
RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE COMPANY'S FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FINANCIAL RESULTS FY2023")

Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the announcement made by Bumitama Agri Ltd. on 27 February 2024 with respect to the financial results for the financial year ended 31 December 2023.

The Board of Directors ("**Board**") of Bumitama Agri Ltd. ("**Company**") set out its response to the queries raised by the SGX-ST on 29 February 2024 in relation to the Company's Financial Results FY2023 released on 27 February 2024, as follows:

SGX Query 1

It is disclosed in note 16 of the unaudited financial statements that "The unsecured borrowings contain negative pledge clauses." Please elaborate on the nature of such negative pledges, the assets which the pledges pertain to (where applicable) and the impact on the Company if there is a breach of such provision.

The Company's response:

The negative pledge clauses relates to the Lender's restriction for the Group to pledge any of its assets to other lenders in the event the Group takes on another borrowing. Should the Group pledge the said assets to other lenders, the Lender has the right to recall the existing borrowings.

SGX Query 2

Please disclose the details of the loans and borrowings of IDR 1,270,326 million as at 31 December 2023, including the terms of the loan, interest on loans and maturity dates.

The Company's response:

The Group's loans and borrowings figure as at 31 December 2023 consists of both revolving and term loan facilities as follows:

	Loan balance	Term	Interest Rate	Maturity Date
	IDR mn			
IDR revolving loan facilities	499,833	1 year	6.61%	May-July 2024
USD term loan facilities	770,493	5 years	2.0625%*	March 2024
	1,270,326			

**Interest on the USD term loan facilities was hedged from floating to fixed interest rates
Interest rates are weighted average as at 31 December 2023 based on outstanding loans*

SGX Query 3

It is disclosed on page 23 of the FY2023 unaudited financial statements that, "General and administrative expenses increased by 5.8% to IDR 240 billion in 2H2023 and by 22.4% to IDR 583 billion in FY2023 were mainly attributable to increment in salaries and remuneration based on Group's performance". Taking into consideration a 13.8% decrease in the Group's profits for FY2023 and a 2.4% decrease in the Group's revenue for FY2023 as compared to the financial year ended 31 December 2022, please explain how the Group's performance led to an increment in salaries and remuneration.

The Company's response:

The Group evaluates the performance of its staff and determines the annual adjustments to their salaries and remuneration at each year end. These annual salaries and remuneration adjustments take effect in 1Q of the following year. Since the performance results FY2022 was remarkably high, thus, the staff

salaries and remuneration for the year ended 31 December 2023 was higher than the year ended 31 December 2022.

SGX Query 4

It is disclosed on page 23 of the FY2023 unaudited financial statements that, "The Group recorded a decrease in fair value changes in biological assets amounted to IDR 81 billion based on market value of the agriculture produce as at 31 December 2023." Please elaborate on the reasons which led to a decrease in fair value changes in biological assets amounting to IDR 81 billion.

The Company's response:

The decrease in fair value of biological assets was mainly attributable to the lower average market price for Fresh Fruit Bunches ("FFB") as at 31 December 2023 compared to the previous year.

SGX Query 5

Please disclose:

- (i) a breakdown of the Group's trade and other receivables amounting to IDR 214,855 million as at 31 December 2022 and IDR 485,556 million as at 31 December 2023; and
- (ii) details of the Group's underlying transactions of its other receivables and the terms of the transactions.

The Company's response:

- (i) The following table shows the breakdown of the Group's trade and other receivables as at 31 December 2023 and 2022:

	31-Dec-23	31-Dec-22
	IDR mn	IDR mn
Trade and other receivables		
Trade receivables	461,903	134,714
Other receivables	23,653	80,141
Total trade and other receivables	485,556	214,855

- (ii)
 - Trade receivables are non-interest bearing and are generally on less than 30 days' credit terms. They are not secured by any collateral or credit enhancement.
 - Other Receivables are non-trade related, non-interest bearing, unsecured, repayable upon demand and are to be settled in cash. Other receivables relate mainly to employee loan receivables.

SGX Query 6

Please also disclose a breakdown of trade and other payables amounting to IDR 459,479 million as at 31 December 2022 and IDR 175,993 million as at 31 December 2023. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

The Company's response:

The following table shows the breakdown of the Group's trade and other payables as at 31 December 2023 and 2022:

	31-Dec-23	31-Dec-22
	IDR mn	IDR mn
Trade and other payables		
Trade payables	148,727	434,529
Other payables	27,266	24,950
Total trade and other payables	175,993	459,479

Other payables are payables to third parties, non-trade related, non-interest bearing, and are normally settled with an average term of 1 month from the date of the invoice. Other payables mainly consist of payables to transporters, asset procurement vendors, and consultants.

SGX Query 7

It is disclosed on page 15 of the FY2023 financial statements that “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.”. Please disclose:

- (i) The identity of the professional valuer
- (ii) The nature of judgement provided by the professional valuer’s in relation to the FVLCOD calculations; and
- (iii) the Board’s confirmation as to whether it is satisfied with the reasonableness of the methodologies used by the professional valuer in the FVLCOD computation, including the bases of assessment.

The Company’s response:

- (i) The professional valuer is KJPP Rengganis, Hamid & Rekan (“**KJPP RHR**”), is a reputable independent valuation & advisory firm that offers a wide range of services in asset valuation, business valuation, consulting and advisory. KJPP RHR is registered under the Ministry of Finance of Indonesia, Financial Service Authority (OJK), Indonesian Society of Appraisers (MAPPI), Central Bank, and all major government and private banks.
- (ii) In carrying out this valuation, KJPP RHR uses key assumptions such as the discount rate, inflation rate and projected CPO price. The discount rate is taking into account the cost of capital and the risk-adjusted return, the inflation rate after considering the dataset from International Monetary Fund, and the projected CPO price based on factors such as supply and demand dynamics, geopolitical events, economic indicators and government regulations with reference on reliable market data from Economist Intelligence Unit, World Bank and *Badan Pengawas Perdagangan Berjangka Komoditi*.
- (iii) The Board confirms that it is satisfied with the reasonableness of the methodologies used by the professional valuer in the FVLCOD computation, including the bases of assessment.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and CEO

7 March 2024