



BUMITAMA AGRI LTD.

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

Unaudited condensed interim consolidated financial statements
For the six months and full year ended 31 December 2021

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A. Condensed interim consolidated statement of profit or loss

	Note	Group					
		2H2021 IDR million	2H2020 IDR million	Changes (%)	FY2021 IDR million	FY2020 IDR million	Changes (%)
Revenue	4	6,810,435	5,099,260	33.6%	12,248,630	9,101,746	34.6%
Cost of Sales	5	(4,518,614)	(3,611,491)	25.1%	(8,791,975)	(6,575,599)	33.7%
Gross profit		2,291,821	1,487,769	54.0%	3,456,655	2,526,147	36.8%
Interest income		97,720	102,510	-4.7%	195,655	202,205	-3.2%
Fair value changes in biological assets		82,066	25,690	219.4%	82,066	25,690	219.4%
Selling expenses		(140,154)	(154,812)	-9.5%	(297,462)	(295,770)	0.6%
General and administrative expenses		(216,939)	(171,400)	26.6%	(399,338)	(312,461)	27.8%
Finance cost		(73,896)	(80,999)	-8.8%	(153,309)	(178,955)	-14.3%
Foreign exchange gain/(loss)		71,948	53,904	33.5%	(37,949)	(49,028)	-22.6%
Other income, net		6,363	6,211	2.4%	17,269	12,712	35.8%
Profit before taxation		2,118,929	1,268,873	67.0%	2,863,587	1,930,540	48.3%
Taxation	8	(608,748)	(429,001)	41.9%	(774,210)	(568,135)	36.3%
Profit for the period/year		1,510,181	839,872	79.8%	2,089,377	1,362,405	53.4%
Attributable to:							
Owners of the Company		1,237,337	685,142	80.6%	1,721,367	1,126,393	52.8%
Non-controlling interests		272,844	154,730	76.3%	368,010	236,012	55.9%
		1,510,181	839,872	79.8%	2,089,377	1,362,405	53.4%
EBITDA		2,307,112	1,497,461	54.1%	3,497,978	2,575,490	35.8%
Earnings per share attributable to owners of the Company *)							
Basic and diluted (IDR per share)		709	392		986	645	

*) based on weighted average number of shares

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

B. Condensed interim consolidated statement of comprehensive income

	Group			
	2H2021	2H2020	FY2021	FY2020
	IDR million	IDR million	IDR million	IDR million
Profit for the period/year	1,510,181	839,872	2,089,377	1,362,405
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation gain/(loss)	17,060	42,402	(2,319)	10,666
Fair value reserve on derivative financial assets/liabilities	22,159	40,712	14,317	(2,223)
<i>Item that will not be reclassified to profit or loss:</i>				
Re-measurement loss on defined benefit plans	(4,389)	(10,722)	(4,389)	(10,722)
Other comprehensive income for the period/year, net of tax	34,830	72,392	7,609	(2,279)
Total comprehensive income for the period/year	1,545,011	912,264	2,096,986	1,360,126
Attributable to:				
Owners of the Company	1,272,638	758,306	1,729,447	1,124,886
Non-controlling interests	272,373	153,958	367,539	235,240
	1,545,011	912,264	2,096,986	1,360,126

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

C. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-21 IDR million	31-Dec-20 IDR million	31-Dec-21 IDR million	31-Dec-20 IDR million
ASSETS					
Non-current assets					
Plasma receivables	11	2,278,267	2,639,567	-	-
Property, plant and equipment	12	4,147,075	3,813,214	1,410	2,250
Bearer plants	13	7,770,977	7,725,442	-	-
Land use rights		986,757	971,853	-	-
Investment in subsidiaries		-	-	2,028,786	2,075,776
Intangible assets	14	185,438	182,606	-	-
Derivative financial assets		10,628	72,763	10,628	72,763
Deferred tax assets		127,015	209,491	-	-
Due from subsidiaries		-	-	5,684,742	6,467,014
Total non-current assets		15,506,157	15,614,936	7,725,566	8,617,803
Current assets					
Biological assets	15	376,076	294,010	-	-
Inventories		822,371	852,402	-	-
Deferred charges		8,311	7,831	-	-
Trade and other receivables		119,965	70,637	245	327
Due from related companies		50	50	-	-
Plasma receivables	11	153,429	64,496	-	-
Prepayments and advances		18,205	31,610	191	189
Dividend receivables		-	-	-	442,315
Prepaid taxes		505,008	504,875	63	58
Cash and short-term deposits		175,964	791,953	20,834	274,427
Total current assets		2,179,379	2,617,864	21,333	717,316
Total assets		17,685,536	18,232,800	7,746,899	9,335,119
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	16	-	282,100	-	282,100
Trade and other payables		411,919	598,755	117	2,158
Accrued operating expenses		262,472	221,201	51,731	50,259
Dividend payable to non-controlling interests		-	54,595	-	-
Sales advances		246,538	281,120	-	-
Taxes payable		296,723	284,301	8	37
Total current liabilities		1,217,652	1,722,072	51,856	334,554

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

	Note	Group		Company	
		31-Dec-21 IDR million	31-Dec-20 IDR million	31-Dec-21 IDR million	31-Dec-20 IDR million
Non-current liabilities					
Deferred tax liabilities		178,891	137,607	-	-
Loans and borrowings	16	1,752,641	3,282,436	1,752,641	3,282,436
Islamic medium term notes	17	2,390,425	2,443,238	2,390,425	2,443,238
Employee benefits liability		130,540	101,092	-	-
Derivative financial liabilities		16,815	12,512	16,815	12,512
Total non-current liabilities		4,469,312	5,976,885	4,159,881	5,738,186
Total liabilities		5,686,964	7,698,957	4,211,737	6,072,740
Net assets		11,998,572	10,533,843	3,535,162	3,262,379
Equity attributable to owners of the Company					
Share capital	18	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	18	(161,366)	(161,366)	(161,366)	(161,366)
Other reserves		(183,535)	(213,435)	16,958	2,641
Retained earnings		9,020,320	7,764,128	779,257	561,915
Foreign currency translation reserve		(182,016)	(179,697)	1,093,268	1,052,144
		10,300,448	9,016,675	3,535,162	3,262,379
Non-controlling interests		1,698,124	1,517,168	-	-
Total equity		11,998,572	10,533,843	3,535,162	3,262,379

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

D. Condensed interim statements of changes in equity

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

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

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

Group	Attributable to owners of the Group							
	Share capital (Note 18) IDR million	Treasury shares (Note 18) IDR million	Retained earnings IDR million	Other reserves IDR million	Foreign currency translation reserves IDR million	Total share capital and reserves IDR million	Non-controlling interests IDR million	Total equity IDR million
2020								
Balance as of 1 January 2020	1,807,045	(147,449)	6,814,530	(201,717)	(190,363)	8,082,046	1,349,134	9,431,180
Profit for the year	-	-	1,126,393	-	-	1,126,393	236,012	1,362,405
<u>Other comprehensive income:</u>								
Fair value reserve on derivative financial assets/liabilities	-	-	-	(2,223)	-	(2,223)	-	(2,223)
Foreign currency translation gain	-	-	-	-	10,666	10,666	-	10,666
Re-measurement loss on defined benefit plan	-	-	(9,950)	-	-	(9,950)	(772)	(10,722)
Total comprehensive income for the year, net of tax	-	-	1,116,443	(2,223)	10,666	1,124,886	235,240	1,360,126
<u>Contributions by and distributions to owners:</u>								
Contribution from non-controlling interest	-	-	-	-	-	-	54,526	54,526
Buy-back of ordinary shares	-	(13,917)	-	-	-	(13,917)	-	(13,917)
Dividends on ordinary shares (Note 9)	-	-	(166,845)	-	-	(166,845)	-	(166,845)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(131,227)	(131,227)
<u>Changes in ownership interest in subsidiaries:</u>								
Decrease in ownership in subsidiaries without a change in control	-	-	-	(9,495)	-	(9,495)	9,495	-
Balance as at 31 December 2020	1,807,045	(161,366)	7,764,128	(213,435)	(179,697)	9,016,675	1,517,168	10,533,843

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

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

Company	Attributable to owners of the Company					
	Share capital (Note 18) IDR million	Treasury shares (Note 18) IDR million	Retained earnings IDR million	Other reserves IDR million	Foreign currency translation reserves IDR million	Total share capital and reserves IDR million
2021						
Balance as of 1 January 2021	1,807,045	(161,366)	561,915	2,641	1,052,144	3,262,379
Profit for the year	-	-	678,599	-	-	678,599
Other comprehensive income:						
Fair value reserve on derivative financial assets/liabilities	-	-	-	14,317	-	14,317
Foreign currency translation gain	-	-	-	-	41,124	41,124
Total comprehensive income for the year, net of tax	-	-	678,599	14,317	41,124	734,040
Distribution to owners:						
Dividends on ordinary shares (Note 9)	-	-	(461,257)	-	-	(461,257)
Balance as at 31 December 2021	1,807,045	(161,366)	779,257	16,958	1,093,268	3,535,162
2020						
Balance as of 1 January 2020	1,807,045	(147,449)	223,151	4,864	982,841	2,870,452
Profit for the year	-	-	505,609	-	-	505,609
Other comprehensive income:						
Fair value reserve on derivative financial assets/liabilities	-	-	-	(2,223)	-	(2,223)
Foreign currency translation gain	-	-	-	-	69,303	69,303
Total comprehensive income for the year, net of tax	-	-	505,609	(2,223)	69,303	572,689
Distribution to owners:						
Buy-back of ordinary shares	-	(13,917)	-	-	-	(13,917)
Dividends on ordinary shares (Note 9)	-	-	(166,845)	-	-	(166,845)
Balance as at 31 December 2020	1,807,045	(161,366)	561,915	2,641	1,052,144	3,262,379

E. Condensed interim consolidated statements of cash flows

	Group	
	FY2021	FY2020
	IDR million	IDR million
Cash flows from operating activities		
Cash receipts from customers	12,162,624	9,605,640
Cash payments to suppliers, employees and for other operating expenses	(9,040,439)	(6,996,857)
Income tax paid	(473,098)	(162,986)
Net cash flows generated from operating activities	<u>2,649,087</u>	<u>2,445,797</u>
Cash flows from investing activities		
Decrease/(increase) in plasma receivables	296,454	(110,735)
Investment in intangible assets	(7,598)	(8,031)
Investment in bearer plants	(384,362)	(381,092)
Purchase of property, plant and equipment	(664,278)	(598,000)
Investment in land use rights	(34,302)	(35,050)
Interest received	195,655	202,205
Net cash flows used in investing activities	<u>(598,431)</u>	<u>(930,703)</u>
Cash flows from financing activities		
Proceeds from loans and borrowings	552,452	785,475
Repayment of loans and borrowings	(2,406,549)	(1,648,790)
Dividends paid	(679,352)	(254,730)
Contributions from non-controlling interests	-	54,526
Buy-back of ordinary shares	-	(13,917)
Acquisition of non-controlling interests	(7,500)	-
Interest paid	(128,499)	(170,528)
Net cash flows used in financing activities	<u>(2,669,448)</u>	<u>(1,247,964)</u>
Net (decrease)/increase in cash and cash equivalents	(618,792)	267,130
Effect of exchange rate changes on cash and cash equivalents	2,803	21,070
Cash and cash equivalents at beginning of year	791,953	503,753
Cash and cash equivalents at the end of the year	<u>175,964</u>	<u>791,953</u>

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

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

Cash Flows from Operating Activities:	Group	
	FY2021 IDR million	FY2020 IDR million
Profit before taxation	2,863,587	1,930,540
Depreciation and amortisation	720,854	644,862
Finance cost	153,309	178,955
Interest income	(195,655)	(202,205)
Post employment benefits	30,057	22,842
Unrealised foreign exchange loss	62,756	82,271
Fair value changes in biological assets	(82,066)	(25,690)
Operating cash flows before working capital changes	3,552,842	2,631,575
Decrease/(increase) in:		
- Trade and other receivables	(49,109)	279,721
- Inventories	30,031	(193,568)
- Prepaid taxes	(133)	55,963
- Prepayment and advances	13,408	6,349
- Deferred charges	(480)	(519)
(Decrease)/increase in:		
- Trade and other payables	(187,446)	(159,146)
- Accrued operating expenses	(32,418)	(101,948)
- Other taxes payable	(163,692)	(127,171)
- Sales advances	(34,583)	223,832
Cash flows generated from operations	3,128,420	2,615,088
Income tax paid	(473,098)	(162,986)
Employee defined benefits paid	(6,235)	(6,305)
Net cash flows generated from operating activities	2,649,087	2,445,797

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

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

The Company's immediate holding company is Wellpoint Pacific Holdings Ltd. ("Wellpoint") incorporated in British Virgin Islands. Wellpoint is ultimately held by the 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 located across the Indonesian provinces of Central Kalimantan, West Kalimantan and Riau, and the production and trading of crude palm oil and related products.

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

2. Summary of significant accounting policies

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to obtain an understanding of the changes in Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

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

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

2.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and SFRS(I) Interpretations ("SFRS(I) INT") which are effective for annual financial periods beginning on or after 1 January 2021. 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.

2.2 Use of judgements and estimates

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

In the process of applying the Group's accounting policies, management did not make any judgements that have effect on the amounts recognised in the condensed interim consolidated financial statements, the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. The estimates and underlying assumptions applied are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020.

2.3 Auditor's review

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

The audited financial statements as at 31 December 2020 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

3. Seasonal operations

The raw material of palm products, which is Fresh Fruit Bunch ("FFB"), are affected by weather condition and rainfall pattern.

4. Revenue

	Group			
	2H2021	2H2020	FY2021	FY2020
	IDR million	IDR million	IDR million	IDR million
Disaggregation of revenue by major product:				
Crude Palm Oil ("CPO")	5,988,924	4,584,155	10,650,101	8,188,808
Palm Kernel ("PK")	821,511	515,105	1,598,529	912,938
Total revenue recognised at a point in time	6,810,435	5,099,260	12,248,630	9,101,746

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

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

5. Cost of Sales

	Group			
	2H2021	2H2020	FY2021	FY2020
	IDR million	IDR million	IDR million	IDR million
Cost of inventories recognised as an expense	3,000,517	2,105,127	5,553,244	3,547,954
Depreciation of mature bearer plants, property, plant and equipment and amortisation of land use rights	351,387	318,371	692,223	622,697
Plantation costs	1,000,212	1,021,149	2,211,340	2,073,988
Mill and processing costs	166,498	166,844	335,168	330,960
Total cost of sales	4,518,614	3,611,491	8,791,975	6,575,599

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 2020:

	Note	Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		IDR million	IDR million	IDR million	IDR million
Financial assets:					
Due from subsidiaries		-	-	3,808,777	4,138,889
Derivative financial assets		10,628	72,763	10,628	72,763
Dividend receivables		-	-	-	442,315
Trade and other receivables		119,965	70,637	245	327
Due from related companies		50	50	-	-
Plasma receivables	11	2,431,696	2,704,063	-	-
Cash and short-term deposits		175,964	791,953	20,834	274,427
		2,738,303	3,639,466	3,840,484	4,928,721
Financial liabilities:					
Derivative financial liabilities		16,815	12,512	16,815	12,512
Loans and borrowings	16	1,752,641	3,564,536	1,752,641	3,564,536
Islamic medium term notes	17	2,390,425	2,443,238	2,390,425	2,443,238
Dividend payable to non-controlling interests		-	54,595	-	-
Trade and other payables		411,919	598,755	117	2,158
Accrued operating expenses		262,472	221,201	51,731	50,259
		4,834,272	6,894,837	4,211,729	6,072,703

7. Related party transactions

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

	Group			
	2H2021	2H2020	FY2021	FY2020
	IDR million	IDR million	IDR million	IDR million
Rental to related parties	5,847	5,809	11,413	11,650

7. Related party transactions (cont'd)

The Group has entered into office premise lease agreements with Mr. Gunardi Hariyanto Lim and Goldwood Investments Ltd for a total amount of IDR 4,513 million for the year ended 31 December 2021 (2020: IDR 4,450 million).

The Group has also entered into barge lease agreement with PT Lima Srikandi Jaya, a related party, amounting to IDR 6,900 million for the year ended 31 December 2021 (2020: IDR 7,200 million).

8. Taxation

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

	Group			
	2H2021	2H2020	FY2021	FY2020
	IDR million	IDR million	IDR million	IDR million
Current income tax	(410,758)	(242,753)	(546,190)	(415,002)
Deferred income tax	(107,157)	(123,571)	(124,998)	(73,844)
Withholding tax on interest income and dividend from subsidiaries	(90,833)	(62,677)	(103,022)	(79,289)
	<u>(608,748)</u>	<u>(429,001)</u>	<u>(774,210)</u>	<u>(568,135)</u>

9. Dividends

	Group and Company	
	FY2021	FY2020
	IDR million	IDR million
Declared and paid during the financial year:		
Dividend on ordinary shares:		
- Final exempt (one-tier) dividend for 2020: SGD 0.02 (2019: SGD 0.005) per share	378,388	91,127
- Interim tax exempt (one-tier) dividend for 2021: SGD 0.0045 (2020: SGD 0.0040) per share	82,869	75,718
	<u>461,257</u>	<u>166,845</u>

10. Net Asset Value

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	IDR	IDR	IDR	IDR
Net asset value per ordinary share *)	5,940	5,199	2,039	1,881

*) excluding treasury shares

11. Plasma receivables

As at 31 December 2021, the carrying amount of the Group's plasma receivables is IDR 2,431,696 million (2020: IDR 2,704,063 million).

12. Property, plant and equipment

As at 31 December 2021, the carrying amount of the Group's property, plant, and equipment is IDR 4,147,075 million (2020: IDR 3,813,214 million).

13. Bearer plants

As at 31 December 2021, the carrying amount of the Group's bearer plants is IDR 7,770,977 million (2020: IDR 7,725,442 million).

14. Intangible Assets

Group	Goodwill IDR million	Software IDR million	Total IDR million
Cost			
At 1 January 2020	174,464	35,910	210,374
Additions	-	8,031	8,031
At 31 December 2020 and 1 January 2021	174,464	43,941	218,405
Additions	-	7,598	7,598
At 31 December 2021	174,464	51,539	226,003
Accumulated amortisation and impairment losses			
At 1 January 2020	6,563	25,863	32,426
Amortisation for the year	-	3,373	3,373
At 31 December 2020 and 1 January 2021	6,563	29,236	35,799
Amortisation for the year	-	4,766	4,766
At 31 December 2021	6,563	34,002	40,565
Net carrying amount			
At 31 December 2020	167,901	14,705	182,606
At 31 December 2021	167,901	17,537	185,438

14.1. Goodwill impairment

Impairment testing of goodwill

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

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

	31-Dec-21	31-Dec-20
Discount Rate	11.63%	11.39% - 11.49%
Inflation Rate	2.9% - 3.4%	2.1% - 2.9%
Projected CPO Price (IDR/kg)	10,789 - 11,146	8,178 - 8,711

The FVLCO calculations applied a discounted cash flow model using cash flow projections and projected CPO price of IDR 10,789 - IDR 11,146 (2020: IDR 8,178 - IDR 8,711) 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.

14.1. Goodwill impairment (cont'd)

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 goodwill is not impaired as at 31 December 2021 and 2020.

15. Biological Assets

	Group	
	31-Dec-21	31-Dec-20
	IDR million	IDR million
Biological Assets	376,076	294,010

As at 31 December 2021, the Group recognised fair value gain of IDR 82,066 million (2020: IDR 25,690 million).

Significant assumptions made in determining the fair values of the biological assets include the following:

	Group	
	31-Dec-21	31-Dec-20
Nucleus volume (tonnes)		
FFB	138,492	172,121
Nucleus planted area (hectares)		
Mature	126,582	120,643
Average FFB price (IDR/kg) as at 31 December	3,057	2,038

16. Loans and borrowings

	Group and Company	
	31-Dec-21	31-Dec-20
	IDR million	IDR million
Amount due within one year		
Unsecured	-	282,100
Amount due more than one year		
Unsecured	1,752,641	3,282,436
	<u>1,752,641</u>	<u>3,564,536</u>

The unsecured borrowings contain negative pledge clauses.

17. Islamic medium term notes

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

	Maturity date	Distribution rate (per annum)	Group and Company	
			31-Dec-21 IDR million	31-Dec-20 IDR million
Third issuance	22 July 2024	4.10%	1,024,817	1,047,532
Fourth issuance	22 July 2026	4.20%	1,366,422	1,396,712
			<u>2,391,239</u>	<u>2,444,244</u>
Less:				
Issuance cost			1,295	1,280
Accumulated amortisation			(481)	(274)
			<u>814</u>	<u>1,006</u>
Islamic medium term notes, net			<u>2,390,425</u>	<u>2,443,238</u>

Islamic medium term notes are unsecured.

18. Share capital and treasury shares

	Group and Company			
	31-Dec-21		31-Dec-20	
	Number of shares	IDR million	Number 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 treasury shares held by the Company as at 31 December 2021 and 2020 are as follow:

	Group and Company			
	31-Dec-21		31-Dec-20	
	Number of shares	IDR million	Number of shares	IDR million
Treasury shares	23,387,800	161,366	23,387,800	161,366

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

As at 31 December 2021, the issued and paid up share capital of the Company excluding treasury shares comprised 1,734,144,044 ordinary shares (31 December 2020: 1,734,144,044 ordinary shares).

19. Fair value of assets and liabilities

19.1. Fair value hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

19.2. Assets and liabilities measured at fair value

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

Group	Quoted prices in active markets for identical instruments (Level 1) IDR million	Significant other observable inputs (Level 2) IDR million	Significant unobservable inputs (Level 3) IDR million	Total IDR million
2021				
Assets 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
2020				
Assets measured at fair value				
Non-financial assets:				
Biological assets	-	-	294,010	294,010
Financial assets:				
Derivative financial assets	-	72,763	-	72,763
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial liabilities	-	12,512	-	12,512

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

19.2. Assets and liabilities measured at fair value (cont'd)

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

Company	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	IDR million	IDR million	IDR million	IDR million
2021				
Assets 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
2020				
Assets measured at fair value				
Financial assets:				
Derivative financial assets	-	72,763	-	72,763
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial liabilities	-	12,512	-	12,512

19.3. Level 2 fair value measurements

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

Derivative financial assets/liabilities

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

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

19.4. Level 3 fair value measurements

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

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

Description	Fair value IDR million	Valuation techniques	Unobservable inputs	Value
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
2020				
Recurring fair value measurements				
Biological assets	294,010	Income approach	Projected harvest quantities	172,121 Tonnes
			Average market price of FFB as at 31 December	2,038 IDR/kg

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

Movements in Level 3 assets measured at fair value

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

Valuation policies and procedures

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

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

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

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

Group and Company	Fair value measurements at the end of the reporting period using				Carrying amount
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
	IDR million	IDR million	IDR million	IDR million	
2021					
Liabilities					
Islamic medium term notes	-	2,426,978	-	2,426,978	2,390,425
2020					
Liabilities					
Islamic medium term notes	-	2,549,422	-	2,549,422	2,443,238

20. Subsequent events

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

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

OTHER INFORMATION

1. Review of performance of the Group

REVIEW OF INCOME STATEMENT

Overview

The Group's overall performance during the second half of the year ("2H2021") and full year of 2021 ("FY2021") had been higher than prior periods' performances as contributed by the strengthening in sales price of palm products during the year.

Revenue

Revenue increased by 33.6% to IDR 6,810 billion in 2H2021 and by 34.6% to IDR 12,249 billion in FY2021 compared to previous corresponding period/year mainly attributable to the increase in average sales price of CPO and PK.

The breakdown of revenue for 2H2021 and FY2021 compared to the previous corresponding period was as follow:

Revenue	2H2021	2H2020	Change	FY2021	FY2020	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	5,988,924	4,584,155	30.6%	10,650,101	8,188,808	30.1%
PK	821,511	515,105	59.5%	1,598,529	912,938	75.1%
Total	6,810,435	5,099,260	33.6%	12,248,630	9,101,746	34.6%

Sales Volume	2H2021	2H2020	Change	FY2021	FY2020	Change
	mt	mt	(%)	mt	mt	(%)
CPO	512,610	549,738	-6.8%	1,080,968	982,578	10.0%
PK	111,891	113,817	-1.7%	226,314	209,084	8.2%

Average sales prices	2H2021	2H2020	Change	FY2021	FY2020	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	11,683	8,339	40.1%	9,852	8,334	18.2%
PK	7,342	4,526	62.2%	7,063	4,366	61.8%

Cost of Sales

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

Increase in cost of sales was mainly driven by higher FFB purchase price during the year.

Selling Expenses

Selling expenses mainly comprised of freight and loading expenses. Selling expenses in FY2021 was considered stable compared to FY2020, while decrease in 2H2021 was in line with the decrease in sales loading volume compared to previous corresponding period.

Interest Income

Interest income mainly consisted of interest income earned from advances extended to the plasma farmers.

Fair Value Changes in Biological Assets

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

The Group recorded an increase in fair value changes in biological assets amounted to IDR 82 billion based on market value of the agriculture produce as at 31 December 2021.

General and Administrative Expenses

General and administrative expenses increased by 26.6% to IDR 217 billion in 2H2021 and by 27.8% to IDR 399 billion in FY2021 mainly due to increase in salary and employee benefits which affected by new post-employment benefits regulation for contracted employees as in accordance with Omnibus Law implemented by Government in FY2021.

Finance Cost

Finance cost decreased by 8.8% to IDR 74 billion in 2H2021 and by 14.3% to IDR 153 billion mainly attributable to lower interest rate (London Interbank Offered Rate) and loan balance.

Foreign Exchange Loss

Notwithstanding the appreciation of IDR against USD in 2H2021 resulted in Group's net foreign exchange gain of IDR 72 billion, IDR depreciated against USD in FY2021 has resulted in net foreign exchange loss of IDR 38 billion.

Taxation

The Group recorded an increase in income tax expense to IDR 609 billion in 2H2021 and IDR 774 billion in FY2021, as a result of the increase in profit before income tax.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 31 December 2021, the Group's total non-current assets decreased by IDR 109 billion from IDR 15,615 billion to IDR 15,506 billion mainly due to the decrease in plasma receivables and derivative financial assets. Decrease in plasma receivables was mainly due to increase in collection from the plasma cooperatives as well as funding received from banks to refinance plasma loans. Decrease in derivative financial assets was affected by strengthening of mark-to-market interest rate swap of our term loan facilities. These decreases were, however, offset by the increase in property, plant and equipment, such as for building, machinery and equipment, vehicle and heavy equipment, as well as infrastructures.

Current Assets

The decrease in current assets by IDR 438 billion as at 31 December 2021 from IDR 2,618 billion to IDR 2,179 billion was mainly due to decrease in cash and short-term deposits. Refer to the cash flow section for movement in cash and short-term deposit. This decrease was offset by increase in biological assets as well as trade and other receivables. Increase in biological assets due to increase in FFB price which was significantly affected by the strengthening of CPO market price. Increase in trade and other receivables was affected by the improved revenue during the year.

Current Liabilities

The decrease in current liabilities by IDR 504 billion as at 31 December 2021 from IDR 1,722 billion to IDR 1,218 billion was mainly due to the full repayment of revolving credit facilities in 2H2021 as well as improved payment to suppliers during the year which resulted in lower trade and other payables.

Non-Current Liabilities

As at 31 December 2021, the Group's total non-current liabilities decreased by IDR 1,508 billion from IDR 5,977 billion to IDR 4,469 billion, mainly due to early repayment of some term loan facilities amounting to USD 52 million.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net decrease in cash and cash equivalents of IDR 619 billion as at 31 December 2021, bringing the cash and bank balances to IDR 176 billion, as follows:

- The Group recorded higher net cash flows generated from operating activities amounting to IDR 2,649 billion in FY2021 mainly due to the increase in cash collection from customers arising from higher revenue during the year.
- The Group recorded net cash flows used in investing activities of IDR 598 billion in FY2021 which was lower compared to previous corresponding period mainly due to collection received from plasma cooperatives to repay some of their advances as a result of improvement in FFB price during the year as well as funding received by some cooperatives to refinance their loans.
- The Group recorded net cash flows used in financing activities amounting to IDR 2,669 billion in FY2021 which was higher compared to previous corresponding period mainly due to repayment of some bank loans and higher dividend payments.

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

Not applicable.

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

Global CPO prices have surged as a result of tight inventory situation due to a shortage in supply. The vegetable oil prices have also increased significantly. Although there have been an immense number of rainy days brought on by La Nina which impacted the production, the Group's internal FFB production still rose by 1.8% year-on-year. Factors such as labor shortage in Malaysia, extreme weather conditions in Latin America, and the recently introduced palm oil domestic market obligation in Indonesia are expected to cause CPO prices to remain elevated in the first half of 2022.

The Group's plantations remain fully operational as a consequence of its strict COVID-19 protocol implementation, inclusive of employee vaccination programme and active monitoring of the viral transmission in areas within and around our operations.

We believe that the long-term fundamentals of the palm oil industry remain positive, in part due to the biodiesel programme vigorously being implemented in Indonesia. The Group will continue transformation using latest technological innovations and enhanced efficiency across our operations.

4. Dividend information

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

The Directors have recommended for the Company to pay a final dividend in respect of the financial year ended 31 December 2021.

The payment of dividend will be subject to the approval by shareholders at the forthcoming Annual General Meeting to be convened in April 2022.

b. Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

FY2020	
Name of Dividend	Final dividend
Dividend Type	Cash
Dividend amount per share	SGD 0.02
Payment Type	Tax Exempted (1-tier)

c. Date Payable

To be announced later.

d. Books Closure Date

To be announced later.

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

Not Applicable

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

The Group has the following interested person transactions ("IPT") for FY2021:

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	2,113	Nil
IOI Corporation Berhad ⁽³⁾	Controlling shareholder of the Company	Nil	Nil
PT Lima Srikandi Jaya ⁽⁴⁾	Related company	6,900	Nil
TOTAL		11,413	Nil

Notes:

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

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

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

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

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Lim Liana Sarwono	69	The Sister of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, Lim Christina Hariyanto, Executive Director of BAL and daughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Senior Purchasing Manager since 1998. - Responsible for securing quality purchases at reasonable prices.	No Change
Gunardi Hariyanto Lim	56	The Brother of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, and Lim Christina Hariyanto, Executive Director of BAL, and son of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL	Chief Commissioner of PT Bumitama Gunajaya Agro since 2018 - Supervising commissioners and the company in accordance with the articles of association; - Collating advises from other commissioner and shares this advice to the board of directors; and although not part of the daily company management but do provide oversight on management policies.	No Change

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
28 February 2022

Lee Lap Wah George
Lead Independent Director