of the Malaysian Institute of Accountants.

CORPORATE MILESTONES

1996

Acquired first concession covering 17,500 hectares in Central Kalimantan

1998

Commenced planting of first oil palm estate

2003

Commissioned first CPO mill in Central Kalimantan with 45 tph processing capacity

2007

Surpassed 50,000 hectares planted area

IOI Group bought 33% stake in the Group

2010

Surpassed 100,000 hectares planted area

2012

Listed on the Mainboard of the Singapore Exchange in April

2014

Awarded the first two RSPO certificates and one ISPO certificate

Piloted assessment of peat and forest, pioneering HCSA methodology in concession areas of over 55,000 hectares

2015

Cemented results of 2014 study into NDPE-based Sustainability Policy, reported through the inaugural Sustainability Report

2017

Launched BBCP, a 9,000 hectares of landscape-based conservation project in Ketapang, West Kalimantan containing peat-lands, high-carbon stock rich forests and rare, threatened and endemic species of biodiversity, and as a wildlife corridor connects Sungai Putri peat swamp and Gunung Tarak protected forest, directly linked to Gunung Palung National Park

2018

Assisted group of 35 independent smallholders with 223 hectares of land in Central Kalimantan achieve RSPO certification

2019

Achieved Group's first RSPO certificate for plasma smallholders under PT ASM

Completed over 98% traceability of all FFB to plantation-level

2020

Piloted the FlyForest project, a drone-assisted seed dispersal programme to reforest 800 hectares of conservation areas within BBCP

2021

Grossed over IDR 10 trillion in revenue for the first time

Completed the first methane capture facility attached to the largest capacity mill, significantly reducing its GHG emissions

2022

Bumitama's Sukuk Musharakah 2014/2029 upgraded to AA2/Stable by RAM Ratings

Expanded the Bumitama Sustainability Policy to address sustainability aspects across a wider spectrum

2023

Proposed the highest-ever dividend distribution to mark Bumitama's 25th year anniversary and 10 years of SGX listing from 2012

CORPORATE ACCOLADES

2013

Received **Forbes Asia's 200 "Best Under A Billion" Award**

2016

Received "**Asiamoney Award**" for all seven categories in Singapore:

- **Best Managed Small Cap Company**
- **Best Overall for Corporate Governance**
- **Best for Disclosure and Transparency**
- **Best for Shareholders' Rights and Equitable Treatment**
- **Best for Responsibilities of Management and the Board of Directors**
- **Best for Investor Relations**
- **Best for Corporate Social Responsibility**

Ms. Christina Lim of Bumitama's Key Management received the "**Best Executive in Singapore**" award

2018

Received "**Asiamoney Award**" for three categories in Singapore:

- **Overall Most Outstanding Company in Singapore**
- **Most Outstanding Company in Singapore (Small Cap)**
- **Most Outstanding Company in Singapore (Consumer Staple)**

2019

Awarded the "**Most Profitable Company**" **(Agriculture Sector)** from **The Edge Billion Dollar Club**, three years in a row from 2017 till 2019

Received "**Asiamoney Award**" in two categories:

- **Most Outstanding Company in Singapore (Small Cap)**
- **Most Outstanding Company in Singapore for the decade 2010 - 2019**

2020

Received Distinguished Member of "**Singapore's Fastest Growing companies 2020**" from **The Straits Times Certificate**

FT High-Growth Companies Asia Pacific 2020 from the **Financial Times**

Received "**Asiamoney Award**" for:

- **Most Outstanding Company in Singapore (Consumer Staples)**

2021

Awarded **Asiamoney's "Most Outstanding Company in Singapore" (Small/Mid Cap)**

2022

Received "**Asiamoney Award**" in three categories:

- **Overall Most Outstanding Company in Singapore**
- **Most Outstanding Company in Singapore (Small/Mid Cap)**
- **Most Outstanding Company in Singapore (Consumer Staples)**

2023

Mr. Sie Eddy Kurniawan of Bumitama's Key Management received the "**Top 10 Chief Financial Officer in Singapore 2023**" from **CEO insights ASIA Magazine**.

SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

In 2022, Bumitama achieved significant progress in sustainability across various areas, including biodiversity conservation, energy efficiency, economic empowerment, and FFB traceability. These accomplishments reflect our ongoing commitment to sustainable practices and our belief in the positive impact that they can have on communities and the environment.

To further our achievements, we upgraded our Sustainability Policy in 2022. This Policy guides our efforts to meet our programme targets while also seeking to amplify the benefits that our sustainability programmes bring beyond our targets. We are committed to driving impactful progress that benefits both the communities we serve and the environment that we rely on.

"Bumitama is integral to forming a crucial link between the government and local communities. Bumitama's approach and commitment are respected by the communities it serves."

— Dr. Ir. Siti Maimunah, Kalpataru recipient and forest conservationist

Moving forward, we are dedicated to continuing our journey towards sustainability and expanding our reach to even more areas where we can make a meaningful difference. The following sections highlight the most salient sustainability-related improvements taking place in Bumitama's operations in 2022. Further details are presented in our 2022 Sustainability Report, published separately.

Workforce Engagement & Development

With the high vaccination rates allowing us to protect the general health of our people at Bumitama, we are gradually transitioning to normalcy. All of our employees have been fully vaccinated against COVID-19, and at the workplace we require them to uphold our strict occupational health and safety principles in all operational activities.

While we regrettably recorded three fatalities in 2022, we took immediate action to address the root causes and develop methods to prevent future incidents. Overall, we have seen an encouraging 36% decrease in accident rates compared to our 2020 performance, but we remain vigilant to and continue in the work to achieve an overall 75% decrease from the 2020 baseline, with zero fatalities, zero fires in planted areas, and zero environmental incidents across our operations as part of our Triple Zero Targets programme.

The demand for harvesting and production rapidly increased in 2021–2022, leading us to retrain and rotate some of our employees to support these needs. Unfortunately, this approach proved unsuccessful, as it resulted in a higher number of resignations. To prevent similar mishandlings in the future, we will endeavour

to optimise the potential of our workers by upskilling them in operating mechanised equipment and implement digitalisation. We aim to increase investment in our workforce's development to help them manage change better and perform more efficiently with the practical assistance provided by these new tools. With this strategy, we hope to strike a balance between meeting the demands of our growing business and retaining of our skilled employees. In 2022, our capacity building programmes provided an average of 17 hours of training to each employee. With the help of modern technology we aspire to create a safe and efficient workplace for our employees.

Socioeconomic Empowerment

In 2022, we continued our commitment to empowering the communities around our operations through our Local Economic Empowerment Programme. We intensified our Income Generating Activities (IGA) for both oil palm and non-oil palm cultivation to promote economic progress and financial independence in the long term. Our approach focuses on self-sustainability and supporting complementary businesses. Beyond providing training on business economics and equip locals to manage their enterprises sustainably, we endeavour to play an active role at every stage of the programme; providing seed capital, business management advice, microbanking facilities, and guidance on market access and sale of products and produce.

"Being farther away than other plantation companies has not weakened Bumitama's resolve to help protect our communities. Our 25-year commitment with them will produce sustainability programmes that will create market opportunities to improve our community's income levels."

— Romario and Martius, Heads of Social Forestry Programme-impacted communities

“As a veritable palm-oil industry pioneer, Bumitama’s quest for innovation and move to embrace a tech-based approach to finding solutions makes it a natural project partner for CarbonSpace.”

— Geza Toth, Head of EMEA and APAC, Certifications | CarbonSpace

In 2022, Bumitama expanded its pioneering involvement in Social Forestry Programme, which has taken shape in various initiatives. By the end of the year, our initiatives had covered a total area of 14,715 ha, engaged six communities in Central and West Kalimantan, and improved the livelihoods of thousands of families across our operational areas.

Our Social Forestry Programmes and our Local Economic Empowerment Programmes have led to several successful projects and high participation rates, demonstrate our commitment to increasing both environmental stewardship and community economic resilience. Through these programmes, we strive to create lasting impact and promote prosperity for the communities around our operations, while promoting sustainable forest management practices in partnership with local communities.

Bumitama Biodiversity and Community Project

Since its establishment in 2016, the Bumitama Biodiversity and Community Project (“BBCP”) has been a flagship project for our commitment to environmental conservation. The project has brought together local communities and various stakeholders in collective action, including the Sustainable Trade Initiative (IDH) and PONGO Alliance, with whom Bumitama has been developing and implementing sound conservation strategies for Bornean orangutans and other iconic species.

Our efforts are further bolstered by extensive biodiversity surveys, prevention of illegal logging, landscape amelioration, and fire prevention, which we undertake in partnership with the Natural Resources Conservation Office (BKSDA) and Yayasan International Animal Rescue Indonesia (YIARI).

In 2020, we achieved a major milestone in the BBCP with the success of a new drone-assisted seed dispersal reforestation technique, trialled on about 800 ha of conservation areas damaged by forest fires. Driven by the momentum, we planted additional 21,114 trees in the BBCP area in 2022 to enrich the natural forest. These accomplishments demonstrate our continued dedication to environmental conservation and our commitment to innovative and sustainable solutions.

Climate and Environmental Stewardship

Conservation and reforestation activities also took place in other areas under our management, alongside other programmes outside our management areas we engaged in. As a result, we were able to reforest 191 ha under our management, in addition to planting of more than 11,000 trees over 17 ha in West and Central Kalimantan under the Social Forestry programme. Thanks to these initiatives, we were able to achieve a net gain of more than 1,400 ha of forest cover over the last year while maintaining our No Deforestation, No Peat, No Exploitation (“NDPE”) principle throughout 2022.

In terms of our energy use, we are proud to report a 5.6% reduction in total energy consumption from 2021 to 2022. Furthermore, over 95% of our energy was derived from renewable sources, demonstrating our commitment to sustainable practices as well as the sustainability of a well-managed plantation. As part of our decarbonisation efforts, we successfully installed our first methane capture facility in one of our mills. This facility will have the ability of converting these captured gasses into energy and supply the surrounding communities with electricity under PLN off-taker contract. Our goal is to implement a similar GHG treatment facility at all our mills to reduce GHG emissions by 30% from our 2016 baseline by 2030. In addition, we are exploring innovative ways to sequester carbon and reduce our carbon footprint, such as intensifying our composting activities.

Certification and Supply Traceability

Bumitama has been intensifying its efforts to obtain sustainability certifications for our operations and helping local communities to achieve smallholder certification. Currently, 9 out of our 15 palm oil mills are RSPO-certified, and the plantation area with RSPO certification has grown to 66,761 ha. We are on track to achieving our time-bound target to achieve 100% certification for our operations by 2024.

Ensuring our product comes from legal and responsible sources, we are committed to achieving full traceability of the FFB sourced from external parties by 2023. Over the years, we have been consistently providing assistance to the suppliers around our estates, helping them to enhance their agronomy practices and obtain sustainability certifications. This programme is part of our efforts to meet our sustainability commitments.

In 2022, we sourced nearly 28% of our FFB from a total of 94 external producers in Indonesia. We are proud to report that by the end of 2022, we were able to trace 99.6% of our FFB to the plantation level.

Key Sustainability Achievements and Goals

Topic	Status as of December 2022	Target
Forest conservation	Forest coverage percentage increased by 3% (or 1,434 hectares) from the 2020 baseline	Increase percentage of forest cover by 10% (or 3,761 hectares) from 2020 baseline by 2025
Biodiversity management	Partnership with PONGO Alliance and key stakeholders to develop new approach to managing orangutan populations	Ongoing protection and increase of orangutan populations in Kalimantan especially in Ketapang, West Kalimantan
GHG reduction and climate adaptation	GHG emissions intensity reduced by 13.5% from 2016 baseline First methane capture facility commissioned in Riau 13 composting facilities installed	Reduce GHG emissions intensity by 30% from 2016 baseline by 2030 Install methane capture and biogas facilities at 15 palm oil mills by 2029
Health and safety	36% lower lost time accident rates and severity rates than in 2020 Need improvement, with 3 work-related fatal accidents in 2022	Reduce accident rates by 75% from 2020 baseline by 2025 Continually achieve zero fatalities
Gender and equal opportunities	19 breastfeeding facilities set up	Make breastfeeding facilities available in all operational areas
Capacity development	Each employee received 17 hours of training on average	Maintain annual training duration per employee at 13 hours
Community development	Partnered with 6 villages covering 14,715 ha through social forestry partnerships	Support communities via social forestry partnerships covering more than 15,000 ha
Traceability and supply chain monitoring	99.6% products traceable to plantation	100% traceability for FFB from smallholders and external suppliers by 2023
Regulatory compliance	Zero cases of legal non-compliance	Maintain compliance with regulations and timely reporting
Transparency and accountability	Conducted preliminary assessment on TCFD recommendations	Implementation of climate related initiatives and reporting on targets and progress in accordance with the TCFD by 2024

CORPORATE GOVERNANCE

Bumitama Agri Ltd. (the "Company" or "Bumitama") and its subsidiaries (the "Group") recognises the importance of and is committed to observing and attaining high standards of corporate governance, business integrity, and professionalism in its business and operations. The Board constantly reviews the Company's corporate governance practices and aligns its practices with the development and changes in the Code of Corporate Governance 2018 (the "Code") as well as inputs from stakeholders. The Company has complied substantially with the principles and guidelines set out in the Code, where they are applicable, relevant and practicable. In so far as any principle and/or guideline has not been complied with, the reason has been provided.

This report sets out Bumitama's key corporate governance practices with reference to the Code and with the Group's cultural pillar of morality, capability and integrity and its code of ethics which is captured by the Company's code of conduct policy, business ethics and anti-corruption policy.

ACHIEVEMENTS

The Company was accorded 3 awards from Asiamoney Corporate Governance Poll 2022 under the categories of Overall Most Outstanding Company in Singapore, Most Outstanding Company in Singapore – Small/Mid Cap sector, and Most Outstanding Company in Singapore – Consumer Staples sector.

(A) BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The primary function of the Board is to protect and enhance long-term value and returns to its Shareholders. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group. The Board focuses on the following broad areas, namely:

- Formulating corporate strategies, financial objectives and direction for the Group;
- Ensuring effective management leadership of the highest quality and integrity;
- Providing oversight in the proper code of conduct and business ethics of the Group;
- Overseeing and/or evaluating the adequacy of the internal audit, risk management, financial reporting and compliance processes; and
- Overseeing and ensuring high standards of corporate governance for the Group.

The Board also establishes a framework of prudent and effective internal controls which enable risks to be assessed and managed, reviews Management performance, sets the Company's values and standards, and ensures that the Company's obligations to Shareholders and other stakeholders are understood and met and that all decisions are made objectively and in the interest of the Company and its Shareholders.

To facilitate effective management and assist the Board in discharging its responsibilities, certain functions have been delegated by the Board to various Board Committees namely: Audit Committee ("AC"), Remuneration Committee ("RC"), Governance & Nominating Committee ("GNC"), and Conflicts Resolution & Enterprise Risk Management Committee ("CRERMC"), which operate under clearly defined terms of reference.

In recognizing the importance of Environmental, Social, and Governance ("ESG") issues to the Group and the Board's commitment to integrating sustainability within the Group's business model, the Board approved the establishment of an executive committee, the Group's Sustainability Steering Committee ("SSC") on 10 May 2022. The SSC shall comprise the Group Executive Chairman & Chief Executive Officer ("CEO"), Non-Executive Director, Chief Operating Officer ("COO"), Chief Financial Officer ("CFO"), Chief Sustainability Officer ("CSO"), and senior management of the Group. The objective of this SSC is to oversee, on behalf of the Board, management strategies and processes designed to manage social and environmental risks and achieve compliance with social and environmental responsibilities and commitments, including in regard to the Group's Climate risk management strategy. The SSC shall have oversight of sustainable development responsibilities of the Group and will also support the Board in setting high level direction and strategic focus on sustainable business models within the Group.

The Board Committees are each chaired by an Independent Non-Executive Director (also known as Independent Director) and all members are Independent Directors. Each Board Committee is governed by clear terms of reference approved by the Board and its role is to assist the Board in the matters that the Board delegates to it. Each Board Committee has the authority to examine any issue that arises in their specific areas and report to the Board with their recommendations.

The ultimate responsibility and the final decision on all matters, however, lies with the Board. Details of the scopes, responsibilities, and functions of the various Board Committees are set out in this Report and are as follows:-

Bumitama's Governance Framework

Board of Directors

Group/Company Secretary

Chairman & CEO

Committee	Committee Members	Key Responsibilities
Audit Committee	Chairman: Lim Hung Siang Members: Lee Lap Wah George, Lawrence Lua Gek Pong, Witjaksana Darmosarkoro	– Assist the Board in discharging its statutory and other responsibilities – Evaluate the adequacy and effectiveness of the Company's Financial Control and internal control system and supervise the internal audit function – Oversees internal and external audit process, financial reporting and compliance with corporate governance processes – Review the adequacy, independence, and effectiveness of the external auditor
Governance & Nominating Committee	Chairman: Witjaksana Darmosarkoro Members: Lee Lap Wah George, Lim Hung Siang, Lawrence Lua Gek Pong	– Review the Board's structure, size and composition of the Board and Board Committees – Review all Board's appointments, re-appointment, and retirement of directors – Set targets and plans to achieve diversity on the Board within reasonable timelines and review the progress periodically – Determine annually the independence of directors – Review director's ability to adequately carry out his/her duties and assess the training needs – Evaluate and assess Board's performance and adopt appropriate measures as and when required – Review succession plans of the Board and its key management
Remuneration Committee	Chairman: Lawrence Lua Gek Pong Members: Lee Lap Wah George, Lim Hung Siang	– Review and recommend a framework of remuneration for the Board and key management personnel – Review remuneration packages and entitlements and their alignment with the Group's remuneration guidelines
Conflicts Resolution & Enterprise Risk Management Committee	Chairman: Lee Lap Wah George Members: Lawrence Lua Gek Pong, Lim Hung Siang, Witjaksana Darmosarkoro	– Review adequacy and relevancy of the potential conflicts of interest protocols, annually – Receive and review quarterly report from internal auditors on potential conflict of interest – Determine the Group's overall levels of risk tolerance, risk management framework and its policies – Review and provide oversight on the enterprise risk management framework and significant risk exposures to the Group's strategic objectives – Review the Group's sustainability risk framework and its approach to identify and manage risk and opportunities in terms of ESG factors and climate-related disclosures
Sustainability Steering Committee	Chairman: Witjaksana Darmosarkoro Members: Mubarak Ahmad, Johan Puspowidjono, Lim Sian Choo Advisors: Lim Gunawan Hariyanto, Dato' Lee Yeow Chor, Roebianto & Eddy Kurniawan Secretariate: Deputy Head of Sustainability & CSR and Corporate Secretary Specialist	– Oversee, review and evaluate Group's sustainability performance, including compliance with relevant regulatory requirements and international standards – Strategise and initiate new ESG related programmes, including in regards with the Group's Climate risk management strategy – Review Group's Sustainability Policy and draft strategy for integration of ESG matters into operational long-term planning – Monitor and provide recommendations on emerging sustainability issues – Monitor and ensure efficient functioning of the Group's grievance mechanism – Report to the Board quarterly on sustainability progress update and biennially for approval of Group's Sustainability Report

The Board and Board Committees meetings are scheduled in advance to coincide with the announcements of the Group's half yearly results and key summary production and financial indicators for first and third quarter of the financial year. Additional and ad hoc meetings and conference calls are convened as and when they are deemed necessary to address significant transactions or issues that may arise in between the scheduled meetings. In addition to these meetings, Independent Directors meet without the presence of Management, as and when required. The Company's Constitution provide for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously.

Directors may request for explanations, briefings by or discussions with Management on any aspect of the Group's operations or business from Management. When circumstances require, Board members exchanged views outside the formal environment of Board meetings.

The Board met four times during the financial year ended 31 December 2022 ("FY2022"). Since the outbreak of the Coronavirus 2019 ("COVID-19") pandemic in the beginning of 2020, Board and Board Committees Meetings were held in compliance to the health and safety procedures set by the Ministry of Health of Singapore. The attendance of each Director at the Board and Board Committees Meetings for FY2022 was as follows:

	Board	AC	RC	GNC	CRERMC
Number of Meetings Held	4	4	1	1	2

Name	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended
Lim Gunawan Hariyanto	4	NA	NA	NA	NA
Lim Christina Hariyanto	4	4[1]	NA	NA	1[1]
Dato' Lee Yeow Chor	4	4[1]	NA	NA	1[1]
Lim Hung Siang	4	4	1	1	2
Lee Lap Wah George	4	4	1	1	2
Lawrence Lua Gek Pong	3	3	1	1	2
Witjaksana Darmosarkoro	4	4	NA	1	2

NA: Not Applicable

1 Attendance by invitation of the Committee.

The Board has delegated day-to-day operations to Management, while reserving certain key matters for its approval. Matters that specifically require Board approval are the Group's financial results, annual budgets, financial statements, interested person transactions, acquisitions and disposals of assets, capital expenditure plan, corporate or financial restructurings, dividend payments, commitments to banking facilities and convening of Shareholders' meetings. Board approval is also required for other matters which are likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business. The Board believes that when making decisions, all Directors of the Board act objectively and in the interests of the Group. If there is any director facing conflicts of interest, the concerned director will recuse himself/herself from discussions and decisions involving the issue of conflict.

Directors who do not have prior experience or are not familiar with the duties and obligations required of a Director of a listed company in Singapore must undergo the necessary training and briefing as prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST"), especially organised by the Singapore Institute of Directors ("SID"). Directors are briefed on the strategic, business and industrial development of the Group at each board meeting by the Chairman and CEO and they also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations. For FY2022, none of the Independent Directors and the Non-Executive Director had been able to travel to the Company's plantations in Indonesia. With the accelerate easing of travel restriction, the board members plan to visit the plantations in Indonesia in FY2023.

The Company encourages Directors to participate in development programmes especially technology development in palm oil industry and sustainability training course, which are considered essential and/or will enhance their roles on the Board and its Committees. The cost of Directors' attendance at appropriate training courses, conferences and seminars conducted by professionals (including SID) will be borne by the Company.

Some of the courses/seminars/conferences attended by some of the Directors are:

- Climate Governance Singapore: Law, Policy, and Regulation and Masterclass on Sustainability Reporting by SMU
- SID LED - Environmental, Social and Governance Essentials (Core)
- The Financial Institutions Directors' Education conducted by Asia School of Business in collaboration with MIT Sloan Management
- TCFD Scenarios Analysis Workshop for Board Member & Senior Management level
- Series of Talk on Climate Change Related Matters
- International Conference on Tropical Agriculture (ICTA) 2022
- Asia Global Dialogue 2022 – Recovery & Reformation Asia in a Changing Global Economy

All Directors are updated on an on-going basis via Board meetings and/or circulars on matters relating to, *inter alia*, changes to the regulations of the SGX-ST, Companies Act, accounting standards and/or other statutory requirements and/or new releases issued by the SGX-ST, Accounting and Corporate Regulatory Authority ("ACRA"), Monetary Authority of Singapore. The Directors may also seek independent professional advice on any Group matters, as they require, at the Group's expense.

Prior to each Board and Board Committees meeting, all Directors are provided with the relevant Board papers and reports within adequate time for the Directors to review the papers and reports. These reports provide information on the Group's performance, financial position, significant issues and any other matter which may be brought before the Board. Besides these, Board members are provided with quarterly operational performance report with a short commentary so as to ensure Board members are kept updated and informed of the progress of the Group and industrial update on a regular basis. Directors are also informed of any significant developments or events relating to the Group.

All Directors have independent access to the senior management of the Group and the Company Secretary. The Directors also have unrestricted access to the Group's information, minutes of Board meetings, and management accounts to enable them to carry out their duties.

The Company Secretary attends all Board and Board Committees meetings excluding Executive Committee meetings and ensures that Board procedures are followed and that the applicable rules and regulations are complied with. The Company Secretary is responsible for assisting the Company in its compliance with the requirements of the Companies Act, the rules of SGX-ST Listing Manual and any other applicable regulations. The Company Secretary also ensures good information flow within the Board and the Board Committees, as well as between the senior management and Non-Executive Directors (including Independent Directors), and assists in the professional development of existing Directors, as and when required. The appointment and/or removal of the Company Secretaries are subject to Board approval.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises seven members and a majority of the Board are Independent Directors as of the date of this Annual Report:

Name	Board	AC	RC	GNC	CRERMC	Years of Service as at 31.12.22
Lim Gunawan Hariyanto	Executive Chairman	–	–	–	–	10.8
Lim Christina Hariyanto	Executive Director	–	–	–	–	5.6
Dato' Lee Yeow Chor	Non-Executive Director	–	–	–	–	10.8
Lim Hung Siang	Lead Independent Director	Chairman	Member	Member	Member	4.6
Lee Lap Wah George	Independent Director	Member	Member	Member	Chairman	5.6
Lawrence Lua Gek Pong	Independent Director	Member	Chairman	Member	Member	3.3
Witjaksana Darmosarkoro	Independent Director	Member	–	Chairman	Member	1.5

The strong independent element of the Board ensures that it is able to exercise objective and independent judgement on corporate affairs and on transactions involving conflicts of interest and other complexities.

The GNC is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent, bearing in mind the guidelines set forth in the Code and any other salient factors which would render a Director to be deemed not independent. Each of the Independent Directors has provided a declaration of his independence to the GNC. The GNC has reviewed, determined and confirmed the independence of the Independent Directors.

None of the Independent Directors has served on the Board for an aggregate period of more than nine years (whether before or after listing) from the date of their first appointments.

The Board periodically conducts a review of its size and composition of the Board which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, to ensure both aspects continue to meet the needs of the Group and to maintain the effectiveness of the Board.

In recognition of the importance and value of gender diversity in the composition of the Board, Ms. Lim Christina Hariyanto, was appointed as an Executive Director on 1 June 2017.

The Board adopted a Group Diversity Policy with measurable objective identified in particular Board diversity aspects include age, gender, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. Directors with technical, legal, financial, engineering, management and audit background will provide various extensive business experiences to the Company. High emphasis is placed in ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core business and strategy of the Company and its subsidiaries, and support succession planning and development of the Board.

The current Board comprises Directors who as a group provide core competencies such as finance, legal, engineering, business management, agronomy researcher, sustainability, and industry knowledge. The profile of the Directors can be found on pages 17 to 18 of this Annual Report.

For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. Such factors will be considered by the Company based on its business model and specific needs and the ultimate decision will be based on merit, value and contribution that the selected candidates will bring to the Board.

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority. In addition to ensuring a balanced composition of skills and experience at the Board, the Board has deliberated the following:

(a) Gender diversity

The Company does not set any specific target for female Directors in the Board but will work towards having female directors for future board renewal, if opportunity arises. The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board;

(b) Age diversity

The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age, diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age; and

(c) Ethnic diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if opportunity arises.

The Company is committed to implementing the Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. Any progress made towards the implementation of this Policy will be disclosed in future Corporate Governance Reports of the Company, as appropriate.

Views and opinions of Non-Executive Director and Independent Directors, who make up a majority of the Board, provide alternative perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Director and Independent Directors also communicate regularly with Management to discuss matters such as the Group's financial performance, business strategies, latest business innovation and technologies, and corporate governance initiatives. Where necessary, the Group arranges for the Independent Directors to meet the Heads of Departments and key employees without the presence of Management.

Where necessary or appropriate and at least once a year, the Non-Executive Director and Independent Directors on the Board will meet without the presence of the Management. The Independent Directors communicate regularly to discuss matters related to the Group. Where appropriate, the Lead Independent Director provides feedback to the Executive Chairman after such meeting(s).

The Code provides that where the Chairman is, *inter alia*, part of the Management team or is not an Independent Director, the Independent Directors should make up a majority of the Board. With 1 Non-Executive Director and 4 Independent Directors making up a majority of the Board, the Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board, Mr. Lim Gunawan Hariyanto, is also the CEO of the Company. Mr. Lim Gunawan Hariyanto plays an instrumental role as the CEO in (i) formulating the overall business and corporate policies and strategies of the Group; (ii) managing the overall business and operations of the Group; and (iii) overseeing the Group's overall business development. As Chairman of the Board, he bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board meetings and ensuring that the Directors receive complete and adequate information.

With the establishment of various Board Committees who have power and authority to perform key functions and put in place internal controls for effective oversight of the Group's business and majority of the Board and Board Committees comprise Independent Directors, which added a greater element of independence to Board and Board Committees' decisions to prevent an uneven concentration of power and authority in a single individual, the Board is of the view that these enable the Board to exercise objective decision-making in the interests of the Group. The Board believes that Mr. Lim Gunawan Hariyanto's dual role as Chairman and CEO allows for more effective planning and execution of long-term business strategies as he is knowledgeable in the business of the Group and provides the Group with a strong and consistent leadership.

In view of the foregoing, the Board considers it is currently not necessary to separate the roles of the Chairman of the Board from that of the CEO to facilitate the Group's decision-making and implementation process.

Taking cognizance of the non-separation of the roles of the Chairman of the Board and the CEO in the spirit of good corporate governance, Mr. Lim Hung Siang was appointed as Lead Independent Director to serve as a channel for Shareholders in the event their concerns are not resolved through the normal channel of the Chairman and CEO or the Chief Financial Officer ("CFO"), or for which such contact is inappropriate. Mr. Lim Hung Siang will also act as liaison between the Independent Directors and the Chairman of the Board; to provide non-executive perspectives in circumstances where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board.

PRINCIPLE 4: BOARD MEMBERSHIP

The GNC comprises four Directors, all of whom are non-executive and are Independent Directors. The GNC members are:

Mr. Witjaksana Darmosarkoro (GNC Chairman)
Mr. Lee Lap Wah George
Mr. Lim Hung Siang
Mr. Lawrence Lua Gek Pong

The GNC met on one occasion in FY2022.

The GNC performed the following functions in FY2022 in accordance with its terms of reference:

1. reviewed and recommended to the Board the structure, size and composition of the Board and Board Committees;
2. determined the process for search, nomination, selection and appointment of new Board members;
3. reviewed and made recommendations to the Board on all Board appointments, including nomination of the Directors for re-election/re-appointment, taking into account the Director's contribution and performance;
4. determined annually whether a Director is independent;
5. determined whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly where the Director concerned has multiple board representations;
6. evaluated the Board's performance as a whole and the contribution by each Director to the effectiveness of the Board, and to adopt appropriate measures to assess performance;
7. reviewed succession plans, in particular, the Chairman/CEO and key management;

8. monitored the induction, orientation and training for any new and existing Directors; and

9. adopted and reviewed the Diversity Policy that addresses gender, skills and experience, and any other relevant aspects of diversity periodically and/or amend it whenever necessary.

Pursuant to Regulation 91 of the Company's Constitution, one-third of the Directors will retire from office by rotation and submit themselves for re-nomination and re-election at every Annual General Meeting ("AGM"). Each Director is also required to retire at least once every three years. Pursuant to Regulation 97 of the Company's Constitution, any Director so appointed shall hold office until the next AGM. A retiring Director is eligible and may be nominated for re-election.

The GNC has recommended to the Board that Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor, and Mr. Lawrence Lua Gek Pong (retiring pursuant to Regulation 91 of the Company's Constitution), be nominated for re-election at the forthcoming AGM. Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor, and Mr. Lawrence Lua Gek Pong have signified their consent to remain in office.

In reviewing the nomination of the retiring Directors, the GNC considered the performance and contribution of each of the retiring Directors, having regards not only to their attendance and participation at Board and Board Committees meetings but also the time and efforts devoted to the Group's business and affairs. The Board has accepted the GNC's recommendation.

Each member of the GNC and the Board shall abstain from voting on any resolutions and/or participating in deliberations in respect of his/her own re-election as Director. Accordingly, Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor and Mr. Lawrence Lua Gek Pong have abstained from the deliberation and decision in respect of their own re-election.

The GNC conducts an annual review of Directors' independence adopting the Code's and Listing Manual's definition of an Independent Director and guidelines as to relationship in determining the independence of a Director. The GNC and the Board are of the view that Mr. Lee Lap Wah George, Mr. Lim Hung Siang, Mr. Lawrence Lua Gek Pong, and Mr. Witjaksana Darmosarkoro are considered independent while Dato' Lee Yeow Chor is considered a Non-Executive and Non-Independent Director in view of his association with Oakridge Investments Pte Ltd., a substantial shareholder of the Company.

Save as disclosed, the Independent Directors are not related and do not have any relationship with the Company, its related corporations, or its officers or are in any circumstances that could interfere or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

The GNC had adopted a process for the selection and appointment of new Directors which provides the procedures for identification of potential candidates' skills, knowledge, experience and assessment of the candidates' suitability.

Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the Directors, Management or external parties. The GNC interviews the shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Board Committee(s).

In reviewing and recommending to the Board any new Director appointments, the GNC considers: (a) the candidate's independence, in the case of the appointment of an Independent Director; (b) the composition requirements for the Board or Board Committee(s) as the case may be; (c) the candidate's track record, experience and capabilities and such other relevant factors as may be determined by the GNC which would contribute to the Board's collective skills; and (d) any competing time commitments if the candidate has multiple board representations.

The Company will provide a formal letter of appointment to newly appointed Non-Executive Director and Independent Director, setting out the Director's duties and obligations and terms of appointment whereas Executive Directors will be provided with Service Agreements setting out their terms of office and terms and conditions of appointment.

The GNC had deliberated and reviewed the succession planning for the Chairman/CEO and key management and the Company's high potential and talent programmes. GNC would incorporate data and information from these programmes when considering the appointment and/or replacement of any Executive Director and key management personnel to ensure business continuity and long-term success of the Company.

A Director with multiple board representations is expected to ensure that sufficient time and attention is given to the affairs of the Group. The GNC is of the view that Directors who have multiple board representations have performed as well as the other Directors with lesser board representations. The Board, with the concurrence of the GNC, having considered the attendance of the Directors and their contributions at meetings of the Board and Board Committees, is of the view that such multiple representations do not hinder the Directors from carrying out their duties in the Company. The Board and the GNC are also satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Group. The GNC is also of the view that putting a maximum limit on the number of listed company board representations is arbitrary, given that time requirements for each vary, and thus should not be prescriptive but are not adverse to consider and review existing models available on the market for managing board representations.

As at 31 December 2022, there was no alternate Director on the Board.

PRINCIPLE 5: BOARD PERFORMANCE

The GNC has adopted an annual assessment of the performance and effectiveness of the Board and Board Committees collectively. The GNC believes it is more appropriate to assess the Board and its Committees as a whole, rather than assessing individual Directors, bearing in mind that each member of the Board contributes in different ways to the effectiveness of the Board.

The assessment process had been continuously improved upon, with feedback from the Board and the review incorporates factors such as attendance, Board composition, conduct, input and contributions to the Board and its various committees; keeping updated on latest trends in the industry and global market; and quality, timeliness, availability and sufficiency of information. Each Director evaluates and assesses the Board and the Board Committees, the results of which are consolidated, analysed and discussed within the GNC, which included a comparison with the results of the preceding financial year. The results and areas to be strengthened are identified and reported to the Board.

The Chairman, in consultation with the GNC, would act on the results of the assessment; upon the endorsement of the report.

For FY2022, the GNC is generally satisfied with the Board evaluation results, which indicated areas of strengths and areas that could be improved further. No significant problems had been identified. The GNC had discussed the results with the Board and the Board has agreed to work on the areas where improvement is necessary and appropriate. No external facilitator was engaged for the annual assessment for FY2022.

(B) REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC comprises three members, all of whom are non-executive and Independent Directors. The members of the RC are:

Mr. Lawrence Lua Gek Pong (RC Chairman)
Mr. Lim Hung Siang
Mr. Lee Lap Wah George

During FY2022, the RC met on one occasion.

The RC carried out the following activities during FY2022 in accordance with its terms of reference:

1. recommended to the Board a framework of remuneration for the Directors and key management personnel of the Group;
2. ensured that these remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;
3. reviewed and recommended Directors' fees for Non-Executive Director and Independent Directors, taking into account factors such as their effort, time spent, and responsibilities; and
4. reviewed the service contracts of the CEO and Executive Directors.

The Group has a formal and transparent process for developing policy on executive remuneration and fixing the remuneration packages of individual Directors and key management personnel. The RC's review covers all aspects of remuneration including but not limited to, Directors' fees, salaries, allowances, bonuses, employees share options and benefits in kind and specific remuneration package for each Director.

In developing a policy on executive remuneration, the RC seeks to link a proportion of the compensation to the Group's performance. The RC also ensures that the remuneration packages of individual Directors take into consideration the Group's performance and the performance of that individual Director. No Director is involved in deciding his own remuneration. The RC has access to external expert advice on remuneration matters, if required. No external remuneration consultants were appointed for the financial year under review.

The Group does not have any employee share option scheme or any long-term scheme in place.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION
PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The remuneration policy of the Company is to provide compensation packages at market rates, reward performance and attract, retain, and motivate the key management personnel.

Only Non-Executive Directors (including Independent Directors) are paid Directors' fees. The Directors' fees are set in accordance with a framework comprising Board fees and additional fee(s) for serving on any of the Board Committees and taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The payment of such fees is recommended for Shareholders' approval at the AGM of the Company.

The Executive Directors do not receive any Directors' fee. The remuneration packages of the Executive Directors and key management personnel are determined annually having regard to the performance of the individuals and the Group as well as taking into account industry standards.

The remuneration packages for the Executive Directors and key management personnel consist of both fixed and variable components. The variable component is determined based on the performance of the individual and the Group's performance in the relevant financial year. Annual increment and adjustment to remuneration are reviewed and approved taking into account the outcome of the annual appraisal of the employees.

Management makes recommendations to the RC, having regard to key performance indicators, such as (a) revenue, (b) earnings before interest, depreciation and amortisation (EBITDA), (c) net profit, (d) planted area, and (e) Fresh Fruits Bunches internal and Crude Palm Oil production. The list is not exhaustive. The Group will also consider the individual contribution to these objectives. With performance-related remuneration, the interests of shareholders and other stakeholders are aligned to promote the long-term sustainability of the Group.

Each member of the RC shall abstain from voting on any resolutions and/or participating in discussion regarding his own remuneration package or on matters in which he is interested.

The Executive Directors' Service Agreements were for an initial period of 3 years from the date of appointment respectively and are renewable for successive periods of one year each. The Service Agreements may be terminated during such term either as provided in the Service Agreements or by either party giving to the other not less than six months' written notice. There are no onerous compensation commitments on the part of the Company or its subsidiaries in the event of an early termination of the service of the Executive Directors. The Executive Directors and key management personnel of the Group are rewarded based on their achievement of certain key performance indicators and the actual results of the Group, and not on any other assigned incentives, the "claw back" provisions in their employment contracts may therefore not be relevant or appropriate. The RC will when appropriate, review the need to adopt provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstance of misstatement of financial results or of misconduct which could result in financial loss to the Group.

The RC, with the concurrence of the Board, has recommended that an amount of S$424,000 as Directors' fees be paid to the Non-Executive Directors quarterly in arrears for FY2023. These fees will be tabled for Shareholders' approval at the forthcoming AGM.

The annual remuneration bands for the Directors and key management personnel and the proportion of variable bonus and fixed remuneration, fee, and salary of the benefit for FY2022 are set out below:

Name	Total Directors' Fee (S$)	Fixed Salary	Variable Bonus and Benefit	Remuneration Band	Total
Directors					
Lim Gunawan Hariyanto[1]	–	53%	47%	S$3,250,001 – S$3,500,000	100%
Lim Christina Hariyanto[1]	–	57%	43%	S$500,001 – S$750,000	100%
Dato' Lee Yeow Chor	64,000	–	–	Below S$250,000	100%
Lim Hung Siang	87,000	–	–	Below S$250,000	100%
Lee Lap Wah George	86,000	–	–	Below S$250,000	100%
Lawrence Lua Gek Pong	85,000	–	–	Below S$250,000	100%
Witjaksana Darmosarkoro	82,000	–	–	Below S$250,000	100%
Key Management Personnel[2]					
1 Executive	–	52%	48%	S$2,250,001 – S$2,500,000	100%
1 Executive	–	40%	60%	S$1,750,001 – S$2,000,000	100%
1 Executive	–	82%	18%	S$250,001 – S$500,000	100%

Notes:

1 Payment partly by Indonesian subsidiary and partly by Bumitama.

2 Fully paid by Indonesian subsidiaries.

The remuneration of the Directors and key management personnel are set out in incremental bands of S$250,000. The Group is of the view that disclosure in incremental bands is sufficient and adequate, and that any further disclosure could be detrimental to the Group's interest, as it may hamper the Group's efforts in retaining and nurturing its talent pool, having regard to the highly competitive human resource environment, and the confidential nature of remuneration matters.

On the same basis and also due to sensitivity of such matter, it is not in the Group's interest to disclose the aggregate remuneration of its key management personnel (who are not Directors or the CEO).

Having considered Provision 8.1 of the Code requiring the disclosure of the remuneration of at least the top 5 key management personnel (who are not directors or the CEO), the Group is only disclosing the above 3 individuals, who, besides the CEO, are considered as the Group's key management personnel and since they have supervisory roles over the other senior management of the Group.

There are three employees, who are immediate family members of a Director and/or the CEO and/or a substantial shareholder of the Company whose remuneration exceeded S$100,000, in bands no wider than S$100,000 during FY2022. The information is set out below:

Name of Executives[1]	Related to	Remuneration Band
Gunardi Hariyanto Lim	Brother of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S$2,400,001 – S$2,500,000
Lim Liana Sarwono	Sister of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S$300,001 – S$400,000
Hartono Santoso	Nephew of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S$100,000 – S$200,000

Note:

1 Fully paid by Indonesian subsidiaries.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises that it is responsible for ensuring that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' investment and the Group's assets.

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. Management reviews all control policies and procedures and highlights all significant matters to the AC and the Board. The Group's financial risk factors and financial risk management objectives and policies are outlined under Note 34 of the "Notes to the Financial Statements" on pages 114 to 123. Risk management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the AC and the Board are in a position to make more informed decisions and will benefit from a better balance between risk and reward. This will assist in protecting the Group's assets.

The AC, together with the Board has reviewed the effectiveness of the Group's system of internal controls put in place to address the key financial, operational, compliance and information technology risks affecting the operations.

ENTERPRISE RISK MANAGEMENT ("ERM")

Effective and prudent risk management is one of the key factors in achieving the Group's business objectives and strategic goals.

The Group has established a systematic ERM framework to identify, assess, monitor, manage and evaluate the significant business risks which the Group is exposed to. Under the ERM framework, a risk register identifying the material risks together with the internal controls to manage or mitigate those risks is maintained. A separate Management Committee and an ERM Secretariat were formed to oversee the ERM and ensure that the risk register is reviewed, managed and updated regularly.

The Management Committee comprises the Chief Operating Officer, CFO, Chief Sustainability Officer ("CSO") as well as the Head of the Internal Audit Department.

Risks are pro-actively identified and addressed. The ownership of these risks lies with the respective business and executive heads with stewardship residing with the Board. The Internal Audit Department, CSO, together with the ERM Secretariat review overall ERM system quarterly and the CRERMC reviews the adequacy and effectiveness of the Group's risk management and internal control systems half-yearly. As the Group continues to grow and taking into account the evolving nature of its business, the Management Committee will on a regular basis, conduct an assessment on the adequacy of the framework, processes and procedures and risk identified and measured.

Since 2020, the results of a review incorporating changing business dynamics especially taking into consideration of COVID-19 pandemic were tabled and the results and recommendations had been shared with AC and the Board. It was agreed that (1) business continuity in the COVID-19 pandemic emphasizes in ensuring the health and safety of workers, their families and communities near to our operations; (2) continuous training are needed and will be conducted in phases to ensure internalisation of the purpose and method of ERM assessment and risk management; (3) the risk map was improved and updated based on feedback from various departments and management; and (4) preparation of the internal audit plan for 2023 had incorporated information drawn from the yearly revised risk map.

The Board has received written assurances from the CEO and CFO that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems are effective and adequate.

The CEO and CFO have obtained similar assurance from the business and corporate executive heads in the Group.

Based on the ERM framework established, internal controls systems maintained by the Group, work performed by the internal and external auditors, and assurance from Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems addressing financial, operational, compliance and information technology controls and risk management system of the Group are adequate and effective during FY2022.

The amended terms of reference of AC has delegated the oversight of ERM to CRERMC and AC shall have close interaction with CRERMC on key financial risk areas of the ERM.

PRINCIPLE 10: AUDIT COMMITTEE

The AC comprises four members, all of whom are non-executive and Independent Directors. The AC members are:

Mr. Lim Hung Siang (AC Chairman)
Mr. Lee Lap Wah George
Mr. Lawrence Lua Gek Pong
Mr. Witjaksana Darmosarkoro

In accordance with the principles and provisions in the Code, the Board is of the view that at least two members, including the AC Chairman, collectively, have the expertise and experience in accounting and financial and finance management, and are qualified to fulfill and discharge their responsibilities.

The AC does not comprise former partners or directors of the Company's existing auditing firm, Ernst & Young LLP.

For FY2022, the AC has performed the following in accordance with its terms of reference:

1. met with both the internal and the external auditors to review the audit plans, and discussed the results of their audit findings and evaluation of the Group's system of internal accounting controls;

2. reviewed the Group's significant financial reporting issues and judgement to ensure the integrity of the financial statements of the Group and announcements relating to the Group's financial performance;

3. reviewed the adequacy and effectiveness of the Group's internal audit controls and risk management systems;

4. reviewed with the internal auditors, the scope and results of the internal audit procedures and monitored Management's response to their findings to ensure that appropriate follow-up measures are taken;

5. reviewed the adequacy, independence and effectiveness of the external audit and the Group's internal audit function;

6. reviewed the assurance from the CEO and the CFO on the financial records and financial statements;

7. reviewed compliance with the corporate governance guidelines on processes and activities adopted by the Board;

8. reviewed and discussed with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and Management's response;

9. reviewed Interested Person Transactions ("IPT") falling within the scope of Chapter 9 of the SGX-ST Listing Manual and the IPT Register;

10. reviewed and monitored any report or concern received via channel established by whistleblowing policy;

11. reviewed half-yearly ERM report together with CRERMC prepared by the Internal Audit Department, CSO, and the ERM Secretariat;

12. made recommendations to the Board on the nomination of the external auditors, as well as reviewed the remuneration and terms of engagement of the external auditors;

13. met with the internal and external auditors, without the presence of Management. Both the internal and external auditors had confirmed that they had received full co-operation from Management and no restrictions were placed on the scope of the respective audits;

14. kept abreast of accounting standards and issues that could potentially impact the Group's financial reporting through semi-annual updates and advice from the external auditors;

15. reviewed the non-audit services provided by the external auditors of the Group, and the fees paid to them, to assess the independence and objectivity of the external auditors. The aggregate amount and breakdown of the audit and non-audit fees paid to the external auditors are found in Note 6 "General and Administrative Expenses" in the Financial Statements of this Annual Report. The AC is satisfied that the nature and extent of non-audit services had not prejudiced the independence and objectivity of the external auditors. The external auditors had also confirmed their independence in this respect; and

16. reviewed and confirmed the Group's compliance with Rules 712, 715 and 716(1) of the Listing Manual of the SGX-ST. The AC in their deliberation on the proposed appointment of Ernst & Young LLP have considered various factors, and was satisfied that the adequacy of resources and firm's experience, the audit engagement partner and his team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group. The accounts of the Company, its significant foreign-incorporated subsidiaries and its associates are audited by Ernst & Young LLP, an auditing firm registered with the ACRA, and KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Indonesia).

    The rest of the Group's subsidiaries are audited by Anwar & Rekan ("A&R"), an auditing firm which is part of DFK International, a worldwide association of independent accounting firms and business advisers. The AC is satisfied that the appointment of A&R would not compromise the standard and effectiveness of the audit of the Group. The list of the Group's subsidiaries audited are disclosed on Note 9 of the "Investments to Subsidiaries" on pages 84 to 87 of this Annual Report.

The AC with the concurrence of the Board has recommended the nomination of Ernst & Young LLP for re-appointment as external auditors of the Company at the forthcoming AGM. Rule 713(1) of the Listing Manual of SGX-ST provides that the audit partner must not be in charge of more than 5 consecutive audit for a full financial year. The Company adheres to the regular rotation of audit partner once every five years.

The AC has explicit authority within the scope of its responsibilities to seek any information it requires or investigates any matter within its terms of reference. In particular, the AC has full access to both the external and internal auditors. It also has full discretion to invite any Director, and/or Management to attend its meetings.

The Group has put in place a whistle-blowing policy, whereby staff of the Group or any other persons such as customers, suppliers, contractors or local community may, in good faith and confidence, without fear of reprisals raise concerns about possible improprieties in financial reporting, unethical practices, misconduct or wrongdoing or other matters relating to the Company and its officers.

Anonymous disclosures will be accepted, and anonymity honoured. Arrangements are also in place for the confidential and independent investigation of such matters and for appropriate follow up actions. The Head of Internal Audit is the person to whom matters should be reported in the first instance through designated email and phone number. The initiated case will be raised to Investigation Audit Section ("IAS")/AC Chairman and the investigation process will be carried out by IAS.

The Group is committed to ensuring protection of the identity and interest of all whistleblowers against detrimental or unfair treatment. If there are concerns as to the safety of the whistleblower, he or she may submit their complaint without putting his or her name and the whistleblower shall not be disadvantaged by dismissal, demotion, harassment, discrimination, or bias.

The whistle-blowing policy and the procedures put in place to implement such a policy had been reviewed by the AC and made available to all employees.

During FY2022, the Group had received whistle-blowing reports which were also highlighted to the AC's attention and deliberated at the meetings of AC quarterly. The whistle-blowing reports highlighted some incidents of impropriety carried out at the Group's plantations in Indonesia. These incidents were not material to the Group's financial statements and operations and remedial actions had been taken to address the issues.

INTERNAL AUDIT

The Company has a dedicated in-house internal audit team ("IA") which comprises of 28 members who are suitably qualified and experienced professionals with operational, financial and compliance experiences. The Head of IA is a Chartered Accountant who holds certification in Risk Management Assurance and has 30 years professional experience in Finance, Accounting, Audit, Tax and Information Technology management.

The IA is in place to review, at least once annually, the risks of the Group's policy, procedures, and activities. The IA has unfettered access to all of the Group's records and documents and reports directly to the AC on any material non-compliance and internal control weakness.

The Head of the IA reports directly to the Chairman of the AC on audit matters and to the CFO on administrative matters. The Head of the IA also shares the IA report with Management so as to ensure that the recommended corrective and preventive actions are taken. Every quarter, the IA prepares the internal audit report and reports the key issues, highlighting concerns, if any, to the AC. Feedback from the AC is taken note of, acted on and monitored. Within this framework, the internal audit function provides reasonable assurance that the risks of the Group will be identified, analysed, and managed by Management. The IA will also make recommendations to enhance the effectiveness and security of the Group's operations.

The AC ensures that the internal audit function is adequately resourced and qualified. On an annual basis, the AC reviews the adequacy and effectiveness of the internal audit function. The IA prepares and present internal audit plan which incorporated feedback from the AC reviews, categorised inputs gathered from the audits, reviewing risk map, core programmes of the Group and critical internal control areas. To ensure maximisation of human resources in this department, IA has a training programme drawn up specifically to ensure that the team is kept updated and current on matters of audit, risks and internal controls as well as supervisory and managerial skills based on the recommendations of the AC. IA also attends relevant public trainings as part of the continuing professional requirements. The IA department is staffed with suitably qualified and experienced professionals with operational and financial experiences.

In addition to the work performed by the internal audit team, the external auditors performed tests of certain controls that are relevant to the preparation of the Group's financial statements. The external auditors report any significant deficiencies of such internal controls to the AC. The AC also reviews the effectiveness of measures taken by Management to address the issues noted by the external auditors. The internal controls are continually being refined by Management.

During 2022, the AC has reviewed the adequacy, independence and effectiveness of the Group's internal audit function and the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Group is committed to disseminating information to Shareholders regularly and on a timely basis. It aims to provide Shareholders with clear, balanced, useful and material information to ensure that Shareholders receive a balanced and up-to-date view of the Group's strategic development, performance, and business. The Company also takes input from stakeholders by considering and balancing the needs and interests of material stakeholders.

Shareholders are informed of general meetings through notices posted on the Company's website and the Company's announcement via SGXNet and published in local newspapers. The Company will dispatch the notice of general meeting to shareholders, together with the explanatory notes or a circular on items of special business for AGM or ordinary resolution or special resolution for EGM, at least 14 or 21 calendar days, where the case may be, before the general meeting.

The Group's main forum for dialogue with Shareholders takes place at its AGM, where members of the Board, senior management, and the external auditors are in attendance. Shareholders are given an opportunity to air their views and ask questions regarding the resolutions tabled at the AGM.

All the chairpersons of the Board Committees and Directors endeavor to be present and available to address shareholders' questions raised at the AGM relating to matters of the Board and respective Committees. The Group's external auditors are also invited and required to attend the AGM and are available to assist the Directors in addressing any relevant queries by the Shareholders relating to the conduct of the audit and the preparation and content of their Auditors' Report. The Company endeavors to address and publish its responses to any substantial and relevant questions received prior to the AGM within a stipulated and reasonable timeline.

Shareholders are encouraged to attend the Company's AGM to ensure a high level of accountability and to stay informed of the Group's strategies and growth. If Shareholders are unable to attend the meetings, the Constitution allows a Shareholder of the Company to appoint up to two proxies to attend, speak and to vote in place of the Shareholder through proxy form sent in advance. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meeting without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund ("CPF") Board, which purchases shares on behalf of the CPF investors.

As the authentication of Shareholder identity information and other related security issues remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email, or fax.

Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate.

Electronic poll voting may be efficient in terms of speed but may not be cost effective. In this respect, the Company did not adopt electronic poll voting.

An appointed independent scrutineer validates the proxy forms submitted by the shareholders and the vote of all such valid proxies are counted and verified. The voting results of all votes cast for or against each resolution are screened at the meeting with respective percentage and these details are announced through SGXNet after the meeting. The Company Secretary prepares the minutes of the general meeting, which incorporate substantial and relevant questions from shareholders and responses from the Board and Management. These minutes are publicly available at SGX-ST's website and the Company's website.

2022 AGM

In view of the evolving COVID-19 situation and safe distancing measures, the AGM of the Company held on 22 April 2022 was conducted in hybrid mode, allowing shareholders to attend the AGM physically and via electronic means in accordance with the COVID-19 (Temporary Measures) Act 2020 and the related order on the conduct of alternative arrangements for general meetings (the "COVID-19 Order"). Save for Dato' Lee Yeow Chor, all directors of the Company attended AGM for FY2021 virtually and/or physically.

In 2022 and in accordance with the COVID-19 Order, shareholders attended the AGM via electronic means (i.e. live audio-visual webcast or live audio-only stream and submitted questions to the Chairman of the Meeting(s) in advance of the AGM). The Company addressed substantial and relevant questions received from shareholders at the aforesaid meeting and published minutes of AGM including the responses to these questions on SGXNet and the Company's website.

2023 AGM

The forthcoming AGM of the Company will be held physically at The Westin Singapore, Ballroom 2, Level 3, 12 Marina View, Asia Square Tower 2, Marina Bay, Singapore 018961. Shareholders will be able to raise questions and vote in person at the AGM. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the forthcoming AGM, submission of questions to the Chairman of the meeting in advance of, or at, the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM released on SGXNet on 5 April 2023.

DIVIDEND POLICY

The Group has a dividend policy to distribute up to 40% of its distributable income. The policy on distribution of dividend depends on the results of the Group's cash flow and financial position, capital expenditure plan, debt repayment schedule, dividends received from its subsidiaries, industry conditions and prospects, and other factors deemed relevant by the Board of Directors.

For FY2022, the Group had declared and paid interim dividend of S$0.0125 per ordinary share on 16 September 2022. The Board has proposed a special dividend of S$0.0213 per ordinary share, one tier tax-exempt and a final dividend of S$0.0442 per ordinary share, one tier tax-exempt , which are subject to the approval by Shareholders at the forthcoming AGM.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company, through the Corporate Secretary and Investor Relations Departments, have conducted regular disclosures on relevant company information to enhance shareholder's value, as dictated by its mission statement.

Aside from the AGM of shareholders which serves as a main avenue for communication between the Board and Shareholders, the Company has a dedicated investor relations team who function as company spokesperson to actively engage the investment community and promote regular, effective, and fair communication with shareholders. Bumitama's capital market outreach activities include publication of annual reports, sustainability reports, press releases, quarterly company presentations, investor circulars, in addition to participate in investors conferences, roadshows, and meetings with analysts, brokers, media, and investors.

Contact details of the Investor Relations Department are available on the Company's corporate website which shareholders may contact the Company with relevant inquiries.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Group has arrangements in place to identify and engage with its material shareholder groups and to manage its relationships with such groups. It undertakes formal and informal stakeholder engagement exercise, such as announcements, press releases, investor relations, publications, surveys, and feedback with material stakeholder groups which include shareholders, suppliers, customers, and employees. The Group has identified the environmental, social and governance factors that are important to its stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in the Company's Sustainability Report. Further information in relation to details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholders, including frequency of engagement by type and by stakeholder groups and key feedback or issues that have been raised though stakeholder engagement can be found in the Sustainability Report for FY2022.

The Company maintains a corporate website at https://www.bumitama-agri.com/ to communicate and engage with shareholders and stakeholders.

CONFLICTS RESOLUTION & ENTERPRISE RISK MANAGEMENT COMMITTEE

In light of the interest of the Group's controlling shareholders in the palm oil business outside of the Group, the Board has adopted certain procedures to address conflicts or potential conflicts of interest issues that may arise from time to time in the course of business conducted or carried on by the Group.

The CRERMC comprises four members, all of whom are non-executive and are Independent Directors. The members are:

Mr. Lee Lap Wah George (CRERMC Chairman)
Mr. Lawrence Lua Gek Pong
Mr. Lim Hung Siang
Mr. Witjaksana Darmosarkoro

The CRERMC performed the following functions in accordance with its terms of reference for FY2022:

1. reviewed on an annual basis the protocols established to resolve conflicts or potential conflicts of interest, so as to ascertain that the guidelines are adequate and relevant to the business and affairs of the Group;

2. received quarterly report from internal auditors in relation to potential of conflict of interest for the Company;

3. reviewed, if any, specific conflicts or potential conflicts of interests that may arise from time to time and to ensure that such conflicts are dealt with or resolved properly; and

4. together with AC reviewed half-yearly ERM report including but not limited to Risk Map, ERM Plan and realisation, and etc prepared by the Internal Audit Department, CSO, and together with the ERM Secretariat.

Management maintains a record of potential conflict transactions (deliberated on as well as decided). Any member of the CRERMC is entitled to inspect such records.

Within 45 days from the end of each financial quarter/half-year and 60 days from the full year results announcement, Management will circulate or present information on transactions or potential transactions carried out or rejected in the immediately preceding financial quarter to the Board. However, this information will not be extended to the Directors who are in a conflict or potential conflict of interest situation.

On a quarterly basis, the CRERMC will receive reports from the internal auditors who provide confirmation that the protocols have been adhered to in the preceding quarter.

SUSTAINABILITY STEERING COMMITTEE

In recognizing the importance of ESG issues and in meeting the increasing needs of ESG-related reporting and disclosure, the Board established an executive committee, SSC on 10 May 2022. The objective of this SSC is to oversee, on behalf of the Board, management strategies and processes designed to manage social and environmental risks and achieve compliance with social and environmental responsibilities and commitments, including in regard to the Group's Climate risk management strategy. The SSC shall have oversight of sustainable development responsibilities of the Group and will also support the Board in setting high level direction and strategic focus on sustainable business models within the Group.

The SSC comprised four members and they are:-

Mr. Witjaksana Darmosarkoro (SSC Chairman)
Mr. Mubarak Ahmad
Mr. Johan Puspowidjono
Ms. Lim Sian Choo

Mr. Lim Gunawan Hariyanto, Dato' Lee Yeow Chor, Mr. Roebianto (COO) and Mr. Sie Eddy Kurniawan (CFO) were appointed as advisors to the SSC.

During FY2022, the SSC met on two occasions. The SSC performs the following functions in accordance with its terms of reference for FY2022:

a) reviewed the Group's sustainability performance and report;

b) reviewed the strategy and initiative on ESG related programmes; and

c) monitored and provided recommendation on emerging sustainability issues.

A quarterly sustainability updates reports would be reviewed by SSC before tabling at the Board Meeting for directors' deliberation, adoption and approval.

DEALINGS IN SECURITIES

The Group has adopted an internal compliance code on Securities Transaction ("Compliance Code") which provides guidance and internal regulation with regard to dealings in the Company's securities by the Company, its Directors and officers. These guidelines prohibit dealing in the Company's securities on short-term considerations and while in possession of unpublished material price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year (if the Company announces its quarterly results, whether required by the SGX-ST or otherwise) and/or one month before the date of announcement of the half year and full year financial results (if the Company does not announce its quarterly results), and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period". The Compliance Code has been disseminated and made available to all employees.

The Group confirmed that it has adhered to its Compliance Code for FY2022 pursuant to Rule 1207(19) of the SGX-ST Listing Manual.

INTERESTED PERSON TRANSACTIONS

The Group has established internal guidelines to ensure compliance with the requirements of Chapter 9 of the Listing Manual on interested person transactions. The main objective is to ensure that interested person transactions are properly reviewed, approved, and conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Shareholders.

In particular, the CFO will maintain a register of interested persons and a register of transactions carried out with interested persons. These registers are updated quarterly based on submissions by the designated persons. The AC reviews all transactions recorded in the register of interested person transactions on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures established by the Group.

The aggregate value of interested person transactions entered into by the Group in FY2022 is as follows:

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.

MATERIAL CONTRACTS

Save as disclosed above in the sections on "Interested Person Transactions" and Service Agreements entered into between the Company and the Executive Directors, there are no other material contracts of the Company or its subsidiaries involving the interest of the CEO, each Director or controlling shareholders, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of FY2022.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor and Mr. Lawrence Lua Gek Pong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 20 April 2023 ("AGM") under Ordinary Resolutions 4, 5 and 6 as set out in the Notice of AGM dated 5 April 2023 (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Date of Appointment	1 June 2017	23 March 2012	1 January 2020
Date of Last Re-Appointment	24 April 2020	12 April 2021	24 April 2020
Age	55	56	65
Country of principal residence	Indonesia	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Ms. Lim Christina Hariyanto, is of the view that she is suitable for re-election as an Executive Director of the Company.	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Dato' Lee Yeow Chor, is of the view that he is suitable for re-election as a Non-Executive Director of the Company.	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Mr. Lawrence Lua Gek Pong, is of the view that he is suitable for re-election as an Independent Director of the Company. The Board considers Mr. Lawrence Lua Gek Pong to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Yes, Ms. Lim Christina Hariyanto is in charge of investor relations & corporate communication departments and responsible for general management, and communication. Amongst other responsibility, she is also responsible to help the Group to foster and strengthen relationship between the Group and the financial community as well as other internal and external stakeholders.	No	No

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director.	Non-Executive Director.	Independent Director, Chairman of Remuneration Committee, and a member of Governance & Nominating Committee, Audit Committee and Conflicts Resolution & Enterprise Risk Management Committee.
Professional qualifications	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.
Working experience and occupation(s) during the past 10 years	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Indirect interest – 556,672,070 ordinary shares.	Nil
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms. Lim Christina Hariyanto, Mr. Lim Gunawan Hariyanto (Executive Chairman and Chief Executive Officer) and Dr. Lim Hariyanto Wijaya Sarwono (substantial shareholders) are immediate family members.	Dato' Lee is a substantial shareholder of the Company and presently the Group Managing Director and Chief Executive of IOI Corporation Berhad ("IOI"). Dato' Lee and Lee Yeow Seng are immediate family members are deemed to be interested in the shares held by Oakridge Investments Pte. Ltd. and Lynwood Capital Resources Pte. Ltd., each a subsidiary of IOI, by virtue of their collective 100% shareholding interest in Progressive Holdings Sdn Bhd. IOI, Lee Yeow Seng, Oakridge Investments Pte. Ltd. and Progressive Holdings Sdn Bhd are substantial shareholders of the Company.	Nil

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Conflict of interest (including any competing business)	Nil	IOI is engaged in the oil palm plantation business and is one of the largest palm oil players globally. Directors are of the view that IOI's engagement in the oil palm plantation business does not present a real conflict of interests as most of IOI's plantations are located in Malaysia. Furthermore, a substantial portion of IOI's CPO and PK are utilised in its downstream manufacturing processes to produce, amongst others, oleochemicals and specialty oils and fats. Also, most of IOI's CPO and PK are sold outside Indonesia. Despite the foregoing, in order to ensure that all potential conflict of interest issues are properly addressed, our Board had set up a Conflicts Resolution & Enterprise Risk Management Committee comprising not less than three members, all of whom are independent directors.	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	Nil	• Subsidiaries of IOI Corporation Berhad and/or IOI Properties Group Berhad.	• Institute of Banking and Finance Standard Committee • Institute of Banking and Finance Private Banking Industry Workgroup • SingHaiyi Group Ltd • DBS Private Bank

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Present	Nil	• IOI Corporation Berhad and its subsidiaries • IOI Properties Group Berhad and its subsidiaries • Seaview (Sentosa) Pte Ltd • Pinnacle (Sentosa) Pte Ltd • Scottsdale Properties Pte Ltd • Iselin Limited • South Beach Consortium Pte Ltd • South Beach International Hotel Management Pte. Ltd. • Fatty Chemical (Malaysia) Sdn Bhd • Kao Plasticizer (Malaysia) Sdn Bhd • Bunge Loders Croklaan Group B.V. • Adawan Development Sdn Bhd • Progressive Holdings Sdn Bhd • Linear Earth City Sdn Bhd • Summervest Sdn Bhd *(In Liquidation)* • Vertical Capacity Sdn Bhd and its subsidiary • Yayasan Tan Sri Lee Shin Cheng • Aspen Assets Sdn Bhd • IOI Foundation	• Azura Investment Partners Pte Ltd • Lygend Resources & Technology Co Ltd • Maitri Asset Management • Miclyn Express Offshore Limited • Nee Soon Link Citizens' Consultative Committee • Advisory Board for Wealth Management, Singapore Management University • PCF Exco (Telok Blangah) • PCF Sparkletots Preschool Board of Governors (Telok Blangah)
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	There is no change to the responses previously disclosed by Ms. Lim Christina Hariyanto under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information in respect of Ms. Lim Christina Hariyanto's appointment as Director was announced on 31 May 2017.	Dato' Lee Yeow Chor was appointed as Director since 23 March 2012 which was before listing of the Company and his answers were "No" to items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual.	There is no change to the responses previously disclosed by Mr. Lawrence Lua Gek Pong under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information in respect of Mr. Lawrence Lua Gek Pong's appointment as Director was announced on 27 December 2019.

ANNUAL FINANCIAL STATEMENTS

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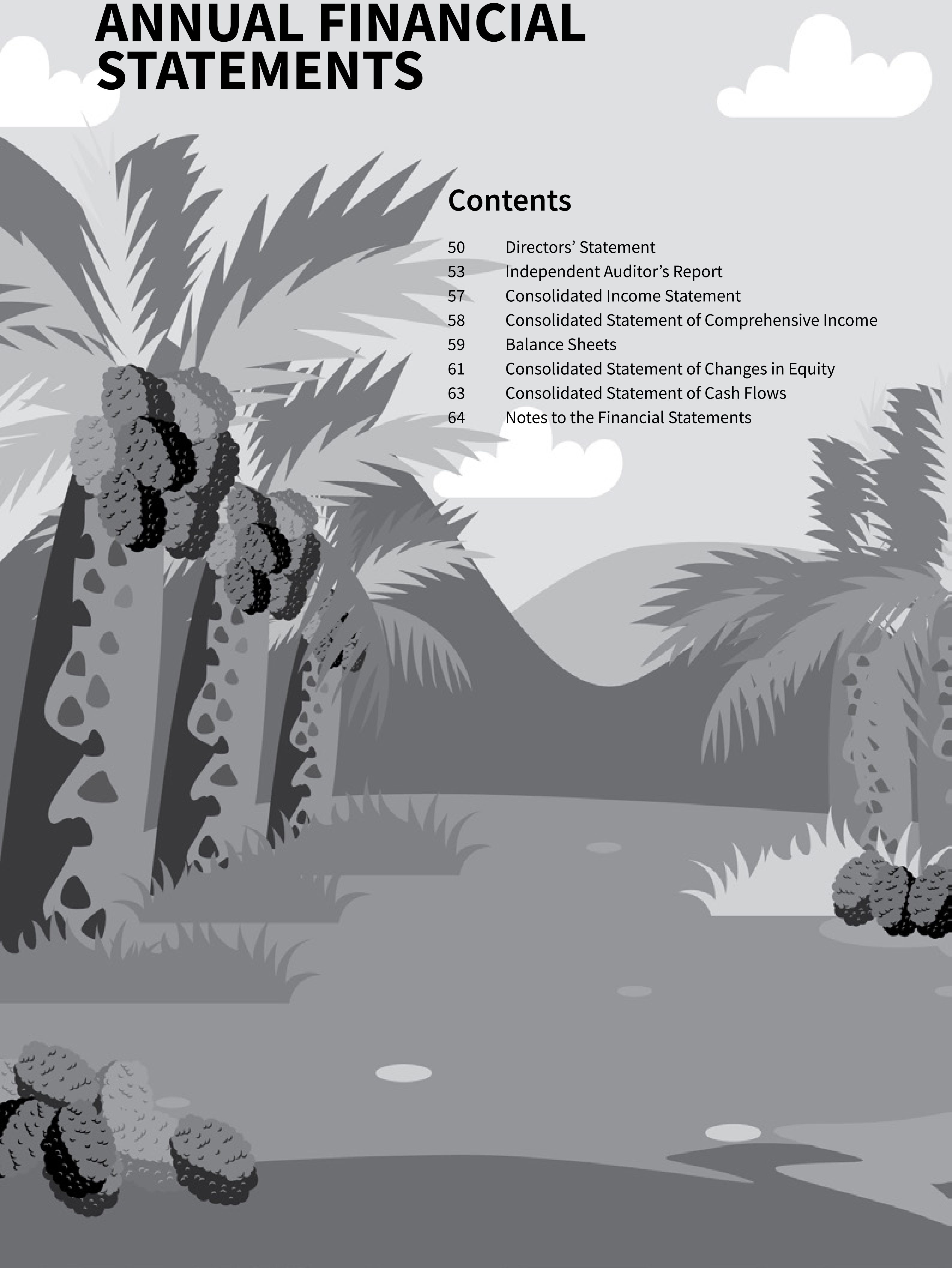

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Bumitama Agri Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Lim Gunawan Hariyanto
Lim Christina Hariyanto
Dato' Lee Yeow Chor
Lim Hung Siang
Lee Lap Wah George
Lawrence Lua Gek Pong
Witjaksana Darmosarkoro

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year or date of appointment**	**At the end of financial year**	**At the beginning of financial year or date of appointment**	**At the end of financial year**
Ordinary shares of the Company				
Lim Gunawan Hariyanto	–	–	906,557,774	906,557,774
Dato' Lee Yeow Chor	–	–	556,672,070	556,672,070
Lim Hung Siang	50,000	50,000	–	–

4. DIRECTORS' INTEREST IN SHARES AND DEBENTURES (continued)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2023.

By virtue of Section 7 of the Singapore Companies Act 1967, Lim Gunawan Hariyanto and Dato' Lee Yeow Chor are deemed to have interests in shares of the subsidiaries of the Company to the extent that the Company has interest.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries. The Company does not have any share option scheme.

6. AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Group's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

6. AUDIT COMMITTEE (continued)

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance in the Annual Report of the Company.

7. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Lim Christina Hariyanto
Director

Lim Hung Siang
Director

Singapore
27 March 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
TO THE MEMBERS OF BUMITAMA AGRI LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bumitama Agri Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the consolidated statement of changes in equity, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Goodwill and investment in subsidiaries

SFRS(I) 1-36 requires goodwill to be assessed for impairment annually and investments in subsidiaries to be assessed for impairment whenever there are indications of impairment. The plantation estates are individually identified as a single CGU for goodwill impairment testing. Management engaged an independent valuer to assist them in their estimation of the recoverable value of the Cash Generating Unit ("CGU") and investment in subsidiaries with indications of impairment using value-in-use ("VIU") method.

The audit procedures over management's annual goodwill impairment test and related impairment assessment for investment in subsidiaries are significant to our audit because the recoverable value is determined by VIU which is complex, judgmental and subjective.

The cash flow model estimates the relevant future cash flows which are expected to be generated in the future and are discounted to the present value by using a discount rate approximating the weighted cost of capital of the industry. The estimation of future cash flows requires the use of a number of significant operational and predictive assumptions, such as fresh fruit bunch yield rate, extraction rate, projected selling price, inflation rate, exchange rate and also factors in terminal value after the implicit period of 5 years.

Key Audit Matters (continued)

Goodwill and investment in subsidiaries (continued)

We performed the following procedures, amongst others, in our audit of goodwill impairment assessment and investment in subsidiaries with indications of impairment:

- reviewed the discounted cash flow model to assess the appropriateness of the methodology employed by management
- compared the operational assumptions against historical data and trend to assess their reasonableness
- evaluated and assessed reasonableness of the key assumptions used in the impairment analysis, in particular the inflation rate, projected crude palm oil price, terminal growth rate and the discount rate used.
- reviewed adequacy of the disclosures relating to those key assumptions to which the outcome of the impairment test is most sensitive. The Group's disclosures on goodwill, which disclosed that any material changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future and investment in subsidiaries, are in Note 13 and Note 9 to the financial statements, respectively.

Deferred Tax Assets

The recoverability of the deferred tax assets ("DTA") is significant to our audit because of the significant management judgement and complexity of the estimation process in forecasting the availability of future taxable profits.

We performed the following procedures, amongst others, in our audit of DTA:

- assessed and tested management's assumptions to determine if it is probable that sufficient taxable income will be available in the future to utilise the DTA
- compared the consistency of management's profit forecasts with those included in the financial budgets approved by the Board of Directors
- assessed the reasonableness of management's assumptions used in the estimation of future profitability by comparing past forecasted results against actual results and by comparing the key assumptions, such as projected crude palm oil price, Fresh Fruit Bunch ("FFB") yield and cost of production, against external sources and historical trends
- assessed the adequacy of the disclosure in Note 16 to the financial statements

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Vincent Toong Weng Sum.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

27 March 2023

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 IDR million	2021 IDR million
Revenue	4	15,829,281	12,248,630
Cost of sales	5	(10,096,426)	(8,791,975)
Gross profit		5,732,855	3,456,655
Other items of income:			
Other income		15,997	27,647
Interest income	6	167,209	195,655
Other items of expenses:			
Selling expenses	6	(327,620)	(297,462)
General and administrative expenses	6	(476,552)	(399,338)
Finance cost	6	(130,443)	(153,309)
Fair value changes in biological assets	17	(87,458)	82,066
Foreign exchange loss		(296,619)	(37,949)
Other expenses		(26,792)	(10,378)
Profit before taxation		4,570,577	2,863,587
Taxation	7	(1,171,708)	(774,210)
Profit for the year		**3,398,869**	**2,089,377**
Attributable to:			
Owners of the Company		2,826,110	1,721,367
Non-controlling interests		572,759	368,010
		3,398,869	**2,089,377**
Earnings per share attributable to owners of the Company			
Basic and diluted (IDR per share)	8	1,618	986

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 IDR million	2021 IDR million
Profit for the year		3,398,869	2,089,377
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation gain/(loss)		964	(2,319)
Fair value reserve on derivative financial assets/liabilities	27	150,385	14,317
Item that will not be reclassified to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans	26	23,562	(4,389)
Other comprehensive income for the year, net of tax		174,911	7,609
Total comprehensive income for the year		3,573,780	2,096,986
Total comprehensive income attributable to:			
Owners of the Company		2,999,158	1,729,447
Non-controlling interests		574,622	367,539
		3,573,780	2,096,986

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
ASSETS					
Non-current assets					
Investments in subsidiaries	9	–	–	2,225,482	2,028,786
Bearer plants	10	7,843,235	7,770,977	–	–
Property, plant and equipment	11	4,568,619	4,147,075	478	1,410
Land use rights	12	1,032,983	986,757	–	–
Intangible assets	13	194,076	185,438	–	–
Plasma receivables	14	1,544,101	2,278,267	–	–
Due from subsidiaries	15	–	–	5,353,187	5,684,742
Deferred tax assets	16	107,680	127,015	–	–
Derivative financial assets	27	68,788	10,628	68,788	10,628
Total non-current assets		15,359,482	15,506,157	7,647,935	7,725,566
Current assets					
Biological assets	17	288,618	376,076	–	–
Inventories	18	2,327,206	822,371	–	–
Deferred charges		8,376	8,311	–	–
Trade and other receivables	19	214,855	119,965	963	245
Due from related companies	20	50	50	–	–
Plasma receivables	14	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	21(a)	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**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	22	78,655	–	–	–
Trade and other payables	23	459,479	411,919	94	117
Accrued operating expenses	24	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
Net current assets/(liabilities)		2,680,455	961,727	478,574	(30,523)
Non-current liabilities					
Deferred tax liabilities	16	192,916	178,891	–	–
Loans and borrowings	22	1,854,834	1,752,641	1,854,834	1,752,641
Islamic medium term notes	25	1,421,992	2,390,425	1,421,992	2,390,425
Employee benefits liability	26	114,067	130,540	–	–
Derivative financial liabilities	27	–	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	28	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	28	(161,366)	(161,366)	(161,366)	(161,366)
Other reserves	29	(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	30	(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**
Total liabilities and equity		**19,898,166**	**17,685,536**	**8,162,118**	**7,746,899**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Share capital (Note 28) IDR million	Treasury shares (Note 28) IDR million	Retained earnings IDR million	Other reserves (Note 29) IDR million	Foreign currency translation reserves (Note 30) IDR million	Total share capital and reserves IDR million	Non-controlling interests IDR million	Total equity IDR million
	Attributable to owners of the Company							
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
Other comprehensive income:								
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 (Note 26)	–	–	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
Contributions by and distributions to owners:								
Decrease in ownership in a subsidiary without a change in control (Note 9(c))	–	–	–	22,416	–	22,416	31,249	53,665
Dividends on ordinary shares (Note 36)	–	–	(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 accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company							
Group	Share capital (Note 28) IDR million	Treasury shares (Note 28) IDR million	Retained earnings IDR million	Other reserves (Note 29) IDR million	Foreign currency translation reserves (Note 30) 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
Other comprehensive income:								
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 (Note 26)	–	–	(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
Contributions by and distributions to owners:								
Dividends on ordinary shares (Note 36)	–	–	(461,257)	–	–	(461,257)	–	(461,257)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(163,500)	(163,500)
Changes in ownership interest in subsidiaries:								
Acquisition of non-controlling interests without a change in control (Note 9(d))	–	–	–	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 accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 IDR million	2021 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)
Net cash receipts from operations	4,250,237	3,122,185
Income tax paid	(736,863)	(473,098)
Net cash flows generated from operating activities (Note 21(b))	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 (Note 21(c))	(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 the end of the year (Note 21(a))	**826,210**	**175,964**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 ("SGX-ST").

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

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, and the production and trading of crude palm oil and related products.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 *Changes in accounting policies*

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.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments FRS 1 Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Date to be determined	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Business combinations and goodwill* (continued)

The Group elects for each individual business combination, whether non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.12(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid/transferred and the equity of the acquired entity is reflected within the equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities had always been consolidated since the date the entities had come under common control. No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities. No additional goodwill is recognised as a result of the combination.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The Group's financial statements are presented in Indonesian Rupiah ("IDR") which is also the functional currency of its Indonesian entities. The functional currency of the Company is United States Dollars ("USD"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 *Foreign currency* (continued)

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into IDR at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Revenue and other income*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the buyer, usually on delivery of goods as performance obligation is judged to have been satisfied and revenue is therefore recognised.

Payments received from the buyer are recorded as sales advances until all of the criteria for acceptance of goods are met.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.9 *Bearer plants*

Bearer plants comprise mature and immature oil palm plantations and nurseries.

Bearer plants are measured at accumulated cost before maturity and at cost, less any subsequent accumulated depreciation and impairment after maturity, with changes recognised in profit or loss. Bearer plants at cost mainly consist of cost relating to development of the oil palm such as land clearing, planting, fertilising, upkeeping/maintaining the plantations, and allocations of indirect overhead costs up to the time the trees become commercially productive and available for harvest.

Depreciation is computed on a straight-line basis over the estimated useful lives of 25 years.

Immature bearer plants are not depreciated as these have yet to reach commercial production yields of fruit.

The carrying values of the bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the bearer plant is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.13. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Buildings	5 - 20
Renovations	2
Infrastructure	20
Machinery and equipment	5 - 20
Vehicles and heavy equipment	5 - 10
Furniture and fixtures	5

Depreciation of property, plant and equipment related to the plantations are allocated proportionately based on the area of mature and immature plantations.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. Accumulated cost is transferred to the related asset when the asset is completed and ready for use and is then depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with Note 2.14.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.11 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised on a straight-line basis according to the rights period, which are over the period of 20 to 35 years to its estimated residual value.

Hak Guna Usaha ("HGU") or Right to Cultivate and Hak Guna Bangunan ("HGB") or Right to Build are land rights that grant the registered holders of such rights use of the land for a period up to 35 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The other intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Other intangible assets represent the cost of software, which is not an integral part of a related hardware that covers all direct cost related to the acquisition and preparation of the software for its intended use. The intangible asset is being amortised on a straight-line basis over the estimated useful life of five years from its initial use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.13 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years or longer. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.15 Plasma receivables

Plasma receivables represent loans to Plasma farmers under the Indonesian Government policy - Kredit Koperasi Primer untuk Anggota ("KKPA") scheme for the development of plasma plantations and its infrastructures, covering costs incurred for seedling, land clearing, cultivating, fertilising, maintenance and other indirect expenses. Under the KKPA scheme, when bearer plants are transferred to the Plasma farmers, plasma receivables will be recorded.

Plasma receivables are either immediately claimed from the financing banks, temporarily self-funded by the Group for those awaiting bank's funding, or shall be reimbursed by the Plasma farmers. Plasma receivables include advances to Plasma farmers for loan installments paid to banks. This account is presented at net amount after funding received from the banks. Bank financing are soft loans obtained by cooperatives whose agreements were signed by Plasma farmers and the respective bank for which the Group acts as guarantors for the loans repayment.

Costs incurred during development of the oil palm plantations and temporary funding given to the Plasma farmers for working capital purposes are included in plasma receivables in the balance sheet. The funds received from the designated banks on behalf of the Plasma farmers for the development and operations of the plantations are deducted from the plasma receivables on the balance sheet.

Plasma receivables are classified as financial assets carried at amortised cost under SFRS(I) 9 *Financial Instruments*. The accounting policy for financial instruments is set out in Note 2.17.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Biological assets

Biological assets comprise fresh fruit bunches ("FFB").

Biological assets are stated at fair value less estimated costs to sell. Gains or losses arising on initial recognition of FFB at fair value less estimated costs to sell and from the changes in fair value less estimated costs to sell of FFB at each reporting date are included in profit or loss for the period in which they arise.

The fair value of the biological assets is measured by reference to projected harvest quantities and estimated index price of FFB.

In determining the projected harvest quantities, the Group considers the estimated yield of the bearer plants which is dependent on the age of the oil palm trees, the location, soil type and infrastructure.

2.17 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 *Financial instruments* (continued)

(a) *Financial assets* (continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) *Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(ii) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) *Derivatives*

The Group uses derivative financial instruments such as cross-currency interest rate swaps and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date. The Group had applied hedge accounting on its cross-currency interest rate swaps and interest rate swaps. The accounting policy for hedge accounting is set out in Note 2.31.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 *Financial instruments* (continued)

(c) *Derivatives* (continued)

Any gains or losses arising from changes in fair value on derivative financial instruments are taken to the statement of comprehensive income for the year.

2.18 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.19 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are not pledged as collateral and not restricted.

2.20 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted-average method. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials (comprising fertilisers and chemicals and other supplies): purchase costs

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

FFB are initially recognised at fair value less estimated costs to sell and subsequently at the lower of net realisable value and initial recognition value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies the short-term lease recognition exemption to its short-term leases of office space and barge (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group's associated right-of-use assets were included within land use rights (Note 2.11).

2.22 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 *Taxes* (continued)

(b) Deferred tax (continued)

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 asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is recognised during the measurement period or in profit or loss.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from and payable to, the taxation authority is presented as prepaid taxes and part of other payables in the balance sheet.

2.23 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Defined benefit plans

The Group makes provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labor Law No. 13/2003 and the Omnibus Law No. 11/2020. The provisions are estimated using actuarial calculations based on the report prepared by an independent firm of actuaries.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

In April 2022, the Institute of Indonesia Chartered Accountants' Accounting Standard Board ("DSAK IAI") issued a clarification pertaining to the attribution of benefits to periods of service in accordance with the pension program for employees pursuant to the Indonesian labour laws. The clarification gave rise to an immaterial retrospective impact to the provision of employee benefits and accordingly the effect of the clarification has been applied to the current year consolidated financial statements for the year ended 31 December 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

The Group's own equity instruments, which are reacquired ("treasury shares") are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) Has control or joint control over the Company;

  (ii) Has significant influence over the Company; or

  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Related parties (continued)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(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).

2.29 Segment reporting

The Group is organised in one business unit which is plantations and palm oil mills which its operational activities are run in one country, therefore operating segment and geographical segment information are not presented.

2.30 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.18 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Hedge accounting

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group does not have any fair value hedges or hedges of net investment in foreign operations in 2022 and 2021.

Cash flow hedges which meet the criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

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 financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.12(a). As disclosed in Note 13, the recoverable amounts of the cash-generating units which goodwill have been allocated to have been determined based on fair value less cost of disposal calculations. The fair value less cost of disposal are determined based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate, inflation rate and projected CPO price used in the discounted cash flow model. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 13.

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax credits to the extent that it is probable that taxable profit will be available against which the tax credits can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits. In determining the timing and level of future taxable profits, the Group assessed the probability of expected future cash inflows based on estimated taxable profit for the next 5 years.

Details of unutilised tax losses and unused tax credits are disclosed in Note 16.

(c) Fair value of biological assets ("FFB")

Biological assets are measured at fair value less estimated costs to sell. The fair value of FFB is measured by reference to projected harvest quantities and estimated index price of FFB set by the Government of Indonesia. In determining the fair value of the FFB, the Company considers the estimated yield of the bearer plants which is dependent on the age of the oil palm tree, the location, soil type and infrastructure.

Details of assumptions used and sensitivity analysis are disclosed in Note 17 and 33(d).

(d) Income tax

Significant estimate and judgement are involved in determining both the provision and recoverability of income tax. Uncertainties exist with respect to the interpretation of tax regulations, effects of changes in tax laws, and the amount and timing of future taxable income which may require future adjustments to be made to the income tax provisions and income tax expenses already recorded. At times, there could be certain transactions and computations for which the determination of the tax liability to be ultimately paid may be uncertain during the ordinary course of business. Where the final income tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax in the year in which such decision is made by the taxation authority. The carrying amount of the Group's tax payables as at 31 December 2022 is IDR 620,252 million (2021: IDR 296,723 million). The details of deferred tax assets and liabilities are disclosed in Note 16.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainty (continued)

(e) Impairment of investments in subsidiaries

The Company assess whether there are any indicators of impairment for its investments in subsidiaries at each reporting date. Investments in subsidiaries are tested for impairment when there are indicators that the carrying value of investments exceed its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal assessment is based on available market data from recent transactions of similar assets, recent acquisition prices or observable market prices less costs for disposing the asset. When using value in use, management estimates the expected future cash flows from the asset or cash-generating unit and applies a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Company's investments in subsidiaries as at 31 December 2022 is IDR 2,225,482 million (2021: IDR 2,028,786 million).

4. REVENUE

	Group	
	2022 IDR million	**2021 IDR million**
Disaggregation of revenue by major product:		
Crude Palm Oil ("CPO")	13,792,115	10,650,101
Palm Kernel ("PK")	2,037,166	1,598,529
Total revenue recognised at a point in time	**15,829,281**	**12,248,630**

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

5. COST OF SALES

	Group	
	2022 IDR million	**2021 IDR million**
Cost of inventories recognised as an expense (Note 18)	5,862,175	5,553,244
Depreciation of mature bearer plants, property, plant and equipment and amortisation of land use rights (Notes 10, 11 and 12)	740,443	692,223
Plantation costs	3,087,908	2,211,340
Milling and processing costs	405,900	335,168
Total cost of sales	**10,096,426**	**8,791,975**

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after (charging)/crediting the following income and expenses:

	Group	
	2022 IDR million	**2021 IDR million**
Interest income		
Interest income from financial assets carried at amortised cost	167,209	195,655
Selling expenses		
Freight	(308,769)	(277,999)
Loading expense	(18,851)	(19,463)
Total selling expenses	**(327,620)**	**(297,462)**
General and administrative expenses		
Audit fees:		
– Auditor of the Company	(1,674)	(1,515)
– Affiliates of auditor of the Company	(4,522)	(4,298)
– Other auditors	(296)	(235)
Non-audit fees:		
– Other consultants	(59)	(52)
Employees' benefit expense:		
– Salaries, wages and other staff related expenses	(296,131)	(230,242)
– Defined benefit plan (Note 26)	(22,961)	(30,057)
– Defined contribution plan	(315)	(421)
Transportation	(9,045)	(5,356)
Training	(30,332)	(28,831)
Depreciation of property, plant and equipment (Note 11)	(16,509)	(15,005)
Amortisation of intangible assets (Note 13)	(5,774)	(4,766)
Maintenance	(6,003)	(5,548)
Rental	(4,949)	(3,774)
Professional fees	(10,567)	(6,504)
Insurance	(3,890)	(3,606)
Security	(670)	(525)
Electricity and water	(839)	(754)
Licences and taxes	(45,867)	(43,066)
Office expenses	(13,355)	(10,764)
Others	(2,794)	(4,019)
Total general and administrative expenses	**(476,552)**	**(399,338)**
Finance cost		
Interest expense and amortisation on loans and borrowings carried at amortised cost	(132,931)	(160,661)
Less: Capitalised to bearer plants (Note 10)	2,488	7,352
Total finance cost	**(130,443)**	**(153,309)**

7. TAXATION

Major components of tax expense

	Group	
	2022 **IDR million**	**2021** **IDR million**
Current income tax:		
– Current income taxation	(934,351)	(545,251)
– Underprovision in respect of previous years	(9,343)	(939)
Deferred income tax:		
– Origination and reversal of temporary differences	(26,714)	(124,998)
Withholding tax on interest income and dividend from subsidiaries	(201,300)	(103,022)
Tax expense recognised in profit or loss	**(1,171,708)**	**(774,210)**

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group	
	2022 **IDR million**	**2021** **IDR million**
Profit before taxation	4,570,577	2,863,587
Tax at the domestic rates applicable to profits in the countries where the Group operates	(994,898)	(626,391)
Non-deductible expenses	(55,957)	(41,475)
Deferred tax adjustment on revaluation of mature plantation	37,894	26,236
Withholding tax on interest income and dividend from subsidiaries	(201,300)	(103,022)
Underprovision in respect of previous years	(9,343)	(939)
Effect of changes in tax rate	–	8,496
Unrecognised deferred tax asset	–	(40,734)
Utilisation of unrecognised deferred tax asset	54,606	–
Others	(2,710)	3,619
Tax expense recognised in profit or loss	**(1,171,708)**	**(774,210)**

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction. The corporate income tax rates applicable to the Group companies in the following countries are:

	2022	**2021**
Singapore	17%	17%
Indonesia	22%	22%

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. No dilutive potential ordinary shares were noted for the Company as at 31 December 2022 and 2021.

The following table reflects basic and diluted earnings per share for the years ended 31 December:

	2022	2021
Earnings per share (IDR)		
– Basic and diluted	1,618	986

The weighted average number of shares equals the outstanding number of shares as at year end, as there was no change in the number of issued shares during the year.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 IDR million	2021 IDR million
Unquoted equity shares, at cost	2,307,261	2,099,912
Impairment loss	(81,779)	(71,126)
	2,225,482	2,028,786
Impairment losses		
As at 1 January	(71,126)	–
Impairment loss	(10,653)	(71,126)
As at 31 December	(81,779)	(71,126)

Impairment of PT Bumitama Energi Lestari ("BEL")

During the year, the management carried out a review on the impairment of investment in a subsidiary. As a result of the review, an impairment loss of IDR 11 billion was recorded (2021: IDR 71 billion) to write down the carrying value to the recoverable amount, based on the fair value of net assets held by the subsidiary.

9. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Subsidiaries	Country of incorporation/ Principal place of business	Principal activities	Proportion of ownership interest 2022 %	2021 %
Held by the Company:				
PT Bumitama Gunajaya Agro ("BGA")(1)	Indonesia	Investment holding and business and management consultancy services	90.00	90.00
PT Bumitama Sawit Lestari ("BSL")(1)(4)	Indonesia	Investment holding	–	95.00
PT Bumitama Energi Lestari ("BEL")(1)	Indonesia	Investment holding	99.77	99.77
PT Bumitama Oleo Sentosa ("BOS")(3)	Indonesia	Investment holding	95.00	95.00
Held via BGA:				
PT Karya Makmur Bahagia ("KMB")(1)	Indonesia	Oil palm plantation and mill	85.50	85.50
PT Windu Nabatindo Lestari ("WNL")(1)	Indonesia	Oil palm plantation and mill	81.00	81.00
PT Rohul Sawit Industri ("RSI")(1)	Indonesia	Palm oil mill	81.00	81.00
PT Bumitama Gunajaya Abadi ("BG Abadi")(1)	Indonesia	Oil palm plantation and mill	85.50	85.50
PT Windu Nabatindo Abadi ("WNA")(1)	Indonesia	Oil palm plantation and mill	85.50	85.50
PT Masuba Citra Mandiri ("MCM")(1)	Indonesia	Oil palm plantation	85.50	85.50
PT Windu Nabatindo Sejahtera ("WNS")(3)	Indonesia	Oil palm plantation	85.50	85.50
PT Agro Manunggal Sawitindo ("AMS")(1)	Indonesia	Oil palm plantation	85.50	85.50
PT Lestari Gemilang Intisawit ("LGI")(1)	Indonesia	Oil palm plantation	81.00	81.00
PT Ladang Sawit Mas ("LSM")(1)	Indonesia	Oil palm plantation and mill	85.50	85.50
PT Agriplus ("AGP")(2)	Indonesia	Oil palm plantation	85.50	85.50
PT Hungarindo Persada ("HPE")(3)	Indonesia	Oil palm plantation	85.50	85.50
PT Bumitama Sawit Lestari ("BSL")(1)(4)	Indonesia	Investment holding	89.999	–

9. INVESTMENTS IN SUBSIDIARIES (continued)

Subsidiaries	Country of incorporation/ Principal place of business	Principal activities	Proportion of ownership interest 2022 %	2021 %
Held via BSL:				
PT Tanah Tani Lestari ("TTL")(1)	Indonesia	Oil palm plantation	85.50	90.25
PT Nabatindo Karya Utama ("NKU")(1)	Indonesia	Oil palm plantation	85.50	90.25
PT Andalan Sukses Makmur ("ASMR")(2)	Indonesia	Oil palm plantation	85.50	90.25
PT Inti Sawit Lestari ("ISL")(1)	Indonesia	Investment holding and business and management consultancy services	85.50	90.25
PT Sukses Manunggal Sawitindo ("SMS")(2)	Indonesia	Investment holding and business and management consultancy services	85.50	90.25
PT Langgeng Makmur Sejahtera ("LMS")(1)	Indonesia	Oil palm plantation	85.50	90.25
PT Investa Karya Bakti ("IKB")(3)	Indonesia	Oil palm plantation	85.50	90.25
PT Gemilang Makmur Subur ("GMS")(2)	Indonesia	Oil palm plantation	85.50	90.25
PT Sejahtera Sawit Lestari ("SSL")(2)	Indonesia	Oil palm plantation	85.50	90.25
PT Fajar Bumi Nabati ("FBI")(3)	Indonesia	Oil palm plantation	85.50	90.25
PT Gemilang Subur Maju ("GSM")(3)	Indonesia	Oil palm plantation	85.50	90.25
PT Damai Agro Sejahtera ("DAS")(2)	Indonesia	Oil palm plantation	85.50	90.25
Held via KMB:				
PT Hatiprima Agro ("HPA")(3)	Indonesia	Oil palm plantation	85.73	85.73
Held via AMS:				
PT Gunajaya Karya Gemilang ("GKG")(1)	Indonesia	Oil palm plantation and mill	81.24	81.24
PT Gunajaya Ketapang Sentosa ("GKS")(1)	Indonesia	Oil palm plantation	81.24	81.24
PT Karya Bakti Agro Sejahtera ("KBAS")(1)	Indonesia	Oil palm plantation and mill	81.24	81.24

9. INVESTMENTS IN SUBSIDIARIES (continued)

Subsidiaries	Country of incorporation/ Principal place of business	Principal activities	Proportion of ownership interest 2022 %	2021 %
Held via LGI:				
PT Agro Sejahtera Manunggal ("ASM")(1)	Indonesia	Oil palm plantation and mill	78.25	78.25
PT Karya Makmur Langgeng ("KML")(1)	Indonesia	Oil palm plantation	78.25	78.25
PT Nabati Agro Subur ("NAS")(3)	Indonesia	Oil palm plantation	76.95	76.95
Held via BEL:				
PT Energi Baharu Lestari ("EBL")(1)	Indonesia	Trading in edible oils and its related products	99.63	99.63
Held via ISL:				
PT Sentosa Prima Agro ("SPA")(1)	Indonesia	Oil palm plantation and mill	81.22	85.74
PT Wahana Hijau Indah ("WHI")(1)	Indonesia	Oil palm plantation	81.22	85.74
PT Raya Sawit Manunggal ("RSM")(1)	Indonesia	Oil palm plantation	81.22	85.74
Held via SMS:				
PT Gunajaya Harapan Lestari ("GHL")(2)	Indonesia	Oil palm plantation	81.22	85.74
Held via GKS:				
PT Ladang Sawit Kendawangan ("LSK")(3)(5)	Indonesia	Oil palm plantation	77.18	–

(1) Audited by member firm of Ernst & Young Global in Indonesia
(2) Audited by KAP Anwar & Rekan
(3) Not required to be audited by law in its country of incorporation
(4) In 2022, the Group carried out an internal restructuring exercise in which BGA acquired BSL from the Company. Refer to note 9(c) for details of the restructuring exercise.
(5) In 2022, the Group acquired 95% interest in LSK for a consideration of IDR 29,156 million. The acquisition was accounted for as an asset purchase as LSK only held land use rights.

9. INVESTMENTS IN SUBSIDIARIES (continued)

(a) *Interest in subsidiaries with material non-controlling interest ("NCI")*

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting period IDR million	Accumulated NCI at the end of reporting period IDR million	Dividends paid to NCI IDR million
31 December 2022:					
BGA	Indonesia	10%	546,258*	1,962,468	341,541
31 December 2021:					
BGA	Indonesia	10%	348,297	1,626,354	163,500

* Profit allocated to NCI comprises BGA Group's profit before the restructuring exercise (Note 9(c))

(b) *Summarised financial information about subsidiary with material NCI*

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material NCI are as follows:

Summarised balance sheet

	BGA 2022 IDR million	BGA 2021 IDR million
Current		
Assets	3,423,603	1,487,743
Liabilities	(1,953,015)	(1,485,141)
Net current assets	1,470,588	2,602
Non-current		
Assets	16,020,767	16,291,802
Liabilities	(5,632,672)	(5,891,343)
Net non-current assets	10,388,095	10,400,459
Net assets	**11,858,683**	**10,403,061**

9. INVESTMENTS IN SUBSIDIARIES (continued)

(b) *Summarised financial information about subsidiary with material NCI* (continued)

Summarised statement of comprehensive income

	BGA	
	2022 IDR million	**2021 IDR million**
Revenue	15,116,487	11,695,438
Profit before taxation	4,079,898	2,630,137
Income tax expense	(876,035)	(571,207)
Profit after taxation	3,203,863	2,058,930
Other comprehensive income	17,885	(4,892)
Total comprehensive income	**3,221,748**	**2,054,038**

Other summarised information

	BGA	
	2022 IDR million	**2021 IDR million**
Net cash flows from operations	3,216,682	2,460,182
Acquisition of significant property, plant and equipment	714,676	636,554

(c) *Decrease in ownership in a subsidiary without a change in control*

In 2022, the Group carried out an internal restructuring exercise in which BGA acquired 99.999% interest in BSL for the aggregate consideration of IDR 965.77 billion. The aggregate consideration was satisfied by the issuance and allotment of new shares in BGA.

In connection with the restructuring, the non-controlling shareholder of BGA subscribed for new share capital in BGA for an aggregate subscription price of IDR 53.665 billion.

As a result of the above transactions, the Group's effective interest in BSL decreased from 95% to 89.999%. The premium arising from the change in interest in BSL of IDR 22,416 million was recorded within the "other reserves" line in the equity.

(d) *Acquisition of non-controlling interests without a change in control*

In 2021, the Group increased its equity interest in NKU by acquiring its shares from NCI for total consideration of IDR 7,500 millon. Accordingly, the Group's equity interest increased to 90.25%.

	IDR million
Consideration paid for acquisition of NCI	(7,500)
Carrying value	23,083
Increase in equity attributable to owners of the Company	**15,583**

The increase in equity attributable to owners of the Company had been recognised as "Discount received on acquisition of non-controlling interest" (Note 29) within equity.

10. BEARER PLANTS

Bearer plants are classified into mature plantations, immature plantations and nurseries.

	Group	
	2022 IDR million	**2021 IDR million**
Mature plantations		
Cost		
At 1 January	9,313,523	8,432,227
Reclassification from immature plantations	281,425	881,296
Disposal	(104,872)	–
At 31 December	**9,490,076**	**9,313,523**
Accumulated depreciation		
At 1 January	2,371,589	1,974,321
Charge for the year (Note 5)	388,401	397,268
Disposal	(90,496)	–
At 31 December	**(2,669,494)**	**(2,371,589)**
Net carrying amount	**6,820,582**	**6,941,934**
Immature plantations		
Cost		
At 1 January	798,651	1,253,989
Development costs	449,916	425,232
Reclassification from nurseries	5,163	726
	1,253,730	1,679,947
Reclassification to mature plantations	(281,425)	(881,296)
At 31 December	**972,305**	**798,651**
Nurseries		
Cost		
At 1 January	30,392	13,547
Development costs	28,652	29,054
Deduction	(3,533)	(11,483)
	55,511	31,118
Reclassification to immature plantations	(5,163)	(726)
At 31 December	**50,348**	**30,392**
Total carrying amount	**7,843,235**	**7,770,977**

Depreciation of property, plant and equipment capitalised to immature plantations for the financial year ended 31 December 2022 amounted to IDR 3,606 million (2021: IDR 3,135 million) (Note 11).

Borrowing costs capitalised to immature plantations for the financial year ended 31 December 2022 amounted to IDR 2,488 million (2021: IDR 7,352 million) (Note 6).

The cash outflow on additions in bearer plants amounted to IDR 399,704 million (2021: IDR 384,362 million).

Total nucleus planted area for the year ended 31 December 2022 accounted for approximately 132 thousand hectares (2021: 133 thousand hectares).

11. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings IDR million	Renovation IDR million	Infrastructure IDR million	Machinery and equipment IDR million	Vehicles and heavy equipment IDR million	Furniture and fixtures IDR million	Assets under construction IDR million	Total IDR million
Cost								
At 1 January 2021	1,681,261	2,551	932,946	2,351,212	572,266	173,290	318,693	6,032,219
Additions (Note 21(c))	77,092	–	39,669	118,433	113,853	24,806	340,785	714,638
Disposals	(15,909)	–	(1,172)	(55,182)	(22,440)	(1,085)	(4,752)	(100,540)
Reclassifications	75,833	–	41,853	96,816	1,550	873	(216,925)	–
At 31 December 2021 and 1 January 2022	1,818,277	2,551	1,013,296	2,511,279	665,229	197,884	437,801	6,646,317
Additions (Note 21(c))	49,734	–	15,744	197,066	166,600	29,617	378,609	837,370
Disposals	(10,723)	–	(157)	(5,057)	(27,036)	(13,789)	(1,091)	(57,853)
Reclassifications	175,209	–	169,122	245,138	2,675	1,427	(593,571)	–
At 31 December 2022	2,032,497	2,551	1,198,005	2,948,426	807,468	215,139	221,748	7,425,834
Accumulated depreciation and impairment								
At 1 January 2021	643,119	2,551	274,493	754,929	412,638	131,275	–	2,219,005
Charge for the year	88,714	–	48,440	129,865	49,952	13,446	–	330,417
Disposals	(10,037)	–	(390)	(17,903)	(20,793)	(1,076)	–	(50,199)
Impairment	–	–	9	10	–	–	–	19
At 31 December 2021 and 1 January 2022	721,796	2,551	322,552	866,901	441,797	143,645	–	2,499,242
Charge for the year	105,403	–	55,556	158,309	72,984	17,768	–	410,020
Disposals	(6,841)	–	(65)	(5,973)	(26,676)	(13,728)	–	(53,283)
Impairment	–	–	589	647	–	–	–	1,236
At 31 December 2022	820,358	2,551	378,632	1,019,884	488,105	147,685	–	2,857,215
Net carrying amount								
At 31 December 2021	1,096,481	–	690,744	1,644,378	223,432	54,239	437,801	4,147,075
At 31 December 2022	**1,212,139**	**–**	**819,373**	**1,928,542**	**319,363**	**67,454**	**221,748**	**4,568,619**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Renovation IDR million	Furniture and fixtures IDR million	Vehicles and heavy equipment IDR million	Total IDR million
Cost				
At 1 January, 31 December 2021 and 31 December 2022	2,551	310	4,468	7,329
Accumulated depreciation				
At 1 January 2021	2,551	260	2,218	5,029
Charge for the year	–	3	887	890
At 31 December 2021 and 1 January 2022	2,551	263	3,105	5,919
Charge for the year	–	11	921	932
At 31 December 2022	2,551	274	4,026	6,851
Net carrying amount				
At 31 December 2021	–	47	1,363	1,410
At 31 December 2022	–	36	442	478

Impairment of assets

An impairment loss of IDR 1,236 million (2021: IDR 19 million) represents the write-down of a set of machinery and equipment to its recoverable amount was recognised in “Other expenses” line item of profit or loss in the current financial year.

Depreciation

Depreciation of property, plant and equipment was charged and allocated as follows:

	Group	
	2022 IDR million	2021 IDR million
Cost of sales (Note 5)	335,666	278,578
General and administrative expenses (Note 6)	16,509	15,005
Immature plantations (Note 10)	3,606	3,135
Plasma receivables	46,071	24,087
Other expenses	8,168	9,612
Total depreciation	**410,020**	**330,417**

12. LAND USE RIGHTS

	Group	
	2022 **IDR million**	**2021** **IDR million**
Cost		
At 1 January	1,084,078	1,049,776
Additions	65,623	34,302
At 31 December	1,149,701	1,084,078
Accumulated amortisation		
At 1 January	97,321	77,923
Amortisation for the year	19,397	19,398
At 31 December	116,718	97,321
Net carrying amount	**1,032,983**	**986,757**
Amounts to be amortised:		
– Not later than one year	19,397	19,398
– Later than one year but not later than five years	77,588	77,588
– Later than five years	935,998	889,771
	1,032,983	**986,757**

Land use rights represent the cost of rights to use the land for agriculture purposes that are held by the Group. The cost of land use rights include all costs associated with the legal transfer or renewal of the titles of land use rights such as legal fees, land survey and re-measurement fees, taxes and other related expenses. Land use rights are amortised on a straight-line basis over their terms of 20 to 35 years. The terms can be extended up to a period of 35 years from the initial recognition subject to agreement with the Government of Indonesia.

As at 31 December 2022, the land use rights have remaining tenure ranging from 8 years to 29 years (2021: 9 years to 30 years).

During the financial year, amortisation of land use rights allocated to cost of sales and other expenses amounts to IDR 16,376 million (2021: IDR 16,377 million) and IDR 3,021 million (2021: IDR 3,021 million), respectively.

The cash outflow on additions in land use rights amounted to IDR 65,623 million (2021: IDR 34,302 million).

13. INTANGIBLE ASSETS

Group	Goodwill IDR million	Software IDR million	Total 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 (Note 6)	–	4,766	4,766
At 31 December 2021 and 1 January 2022	6,563	34,002	40,565
Amortisation for the year (Note 6)	–	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**

Goodwill

Impairment testing of goodwill

Goodwill arising from business combinations is allocated to the individual cash-generating units ("CGU") for the purpose of impairment testing. The CGUs relating to the goodwill as at 31 December are as follows:

	Group	
	2022 IDR million	2021 IDR million
Carrying values:		
– KMB	22,885	22,885
– LGI	48,809	48,809
– NKU	96,207	96,207
	167,901	**167,901**

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

	2022	2021
Discount rate	12.33%	11.63%
Inflation rate	3.0% – 3.4%	2.9% – 3.4%
Projected CPO price (IDR/Kg)	11,536 – 11,642	10,789 – 11,146

The FVLCOD calculations applied a discounted cash flow model using cash flow projections and projected CPO price of IDR 11,536 – IDR 11,642 (2021: of 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.

13. INTANGIBLE ASSETS (continued)

Key assumptions used in FVLCOD calculations

The calculations of FVLCOD 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 the goodwill is not impaired as at 31 December 2022 and 2021.

Sensitivity to changes in assumptions

Changes to the assumptions used by management to determine the recoverable amounts may have an impact on the results of the assessment. Management is of the opinion that no reasonably possible change in any of the key assumptions stated above would cause the carrying amount of the goodwill of each CGU, to materially exceed their recoverable amount.

Software

Software represents the cost of software that covers all direct cost related to the acquisition and preparation of the software for its intended use which is not part of an integral part of hardware. Amortisation of software is recognised in the "General and administrative expenses" line item in the consolidated income statement.

14. PLASMA RECEIVABLES

Plasma receivables represent costs incurred for plasma plantations development which are financed by the Group and will be repaid using the investment credit given to plasma farmers by banks or reimbursed directly by the plasma farmers. Plasma receivables also include advances to plasma farmers for payments of loan installments to the banks.

The Group develops plasma plantations under the "Kredit Koperasi Primer untuk Anggota" ("KKPA") scheme. Plasma plantations development is financed through investment credit from banks. Under the KKPA scheme, investment credit agreement is signed by plasma farmers through cooperative (*Koperasi Unit Desa*/KUD) acting as their representative and the Group acting as guarantors for the loan repayments.

As the guarantors for the loan repayments, the Group will deduct the plasma farmers' sales of FFB based on bank loan installments until the plasma farmers' loans to the bank are fully paid. The amount deducted will be paid by the Group as the plasma farmers' loan installments to the bank. Deficits from the difference between deductions from sales of FFB with bank loan installments must be paid by the Group as guarantors for the loan repayments and are recorded as plasma receivables until reimbursed by plasma farmers.

Plasma receivables bear interest at rates determined based on negotiation between the Group and the Cooperatives.

The net cash inflows on decrease in plasma receivables amounted to IDR 650,137 million (2021: IDR 296,454 million).

As of 31 December 2022, the Company has developed plasma plantations through bank partnerships covering a total area of 55,529 hectares (2021: 55,189 hectares).

14. PLASMA RECEIVABLES (continued)

Details of plasma receivables are as follows:

	Group	
	2022 IDR million	2021 IDR million
As at 1 January	2,431,696	2,704,063
Collections, net of additional development cost	(676,200)	(442,572)
Financing from banks	(454,996)	(152,981)
Advances to plasma farmers	527,130	323,186
As at 31 December	**1,827,630**	**2,431,696**
Less: Current portion of plasma receivables	(283,529)	(153,429)
Non-current portion of plasma receivables	**1,544,101**	**2,278,267**

15. DUE FROM SUBSIDIARIES

	Company	
	2022 IDR million	2021 IDR million
Loans to subsidiaries	**5,353,187**	**5,684,742**

Loans to subsidiaries are non-trade, unsecured and bear interest at rates of 3.55% (2021: 3.55%) plus the one-month USD London Interbank Offered Rate ("LIBOR") per annum. The loans include IDR 1,606 billion (2021: IDR 1,876 billion) that are equity in nature for which the settlement are neither planned nor likely to occur in the foreseeable future. They are, in substance, a part of the Company's net investments in the subsidiaries. These amounts are denominated in USD.

16. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Deferred tax assets:				
Property, plant and equipment	385	1,796	(1,411)	(2,105)
Unutilised tax losses	42,317	65,443	(23,126)	(98,125)
Bearer plants	142,302	143,396	(1,458)	14,197
Remeasurement on defined benefit plan	1,404	8,414	–	–
Gross deferred tax assets	**186,408**	**219,049**	**(25,995)**	**(86,033)**
Deferred tax liabilities:				
Property, plant and equipment	(34,970)	(31,525)	(3,445)	(7,132)
Bearer plants	(136,938)	(118,436)	(18,502)	(11,994)
Biological assets	(63,496)	(82,737)	19,241	(19,177)
Fair value adjustments on acquisition of subsidiaries	(36,240)	(38,227)	1,987	(662)
Gross deferred tax liabilities	**(271,644)**	**(270,925)**	**(719)**	**(38,965)**
Net deferred tax liabilities	(85,236)	(51,876)		
Deferred tax expenses			(26,714)	(124,998)
Presented in balance sheet				
Deferred tax assets	107,680	127,015		
Deferred tax liabilities	(192,916)	(178,891)		
Net deferred tax liabilities	(85,236)	(51,876)		

Unrecognised tax losses and tax credits

At the end of reporting period, the Group has unutilised tax losses and tax credits, after applying the statutory tax rate, will give rise to approximately IDR 194 billion and IDR 209 billion (2021: IDR 268 billion and IDR 241 billion) respectively, that are available for offset against future taxable profits of the companies in which these arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses and tax credits are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

If the Group was able to recognise all unrecognised unutilised tax losses and tax credits, profit would increase by the same amount of the unutilised tax losses and tax credits as described above. Under Indonesian taxation laws, tax losses may be carried forward for a period of 5 years.

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2021: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to approximately IDR 16,558,557 million (2021: IDR 14,721,061 million). The deferred tax liability is estimated to be IDR 1,655,856 million (2021: IDR 1,472,106 million).

17. BIOLOGICAL ASSETS

	Company	
	2022 IDR million	2021 IDR million
Biological assets	288,618	376,076

For the year ended 31 December 2022, the Group recognised fair value loss of IDR 87,458 million (2021: fair value gain of IDR 82,066 million).

The following table shows the impact on the fair value measurement of assets that are sensitive to changes in market price that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Increase/ (decrease)	Changes in fair values IDR million
2022		
Index price	+10%	34,300
	-10%	(34,300)
2021		
Index price	+10%	42,330
	-10%	(42,330)

18. INVENTORIES

	Group	
	2022 IDR million	2021 IDR million
Balance sheet:		
At lower of cost and net realisable value		
Finished goods:		
CPO	1,070,057	214,053
PK	61,684	38,156
	1,131,741	252,209
Consumables:		
Fertilisers and chemicals	840,895	277,454
Spare parts and other consumables	354,570	292,708
	1,195,465	570,162
Total inventories	**2,327,206**	**822,371**
Income statement:		
Inventories recognised as an expense in cost of sales (Note 5)	5,862,175	5,553,244

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Trade receivables	134,714	102,552	–	–
Other receivables	80,141	17,413	963	245
Total trade and other receivables	214,855	119,965	963	245
Due from subsidiaries (Note 15)	–	–	3,747,231	3,808,777
Due from related companies (Note 20)	50	50	–	–
Plasma receivables (Note 14)	1,827,630	2,431,696	–	–
Cash and short-term deposits (Note 21(a))	826,210	175,964	512,902	20,834
Total financial assets carried at amortised cost	**2,868,745**	**2,727,675**	**4,261,096**	**3,829,856**

Trade receivables

Trade receivables are non-interest bearing and are generally on less than 30 days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. They are not secured by any collateral or credit enhancement.

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

Other receivables

Other receivables are non-trade related, non-interest bearing, unsecured, repayable upon demand and are to be settled in cash.

20. DUE FROM RELATED COMPANIES

Due from related companies are non-trade related, non-interest bearing, unsecured, repayable upon demand and are to be settled in cash. All amounts due from related companies are denominated in IDR.

21. CASH AND SHORT-TERM DEPOSITS

(a) Cash and short-term deposits

	Group		Company	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Cash at bank and on hand	233,919	114,376	40,972	20,834
Time deposits	592,291	61,588	471,930	–
Total cash and cash equivalents	**826,210**	**175,964**	**512,902**	**20,834**

Cash at bank earns interest at floating rates based on daily bank deposit rate. Time deposits are made for varying periods of not more than three months depending on the immediate cash requirements of the Group and earn interests ranging from 2.25% to 6.5% for IDR denominated time deposits and 1.05% to 4.7% for USD denominated time deposits (2021: 2.5% to 4.75% for IDR denominated time deposits) per annum.

Cash and short-term deposits denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
USD	127,173	52,987	–	–
SGD	12,323	10,787	12,323	10,787

21. CASH AND SHORT-TERM DEPOSITS (continued)

(b) *Cash flow from operating activities*

	Group	
	2022 IDR million	**2021 IDR million**
Profit before taxation	4,570,577	2,863,587
Adjustments:		
Depreciation and amortisation	768,199	720,854
Employee defined benefits paid	(9,227)	(6,235)
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	5,772,979	3,546,607
Increase in trade and other receivables	(39,611)	(49,109)
(Increase)/decrease in inventories	(1,504,835)	30,031
Increase in prepaid taxes	(26,785)	(133)
(Increase)/decrease in prepayment and advances	(39,837)	13,408
Increase in deferred charges	(66)	(480)
Increase/(decrease) in trade and other payables	41,652	(187,446)
Decrease in accrued operating expenses	(44,953)	(32,418)
Decrease in other taxes payable	(84,582)	(163,692)
Increase/(decrease) in sales advances	176,275	(34,583)
Cash flows from operations	4,250,237	3,122,185
Income tax paid	(736,863)	(473,098)
Net cash flows generated from operating activities	**3,513,374**	**2,649,087**

(c) *Notes to the consolidated statement of cash flows*

During the financial year, the total net purchase of property, plant and equipment was IDR 831,885 million (2021: IDR 664,278 million) which represents total addition in property, plant and equipment of IDR 837,370 million (2021: IDR 714,638 million), net of proceeds received from disposal of property, plant and equipment.

22. LOANS AND BORROWINGS

	Maturity date	Group		Company	
		2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Current:					
USD floating revolving loan facilities	June 2023	78,655	–	–	–
Non-current:					
USD floating term loan facilities	March 2024	1,854,834	1,752,641	1,854,834	1,752,641
Loans and borrowings		**1,933,489**	**1,752,641**	**1,854,834**	**1,752,641**

The Company and the Group have bilateral facility agreements and term loan facility agreements with an aggregate principal amount of up to USD 220 million (2021: USD 295 million) and USD 175 million (2021: USD 175 million) respectively, with DBS Bank Ltd, OCBC Bank Ltd, Sumitomo Mitsui Banking Corporation Singapore branch, United Overseas Bank Ltd, PT Bank UOB Indonesia, and Maybank Berhad Singapore branch.

As at 31 December 2022, the aggregate outstanding balances of the above facilities amounted to USD 123 million (equivalent to approximately IDR 1,933,489 million) (31 December 2021: USD 123 million (equivalent to approximately IDR 1,752,641 million), of which USD 118 million (equivalent to approximately IDR 1,854,834 million) (31 December 2021: USD 123 million (equivalent to approximately IDR 1,752,641 million)) of these facilities was presented as a non-current liability.

The facilities that are not hedged bear average floating interest rate at reporting date of 3.10% per annum (2021: 1.62% per annum).

The revolving loan facilities is renewed for a further same term with prior written notice of its intention to extend the facility before the maturity date of the facility. For the non-current portion, the loan is repayable up to 24 months after reporting date as the Company has the discretion to exercise the rights under the facility agreements to extend the facility.

22. LOANS AND BORROWINGS (continued)

A reconciliation of liabilities arising from the Group's and Company's financing activities is as follows:

				Non-cash changes			
	2021 IDR million	Cash inflows IDR million	Cash outflows IDR million	Foreign exchange IDR million	Amortisation of issuance costs IDR million	Other IDR million	2022 IDR million
Loans and borrowings:							
– current	–	71,775	–	6,880	–	–	78,655
– non-current	1,752,641	–	(71,855)	172,773	1,275	–	1,854,834
	1,752,641	**71,775**	**(71,855)**	**179,653**	**1,275**	**–**	**1,933,489**
Islamic Medium Term Notes (Note 25)							
– non-current	2,390,425	–	(1,086,584)	117,980	171	–	1,421,992
	2,390,425	**–**	**(1,086,584)**	**117,980**	**171**	**–**	**1,421,992**

				Non-cash changes			
	2020 IDR million	Cash inflows IDR million	Cash outflows IDR million	Foreign exchange IDR million	Amortisation of issuance costs IDR million	Other IDR million	2021 IDR million
Loans and borrowings:							
– current	282,100	43,272	(187,872)	5,190	–	(142,690)	–
– non-current	3,282,436	509,180	(2,218,677)	35,383	1,629	142,690	1,752,641
	3,564,536	**552,452**	**(2,406,549)**	**40,573**	**1,629**	**–**	**1,752,641**
Islamic Medium Term Notes (Note 25)							
– non-current	2,443,238	–	–	(53,016)	203	–	2,390,425
	2,443,238	**–**	**–**	**(53,016)**	**203**	**–**	**2,390,425**

The "other" column relates to reclassification of current and non-current portion of loans and borrowings due to passage of time and extension of the maturity date of the facility agreements.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Trade payables	434,529	363,929	–	–
Other payables	24,950	47,990	94	117
Total trade and other payables	459,479	411,919	94	117
Loans and borrowings (Note 22)	1,933,489	1,752,641	1,854,834	1,752,641
Accrued operating expenses (Note 24)	277,030	262,472	34,418	51,731
Islamic medium term notes (Note 25)	1,421,992	2,390,425	1,421,992	2,390,425
Total financial liabilities carried at amortised cost	**4,091,990**	**4,817,457**	**3,311,338**	**4,194,914**

Trade and other payables

These amounts are non-interest bearing. Trade payables are normally settled within 30 to 90 days from date of invoice while other payables have an average term of 1 month.

24. ACCRUED OPERATING EXPENSES

	Group		Company	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Accrued salaries and wages	166,629	143,842	1,084	1,297
Accrued interests	31,517	48,461	28,190	45,315
Professional fees	4,219	4,309	978	1,462
Accrued expenses	65,425	60,017	–	–
Others	9,240	5,843	4,166	3,657
Total accrued operating expenses	**277,030**	**262,472**	**34,418**	**51,731**

25. ISLAMIC MEDIUM TERM NOTES

On 10 January 2014, the Group and the Company were granted approval by the Securities Commission of Malaysia to establish a Ringgit-denominated Islamic Medium Term Note ("IMTN") Programme ("Programme") of up to MYR 2.0 billion under the laws of Malaysia.

The tenure of the Programme shall be up to fifteen years from the date of the first issuance. Under the Programme, the Group may issue IMTN from time to time in Malaysian Ringgit in various amounts and tenures of more than a year and up to a maximum tenure of fifteen years as determined by the Group and the Company, provided always that the maturity of the IMTN shall not exceed the tenure of the Programme.

The first issuance amounting to MYR 500 million was completed on 18 March 2014 with 5-year tenure and coupon of 5.25% per annum.

The second issuance amounting to MYR 500 million was completed on 2 September 2014 with 5-year tenure and coupon of 5.00% per annum.

The Company had repaid the first and second issuance on 18 March 2019 and 2 September 2019, respectively.

25. ISLAMIC MEDIUM TERM NOTES (continued)

The third issuance amounting to MYR 300 million was completed on 22 July 2019 with 5-year tenure and coupon of 4.10% per annum. On 27 July 2022, the Group had fully redeemed the IMTN tranche 3 ahead its maturity.

The fourth issuance amounting to MYR 400 million was completed on 22 July 2019 with 7-year tenure and coupon of 4.20% per annum.

The IMTNs are unsecured and not listed on any stock exchange.

The carrying amount of the IMTNs as at end of the reporting period is as follows:

			Group and Company	
	Maturity date	Distribution rate (per annum)	2022 IDR million	2021 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
			1,422,451	2,391,239
Less:				
Issuance costs			816	1,295
Accumulated amortisation			(357)	(481)
			459	814
Islamic medium term notes, net			**1,421,992**	**2,390,425**

26. EMPLOYEE BENEFITS LIABILITY

Defined benefit plans

The Group recognised post-employment benefits for all its permanent employees in Indonesia pursuant to Indonesian Labor Law No. 13/2003 which were still in effect. Effective 2 February 2021, the Group applies the Government Regulation Number 35 Year 2021 (PP 35/2021), implementing the provisions of Article 81 and Article 185 (b) of Omnibus Law No. 11/2020 on Job Creation. The Group has also set-up plan assets. The provision for post employment benefits is based on the calculation of an independent actuary, using the “Projected Unit Credit” method.

In April 2022, DSAK IAI (“Institute of Indonesia Chartered Accountants’ Accounting Standard Board”) issued an explanatory material regarding attribution of benefit to periods of service in accordance with SFRS(I) 1-19 Employee Benefits. The explanatory material relates to the fact pattern of the pension program based on the Labor Law currently enacted in Indonesia which is similar to the decision concluded in the IFRS Interpretation Committee (IFRIC) Agenda Decision Attributing Benefit to Periods of Services in accordance to SFRS(I) 1-19. The Group has adopted the explanatory material and accordingly, changed its accounting policy regarding attribution of benefits to periods of service restrospectively. However, management has assessed that the impact to the consolidated financial statements is immaterial and has applied the effect to the current consolidated financial statements for the year ended 31 December 2022.

26. EMPLOYEE BENEFITS LIABILITY (continued)

Defined benefit plans (continued)

The principal assumptions used in determining the provision for post-employment benefits are as follows:

	2022	2021
Normal Pension Age	55 years	55 years
Salary Increment Rate per annum	1.0% – 6.0%	1.0% – 6.0%
Discount Rate per annum	6.2% – 7.4%	5.3% – 7.5%
Mortality Rate	Indonesia – IV	Indonesia – IV
Resignation Level per annum	4% of 18 – 30 years	4% of 18 – 30 years

The estimated liability for post-employment benefits as at balance sheet date is as follows:

	Group	
	2022 IDR million	2021 IDR million
Present value of defined benefit obligation	135,864	158,919
Fair value of plan assets	(21,797)	(28,413)
Restriction on asset recognised	–	34
Net liability arising from defined benefit obligation	**114,067**	**130,540**

Remeasurement on defined benefit plans recognised in other comprehensive income are as follows:

	Group	
	2022 IDR million	2021 IDR million
Actuarial (gain)/loss arising from changes in financial assumptions	(30,572)	5,627
Deferred tax effect from actuarial changes	7,010	(1,238)
	(23,562)	**4,389**

Changes in the present value of defined benefit obligations are as follows:

	Group	
	2022 IDR million	2021 IDR million
As at 1 January	158,919	145,161
Interest cost	9,283	9,955
Current service cost	36,723	50,153
Actuarial (gain)/loss arising from changes in assumptions	(53,012)	1,655
Past service cost	(1,490)	(26,705)
Benefits paid	(14,559)	(21,300)
As at 31 December	**135,864**	**158,919**

26. EMPLOYEE BENEFITS LIABILITY (continued)

Defined benefit plans (continued)

Changes in the fair value of plan assets are as follows:

	Group	
	2022 IDR million	2021 IDR million
As at 1 January	28,413	44,081
Expected return on plan assets	2,090	3,346
Contribution during the year	9,000	6,000
Benefits paid	(14,333)	(21,065)
Actuarial loss on plan assets	(3,373)	(3,949)
As at 31 December	**21,797**	**28,413**

The allocation of the plan assets by each classes as at the end of the reporting period comprise the following:

	Group	
	2022	2021
Interest-bearing cash/bank deposits	80%	80%
Debt instruments:		
Bank Indonesia Certificates	0%	0%
Indonesia Government Bonds	20%	20%

All debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The following table summarises the components of net post-employment benefits expense recognised in profit or loss as follows:

	Group	
	2022 IDR million	2021 IDR million
Current service cost	36,723	50,153
Interest cost on defined benefit obligation	9,283	9,955
Expected return on plan assets	(2,090)	(3,346)
Interest of effect of assets ceiling	47	–
Actuarial (gain)/loss charged to profit/loss	(19,512)	–
Past service cost	(1,490)	(26,705)
Post-employment benefits expense	**22,961**	**30,057**

Post-employment benefits expense is recognised in the "General and administrative expenses" line item in the consolidated income statement.

26. EMPLOYEE BENEFITS LIABILITY (continued)

Defined benefit plans (continued)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Sensitivity analysis	
	Increase/ (decrease)	**Changes in present value of defined benefit obligation IDR million**
2022	+1%	(8,692)
Discount rates	–1%	9,792
	+1%	8,955
Salary increment rate per annum	–1%	(8,095)
2021		
Discount rates	+1%	(13,420)
	–1%	15,659
Salary increment rate per annum	+1%	14,911
	–1%	(13,030)

The Group has no specific matching strategies between the retirement plan assets and the defined benefit obligation under the retirement plans.

The average duration of the defined benefit obligation at the end of the reporting period is 8.61 years (2021: 9.45 years).

Shown below is the maturity analysis of the undiscounted benefit payments:

	Group	
	2022 IDR million	**2021 IDR million**
Not later than one year	2,812	4,035
Later than one year but not later than five years	275,520	321,561
Later than five years	1,712,427	1,697,806
Total	**1,990,759**	**2,023,402**

27. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Cross-currency swaps and Interest rate swaps

The Company has entered into cross-currency swap agreements with financial institutions to swap its Ringgit-denominated IMTN indebtedness (Note 25) into USD liabilities. Based on the agreements, the financial institutions will swap the principal as well as the profit distribution amounts of the Company's IMTN from Malaysian Ringgit into United States Dollar. In 2020, the Company also entered into interest rate swap agreements with financial institutions to swap its floating interest rate of term loan facilities into fixed interest rate. Cash flow hedge accounting has been applied to these cross-currency swap and interest rate swap agreements as they have been assessed by management to be effective hedging instruments. For the financial year ended 31 December 2022, fair value gain of IDR 150,385 million (2021: IDR 14,317 million) had been included in other comprehensive income in respect of these contracts.

	Group and Company			
	2022		2021	
	Contract/ Notional Amount MYR million	Assets/ (Liabilities) IDR million	Contract/ Notional Amount MYR million	Assets/ (Liabilities) IDR million
Cross-currency swaps	400	1,232	700	(16,815)

	Group and Company			
	2022		2021	
	Contract/ Notional Amount USD million	Assets/ (Liabilities) IDR million	Contract/ Notional Amount USD million	Assets/ (Liabilities) IDR million
Interest rate swaps	82	67,556	82	10,628

28. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2022		2021	
	No. of shares	IDR million	No. of shares	IDR million
Issued and fully paid ordinary shares				
As at 1 January and 31 December	1,757,531,844	1,807,045	1,757,531,844	1,807,045

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

	Group and Company			
	2022		2021	
	No. of shares	IDR million	No. of shares	IDR million
Treasury shares as at 31 December	23,387,800	161,366	23,387,800	161,366

During the financial year, the Company did not purchase any ordinary shares (2021: nil) from the public to hold as treasury shares. Treasury shares relate to ordinary shares of the Company that is held by the Company.

29. OTHER RESERVES

Other reserves comprise:

	Group		Company	
	2022 IDR million	2021 IDR million	2022 IDR million	2021 IDR million
Discount received on acquisition of non-controlling interest	(178,077)	(200,493)	–	–
Fair value reserve from derivative financial assets/(liabilities)	167,343	16,958	167,343	16,958
	(10,734)	(183,535)	167,343	16,958

The discount received on acquisition of non-controlling interest represents the difference between the consideration paid/(received) and the carrying value of the additional/(reduction in) interest acquired/(disposed).

Fair value reserve from derivative financial assets/liabilities resulted from mark-to-market cross-currency swap and interest rate swap.

30. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of companies in the Group whose functional currencies are different from that of the Group's presentation currency.

31. RELATED PARTY TRANSACTIONS

(a) *Sale and purchase of goods and services and other transactions*

In addition to the related party transactions disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2022 IDR million	2021 IDR million
Rental to related parties	11,741	11,413

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

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

(b) *Compensation of key management personnel*

	Group	
	2022 IDR million	2021 IDR million
Directors' fee	4,345	3,863
Short-term employee benefits	102,244	76,175
	106,589	80,038
Comprise amounts paid/payable to:		
Directors of the Company	51,223	38,466
Other key management personnel	55,366	41,572
	106,589	80,038

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

32. CONTINGENCIES AND COMMITMENTS

(a) *Contingent liabilities*

In relation to agreements between some local banks and several cooperatives, certain subsidiaries act as guarantors of plasma credits until full settlement of the outstanding credits.

As at 31 December 2022, these credits are secured by land certificates held by the plasma farmers who participate in the plasma programme and certain subsidiaries' corporate guarantees of IDR 1,170,476 million (2021: IDR1,242,611 million). The harvested FFB will be sold to the Group and repayment of the credit facilities are through deduction of plasma farmers' sales of FFB to the Group (Note 14).

(b) *Leases – as lessee*

The short-term leases (Note 31(a)) recognised as an expense in the Group's profit or loss for the financial year ended 31 December 2022 amounted to IDR 11,741 million (2021: IDR 11,413 million).

(c) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2022 IDR million	**2021 IDR million**
Capital commitment in respect of property, plant and equipment	249,798	126,818

Capital commitments comprise amounts related to committed cost for new mill construction, land clearing, infrastructures and construction of employees' houses and offices.

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *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.

33. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) 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) IDR million	Significant other observable inputs (Level 2) IDR million	Significant unobservable inputs (Level 3) IDR million	Total IDR million
2022				
Asset measured at fair value				
Non-financial assets:	–	–	288,618	288,618
Biological assets				
Financial assets:				
Derivative financial assets	–	68,788	–	68,788
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

33. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) *Assets and liabilities measured at fair value* (continued)

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

Company	Quoted prices in active markets for identical instruments (Level 1) IDR million	Significant other observable inputs (Level 2) IDR million	Significant unobservable inputs (Level 3) IDR million	Total IDR million
2022				
Asset measured at fair value				
Financial assets:				
Derivative financial assets	–	68,788	–	68,788
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

(c) *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.

33. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) 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 IDR million	Valuation techniques	Unobservable inputs	Value
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 17.

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.

33. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(e) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

The following table shows an analysis of the assets and liabilities not measured at fair value but for which fair value is disclosed:

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

Determination of fair value of Islamic medium term notes

The fair value as disclosed in the table above is estimated by reference to the latest transacted prices at the end of the reporting period.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, market risk (including foreign currency risk and commodity price risk), credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks and provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and Company's exposure to interest rate risk arises primarily from time deposits and loans and borrowings, which bear interest at floating rates.

The Group's and Company's policy is to manage interest cost by switching to lower rate of loans and borrowings whenever the opportunity arises.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) ***Interest rate risk*** (continued)

Sensitivity analysis for interest rate risk

At the balance sheet date, if interest rates had been 2% (2021: 2%) lower/higher with all other variables held constant, the Group's profit before taxation would have been IDR 763 million (2021: IDR199 million) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

Cash flow hedges

The Group manages its interest rate risk arising from its term loan facilities by entering into interest rate swaps to swap from floating interest rates to fixed interest rates.

The terms (notional amount and timing) of the interest rate swaps have been negotiated to match the terms of the term loan facilities. The hedge ratio (the ratio between the notional amount of the interest rate swaps to the amount of the term loan facilities being hedged) is determined to be 1:1. Accordingly, the hedges are assessed to be highly effective.

There were no expected sources of ineffectiveness on the Group's hedges as the critical terms of the derivatives match exactly with the term of the hegded item.

The effects of applying hedge accounting for its interest rate swaps on the Group's balance sheet and profit or loss are as follows:

Cash flow hedge **Hedged item**	**2022** **USD floating rate term loan facilities**
Line item in the balance sheet that includes the hedged item	Non-current loans and borrowings
Carrying amount of hedged item	IDR 1,288,989 million
Balances in the cash flow hedge reserve	IDR 67,556 million
Hedging instrument	Receive variable/pay fixed interest rate swap
Line item in the balance sheet that includes the hedging instrument	Derivative financial assets
Maturity dates	13 March 2024 and 28 March 2024
Notional amount	USD 82 million
Hedging gain for the period recognised in OCI	IDR 56,928 million
Weighted average hedged rate at maturity date	2.0625

Cash flow hedge **Hedged item**	**2021** **USD floating rate term loan facilities**
Line item in the balance sheet that includes the hedged item	Non-current loans and borrowings
Carrying amount of hedged item	IDR 1,168,453 million
Balances in the cash flow hedge reserve	IDR 10,628 million
Hedging instrument	Receive variable/pay fixed interest rate swap
Line item in the balance sheet that includes the hedging instrument	Derivative financial assets
Maturity dates	13 March 2024 and 28 March 2024
Notional amount	USD 82 million
Hedging gains for the period recognised in OCI	IDR 23,140 million
Weighted average hedged rate at maturity date	2.0625

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currency of the Group's entities, Indonesian Rupiah ("IDR"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD") and Singapore Dollars ("SGD"). The Group does not consider foreign exchange risk from SGD to be significant to the Group.

As at 31 December 2022, the Group's costs denominated in foreign currencies amounted to approximately 0.67% (2021: 0.03%).

The Group is exposed to currency translation risk arising from its financial assets and liabilities including its IMTN that are denominated in currencies other than the respective functional currencies of the companies in the Group.

It is the Group's policy not to enter into forward currency contracts until a firm commitment is in place. The Group's policy is to negotiate the terms of the forward currency contracts to match the terms of the firm commitment to maximise hedge effectiveness. As at the respective balance sheet date, the Group did not enter into any forward currency contracts to hedge its foreign currency exposures for sales and purchases.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's increase/(decrease) in profit before taxation to a reasonably possible change in the USD exchange rates against the respective functional currencies of the companies in the Group, with all other variables held constant.

	Group	
	2022 Profit before taxation IDR million	**2021 Profit before taxation IDR million**
IDR/USD		
– Strengthened by 5%	6,359	2,649
– Weakened by 5%	(6,359)	(2,649)

Cash flow hedges

The Group manages its foreign currency risk arising from its expected redemption of Ringgit-denominated IMTN by entering into cross-currency swap to swap into USD liabilities.

The terms (notional amount and timing) of the cross-currency swaps have been negotiated to match the terms of the IMTN. The hedge ratio (the ratio between the notional amount of the cross-currency swaps to the amount of the IMTN being hedged) is determined to be 1:1. Accordingly, the hedges are assessed to be highly effective.

There were no expected sources of ineffectiveness on the Group's hedges as the critical terms of the derivatives match exactly with the terms of the hedged item.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) ***Foreign currency risk*** (continued)

Cash flow hedges (continued)

The effects of applying hedge accounting for expected future redemption of Ringgit-denominated IMTN on the Group's balance sheet and profit or loss are as follows:

Cash flow hedge **Hedged item**	**2022** **Islamic Medium Term Notes**
Carrying amount of hedged item	IDR 1,421,992 million
Balances in the cash flow hedge reserve	IDR 99,787 million
Hedging instrument	Cross-currency swap contracts
Line item in the balance sheet that includes the hedging instrument	Derivative financial assets
Maturity dates	22 July 2026
Notional amount	MYR 400 million
Hedging gain for the period recognised in OCI	IDR 93,457 million
Weighted average hedged MYR/USD rate at maturity date	4.1370

Cash flow hedge **Hedged item**	**2021** **Islamic Medium Term Notes**
Carrying amount of hedged item	IDR 2,390,425 million
Balances in the cash flow hedge reserve	IDR 6,330 million
Hedging instrument	Cross-currency swap contracts
Line item in the balance sheet that includes the hedging instrument	Derivative financial liabilities
Maturity dates	22 July 2024 and 22 July 2026
Notional amount	MYR 700 million
Hedging loss for the period recognised in OCI	IDR 8,823 million
Weighted average hedged MYR/USD rate at maturity date	4.1370

(c) ***Commodity price risk***

The Group's exposure to commodity price risk arises primarily from its purchases of raw materials and sales of palm based products. Prices of raw materials and palm based products may fluctuate significantly depending on the market situation and factors such as weather, government policy, level of demand and supply in the market and the global economic environment. During periods of unfavourable price volatility, the Group may enter into forward physical contracts with the suppliers and customers or use commodity futures, options and swap contracts in the conduct of business to manage the price risk.

Sensitivity analysis for commodity price risk

During the reporting period, had the average selling prices of palm based products been 10% higher/lower, ceteris paribus, profit before taxation for the financial year ended 31 December 2022 would have been IDR 1,582,928 (2021: IDR1,224,863 million) higher/lower.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

The Group only trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group conducts business by the requirement of payment in advance, cash on delivery terms or may grant customers credit terms, where appropriate.

For other financial assets (including cash and short-term deposits), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- credit rating of the counterparty;
- significant actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- significant increases in credit risk on other financial instruments of the counterparty; and
- significant changes in the actual or expected performance of the counterparty, including changes in the payment status and changes in the operating results of the counterparty.

The Group determined that its financial assets are credit-impaired when:

- there is significant difficulty of the issuer or the counterparty;
- there is a breach of contract, such as a default or past due event;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; and
- there is a disappearance of an active market for that financial asset because of financial difficulty.

Regardless of the above, the Group provides ECL on its financial assets by applying the default risk rating of the counterparties based on external benchmarks. As the Group's exposure to creditors is monitored on an ongoing basis, the Group has determined that the ECL on trade and other receivables (including plasma receivables) is insignificant.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) *Credit risk* (continued)

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets; and
- The nominal amount of financial guarantees provided by the Group for repayment of plasma farmers' loans to the banks (Note 32).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring individual customers' outstanding balances on an ongoing basis.

As at 31 December 2022, approximately 88.4% (2021: 98.2%) of the Group's trade receivables were due from 3 major customers in 2022 (2021: 3 major customers) who are multi-industry conglomerates.

The Group's customers are concentrated in Indonesia.

Information on major customers

Revenues from 2 major customers (2021: 2 major customers) contribute approximately 78.8% (2021: 80.4%) of the Group's total revenues for the year ended 31 December 2022.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

(e) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

As at 31 December 2022, approximately 2.3% (2021: Nil) of the Group's and Company's total debt, comprising loans and borrowings (Note 22) and IMTN (Note 25), will mature in less than one year based on the carrying amounts reflected in the financial statements.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) ***Liquidity risk*** (continued)

Analysis of financial instruments by remaining contractual maturities

The following table summarises the Group's and the Company's financial assets and financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	1 year or less IDR million	More than 1 year to 5 years IDR million	More than 5 years IDR million	Total IDR million
Group				
2022				
Financial assets:				
Derivative financial assets:				
– Cross-currency swaps (gross receipts)	59,745	1,575,382	–	1,635,127
– Cross-currency swaps (gross payments)	(46,847)	(1,640,883)	–	(1,687,730)
– Interest rate swaps (gross receipts)	77,288	15,845	–	93,133
– Interest rate swaps (gross payments)	(26,609)	(5,455)	–	(32,064)
Trade and other receivables	214,855	–	–	214,855
Due from related companies	50	–	–	50
Plasma receivables	283,529	1,544,101	–	1,827,630
Cash and short-term deposits	826,210	–	–	826,210
Total undiscounted financial assets	1,388,221	1,488,990	–	2,877,211
Financial liabilities:				
Loans and borrowings	190,921	1,877,243	–	2,068,164
Islamic medium term notes	59,745	1,575,382	–	1,635,127
Trade and other payables	459,479	–	–	459,479
Accrued operating expenses	277,030	–	–	277,030
Total undiscounted financial liabilities	987,175	3,452,625	–	4,439,800
Total net undiscounted financial assets/(liabilities)	**401,046**	**(1,963,635)**	**–**	**(1,562,589)**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) *Liquidity risk* (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	1 year or less IDR million	More than 1 year to 5 years IDR million	More than 5 years IDR million	Total IDR million
Group				
2021				
Financial assets:				
Derivative financial assets:				
– Cross-currency swaps (gross receipts)	99,992	2,661,929	–	2,761,921
– Cross-currency swaps (gross payments)	(73,546)	(2,614,023)	–	(2,687,569)
Trade and other receivables	119,965	–	–	119,965
Due from related companies	50	–	–	50
Plasma receivables	153,429	2,278,267	–	2,431,696
Cash and short-term deposits	175,964	–	–	175,964
Total undiscounted financial assets	475,854	2,326,173	–	2,802,027
Financial liabilities:				
Derivative financial liabilities:				
– Interest rate swaps (gross receipts)	19,906	23,987	–	43,893
– Interest rate swaps (gross payments)	(24,136)	(29,084)	–	(53,220)
Loans and borrowings	30,752	1,789,696	–	1,820,448
Islamic medium term notes	99,409	2,661,019	–	2,760,428
Trade and other payables	411,919	–	–	411,919
Accrued operating expenses	262,472	–	–	262,472
Total undiscounted financial liabilities	800,322	4,445,618	–	5,245,940
Total net undiscounted financial liabilities	**(324,468)**	**(2,119,445)**	**–**	**(2,443,913)**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) *Liquidity risk* (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	1 year or less IDR million	More than 1 year to 5 years IDR million	More than 5 years IDR million	Total IDR million
Company				
2022				
Financial assets:				
Due from subsidiaries	315,169	4,025,018	–	4,340,187
Derivative financial assets				
– Cross-currency swaps (gross receipts)	59,745	1,575,382	–	1,635,127
– Cross-currency swaps (gross payments)	(46,847)	(1,640,883)	–	(1,687,730)
– Interest rate swaps (gross receipts)	77,288	15,845	–	93,133
– Interest rate swaps (gross payments)	(26,609)	(5,455)	–	(32,064)
Cash and short-term deposits	512,902	–	–	512,902
Total undiscounted financial assets	891,648	3,969,907	–	4,861,555
Financial liabilities:				
Trade and other payables	94	–	–	94
Loans and borrowings	110,105	1,877,243	–	1,987,348
Islamic medium term notes	59,745	1,575,382	–	1,635,127
Accrued operating expenses	34,418	–	–	34,418
Total undiscounted financial liabilities	204,362	3,452,625	–	3,656,987
Total net undiscounted financial assets	**687,286**	**517,282**	**–**	**1,204,568**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) ***Liquidity risk*** (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	1 year or less IDR million	More than 1 year to 5 years IDR million	More than 5 years IDR million	Total IDR million
Company				
2021				
Financial assets:				
Due from subsidiaries	149,078	3,937,077	–	4,086,155
Derivative financial assets				
– Cross-currency swaps (gross receipts)	99,992	2,661,929	–	2,761,921
– Cross-currency swaps (gross payments)	(73,546)	(2,614,023)	–	(2,687,569)
Cash and short-term deposits	20,834	–	–	20,834
Total undiscounted financial assets	196,358	3,984,983	–	4,181,341
Financial liabilities:				
Derivative financial liabilities:				
– Interest rate swaps (gross receipts)	19,906	23,987	–	43,893
– Interest rate swaps (gross payments)	(24,136)	(29,084)	–	(53,220)
Trade and other payables	117	–	–	117
Loans and borrowings	30,752	1,789,696	–	1,820,448
Islamic medium term notes	99,409	2,661,019	–	2,760,428
Accrued operating expenses	51,731	–	–	51,731
Total undiscounted financial liabilities	177,779	4,445,618	–	4,623,397
Total net undiscounted financial assets/(liabilities)	**18,579**	**(460,635)**	**–**	**(442,056)**

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to maintain the gearing ratio within the range of gearing ratios of leading companies in similar industry in order to secure access to finance at a reasonable cost. The Group includes within net debt, loans and borrowings, Islamic medium term notes, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company.

35. CAPITAL MANAGEMENT (continued)

The Group's net debt to adjusted equity ratio at the end of the financial years ended 31 December 2022 and 2021 are as follows:

	Group	
	2022 IDR million	**2021 IDR million**
Loans and borrowings (Note 22)	1,933,489	1,752,641
Islamic medium term notes (Note 25)	1,421,992	2,390,425
Less:		
Cash and short-term deposits (Note 21(a))	(826,210)	(175,964)
Net debt	**2,529,271**	**3,967,102**
Equity attributable to owners of the Company	**12,493,674**	**10,300,448**
Gearing ratio	**20.2%**	**38.5%**

The Group monitors its key financial ratios that form part of its obligations under its loans and borrowings and Islamic medium term notes covenants to ensure compliance with them.

36. DIVIDENDS

	Group and Company	
	2022 IDR million	**2021 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
	828,348	461,257

The Directors have recommended for the Company to pay a final tax-exempt dividend of 40% payout ratio and a special anniversary dividend of 15% payout ratio with total of SGD 0.0655 per ordinary share in respect of the financial year ended 31 December 2022. The payment of the dividend will be subject to the approval by shareholders at the forthcoming Annual General Meeting.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the years ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 27 March 2023.

SHAREHOLDERS' INFORMATION

AS AT 9 MARCH 2023

Class of shares	:	Ordinary Shares
Issued and fully paid-up capital (including Treasury Shares and subsidiary holdings)	:	S$255,242,545
Issued and fully paid-up capital (excluding Treasury Shares and subsidiary holdings)	:	S$239,066,772
Number of shares issued (including Treasury Shares and subsidiary holdings)	:	1,757,531,844
Number of shares issued (excluding Treasury Shares and subsidiary holdings)	:	1,734,144,044
Number/Percentage of Treasury Shares	:	23,387,800 (1.35%)
Number/Percentage of Subsidiary Holdings	:	Nil (0%)
Voting rights (excluding Treasury Shares and subsidiary holdings)	:	One vote for per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of Shareholders	%	No. of Shares	%
1 – 99	7	0.42	154	0.00
100 – 1,000	197	11.69	164,100	0.01
1,001 – 10,000	783	46.47	4,623,232	0.27
10,001 – 1,000,000	671	39.82	39,668,411	2.29
1,000,001 and above	27	1.60	1,689,688,147	97.43
	1,685	100.00	1,734,144,044	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Citibank Nominees Singapore Pte Ltd	663,084,495	38.24
2.	Oakridge Investments Pte Ltd	535,050,070	30.85
3.	DBS Nominees Pte Ltd	153,447,144	8.85
4.	Wellpoint Pacific Holdings Ltd	130,281,157	7.51
5.	HSBC (Singapore) Nominees Pte Ltd	50,337,923	2.90
6.	Raffles Nominees (Pte) Limited	34,895,772	2.01
7.	United Overseas Bank Nominees Pte Ltd	24,483,400	1.41
8.	Lynwood Capital Resources Pte Ltd	21,622,000	1.25
9.	DBSN Services Pte Ltd	16,901,284	0.97
10.	Kong Goon Siong or Kong Goon Khing	8,822,000	0.51
11.	OCBC Securities Private Ltd	8,442,000	0.49
12.	UOB Kay Hian Pte Ltd	7,272,200	0.42
13.	Phillip Securities Pte Ltd	6,289,030	0.36
14.	DBS Vickers Securities (S) Pte Ltd	4,804,900	0.28
15.	iFast Financial Pte Ltd	3,739,413	0.21
16.	ABN Amro Clearing Bank N.V.	2,983,300	0.17
17.	Morgan Stanley Asia (S) Securities Pte Ltd	2,275,859	0.13
18.	CGS-CIMB Securities (Singapore) Pte Ltd	2,216,700	0.13
19.	Christine Tay Han Hui	1,996,000	0.12
20.	Chong Gong Gong	1,860,000	0.11
	Total	1,680,804,647	96.92

SHAREHOLDERS' INFORMATION

AS AT 9 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Substantial Shareholders	**Number of Shares**	**%[1]**	**Number of Shares**	**%[1]**
Wellpoint Pacific Holdings Ltd[2][4]	906,557,774	52.277	–	–
Lim Hariyanto Wijaya Sarwono[2]	–	–	906,557,774	52.277
Lim Gunawan Hariyanto[2]	–	–	906,557,774	52.277
Fortune Corp Limited[2]	–	–	906,557,774	52.277
Fortune Holdings Limited[2]	–	–	906,557,774	52.277
Oakridge Investments Pte Ltd[3]	535,050,070	30.854	–	–
IOI Corporation Berhad[3]	–	–	556,672,070	32.101
Progressive Holdings Sdn Bhd[3]	–	–	556,672,070	32.101
Dato' Lee Yeow Chor[3]	–	–	556,672,070	32.101
Lee Yeow Seng[3]	–	–	556,672,070	32.101

Notes:

(1) Percentages are based on the issued share capital of the Company of 1,734,144,044 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(2) Each of Dr. Lim Hariyanto Wijaya Sarwono and Mr. Lim Gunawan Hariyanto is deemed to be interested in the Shares held by Wellpoint Pacific Holdings Ltd, a wholly owned subsidiary of Fortune Holdings Limited, by virtue of his joint interest in Fortune Holdings Limited and in Fortune Corp Limited, the fund management company that manages Fortune Holdings Limited. Dr. Lim Hariyanto Wijaya Sarwono and Mr. Lim Gunawan Hariyanto are the only directors of Fortune Corp Limited. Under the discretionary fund management mandate, Fortune Corp Limited is vested with the power to manage the voting rights of Fortune Holdings Limited. Fortune Holdings Limited is in turn deemed to be interested in the Shares held by Wellpoint Pacific Holdings Ltd by virtue of its 100% shareholding interest in Wellpoint Pacific Holdings Ltd. Mr. Lim Gunawan Hariyanto, Executive Chairman and CEO of the Company, is the son of Dr. Lim Hariyanto Wijaya Sarwono.

(3) Dato' Lee Yeow Chor, a non-executive director of the Company, is presently the Group Managing Director and Chief Executive of IOI Corporation Berhad, the sole shareholder of Oleander Capital Resources Pte Ltd. Dato' Lee Yeow Chor and Lee Yeow Seng are immediate family members and are deemed to be interested in the Shares held by Oakridge Investments Pte Ltd (535,050,070 Shares) and Lynwood Capital Resources Pte Ltd (21,622,000 Shares), each a subsidiary of IOI Corporation Berhad, by virtue of their collective 100% shareholding interest in Progressive Holdings Sdn Bhd through intermediate entities.

(4) Includes 776,276,617 Shares which are held through bank nominees.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on information available and to the best knowledge of the Company, as at 9 March 2023, approximately 15.619% of the issued ordinary shares of the Company is held by the public. The Company is therefore in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of BUMITAMA AGRI LTD. (the "**Company**") will be held at The Westin Singapore, Ballroom 2, Level 3, 12 Marina View, Asia Square Tower 2, Singapore 018961 on Thursday, 20 April 2023 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a special dividend of S$0.0213 per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2022 (2021: Nil)

   (Resolution 2)

3. To declare a final dividend of S$0.0442 per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2022 (2021: final dividend of S$0.033).

   (Resolution 3)

4. To re-elect the following directors of the Company retiring pursuant to Regulations 91 of the Company's Constitution:

   Ms. Lim Christina Hariyanto **(Resolution 4)**
   Dato' Lee Yeow Chor **(Resolution 5)**
   Mr. Lawrence Lua Gek Pong **(Resolution 6)**

   Mr. Lawrence Lua Gek Pong will, upon re-election as a director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee, the Governance & Nominating Committee and the Conflicts Resolution & Enterprise Risk Management Committee. Mr. Lawrence Lua Gek Pong will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   [See Explanatory Note (i)]

5. To approve the payment of directors' fees of S$424,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears (2022: S$404,000).

   (Resolution 7)

6. To re-appoint Ernst & Young LLP as the Company's auditors and to authorise the directors to fix their remuneration.

   (Resolution 8)

7. To transact any other ordinary business which may be transacted at an annual general meeting of the Company.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

8. RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS WITH IOI CORPORATION BERHAD AND ITS ASSOCIATES

That for the purposes of Chapter 9 ("**Chapter 9**") of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

(a) approval be and is hereby given for the renewal of the mandate for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into any of the transactions falling within the types of interested person transactions, the particulars of which are as set out in Annexure I to the Appendix dated 5 April 2023 to the Annual Report (the "**Appendix**"), with any party who is named in Annexure I to the Appendix, provided that such interested person transactions are carried out in the normal course of business, at arm's length and on normal commercial terms and in accordance with the guidelines of the Company for such interested person transactions as set out in Annexure I to the Appendix (the "**Shareholders' Mandate for IOI Transactions**");

(b) the Shareholders' Mandate for IOI Transactions shall, unless revoked or varied by the Company in a general meeting, continue in force until the date that the next annual general meeting of the Company is held or is required by law or the Constitution of the Company to be held, whichever is earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures described in Annexure I to the Appendix and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) authority be given to the directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they, or each of them, may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate for IOI Transactions and/or this resolution as they may think fit.

[See Explanatory Note (ii)]

(Resolution 9)

9. SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Constitution of the Company and in accordance with Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), approval be and is hereby given to the directors of the Company to issue:

(a) shares in the capital of the Company (whether by way of rights, bonus or otherwise); or

(b) convertible securities; or

(c) additional convertible securities arising from adjustments made to the exercise price or conversion price and, where appropriate, the number of company warrants or other convertible securities previously issued in the event of a rights issue, bonus issue or subdivision or consolidation of shares pursuant to Rule 829 of the Listing Manual of the SGX-ST, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or

(d) shares arising from the conversion of convertible securities, notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued,

at any time and upon such terms and conditions and for such purposes as the directors of the Company may in their absolute discretion deem fit provided that:

(i) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, or such other limit as may be prescribed by the SGX-ST, as at the date this resolution is passed;

(ii) the aggregate number of shares and convertible securities that may be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, or such other limit as may be prescribed by the SGX-ST, as at the date this resolution is passed;

(iii) for the purpose of determining the aggregate number of shares and convertible securities that may be issued under sub-paragraphs (i) and (ii) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date this resolution is passed shall be calculated after adjusting for: (1) new shares arising from the conversion or exercise of convertible securities; (2) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and (3) any subsequent bonus issue, consolidation or subdivision of the Company's shares, provided that any adjustments made under sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting as at the date this resolution is passed; and

(iv) unless earlier revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company ("**AGM**") or the date by which the next AGM is required by law or the Constitution of the Company to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 10)

10. RENEWAL OF THE SHARE BUYBACK MANDATE

That:

(a) for the purposes of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the issued ordinary shares fully paid in the capital of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**Market Acquisitions**"); or

(ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Acquisitions**"),

and otherwise in accordance with all other provisions of the Constitution of the Company, the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "**Share Buyback Mandate**");

(b) the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or is required by law or the Constitution of the Company to be held, whichever is earlier;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the shareholders of the Company in a general meeting;

(c) in this resolution:

"**Prescribed Limit**" means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution unless: (i) the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be taken to be the total number of issued Shares (excluding treasury shares and subsidiary holdings) as altered;

"**Relevant Period**" means the period commencing from the date on which the AGM at which this resolution is passed is held and expiring on the date on which the next AGM is held or is required by law or the Constitution of the Company to be held, whichever is earlier, after the date of this resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Acquisition: 105% of the Average Closing Price;

(ii) in the case of an Off-Market Acquisition pursuant to an equal access scheme: 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisition or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition, and deemed to be adjusted for any corporate action that occurs during such five-market day period and the day on which the purchases are made; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition; and

(d) any of the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (iv)]

(Resolution 11)

By Order of the Board

Chiang Wai Ming
Company Secretary

Singapore, 5 April 2023

Explanatory Notes on Resolutions to be passed:

(i) Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, further information on Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor and Mr. Lawrence Lua Gek Pong is set out in the Corporate Governance Report titled "Additional Information on Directors seeking re-election pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" on page 45 of the Annual Report.

(ii) The Ordinary Resolution 9 proposed in item 8 above, if passed, will renew the Shareholders' Mandate for IOI Transactions to authorise the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into any of the mandated transactions with any party who is named in Annexure I to the Appendix dated 5 April 2023 to the Annual Report, and will empower the directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate for IOI Transactions and/or Ordinary Resolution 9. Such authority will, unless previously revoked or varied by the Company in a general meeting, continue in force until the date that the next AGM is held or is required by law or the Constitution of the Company to be held, whichever is earlier. Information relating to this proposed resolution is set out in the Appendix dated 5 April 2023 to the Annual Report.

(iii) The Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue shares and convertible securities in the Company up to an aggregate amount not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which the aggregate number up to twenty percent (20%) may be issued other than on a pro-rata basis.

(iv) The Ordinary Resolution 11 proposed in item 10 above, if passed, will empower the directors of the Company from the date of this AGM until the next AGM to repurchase fully-paid ordinary shares of the Company by way of market acquisitions or off-market acquisitions of up to ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any as at that date) in the capital of the Company at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price. Information relating to this proposed resolution is set out in the Appendix dated 5 April 2023 to the Annual Report.

Notes:

1. The members of the Company are invited to **attend physically** the AGM. **There will be no option for shareholders to participate virtually**. Printed copies of this Notice of AGM will be sent to members and will also be available on the Company's website at the URL https://bumitama-agri.com/ and SGXNet at the URL https://www.sgx.com/securities/company-announcements.

2. Members (including Central Provident Fund Investment Scheme members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**")) may participate in the AGM by:

   (a) attending the AGM in person;
   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
   (c) voting at the AGM
   (i) by themselves personally; or
   (ii) through their duly appointed proxy(ies).

   CPF Investors or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 10.00 a.m. on 11 April 2023**, being seven (7) working days prior to the date of the AGM.

   Please bring along your NRIC/passport for registration on the day of the AGM so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process. If any member feels unwell prior to the AGM, they are advised not to attend the AGM and are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the AGM. We encourage members to mask up when attending the AGM.

3. A member who is not a *Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a *Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   *A Relevant intermediary is:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a capital markets services license holder who provides custodial services under the Securities and Futures Act 2001 and holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. A member (whether individual or corporate) can appoint the Chairman of the AGM as his/her/its proxy **but** this is **not mandatory**.

   If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The proxy form must be submitted to the Company in the following manner:
   (a) by posting a physical copy to the registered office address of the Company at 10 Anson Road, #11-19 International Plaza, Singapore 079903, or

   (b) by sending a scanned PDF copy via email to the Company at *register@bumitama-agri.com*.

   in either case, by **17 April 2023, 10.00 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A member who wishes to submit a proxy form must complete and sign the proxy Form before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   The instrument appointing a proxy(ies) must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

   The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

   In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore Statutes), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

7. Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. For members who would like to submit questions in advance of the AGM, they may do so by **12 April 2023, 10.00 a.m.**:

   (a) by posting a physical copy to the registered office address of the Company at 10 Anson Road, #11-19 International Plaza, Singapore 079903, or

   (b) by sending an email to the Company at *investor.relations@bumitama-agri.com*.

   Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/ registration number, failing which the Company shall be entitled to regard the submission as invalid. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline by 15 April 2023, 10.00 a.m. which is at least 48 hours prior to the closing date and time for the lodgement of the proxy forms.

8. For questions received after 12 April 2023, the Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses to such questions together with the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of the AGM.

9. Members should also note that the Company may be required to make further changes to its AGM arrangements as the situation evolves and are reminded to check SGXNet for any latest updates on the status of the AGM.

Personal data privacy:

By submitting an instrument appointing the proxy(ies) to vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) for the appointment of the proxy(ies) (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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IMPORTANT

1. A relevant intermediary may appoint more than two (2) proxies to attend the AGM (as defined below) and vote (please see Note 3 for the definition of "**Relevant Intermediary**").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy by 11 April 2023, being seven (7) working days prior to the date of the AGM, in which case, the CPF Investors and SRS Investors shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

BUMITAMA AGRI LTD.
(Incorporated in Singapore)
(Co. Reg. No: 200516741R)

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, ______________________ NRIC/Passport/Co. Registration No. ______________

of ____

being *a member/members of **BUMITAMA AGRI LTD.** (the "**Company**"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting ("**AGM**") as *my/our *proxy/proxies to attend, speak or vote on *my/our behalf at the AGM of the Company to be held at The Westin Singapore, Ballroom 2, Level 3, 12 Marina View, Asia Square Tower 2, Singapore 018961, on Thursday, 20 April 2023 at 10.00 a.m. and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions are given as to voting or abstentions from voting, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the AGM and/or at any adjournment thereof. In the event that the Chairman of the AGM is appointed as proxy and no specific directions are given as to voting or abstentions from voting in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
**delete as applicable*

(Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022			
2	Payment of special dividend			
3	Payment of final dividend			
4	Re-election of Ms. Lim Christina Hariyanto as Director			
5	Re-election of Dato' Lee Yeow Chor as Director			
6	Re-election of Mr. Lawrence Lua Gek Pong as Director			
7	Approval of Directors' fees amounting to S$424,000 for the financial year ending 31 December 2023			
8	Re-appointment of Ernst & Young LLP as Auditors			
9	Renewal of Shareholders' Mandate for Interested Person Transactions with IOI Corporation Berhad and its Associates			
10	Share Issue Mandate			
11	Renewal of Share Buyback Mandate			

Voting would be conducted by poll. Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the proxy(ies) not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this ____________ day of ______________ 2023

Total number of Shares held:

____
Signature of Shareholder(s)/
and Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

   (a) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary who provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder who provides custodial services under the Securities and Futures Act 2001 and holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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Affix postage stamp

Bumitama Agri Ltd.
10 Anson Road
#11-19 International Plaza
Singapore 079903

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4. A member (whether individual or corporate) can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.
5. The instrument appointing a proxy(ies) must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
7. The proxy form must be deposited to the Company in the following matter:

   (a) by posting a physical copy to the registered office address of the Company at 10 Anson Road #11-19, International Plaza, Singapore 079903; or

   (b) by sending a scanned PDF copy via email to the Company at *register@bumitama-agri.com*

   in either case, by **17 April 2023, 10.00 a.m.**, being no later than seventy-two (72) hours before the time appointed for the AGM.

   A Member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
8. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2023.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy(ies) and/or representative(s) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the aforesaid instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) and/or representative(s) lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

Lim Gunawan Hariyanto
(Executive Chairman and Chief Executive Officer)

Lim Christina Hariyanto
(Executive Director)

Non-Executive & Non-Independent:

Dato' Lee Yeow Chor

Independent:

Lim Hung Siang
(Lead Independent Director)

Lee Lap Wah George

Lawrence Lua Gek Pong

Witjaksana Darmosarkoro

AUDIT COMMITTEE

Lim Hung Siang
(Chairman)

Lee Lap Wah George

Lawrence Lua Gek Pong

Witjaksana Darmosarkoro

GOVERNANCE & NOMINATING COMMITTEE

Witjaksana Darmosarkoro
(Chairman)

Lee Lap Wah George

Lim Hung Siang

Lawrence Lua Gek Pong

REMUNERATION COMMITTEE

Lawrence Lua Gek Pong
(Chairman)

Lim Hung Siang

Lee Lap Wah George

CONFLICTS RESOLUTION & ENTERPRISE RISK MANAGEMENT COMMITTEE

Lee Lap Wah George
(Chairman)

Lawrence Lua Gek Pong

Lim Hung Siang

Witjaksana Darmosarkoro

COMPANY SECRETARY

Chiang Wai Ming, ACIS

REGISTERED OFFICE

10 Anson Road
#11-19 International Plaza
Singapore 079903
Tel: (65) 6222 1332
Fax: (65) 6222 1336
www.bumitama-agri.com

SHARE REGISTRARS

B.A.C.S. Private Limited
77 Robinson Road
#06-03
Robinson 77
Singapore 068896

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

PARTNER-IN-CHARGE

Toong Weng Sum, Vincent
(with effect from the financial year ended 2021)

INVESTOR RELATIONS

Christina Lim

Michael Kesuma

investor.relations@bumitama-agri.com

Bumitama Agri Ltd.
Excellence Through Discipline

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