



Avian
BRANDS

2021

**The Color of
Sustainability**

ANNUAL REPORT



Avian
BRANDS

The Color of Sustainability

For more than 43 years, PT Avia Avian Tbk. (hereinafter referred to as the “Company”) has provided leading benefits and contributed to a colorful Indonesia. We continue to support the community to achieve better lives, through a variety of product portfolios and business activities. We believe that a business operated with noble purpose and a business model that is adjusted and able to compete with future needs will yield excellent performance. Therefore, we are committed to becoming a leading paint company that prioritizes sustainable business and environmentally friendly products.

In line with that, we continue to strive to improve our competitive advantages through various adjustments and strengthening within our company. In terms of products, we own Avian Innovation Center aimed to develop and provide the latest product innovations. We also own extensive distribution network through a combination of its own distribution centers as well as third party distribution centers. In addition, we took a big step in conducting an Initial Public Offering on the Indonesia Stock Exchange in order to strengthen our capital structure. These steps further affirmed our position as the paint market leader in Indonesia.





Disclaimer and Limitation of Liability

Our 2021 Annual Report is prepared to comply with the requirements to report the performance results of our Company for the period of January 1, 2021 to December 31, 2021 to the regulators and stakeholders. This Annual Report, among others, is prepared based on the Financial Services Authority Regulation No. 29/POJK.04/2016 concerning the Annual Report of Issuers or Public Companies with content according to the Financial Services Authority Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of Annual Report of Issuers or Public Companies.

This Annual Report contains statements related to objectives, policies, plans, strategies, as well as operational and financial results which are prepared based on accountable factual data. In addition, this Annual Report also presents information related to our work projections for the following year which are prepared based on prospective statements and various assumptions regarding the future conditions of our Company, as well as the related business environment, hence actual developments may differ materially from what is reported. Therefore, we urge the stakeholders to use information contained in this report wisely in making decisions.

Competitive Strengths



Table of Content

Disclaimer and Limitation of Liability	1
Competitive Strengths	2
Table of Content	3
2021 Performance	5



PERFORMANCE HIGHLIGHTS

Key Financial Data Overview	8
Operational Overview	10
Share Overview	10
Corporate Actions	11
Share Trading Information	13
Information Regarding Bonds, Sukuk, or Convertible Bonds	13
Significant Events	14
Awards and Certifications	15



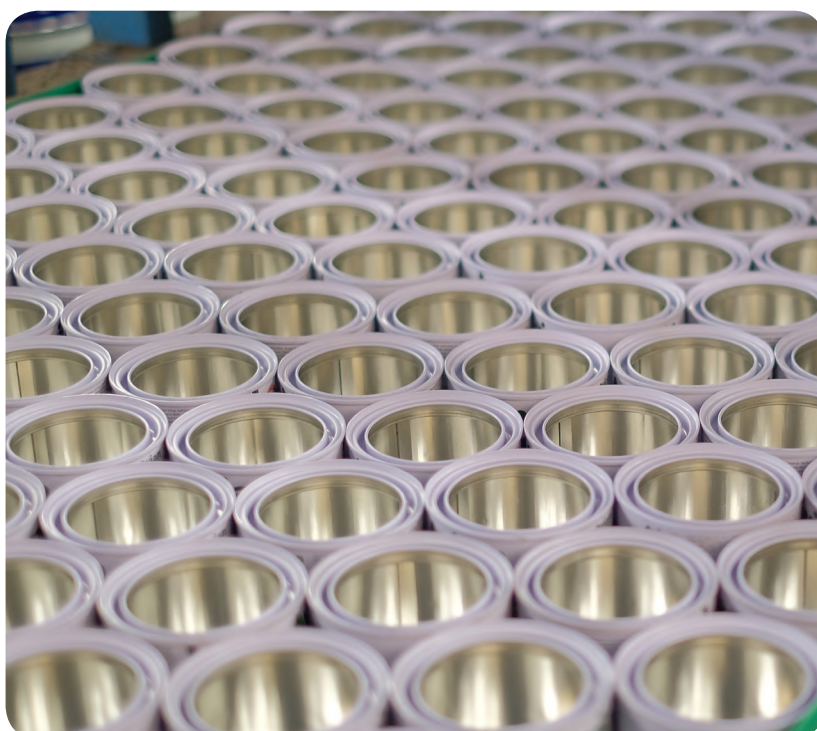
MANAGEMENT REPORT

Board of Commissioners Report	20
Board of Directors Report	24



COMPANY PROFILE

Company Identity	30	Shareholders Information	51
Milestones	32	Chronology of Shares Listing	53
Brief History	34	Chronology of Other Securities Listing	53
Vision, Mission, and Company Values	36	Corporate Structure	54
Business Activities	38	Subsidiaries, Associates, and Venture Companies	54
Products and Services	39	Capital Market Supporting Institutions and Professionals	56
Manufacturing Facility	41	Human Resources	57
Operational Areas	41	Information Technology	61
Organization Structure	42	Information Access	67
Association Membership	43		
Board of Commissioners Profile	44		
Board of Directors Profile	47		





MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review	70
Industry Review	71
Operational Review	71
Marketing Aspect	74
Financial Review	76
Consolidated Statement of Financial Position	76
Consolidated Statements of Profit or Loss and Other Comprehensive Income	78
Consolidated Statement of Cash Flows	79
Ability to Pay Debts	80
Collectibility Level of Receivables	81
Capital Structure	81
Capital Expenditures Investment	81
Material Commitment of Capital Expenditures Investment	82
Realization of Use of Public Offering Proceeds	82
Policy and Distribution of Dividends	82
Material Information Related to Investment, Expansion, Divestment, Business Merger/Consolidation, Acquisition and Restructuring of Debt/Capital	83
Material Transactions Containing Conflicts of Interest or Transactions with Related Parties	83
Comparison of Targets and Realizations in 2021	85
Business Prospects	85
Business Development Strategy	86
2022 Projection	86
Changes in Accounting Policy	86
Changes in Laws and Regulations with Significant Impact on the Company	86
Material Information Subsequent to the Financial Statement Date	87



GOOD CORPORATE GOVERNANCE

Commitment to the Implementation of Good Corporate Governance	90	Internal Audit Unit	116
Implementation Basis of Good Corporate Governance	90	Internal Control System	119
Structure of Good Corporate Governance	91	Risk Management System	120
General Meeting of Shareholders	91	Material Disputes and the Administrative Sanctions Imposed	123
Board of Commissioners	96	Code of Ethics	123
Board of Directors	100	Share Ownership Program by Employees (ESA)	125
Nomination and Remuneration of the Board of Commissioners and the Board of Directors	103	Information Disclosure Policy	126
Sharia Supervisory Board	105	Violation Reporting (Whistleblowing) System	127
Audit Committee	105	Anti Corruption Policy	128
Nomination and Remuneration Committee	109	Conflict of Interest Guidelines	128
Good Corporate Governance Committee	112	Communication Policy Guidelines	129
Corporate Secretary	115	Implementation of Public Company Governance Guidelines	129

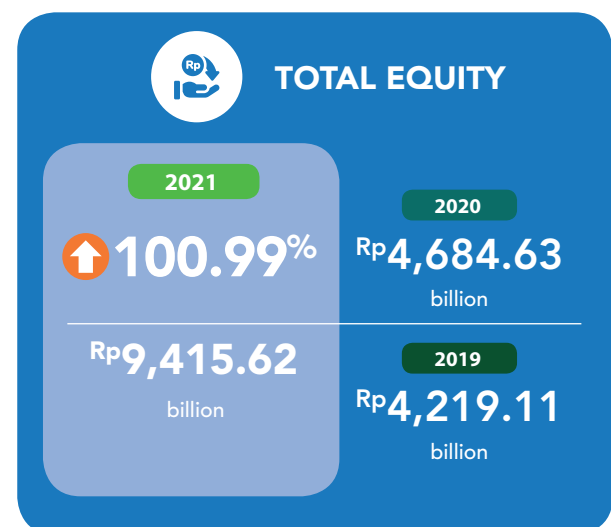
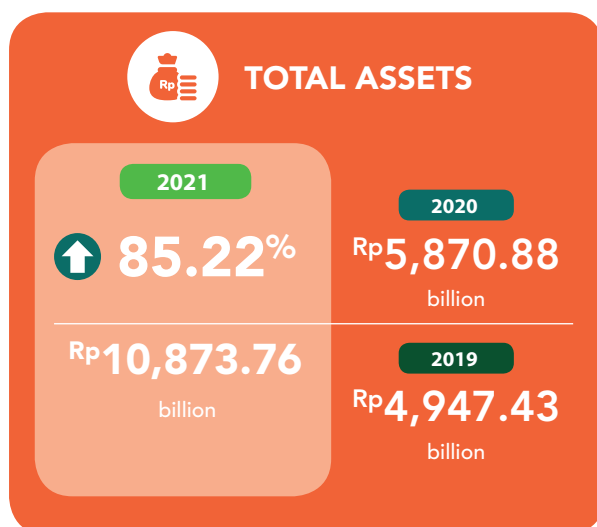
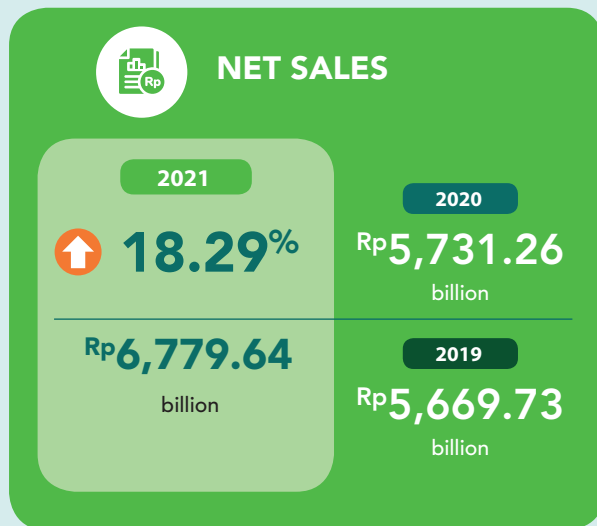


SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Overview of Sustainability Performance	135
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Annual Report Responsibility	137
Consolidated Financial Statements of PT Avia Avian Tbk. and Subsidiaries	139

2021 Performance







Performance Highlights





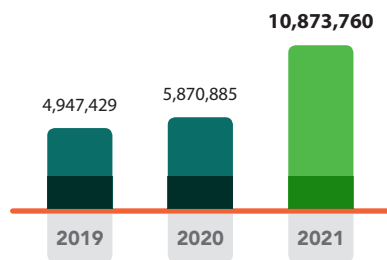
Key Financial Data Overview

(in million Rupiah, unless otherwise stated)

Description	2021	2020	2019
Consolidated Statement of Financial Position			
Total Assets	10,873,760	5,870,885	4,947,429
Total Current Assets	8,886,439	3,921,501	3,095,107
Total Non-Current Assets	1,987,321	1,949,384	1,852,322
Total Liabilities	1,458,140	1,186,251	728,318
Total Current Liabilities	1,339,681	1,022,578	634,085
Total Non-Current Liabilities	118,459	163,673	94,233
Total Equity	9,415,620	4,684,634	4,219,111
Total Liabilities and Equity	10,873,760	5,870,885	4,947,429
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Net Sales	6,779,643	5,731,261	5,669,732
Cost of Goods Sold	(3,954,110)	(3,212,594)	(3,324,241)
Gross Profit	2,825,533	2,518,667	2,345,491
Operating Profit	1,802,387	1,447,760	1,284,291
Profit before Income Tax Expense	1,844,705	1,491,045	1,331,358
Income Tax Expense	(410,154)	(354,897)	(371,989)
Profit for the Year	1,434,551	1,136,148	959,369
Profit for the Year Attributable to:			
Owners of the Parent Entity	1,434,613	1,136,147	959,368
Non-controlling Interests	(62)	1	1
Total Other Comprehensive Income, Net of Tax	(3,701)	29,376	49,634
Total Comprehensive Income for the Year	1,430,850	1,165,524	1,009,003
Total Comprehensive Income for the Year Attributable to:			
Owners of the Parent Entity	1,430,913	1,165,523	1,009,002
Non-controlling Interests	(63)	1	1
Basic Earnings per Share Attributable to Owners of the Parent Entity (full Rupiah)	25.54	20.38	17.21
Consolidated Statements of Cash Flows			
Net Cash Provided by Operating Activities	1,224,428	1,802,054	946,584
Net Cash Used in Investing Activities	(4,516,452)	(533,314)	(184,925)
Net Cash Provided by (used in) Financing Activities	3,218,854	(762,981)	(1,200,000)
Financial Ratios			
Profitability Ratios (%)			
Consolidated Profit for the Year to Consolidated Net Sales	21.16	19.82	16.92
Consolidated Profit for the Year to Consolidated Total Assets	13.19	19.35	19.39
Consolidated Profit for the Year to Consolidated Total Equity	15.24	24.25	22.74
Liquidity Ratio (x)			
Consolidated Total Current Assets to Consolidated Total Current Liabilities	6.63	3.83	4.88
Solvability Ratio (x)			
Consolidated Total Liabilities to Consolidated Total Assets	0.13	0.20	0.15
Consolidated Total Liabilities to Consolidated Total Equity	0.15	0.25	0.17

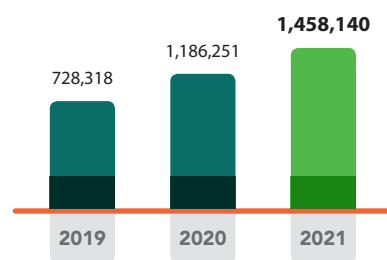
Total Assets

(in million Rupiah)



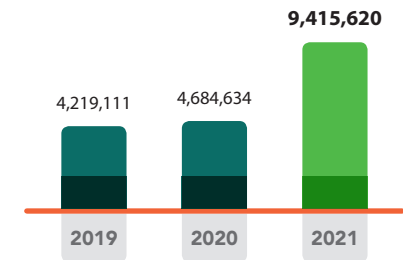
Total Liabilities

(in million Rupiah)



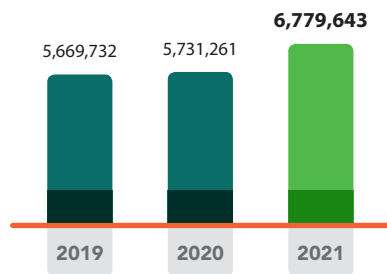
Total Equity

(in million Rupiah)



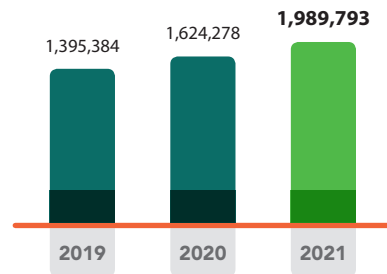
Net Sales

(in million Rupiah)



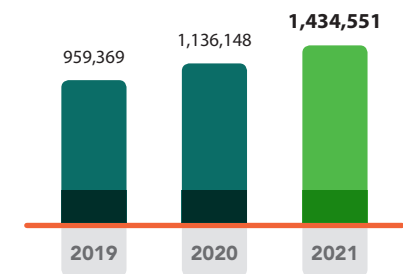
Profit Before Interest, Taxes, Depreciation, and Amortization

(in million Rupiah)

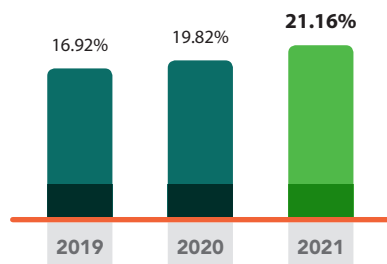


Profit for the Year

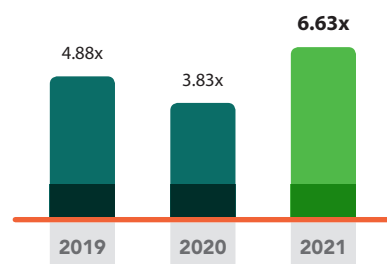
(in million Rupiah)



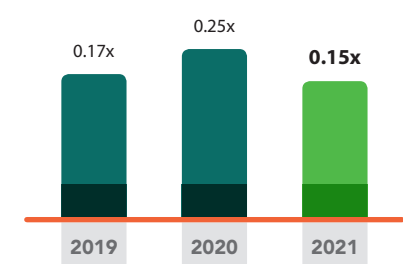
Consolidated Profit for the Year to Consolidated Net Sales



Consolidated Total Current Assets to Consolidated Total Current Liabilities



Consolidated Total Liabilities to Consolidated Total Equity





Operational Overview

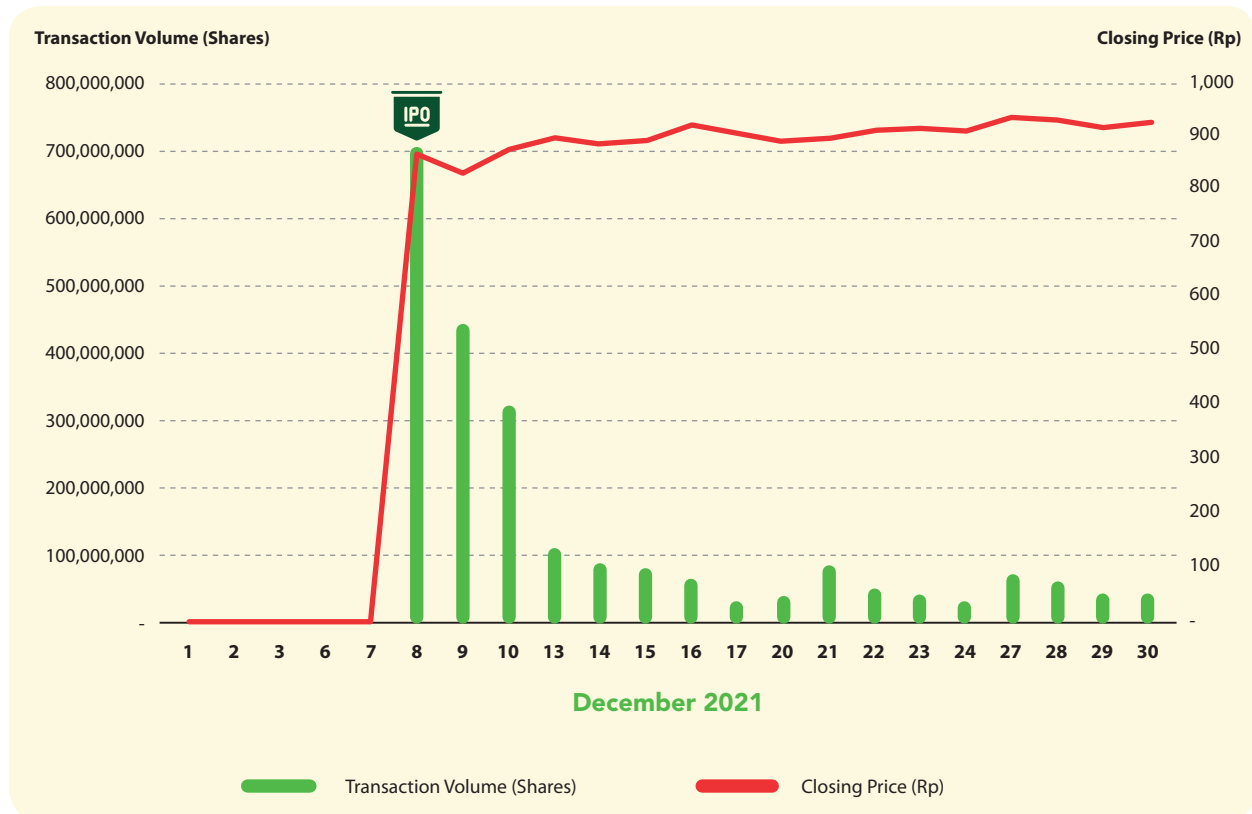
(in million Rupiah, unless otherwise stated)

Net Sales	2021	2020	2019
Architectural Solutions (Wall Paint, Wood and Metal, Leak-proof Paint, Wood Treatment and Others)	5,305,745	4,506,022	4,496,901
Trading Goods (Pipes, Furniture and Supporting Products)	1,473,898	1,225,239	1,172,831
Total Net Sales	6,779,643	5,731,261	5,669,732

Share Overview

Period	Number of Shares			Transaction Volume (Shares)	Number of Outstanding Shares (Shares)	Market Capitalization (Rp)
	Lowest (Rp)	Highest (Rp)	Closing (Rp)			
2021						
Quarter 4	805	970	925	2,323,731,900	61,953,555,600	57,307,038,930,000

The Company conducted an initial public offering of shares on December 8, 2021. A total of 61,953,555,600 of our shares were traded with a total market capitalization of Rp57,307,038,930,000.- at the end of December 2021.



Corporate Actions

A. Based on the Deed of Restatement of Shareholders' Resolutions on Amendments to the Company's Articles of Association No. 3 dated August 4, 2021, drawn up before Liestiani Wang, S.H., M.Kn., a Notary in South Jakarta Administrative City and upon approval from the Minister of Law and Human Rights based on Decree No. AHU-0043612.AH.01.02.TAHUN 2021 dated August 12, 2021, and as notified to the Minister of Law and Human Rights evidenced by the Receipt of Notification Letter on the Amendment to the Company's Articles of Association No. AHU-AH.01.03-0436412 dated August 12, 2021, the Shareholders of the Company have agreed to, among other things, the following:

1. Status change of the Company from a private company to a public company in accordance with the applicable laws and regulations as well as name change of the Company, from "PT AVIA AVIAN" to "PT AVIA AVIAN Tbk.";

2. Increase of the Company's authorized capital from Rp1,200,000,000,000.- to Rp2,000,000,000,000.-;
3. Change in the nominal value of shares from Rp1,000.- per share to Rp10.- per share (1:100 ratio) so that the number of issued and paid-up shares increased from 557,535,556 shares to 55,753,555,600 shares;
4. The execution of a public offering through the issuance of new shares from the Company's unissued shares (portfolio) of up to 6,200,000,000 new shares with a nominal value of Rp10.- per share. In this event, the Initial Public Offering was conducted on December 8, 2021 with a total of 6,200,000,000 new shares or 10.0075% of the total issued and paid-up capital of the Company with a nominal value of Rp10.- per share and an offering price of Rp930.-; and
5. The implementation of Employee Stock Allocation (ESA) program with a maximum of 2.00% of the number of new shares offered in the Initial Public Offering. In this event, the implementation of the ESA program was in the amount of 3,099,300 shares or 0.05% of the number of new shares offered in the initial public offering.



Thus, the capital structure and composition of the Company's Shareholders before and after the initial public offering are as follows:

Share Capital
Consisting of Registered Common Shares
With a Nominal Value of Rp10.- per Share

Description	Before Initial Public Offering			After Initial Public Offering		
	Number of Shares (Shares)	Total Nominal Value (Rp)	Share Ownership (%)	Number of Shares (Shares)	Total Nominal Value (Rp)	Share Ownership (%)
Authorized capital	200,000,000,000	2,000,000,000,000		200,000,000,000	2,000,000,000,000	
Issued and Paid Up Capital						
PT Tancorp Surya Sentosa	24,587,318,000	245,873,180,000	44.10	24,587,318,000	245,873,180,000	39.69
PT Wahana Lancar Rejeki	21,827,334,500	218,273,345,000	39.14	21,827,334,500	218,273,345,000	35.23
Archipelago Investment Private Limited	5,575,355,600	55,753,556,000	10.00	5,575,355,600	55,753,556,000	9.00
Robert Christian Tanoko	1,505,382,500	15,053,825,000	2.70	1,505,382,500	15,053,825,000	2.43
Rudi Tanoko	1,129,082,500	11,290,825,000	2.03	1,129,082,500	11,290,825,000	1.82
Rony Tanoko	1,129,082,500	11,290,825,000	2.03	1,129,082,500	11,290,825,000	1.82
Public	-	-	-	6,196,900,700	61,969,007,000	10.00
ESA	-	-	-	3,099,300	30,993,000	0.01
Total Issued and Paid Up Capital	55,753,555,600	557,535,556,000	100.00	61,953,555,600	619,535,556,000	100.00
Shares in Portfolio	144,246,444,400	1,442,464,444,000		138,046,444,400	1,380,464,444,000	

B. Based on Deed of Restatement of Shareholders' Resolutions of the Company No. 87 dated September 23, 2021, drawn up before Liestiani Wang, SH, M.Kn., a Notary in South Jakarta Administrative City, the Company's Shareholders have approved the plan to sell shares in the amount of a maximum of 10.00% of the Company's paid-up capital owned by the Shareholders ("Selling

Shareholders") by means of a Private Placement by the Selling Shareholder as the Company's Shareholders for their shares totaling 5,575,355,600 registered common shares or as much as 10.00% of the issued and paid-up capital of the Company to be executed on the date of listing on the Indonesia Stock Exchange at the same offering price as the initial public offering of shares.

Thus, the capital structure and composition of the Company's Shareholders after the Private Placement are as follows:

Share Capital
Consisting of Registered Common Shares
With a Nominal Value of Rp10.- per Share

Description	Before Initial Public Offering			After Initial Public Offering, Implementation of ESA and Private Placement		
	Number of Shares (Shares)	Total Nominal Value (Rp)	Share Ownership (%)	Number of Shares (Shares)	Total Nominal Value (Rp)	Share Ownership (%)
Authorized capital	200,000,000,000	2,000,000,000,000		200,000,000,000	2,000,000,000,000	
Issued and Paid Up Capital						
PT Tancorp Surya Sentosa	24,587,318,000	245,873,180,000	44.10	22,674,971,000	226,749,710,000	36.60
PT Wahana Lancar Rejeki	21,827,334,500	218,273,345,000	39.14	20,129,652,900	201,296,529,000	32.49
Archipelago Investment Private Limited	5,575,355,600	55,753,556,000	10.00	3,902,748,900	39,027,489,000	6.30
Robert Christian Tanoko	1,505,382,500	15,053,825,000	2.70	1,388,297,200	13,882,972,000	2.24
Rudi Tanoko	1,129,082,500	11,290,825,000	2.03	1,041,265,000	10,412,650,000	1.68
Rony Tanoko	1,129,082,500	11,290,825,000	2.03	1,041,265,000	10,412,650,000	1.68
Public	-	-	-	11,772,256,300	117,722,563,000	19.00
ESA	-	-	-	3,099,300	30,993,000	0.01
Total Issued and Paid Up Capital	55,753,555,600	557,535,556,000	100.00	61,953,555,600	619,535,556,000	100.00
Shares in Portfolio	144,246,444,400	1,442,464,444,000		138,046,444,400	1,380,464,444,000	

Share Trading Information

Throughout 2021, the Company did not experience temporary suspension of share trading or delisting of shares.

Information Regarding Bonds, Sukuk, or Convertible Bonds

Up until the end of 2021, the Company has never issued bonds, sukuk, or convertible bonds.

Significant Events

1

February 2021



The Company, in collaboration with PT Cipta Mortar Utama, a Subsidiary of Saint-Gobain Group, established PT Bangun Bersama Solusindo as a joint venture company with 50.00% share ownership each. This measure is our strategy to enter the two-component cement-based leak-proof paint market in Indonesia.

13

October 2021



The Company acquired 67.00% share ownership of PT Multipro Paint Indonesia, a company engaged in manufacturing protective paint and marine paint.

8

December 2021



The Company conducted an Initial Public Offering on the Indonesia Stock Exchange with the number of shares offered reaching 6,200,000,000 new shares which are registered common shares or 10.0075% of our total issued and paid-up capital.

31

December 2021



The Company expanded its national distribution network by increasing the number of its own distribution centers to 101 which are located in 34 provinces and 98 cities across Indonesia. The distribution centers are operated by the two Subsidiaries, namely PT Tirtakencana Tatawarna and PT Tirtakencana Batamindo.

Awards and Certifications

Awards



Blue Rating of National PROPER

Organizer : Indonesian Ministry of Environment and Forestry
Recipient : PT Avia Avian Tbk.
Period : 2021

Certifications



ISO 9001:2015 on Quality Management System

Organizer : PT Lloyd's Register Indonesia
Validity Period : December 27, 2021-February 27, 2024



ISO 45001:2018 on Occupational Health and Safety Management System

Organizer : PT Lloyd's Register Indonesia
Validity Period : October 27, 2021-October 26, 2024



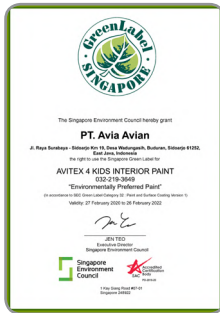
ISO 14001:2015 on Environmental Management System

Organizer : PT Lloyd's Register Indonesia
Validity Period : June 20, 2019-February 18, 2022



SNI 3564:2014

Organizer : Certification Institute for Chempack Product, Chemical and Packaging Main Center, Indonesian Ministry of Industry
Validity Period : November 4, 2019-May 24, 2022



Singapore Green Label

Product :
Avitex 4 Kids Interior Paint
Organizer :
Singapore Environment Council
Validity Period :
February 27, 2020-
February 26, 2022



Singapore Green Label

Product :
Sunguard All In One
Organizer :
Singapore Environment Council
Validity Period :
August 8, 2020-August 7, 2022



Singapore Green Label

Product :
Everglo Kids Care Interior Paint
Organizer :
Singapore Environment Council
Validity Period :
February 27, 2020-
February 26, 2022



Singapore Green Label

Product :
Home Deco Glow In The Dark
Interior Paint
Organizer :
Singapore Environment Council
Validity Period :
August 20, 2020-August 19, 2022



Singapore Green Label

Product :
Supersilk Anti-Noda
Organizer :
Singapore Environment Council
Validity Period :
May 30, 2020-May 29, 2022



Singapore Green Label

Product :
Home Deco Magnetic Interior
Paint
Organizer :
Singapore Environment Council
Validity Period :
August 20, 2020-August 19, 2022



Singapore Green Label

Product :
Lenkote Home Deco Metallic Paint
Gold
Organizer :
Singapore Environment Council
Validity Period :
July 25, 2020-July 24, 2022



Singapore Green Label

Product :
No Odor Medicare
Organizer :
Singapore Environment Council
Validity Period :
September 06, 2020-
September 05, 2022



Singapore Green Label

Product :
Lenkote Home Deco Metallic Paint
Silver
Organizer :
Singapore Environment Council
Validity Period :
July 25, 2020-July 24, 2022



Singapore Green Label

Product :
Avitex One Coat
Organizer :
Singapore Environment Council
Validity Period :
December 22, 2020-
December 21, 2022



Singapore Green Label

Product :
Sunguard
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023



Singapore Green Label

Product :
Everglo
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023



Singapore Green Label

Product :
Supersilk
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023



Singapore Green Label

Product :
Avitex Dapur & Kamar Mandi
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023



Singapore Green Label

Product :
Aquamatt
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023



Singapore Green Label

Product :
Lenkote Alkali Resisting Primer
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023



Singapore Green Label

Product :
No Odor
Organizer :
Singapore Environment Council
Validity Period :
November 25, 2021-
November 24, 2023





Management Report



Board of Commissioners Report



Hermanto Tanoko

President Commissioner

Dear Shareholders and Stakeholders,

It is an honor for us, members of the Board of Commissioners of PT Avia Avian Tbk. (the "Company"), to guide the Company through 2021 with extraordinary achievements. The year brought new colours and signified a historical milestone in the Company's sustainability journey. This achievement is the result of the commitment of all of our personnel to strive for rapid, solid, and sustainable growth along with strong optimism to face economic and industrial challenges.

Economic Conditions in 2021

In 2021 the economy began to gradually improve, even if the improvement is still unequally spread and marked with uncertainties. This performance was underpinned by the government's actions to accelerate vaccination and the management of Covid-19 pandemic, as well as fiscal and monetary policy stimulus. The economic and industry players have gained some strength to move the economy, even when accompanied with limitations that disrupted the supply chain of goods and services.

Assessment of the Performance of the Board of Directors

In the midst of the socio-economic challenges faced, the Company was able to continue to solidly grow due to prudent operational and financial management. We appreciate the performance of the Board of Directors who have improved the performance

achievement in 2021 compared to the previous year. Net sales grew by 18.29%, resulting in the net profit growth rate of 26.26% for the year. This growth in operational performance was also supported by cost efficiency, particularly a reduction of around 4.46% in operating costs, which helped the Company to be able to increase its operating profit by 24.49%, despite experiencing margin compression due to rising raw material prices.

Not only that, the Company's achievements in implementing vertically integrated business processes where some of the main raw materials are produced in-house, in the paint and decorative coating industry, have also shown good performance in the last 5 years. The Compound Annual Growth Rate (CAGR) for net sales and net income were 11.98% and 15.68%, respectively. This encouraged the Company to continue to innovate, increase production, and expand market share by building a healthy and strong capital structure. Therefore, in December 2021, the Company officially listed its shares on the Indonesia Stock Exchange with the largest amount of capital formation for the paint industry sector in the Asian Region.

Supervision of Strategy Formulation and Implementation

Achieving good performance certainly cannot be separated from the formulation and implementation strategies that are appropriate, innovative, and expansive, but that also remains measurable and controlled. Throughout 2021, the

Board of Directors and management of the Company strived to develop and expand the distribution network to facilitate the reach of the Company's products to the customers. 6 new wholly-owned distribution centers and 4 new third-party distribution centers were opened in 2021. By the end of the year, the Company owned a total of 101 wholly-owned distribution centers and 33 third-party distribution centers. The development of innovative new products was also implemented based on the results of market research concerning customer needs of the Company's various segments. This strategy is supported by the availability of the best resources, modern laboratories, sophisticated technology, and a reliable distribution system that enables the Company to streamline its operational time and costs.

We also appreciate the performance of the Board of Directors who swiftly anticipated the risk of the spread of the Covid-19 pandemic by paying care and attention to the health and safety of every employee and their family through vaccination and swab test programs, provision of Occupational Health and Safety ("OHS") facilities and infrastructures, as well as the implementation of strict health protocols. The Company also conforms to the government's recommendations to arrange a schedule for working from home and from the office in effort to prevent further spread of the virus. Its implementation was accompanied by the application of an adequate information technology system to ensure that operational activities and decision making actions can continue to run properly.



Outlook on Business Prospects

Considering the positive growth trend to date, we believe that the Company's business prospects in 2022 will stay excellent. We are optimistic that the stipulation of growth targets and profit margin levels by the Board of Directors is highly achievable. This optimism is based on the implementation of a reliable management system and full commitment from the highest governance organs to all employees to carry out their roles responsibly. The government's efforts in accelerating the pace the Covid-19 pandemic management concerning the latest variants, are believed to be able to support the smooth production and consumption of goods and services, including products manufactured by the Company.

In maintaining this growth momentum, we encourage the Board of Directors to implement strategies that are adaptive, reliable, measurable, and controllable by taking into account the resulting cost-benefit ratio. Product innovation as well as expansion of distribution network and market share can be done aggressively and wisely. We also support the Board of Directors' plan to expand the Company's core business by acquiring similar companies in order to pursue inorganic growth.

We convey this view with the commitment of the Board of Commissioners to continue to increase the frequency of supervision and provision of advice, both on routine and strategic matters. The function of the Board of Commissioners' supporting organs will be strengthened to support the implementation of a better supervisory function.

Views on the Implementation of Corporate Governance

In the first year of changing its status to a public company, the Company had the necessary governance organs to conduct its business according to the principles of transparency, accountability, responsibility, independence, as well as fairness and equality. The Board of Commissioners had an Audit Committee, a Nomination and Remuneration Committee, and a Good Corporate Governance ("GCG") Committee. Likewise, the Board of Directors had a Corporate Secretary, an Internal Audit Unit, and departments that conduct every business process. Each of these governance organs had a working guideline to maximize the fulfillment of their respective duties and responsibilities. The Company also had the necessary GCG policies to build a healthy and ethical corporate culture in order to realize the Company's goal in becoming a good corporate citizen.

Views on the Implementation of Social and Environmental Responsibility

We view that the Company has a high level of awareness in managing social and environmental risks to maintain sustainable business growth. Environmental management standards at global and national scale have been applied in business processes, such as the Singapore Green Label standard, ISO 14001:2015 on Environmental Management Systems and "Blue" rating from the National PROPER assessment. The Board of Directors and management also periodically conduct environmental management and monitoring efforts to minimize the negative impact of the Company's business on the ecosystem.

Similarly, in managing social risks, the standards of ISO 9001:2015 on Quality Management Systems, ISO 45001:2018 on Occupational Health and Safety Management Systems, and SNI 3564:2014 have been applied. In addition, the Board of Directors and management regularly conduct corporate social responsibility initiatives for the community.



Changes in the Composition of Members of the Board of Commissioners

In 2021, there were changes in the composition of the Company's Board of Commissioners with term of office from 2021 until the Annual General Meeting of Shareholders to be held in 2026, with details as follows:

Name	Appointment
Hermanto Tanoko	President Commissioner
Choo Koon Po¹⁾	Commissioner
Amit Kunal²⁾	Commissioner
Mohammad Noor Rachman Soejoeti³⁾	Independent Commissioner

1) Effectively resigned since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 28 dated May 31, 2021, drawn up before Anwar, Bachelor of Law, Master of Notary, a Notary in Gresik Regency.

2) Effectively resigned since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 47 dated August 27, 2021, drawn up before Anwar, Bachelor of Law, Master of Notary, a Notary in Gresik Regency.

3) Effectively appointed since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, Bachelor of Law, Master of Notary, a Notary in Gresik Regency.

Frequency and Method of Advice Provision to the Board of Directors

The Board of Commissioners is tasked with supervising and monitoring the Company's business continuity by providing advice to the Board of Directors through regular monthly meetings with the Board of Directors. This is to ensure that the Shareholders' policies and directions from the Board of Commissioners have been carried out properly by the Board of Directors. In the meetings, the Board of Directors and the Board of Commissioners also discussed business performances and other strategic matters that can increase or achieve the Company's business targets. The working relationship between the Board of Commissioners and the Board of Directors has been very well established and prioritizes the principle of mutual respect for the authority of each party.

Closing

We appreciate and are grateful for all the efforts made by the Board of Directors, management, and all employees in creating growth and sustainability of the Company's business. We would like to thank the Majority and Minority Shareholders for their great trust and support for the Company. We also thank all business partners and customers for the mutually beneficial cooperation as well as enthusiasm and loyalty to the Company's products.

All forms of support have enriched our spirit and motivation in continuing to deliver the best performance for all stakeholders. We also invite all parties to continue lending their support and cooperation for the Company so that it can grow into a national company with the strength to compete globally, particularly in the Asian Region.

On behalf of the Board of Commissioners of PT Avia Avian Tbk.,



Hermanto Tanoko
President Commissioner



Board of Directors Report



Wijono Tanoko

President Director

Dear Shareholders and Stakeholders,

We, members of Board of Directors of PT Avia Avian Tbk. (the “Company”), are grateful for the Company’s excellent performance in 2021. During the year, the global and national economic growth began to improve, even though it remained a challenge for industry players. Nevertheless, the Company was able to perform above the domestic industry average and to attract the attention of a larger market as the first national paint producer to enter the Indonesia Stock Exchange. This achievement is certainly the result of the implementation of well-targeted strategies as well as good and prudent company management.

Economic and Industrial Conditions in 2021

Economic recovery continued throughout 2021, although it was still impacted by the emergence of the Delta variant in Covid-19 pandemic, holding back the general pace of performance. The recovery was supported by increased mobility, along with accelerated vaccinations, reduced rates of virus spread, wider opening of economic sectors, continued fiscal and monetary policy stimulus, improved consumption behavior, and the ongoing strong export performance. Likewise, external stability remained preserved, as indicated by the improving inflows of foreign capital which contributed to a surplus increase in Indonesia’s Balance of Payments, the relatively stable Rupiah exchange rate, along with inflation rate that remained low amidst increasing domestic demands.

Economic growth across Indonesia was also supported by positive performance from all business sectors, although the growth was still slow. Some of the sectors that recorded the best performance were manufacturing, trading, as well as mining and quarrying

industries. Meanwhile, industries related to services and mobility, such as the transportation and warehousing sector, as well as the provision of accommodation and food and drink were still hampered.

Challenges and Strategies in Business Growth

In line with the challenges experienced by the industry in the country, the Company also encounters challenges, both internally as well as externally. In the midst of a pandemic that limits our mobility, the Company must maintain operational stability and employee productivity in order to achieve healthy financial performance growth. To overcome this risk, the Company has improved its information technology system which allows every employee to access data and information and to prepare reports in a timely manner to ensure the smooth running of monitoring and evaluation processes.

Even with its status as the leader of the domestic paint industry, the Company still faces a rather competitive market domination. Therefore, the Company continues to increase its market share by developing various product and service innovations. The development of new products continues to be carried out by taking into account the results of market research and the latest development trends. In doing so, the Company continues to look for good substitutes for raw materials, with competitive prices, minimal environmental impact, and assured availability. Additionally, operational cost control continues to be carried out as part of the initiative to streamline costs and keep margins at optimal levels.

The Company also continues to ensure that customer service and product distribution are carried out in a timely and well-controlled manner. To that end, the Company has added new

distribution networks which, by the end of 2021, totaled 101 wholly-owned distribution centers and 33 third party distribution centers, reaching more than 54,000 customers. Every salesperson of the Company who interacts directly with key customers, such as building material stores throughout Indonesia, has also been equipped with a tablet that contains detailed information on products and orders, schedules of deliveries and visits to customers, and that can be used to find out more about customer satisfaction level. Likewise, all distribution vehicles have been equipped with a Global Positioning System (“GPS”) to facilitate product deliveries by the Company’s drivers.

In seeking growth in various business lines and operational aspects, the Company needs to observe a strong capital that is able to accommodate future business development plans. To that end, in December 2021, the Company conducted an initial public offering to the public and a limited offering to the Company’s Shareholders. This corporate action provided a significant increase in capital for the Company to meet its business development plan that has been set out.

The Role of the Board of Directors in the Formulation and Implementation of Strategies

Every strategy adopted by the Company has gone through careful consideration and planning by taking into account the risk profile and opportunities for solid and sustainable growth. We actively communicate and coordinate with the Board of Commissioners through regular monthly meetings. The meetings discuss the strategy to be taken and the monitoring of its implementation to ensure that it is timely and on target.



To monitor and evaluate, we utilize the Enterprise Resource Planning ("ERP") system which integrates data and information management in various departments and business units. This system is able generate reports and data in an accurate and real-time manner so that supervision and decision making on business processes, from upstream to downstream, can be effective.

Even though all business processes are managed in an integrated manner, we remain attentively focus on the growth of each business segment. We strive for each segment to continue to increase its market share or even to become a market leader with superior products and services, as well as healthy financial liquidity.

Performance Achievements

The Company recorded significant growth in operations and finances due to its good management throughout 2021. Net sales grew 18.29% compared to 2020. This triumphant achievement outperformed our competitors and the national paint industry in general.

The net sales growth generated mainly from the architectural solutions segment, the Company's main business segment, which produces wall paint, wood and metal paint, leak-proof paint, wood care, and others. The good performance of this segment was supported by improving economic conditions and the consumer purchasing power, even when several price adjustments, between 4%-7%, have been made by the Company's management in anticipation of rising raw material prices.

This net sales growth boosted profit growth for the year by 26.26% compared to 2020. Although the Company experienced gross margin compression from 43.95% in 2020 to 41.68% in 2021, the well-implemented cost saving initiatives on operating costs has enabled the Company to increase its operating profit by 24.49%.

The Company's financial ratios were also recorded to remain at an optimal level, although several profitability ratios experienced a performance decline compared to the previous period. This condition was mainly affected by the Initial Public Offering proceeds which have not been fully effective in generating returns. Meanwhile, the Company's liquidity level as indicated by the ratio of total current assets to total current liabilities showed an increasing trend to 6.63 times from 3.83 times in 2020.

Business Prospect

For 2022, we believe that the Company will still be able record double digit growth, around 15%. This optimistic projection is supported by the Company's competitive strengths. A business model with vertical integration where some of

the main raw materials are produced internally (in-house production), creates strong competition for its competitors. The Company also has an extensive distribution network throughout Indonesia, which will continue to be improved in 2022 through its Subsidiary, namely PT Tirtakencana Tatawarna. In addition, the Company's position as a market leader in the national paint industry will provide a large portion of business growth in the coming year.

Another factor affecting the Company's business prospect is Indonesia's large young population and rapid urbanization growth that will drive the growth of the paint industry. Economic growth is also projected to continue to improve so that consumer purchasing power, including that for the Company's products, will increase.

Implementation of Corporate Governance

Growth in the Company's business must be accompanied by improvement in the quality of corporate governance. In its preparation to become a public company, the Company has built an adequate governance structure. In order to maximize the role of the Board of Commissioners in supervising and providing advice, supporting committees have been established. The Audit Committee plays a role in supporting the effectiveness of supervision related to financial reports, implementation of internal and external audit functions, and compliance with prevailing laws and regulations. The Nomination and Remuneration Committee plays a role in evaluating remuneration policies and assessing the performance of the Board of Commissioners and the Board of Directors as a whole. Meanwhile, the Good Corporate Governance Committee plays a role in overseeing the implementation of the Business Ethics and Code of Conduct, receiving and following up on any reports of violation that occur, as well as providing recommendations for resolution of violations.

Likewise, the Board of Directors has supporting organs in its duty in performing the management function of the Company. The Board of Directors has a Corporate Secretary who acts as the Company's main liaison with stakeholders and helps to ensure compliance with regulations from the capital market authorities, as well as an Internal Audit Unit whose role is to monitor and assess the quality of compliance with every governance policy and procedure, whether stipulated internally by the Company or externally by the regulators.

Each governance and its supporting organs have a working guideline and has started performing its duties and responsibilities in 2021. Coordination meetings at the level of the Board of Commissioners and/or at the level of the Board of Directors have been convened to formulate the best policies and strategies for the best business management and growth.

Implementation of Social and Environmental Responsibility

As part of the implementation of corporate governance, the Company also fulfills its responsibilities to various stakeholder groups, both internal and external. For employees, the Company applies fair and responsible labor management practices by, among others, maintaining the welfare as well as health and safety of employees. In the midst of the pandemic, the Company implement strict health protocols, in offices, manufacturing facilities, and distribution centers. To prevent and minimize transmission, employees are given routine swab tests, vitamins, and mandatory vaccinations.

In presenting products and services that meet customer expectations, the Company applies applicable standards concerning the Singapore Green Label. A total of 16 products are produced by adhering to the environmentally friendly category.

In addition, the Company also continues to actively support the community through various Corporate Social Responsibility ("CSR") programs. The initiatives implemented are programs that are selected in accordance with the needs of the targeted community groups. Thus, the presence of the Company is able to provide direct benefits to stakeholders.

Changes in the Composition of the Board of Directors

In 2021, there was no change in the composition of the members of the Company's Board of Directors. The term of office of members of the Board of Directors is for the period from 2021 until the Annual General Meeting of Shareholders to be held in 2026, with details as follows:

Name	Appointment
Wijono Tanoko	President Director
Ruslan Tanoko	Vice President Director
Robert Christian Tanoko	Director
Kurnia Hadi Sinanto	Director

Closing

Through this Board of Directors Report, we express our appreciation and gratitude to all parties who have, directly or indirectly, supported the Company's business journey. The trust, support, and cooperation from the Shareholders, the Board of Commissioners, all employees, and business partners have enabled the Company to continue to record healthy and solid growth amidst uncertain economic and industrial challenges. We also appreciate our customers' loyalty to the Company's products and support from the community which creates positive interest in the market.

We are committed to continuously improve the quality of management and innovate in development of superior products that will paint economic and industrial growth in Indonesia as well as in the Asian Region. We hope that the presence of the Company can serve as a benchmark for other companies in similar industries to continue to improve their performance and, together, to advance the national paint industry to compete at a global level.

On behalf of the Board of Directors of PT Avia Avian Tbk.,



Wijono Tanoko
President Director





Company Profile



More than:

54,500

Building Materials Outlets
Across Indonesia



>1,650

Products (SKU)



5

Subsidiaries



101

Own Distribution Centers



33

Third Party Distribution
Centers



16

Singapore Green Label
Certified Products



2

Manufacturing
Facilities



Company Identity

Legal Basis of Establishment

PT Avia Avian was established based on the Deed of Establishment of a Limited Liability Company No. 06 dated March 1, 1983, as amended by Deed No. 63 dated May 23, 1983, both of the deeds were drawn up before Indrawati Setiabudhi, S.H., a Notary in Malang. The deeds have been approved by the Minister of Justice of the Republic of Indonesia based on the Decree of the Ministry of Justice of the Republic of Indonesia with Decree No. C2-4984. HT.01.01.1983 dated July 5, 1983 and has been registered at the Malang District Court No. 016/PP/PI/VIII/1983 dated August 8, 1983.



Headquarter

Jl. Surabaya – Sidoarjo KM. 19
Kel. Wadungasih, Kec. Buduran
Sidoarjo, 61254
Jawa Timur, Indonesia

☎ (62-31) 8968000
@ corsec@avianbrands.com
investor.relations@avianbrands.com
🌐 www.avianbrands.com



Branch office

Avian Brands Building
Jl. Ahmad Yani No. 317
Surabaya, 60234
Jawa Timur, Indonesia

(62-31) 99850500/99850600



Avian
BRANDS

PT Avia Avian Tbk.

Date of Establishment

March 1, 1983



Issued and Paid Up Capital

Rp619,535,556,000.-



Business Sector

Manufacture and trade of paints and printing inks, varnishes, lacquers, adhesives or glues, mortar or ready mix concrete.



Listing of Shares on the Stock Exchange

December 8, 2021
on the Indonesian Stock Exchange

Authorized capital

Rp2,000,000,000,000.-



Stock Code

AVIA



Legal Basis for Change of Status

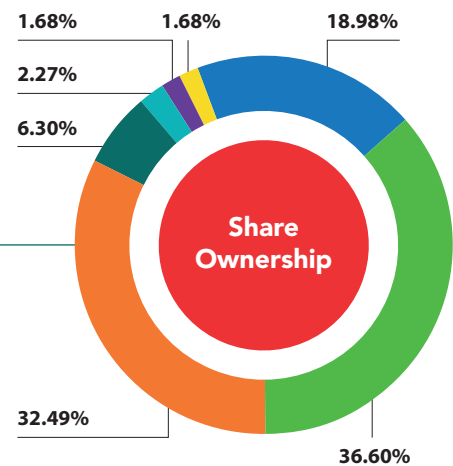
PT Avia Avian Tbk.

Deed of Restatement of Shareholders' Resolutions on Amendment to the Company's Articles of Association No. 3 dated August 4, 2021, drawn up before Liestiani Wang, SH, M.Kn., a Notary in the Administrative City of South Jakarta, which has obtained the approval from the Minister of Law and Human Rights of the Republic of Indonesia based on Decree No. AHU-0043612.AH.01.02.TAHUN 2021 dated August 12, 2021 and has been notified to the Minister of Law and Human Rights of the Republic of Indonesia based on the Receipt of Notification of Amendment to the Articles of Association Number AHU-AH.01.03-0436412 dated August 12, 2021, both of which have been registered in the Company Register at the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0137095.AH.01.11.2021.TAHUN 2021 dated August 12, 2021.

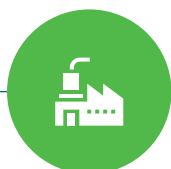


Cause for Status Change

The change of name was executed in the context of the Initial Public Offering, which changed the legal entity status of the Company to a public company (Tbk) by trading shares listed on the Indonesia Stock Exchange.



- PT Tancorp Surya Sentosa
- PT Wahana Lancar Rejeki
- Archipelago Investment Pte Ltd
- Robert Christian Tanoko
- Rudi Tanoko
- Rony Tanoko
- Public (each below 5%)



Address of Manufacturing Facilities

Sidoarjo

Jl. Surabaya – Sidoarjo KM. 19
Kel. Wadungasih, Kec. Buduran
Sidoarjo, 61254
Jawa Timur, Indonesia
T : (62-31) 8968000

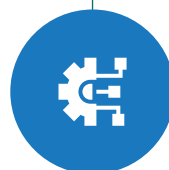
Serang

Jl. Raya Serang KM. 60
Kawasan Pancatama 5 Kav. 50,
Leuwilimur, Leuwi Limus, Cikande,
Kabupaten Serang, 42186
Banten, Indonesia
T : (62-254) 402655



Total Employees (including Subsidiaries)

Male	6,339 Employees
Female	1,430 Employees

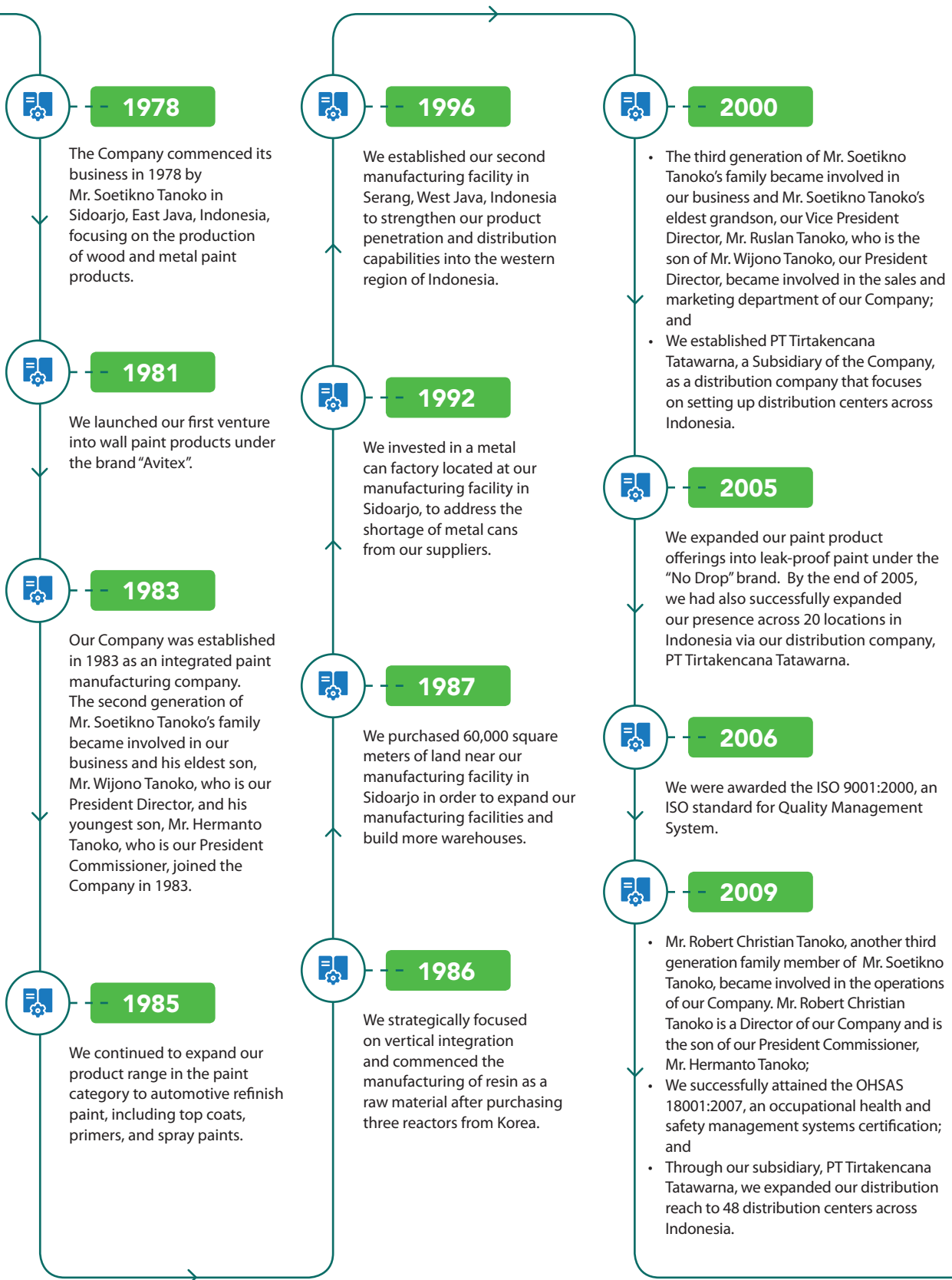


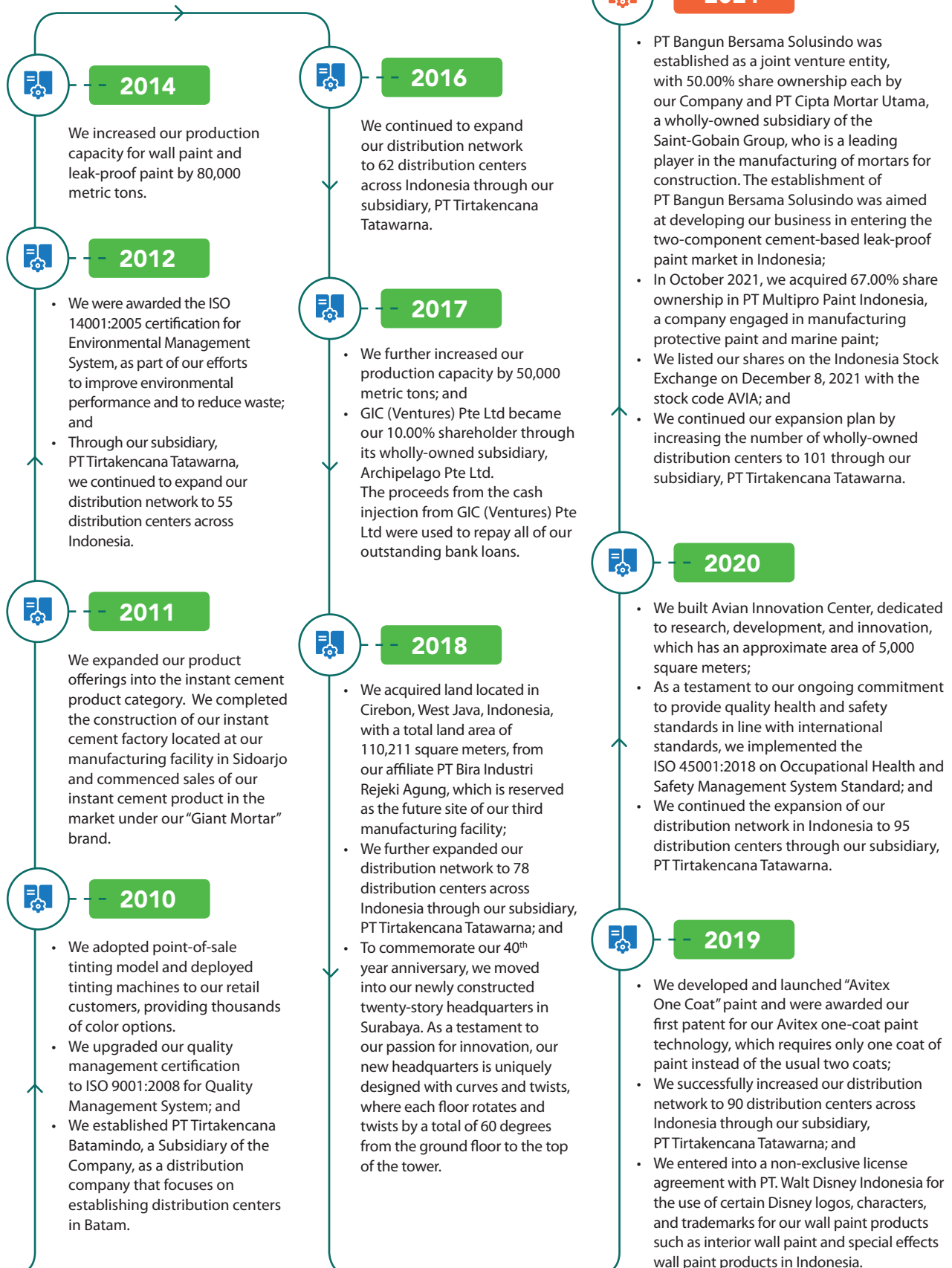
Social Media

-  @avianbrands
-  Avian Brands
-  Avian Brands
-  avian.brands
-  Avian Brands



Milestones







Brief History

We continue to strive to become the leading paint company in Indonesia that is always in line with the latest technological development trends and market needs. This commitment is realized through the establishment of Avian Innovation Center dedicated to research, development, and innovation, which is located within our manufacturing facility in Sidoarjo, East Java, equipped with 11 laboratories with state-of-the-art technology and is supported by 68 highly qualified chemists.

The Company commenced its business in 1978 by Mr. Soetikno Tanoko in Sidoarjo, Indonesia, as an integrated paint manufacturing company that combines the manufacturing of raw materials and paint packagings through investment in specialized machineries. Mr. Soetikno Tanoko is the father of our President Director, Mr. Wijono Tanoko and our President Commissioner, Mr. Hermanto Tanoko, and is the grandfather of our Vice President Director, Mr. Ruslan Tanoko, and our Director, Mr. Robert Christian Tanoko. We started operations with only one manufacturing facility located in Sidoarjo, East Java. In order to develop our business, we expanded our production operations by opening a second manufacturing facility in Serang, West Java, in 1996. In 2000, we established a Subsidiary, namely PT Tirtakencana Tatawarna, as a distribution company with a focus on setting up distribution centers for our products across Indonesia. Then in 2010, we established another Subsidiary, namely PT Tirtakencana Batamindo, as a distribution company with a focus on setting up distribution centers in Batam. The distribution of our products is also carried out through independent third parties and direct

sales, to ensure that our products are within reach of retail customers throughout Indonesia. Up until the end of 2021, we own 101 wholly-owned distribution centers, which are operated by our Subsidiaries, PT Tirtakencana Tatawarna and PT Tirtakencana Batamindo, as well as 33 third party distribution centers.

We continue to strive to become the leading paint company in Indonesia that is always in line with the latest technological development trends and market needs, but still prioritizes sustainability aspects. This commitment is realized through the establishment of Avian Innovation Center dedicated to research, development, and innovation, which is located within our manufacturing facility in Sidoarjo, East Java, with a total floor area of approximately 5,000 square meters. The Avian Innovation Center is equipped with 11 laboratories with state-of-the-art technology and is supported by 68 highly qualified chemists. We continue to focus on integrating sustainability in product innovation and development, as well as on expanding our portfolio of sustainable products. In this regard, we are committed to





transitioning from petrochemical products to bio-based products. To achieve this goal, we have taken the initial steps to invest in attaining the Singapore Green Labeling Scheme certification, a labeling scheme that awards the Singapore Green Label for products that meet its standards regarding Volatile Organic Compound (“VOC”) content, free of heavy metals content, and the use of bio-based or alternative raw materials. As of December 31, 2021, we have been awarded Singapore Green Label for 16 of our products.

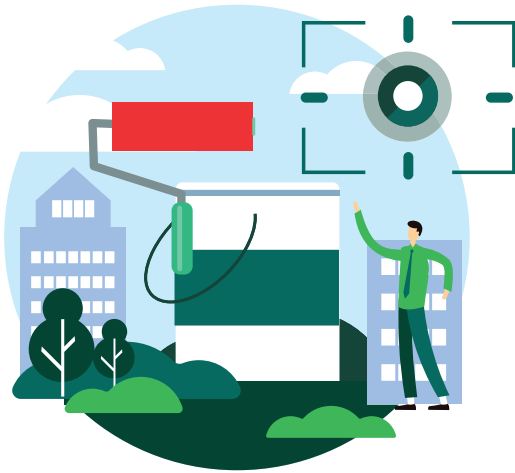
To strengthen our position and to expand market share, we established PT Solusi Rumah Praktis with 99.99% share ownership in 2018. In 2021, we invested in a joint venture entity, PT Bangun Bersama Solusindo, and acquired PT Multipro Paint Indonesia with an ownership of 67.00% shares. Therefore, by the end of 2021, we own 3 direct Subsidiaries, 1 indirect Subsidiary, and 1 joint venture company.

In line with our growing business activities, we conducted an Initial Public Offering of Shares on the Indonesia Stock Exchange on December 8, 2021. Through this strategic step, our capital structure has grown stronger that it is able to support the realization of various arranged business expansion plans. With a track record of more than 43 years, we are now a market leader in the production and distribution of paints and coatings in Indonesia. This success is driven by our commitment to producing high quality products which translates to customer loyalty, customer retention, and strong brand recognition as well as a comprehensive product offering in architectural solutions and trading goods catering to a wide range of customer needs. Going forward, we will continue to maintain our enthusiasm and improve the quality of our products and services to ensure the continuity of our business in the longer term.



Vision, Mission, and Company Values

Vision and Mission



Vision

To become an integrated, environmentally-friendly, leading and trusted paint company in Indonesia.



Mission

To provide added value for stakeholders through the development of various quality paints.

Company Values



C

Customer focus

Able to make (internal and external) customers and their needs as the main focus in a positive and productive working relationship.



In

Integrity

Be honest in words, have the commitment and consistency in acting according to rules, norms, and morality.



T

Teamwork

Ability to be part of a group, to work with the members of the group, and to contribute to the achievement of the group's goals.



A

Agility

Ability to be agile, flexible, and assertive in anticipating, initiating, and taking advantage of any opportunity as well as to avoid negative consequences from the changes.



Business Activities

Based on article 3 of the Company's Articles of Association which was last ratified through the Deed of Restatement of Shareholders' Resolutions on Amendment to the Company's Articles of Association No. 3 dated August 4, 2021, drawn up before Liestiani Wang, S.H., M.Kn., a Notary in South Jakarta Administrative City, the purpose and objective of the Company is to engage in the manufacturing industries and wholesale trade. To achieve these aim and objective, the Company may carry out the following business activities:

1. **Paint and Printing Ink Industry.**
This group covers the manufacture of various paints, such as base paint, metal paint, wood paint, wall paint, boat paint, epoxy and enamel paint, and lacquer. Including the industries of processed pigments and dyes, dyes and opacifiers, enamel polish and coatings and other preparat, printing inks and art paints.
2. **Varnish Industry (Including Mastic).**
This group covers the manufacture of various kinds of varnishes, such as organic composite solvents and thinners as well as paint or varnish removers. Including the mastic.
3. **Lacquer Industry.**
This group covers the manufacture of lacquers. Including the industries of putty and plaster or putty compounds and non-refractory putty or similar surface-covering materials.
4. **Adhesive/Glue Industry.**
This group covers the manufacture of adhesives/glues for industrial or household purposes derived from plants, animals or plastics, such as starch, bone adhesives, cellulose esters and ethers, phenol formaldehyde, urea formaldehyde, melamine formaldehyde, and epoxy adhesives.

5. **Mortar or Ready-to-use Concrete Industry.**
This group covers the manufacture of ready mixed and dry mixed concrete and mortar.

Additionally, to support the main business activities, the Company may perform supporting business activities as follows:

1. **Industry of Organic Basic Chemical for Raw Materials of Dyes and Pigments, Dyes and Pigments.**
This group covers basic chemical industry businesses that produce organic chemicals, dyes, and pigments with their cyclical intermediates, such as phenol intermediates and their derivatives, textile dyes and dyes for food and medicine.
2. **Industry of Artificial Resin (Synthetic Resin) and Plastic Raw Materials.**
This group covers the manufacture of artificial resins and plastic raw materials (pure plastic ore), such as alkyds, polyesters, aminos, polyamides, epoxides, silicones, polyurethanes, polyethylene (PE), polypropylene (PP), polystyrene, polyvinyl chloride, cellulose acetate, and cellulose nitrate. Further processing of artificial resins and purchased plastic materials to produce goods from these raw materials, such as plastic articles and films and filmsheets that are not yet sensitive to light are included in group 26800.
3. **Industry of Buckets, Cans, Drums and Other Metal Containers.**
This group covers the manufacture of metal/canned containers, such as food/beverage cans, paint/other chemical cans, barrels, drums, buckets, boxes, jerrycans, and others. Including the metallic closure industry.
4. **Paints Wholesale Trade.**
This group covers large trading businesses of various kinds of paints for construction materials, such as base paints, metal paints, wood paints, and wall paints. Including the retail trade of enamel, putty, and plaster.

Business Activities Based on Articles of Association	Has/Has Not Been Performed
Main Business Activities	
Paint and Printing Ink Industry	√
Varnish Industry (Including Mastic)	√
Lacquer Industry	√
Adhesive/Glue Industry	√
Mortar or Ready-to-use Concrete Industry	√
Supporting Business Activities	
Industry of Organic Basic Chemical Industry for Raw Materials of Dyes and Pigments, Dyes and Pigments	√
Industry of Artificial Resin (Synthetic Resin) and Plastic Raw Materials	√
Industry of Buckets, Cans, Drums and Other Metal Containers	√
Paints Wholesale Trade	√



Category	Product Name		
Cement Additive	- Giant Mortar L500; and - No Drop Plaston.		
Base Paint	- Avian Zinc Chromate; - Avitex Alkali Resisting Primer; - Belmas Zinc Chromate;	- Lenkote Alkali Resisting Primer; - Lenkote Wall Sealer; - Suzuka 4100 Epoxy Filler;	- Yoko Loodmeni - Base Paint for Wood; and - Yoko Yzermerie - Base Paint for Iron.
Duco and Spray Paint	- Suzuka Clear Coat 2:1; - Suzuka Clear Coat 4:1;	- Suzuka Lacquer; and - Suzuka Spray.	
Roof and Zinc Paint	- Absolute Roof; - Avitex Roof; and	Yoko Roof.	
Wood and Metal Paint	- Avian Aluminium Paint; - Avian Cat Kayu dan Besi;	- Glovin Synthetic; - Platinum Synthetic; and	Yoko Blue.
Floor Coating	- Avian Cat Paving; and - Avian Roadline.		
Natural Stone Coating	- No Lumut Solvent Based; and - No Lumut Water Based.		
Wood Coating	- Boyo Politur Vernis Solvent Based; - Boyo Politur Vernis Water Based; - Wood-Eco Woodstain Solvent Based;	- Wood-Eco Woodstain Water Based; - WoodEco Politur Interior P01; - WoodEco Politur Eksterior P03;	- Boyo Wood Stain Solvent Based; - Boyo Wood Filler Solvent Based; - Boyo Sanding Sealer NC Solvent Based; and - Boyo Clear Coat NC Solvent Based.
Special Effect Paint	- Homedeco Glitz; - Homedeco Glow in the Dark;	- Homedeco Magnetic; and - Homedeco Metallic.	
Wall Paint	- Aquamatt; - Aries Gold; - Aries Cat Tembok; - Avitex 4kids; - Avitex Emulsion; - Avitex Dapur dan Kamar Mandi;	- Avitex Exterior; - Avitex One Coat; - Everglo; - Everglo Kids Care; - Fres; - Jasmine;	- No Odor; - No Odor Medicare; - Sunguard; - Sunguard All inOne; - Supersilk; and - Supersilk Anti Noda.
Others	- Avitex Biocidal Wash; and - Vip Paint Remover.		
Glue	- Avian Lem Epoxy; - Avian Non-Sag Epoxy;	- Lem Putih MAX PVA; - Lem Putih VIP PVA; and	Viplas.
Leak-Proof Paint	- No Drop; - No Drop Bitumen Black;	- No Drop Membran; - No Drop Mortar Anti Bocor; and	PRO-X 207.
Paint Thinner	- Aries Thinner Lacquer A; - Aries Thinner Lacquer A Special;	- Avia Thinner Lacquer Super; - Avian Thinner B Asli; and	Avian Thinner Enamel.
Plaster	- Aries Gold Wall Putty; - Avitex Plamir Tembok; - Giant Mortar 220;	- Lenkote Plamir Tembok (Wall Putty); and - No Odor Wall Putty.	
Instant Cement	- Giant Mortar 260; - Giant Mortar 270; - Giant Mortar 380;	- Giant Mortar 420 - Perekat Keramik; and - Giant Mortar 480.	

Product Development in 2021

As an effort to be a market leader in the paint industry in Indonesia, we routinely conduct research and development on the products that we manufacture. This step is our commitment to continue to provide paint needs for consumers in accordance with the dynamics of market developments. Some of the products that have been successfully developed and circulated in the market throughout 2021 include:



No Drop Mortar
Anti Bocor



Home Deco
Glow in the Dark



Suzuka 21 PU
Clearcoat



Suzuka 41 PU
Clearcoat

Manufacturing Facility

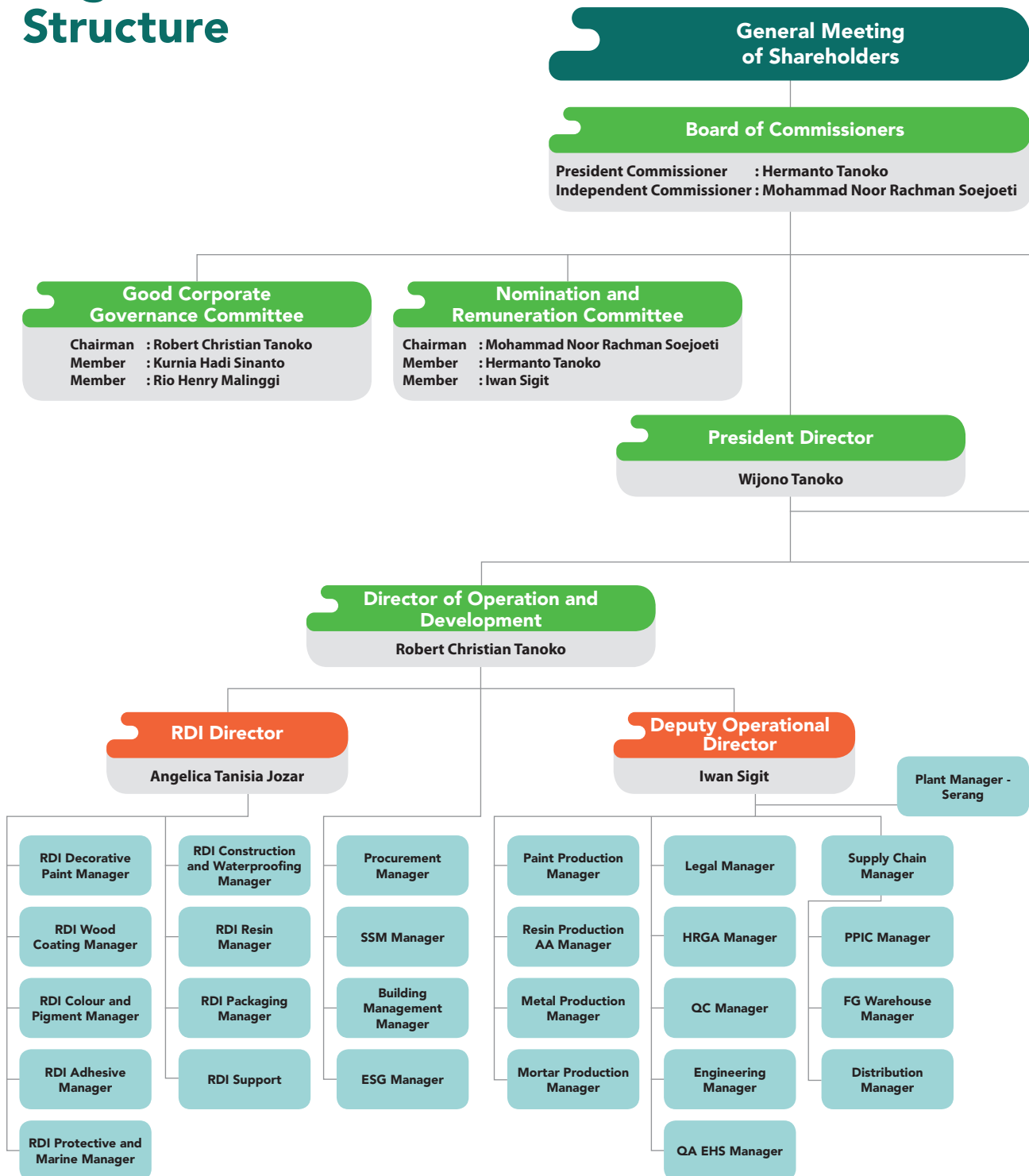
No	Owner	Location	Land Area (square meters)	Year	Main Products	Ownership	Production Shift	Production capacity (in metric tons/year)
1	The Company	Sidoarjo	105,121	1978	No Drop, Avitex, Avian Cat Kayu dan Besi, Supersilk, Sunguard, Aries Gold, Boyo, Jasmine, Avian Thinner, Avian Epoxy, Suzuka, and Giant Mortar.	Right to Build Certificate (under the name of the Company).	Operates 1-2 shifts per day, 5 days/week.	213,840
2	The Company	Serang	36,880	1996	No Drop, Avitex, Avian Cat Kayu dan Besi, Aries Gold, and Giant Mortar.	Right to Build Certificate (under the name of the Company).	Operates 1-2 shifts per day, 5 days/week.	72,576
Total								286,416

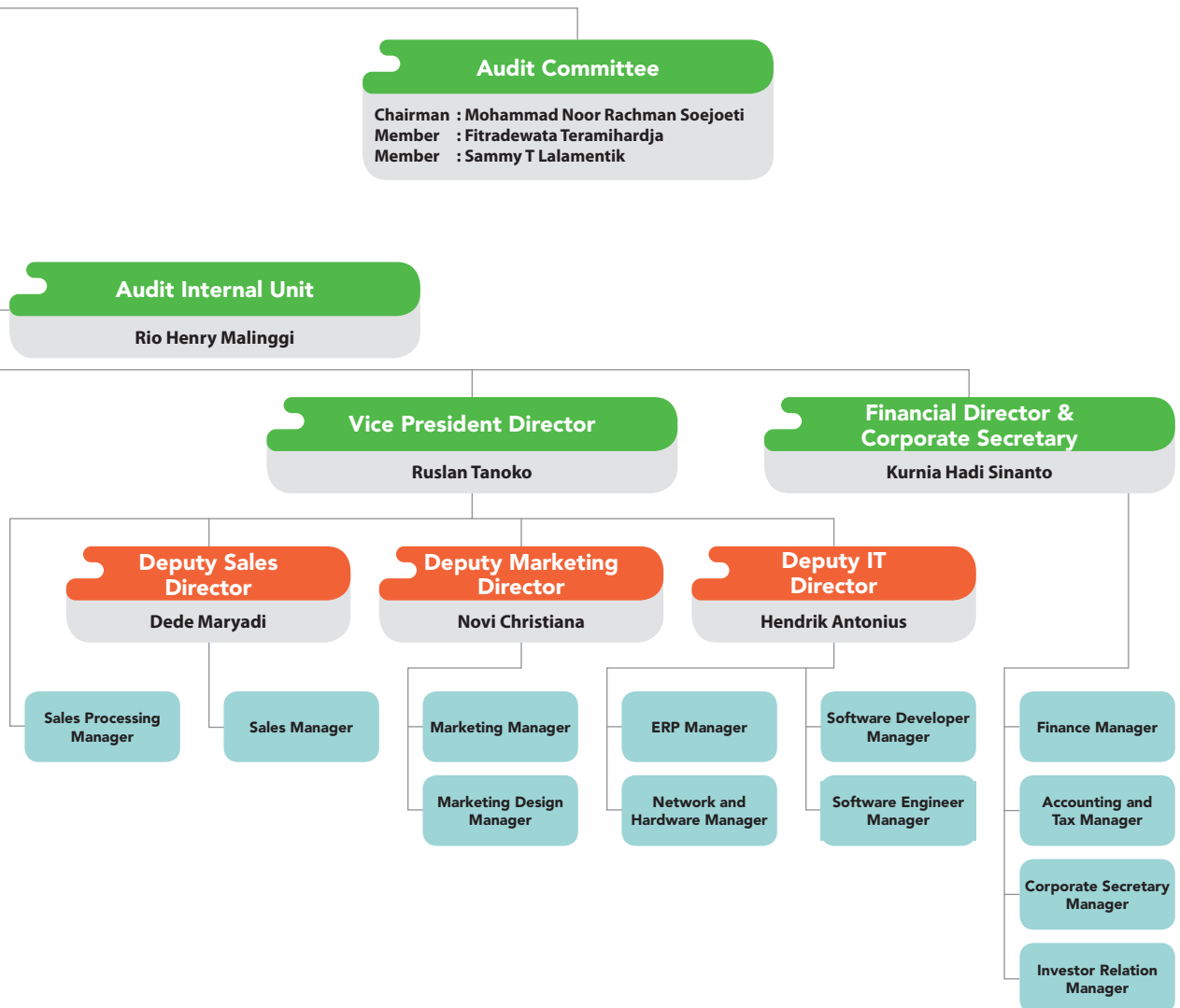
Operational Areas





Organization Structure





Association Membership

We are actively involved in several associations that are relevant to our business activities. Association membership is beneficial for maintaining strategic partnerships with various stakeholders. Up until the end of 2021, our Company is listed as a member of the following associations:

Name of Association	Scale of Association	Position of the Company
Asosiasi Produsen Cat Indonesia (APCI)	National	Member
Asosiasi Resin Sintetik Indonesia (ARSI)	National	Member



Board of Commissioners Profile



Hermanto Tanoko

President Commissioner



Citizenship
Indonesian



Age
59 years old



Term of Office and Basis of Appointment

2021-2026: The Deed of Restatement of Shareholders' Resolutions in Lieu of Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.



Educational Background and Certifications

Master of Management from IBMT School of Management, 2001.



Work Experiences

Commissioner of PT Sariguna Primatirta (2001 – 2009).



Dual Appointments

- Commissioner of PT Tirtakencana Tatawarna (2000 - present);
- President Commissioner of PT Jaya Sukses Makmur Sentosa Tbk. (2003 - present);
- President Commissioner of PT Sariguna Primatirta Tbk. (2009 - present);
- President Director of PT Tancorp Global Sentosa (2010 - present);
- Commissioner of PT Tirtakencana Batamindo (2010 - present);
- President Commissioner of PT Avia Avian Industri Pipa (2014 - present);
- President Director of PT Tancorp Global Sentosa (2015 - present);
- Vice President Director of PT Solusi Rumah Praktis (2018 - present);
- President Commissioner of PT Caturkarda Depo Bangunan Tbk. (2020 - present);
- President Commissioner of PT Multipro Paint Indonesia (2021 - present); and
- Member of the Company's Nomination and Remuneration Committee (2021 - present).



Education/Training in 2021

Mr. Hermanto Tanoko participated in a number of education and training programs to enhance his professional competence. These programs include Workshops, Conferences, Seminars, Webinars and Interview Training organized by internal and external parties.



Affiliation

Is an affiliate of members of the Board of Directors as well as Main and Controlling Shareholders.



**Mohammad Noor
Rachman Soejoeti^{*)}**
Independent Commissioner



Citizenship
Indonesian



Age
64 years old



Term of Office and Basis of Appointment

2021-2026: The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.



Educational Background and Certifications

- Bachelor of Economy from Gadjah Mada University, Yogyakarta, 1982; and
- Master of Arts in Economics from Colorado State University, 1991.



Work Experiences

- Member of the Supervisory Board of *Perum Percetakan Uang Republik Indonesia* (2000 - 2007);
- Deputy Commissioner of Capital Market Supervision II, Financial Service Authority (2013 - 2017);
- President Commissioner of PT Maybank Asset Management (2017 - 2020); and
- President Commissioner of PT Ristia Bintang Mahkota Sejati Tbk. (2018 - 2020).



Dual Appointments

- Commissioner of PT Bursa Efek Indonesia (2018 - present);
- Chairman of the Company's Audit Committee (2021 - present); and
- Chairman of the Company's Nomination and Remuneration Committee (2021-present).



Education/Training in 2021

- Sovereign Wealth Fund (SWF) and its relation to the Indonesian Capital Market;
- Environment, Social, and Governance;
- In charge of the Audit Committee when the Company is involved in legal issues related to the Financial Statements;
- Capital Market Summit & Expo (CMSE) 2021; and
- CEO Networking 2021.



Affiliation

Is not an affiliate of other member of the Board of Commissioners, members of Board of Directors, as well as Main and Controlling Shareholders.

^{*)} Effectively appointed since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.



Change in the Composition of Members of the Board of Commissioners and Cause for the Change

In 2021, there were changes in the composition of the members of the Company's Board of Commissioners, namely:

1. The honorable dismissal of Mr. Choo Koon Po from his appointment as Commissioner of the Company based on the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 28 dated May 31, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency;
2. The appointment of Mr. Mohammad Noor Rachman Soejoeti as Commissioner based on the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency; and
3. The resignation of Mr. Amit Kunal from his appointment as Commissioner of the Company based on the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 47 dated August 27, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency ("Deed No. 47").

Therefore, the composition of the members of the Company's Board of Commissioners based on Deed No. 47 is as follows:

President Commissioner : Hermanto Tanoko; and

Independent Commissioner : Mohammad Noor Rachman Soejoeti.

The composition of the Company's Board of Commissioners has complied with the provisions of OJK Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.



Board of Directors Profile



Wijono Tanoko
President Director



Citizenship
Indonesian



Age
69 years old



Term of Office and Basis of Appointment

2021-2026: The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.



Educational Background and Certifications

Graduated from Kolese Santo Yusuf High School, Malang in 1972.



Work Experiences

- President Director of PT Tirtakencana Batamindo (2010 - 2016); and
- President Commissioner of PT Wahana Lancar Rejeki (2013-2015).



Dual Appointments

- President Director of PT Avia Avian Industri Pipa (2014 - present);
- President Commissioner of PT Tirtakencana Tatawarna (2015 - present);
- Director of PT Wahana Lancar Rejeki (2015-present);
- President Commissioner of PT Tirtakencana Batamindo (2016 - present);
- Commissioner of PT Solusi Rumah Praktis (2018 - present); and
- President Director of PT Multipro Paint Indonesia (2021 - present).



Education/Training in 2021

Mr. Wijono Tanoko participated in a number of education and training programs to enhance his professional competence. These programs include Workshops, Conferences, Seminars, Webinars, and Interview Training organized by internal and external parties.



Affiliation

Is an affiliate of a member of the Board of Commissioners, other members of Board of Directors, as well as Main and Controlling Shareholders.

**Ruslan Tanoko**

Vice President Director

**Citizenship**
Indonesian**Age**
46 years old**Term of Office and Basis of Appointment**

2021-2026: The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.

**Educational Background and Certifications**

- Bachelor of Science in Chemistry and Bachelor of Science in Chemical Engineering from the University of Southern California, Los Angeles, 1996; and
- Master of Engineering in Chemical Engineering from Cornell University, New York, United States, 1997.

**Work Experiences**

- Marketing Director of the Company (2000 - 2016);
- Director of PT Tirtakencana Tatawarna (2006 - 2014);
- Director of PT Tirtakencana Batamindo (2010 - 2016);
- Director of PT Wahana Lancar Rejeki (2013-2015); and
- Commissioner of PT Avia Avian Industri Pipa (2014 - 2017).

**Dual Appointments**

- President Director of PT Tirtakencana Tatawarna (2015 - present);
- President Director of PT Wahana Lancar Rejeki (2015-present);
- President Director of PT Tirtakencana Batamindo (2016 - present);
- Vice President Director of PT Avia Avian Industri Pipa (2017 - present);
- President Director of PT Solusi Rumah Praktis (2018 - present);
- President Commissioner of PT Bangun Bersama Solusindo (2021 - present); and
- Commissioner of PT Multipro Paint Indonesia (2021 - present).

**Education/Training in 2021**

Mr. Ruslan Tanoko participated in a number of education and training programs to enhance his professional competence. These programs include Workshops, Conferences, Seminars, Webinars, and Interview Training organized by internal and external parties.

**Affiliation**

Is an affiliate of a member of the Board of Commissioners, other members of Board of Directors, as well as Main and Controlling Shareholders.



Robert Christian Tanoko

Director



Citizenship
Indonesian



Age
36 years old



Term of Office and Basis of Appointment

2021-2026: The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.



Educational Background and Certifications

Bachelor of Commerce in Information Technology from Curtin University, 2006.



Work Experiences

- Operational Vice Director of the Company (2009 - 2015); and
- Director of PT Tirtakencana Tatawarna (2016 - 2017).



Dual Appointments

- Director of PT Avia Avian Industri Pipa (2014 - present);
- Director of PT Tancorp Surya Sentosa (2015 - present);
- Vice President Director of PT Tirtakencana Tatawarna (2017 - present);
- Vice President Director of PT Tirtakencana Batamindo (2017 - present);
- President Commissioner of PT Solusi Rumah Praktis (2018 - present);
- Director of PT Bangun Bersama Solusindo (2021 - present);
- Director of PT Multipro Paint Indonesia (2021 - present); and
- Chairman of the Company's Good Corporate Governance Committee (2021 - present).



Education/Training in 2021

Mr. Robert Christian Tanoko participated in a number of education and training programs to enhance his professional competence. These programs include Workshops, Conferences, Seminars, Webinars and Interview Training organized by internal and external parties.



Affiliation

Is an affiliate of a member of the Board of Commissioners, other members of Board of Directors, as well as Main and Controlling Shareholders.

**Kurnia Hadi Sinanto**

Director

**Citizenship**
Indonesian**Age**
52 years old**Term of Office and Basis of Appointment**

2021-2026: The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.

**Educational Background and Certifications**

Bachelor of Accounting from Airlangga University, 1992.

**Work Experiences**

- Financial Accounting Manager of the Company (2006 - 2010); and
- Financial and Accounting Vice Director of the Company (2010-2016).

**Dual Appointments**

- Director of PT Avia Avian Industri Pipa (2017 - present);
- Director of PT Multipro Paint Indonesia (2021 - present);
- Corporate Secretary of the Company (2021 - present); and
- Member of the Company's Good Corporate Governance Committee (2021 - present).

**Education/Training in 2021**

- Building a Solid Equity Story in Uncertain Times;
- Go Public Webinar - Two Years of Pandemic What Go Public Can Offer;
- Discussion regarding the Regulations for Listing and Introduction of the SPE - IDXnet Reporting Facility System and XBRL Based Financial Reports; and
- Financial Services Authority Regulation (Peraturan Otoritas Jasa Keuangan or "POJK") No. 22/POJK.04/2021 concerning the Application of Classifications of Shares with Multiple Voting Rights by Issuers with Innovation and High Growth Rates Conducting Public Offerings of Equity Securities in the Form of Shares.

**Affiliation**

Is not an affiliate of members of the Board of Commissioners, other members of Board of Directors, as well as Main and Controlling Shareholders.

Change in the Composition of Members of the Board of Directors and Cause for the Change

In 2021, there was no change in the composition of the members of the Company's Board of Directors. The composition of the Company's Board of Directors has complied with the provisions of OJK Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.

Shareholders Information

Shareholders List

Description	December 31, 2021			December 31, 2020		
	Number of Shares (Shares)	Total Nominal Value @Rp10.- (Rp)	Share Ownership (%)	Number of Shares (Shares)	Total Nominal Value @Rp1,000.- (Rp)	Share Ownership (%)
Up to 5% or More						
PT Tancorp Surya Sentosa	22,674,971,000	226,749,710,000	36.60	245,873,180	245,873,180,000	44.10
PT Wahana Lancar Rejeki	20,129,652,900	201,296,529,000	32.49	218,273,345	218,273,345,000	39.14
Archipelago Investment Private Limited	3,902,748,900	39,027,489,000	6.30	55,753,556	55,753,556,000	10.00
Below 5%						
Robert Christian Tanoko	1,403,790,800	14,037,908,000	2.27	15,053,825	15,053,825,000	2.70
Rudi Tanoko	1,041,265,000	10,412,650,000	1.68	11,290,825	11,290,825,000	2.03
Rony Tanoko	1,041,265,000	10,412,650,000	1.68	11,290,825	11,290,825,000	2.03
Public	11,759,862,000	117,598,620,000	18.98	-	-	-
Total Issued and Paid Up Capital	61,953,555,600	619,535,556,000	100.00	557,535,556	557,535,556,000	100.00

Composition of Share Ownership by Members of the Board of Commissioners and the Board of Directors

Name	Appointment	December 31, 2021		December 31, 2020	
		Number of Shares (Shares)	Share Ownership (%)	Number of Shares (Shares)	Share Ownership (%)
Hermanto Tanoko	President Commissioner	-	-	-	-
Choo Koon Po ¹⁾	Commissioner	-	-	-	-
Amit Kunal ²⁾	Commissioner	-	-	-	-
Mohammad Noor Rachman Soejoeti ³⁾	Independent Commissioner	-	-	-	-
Wijono Tanoko	President Director	-	-	-	-
Ruslan Tanoko	Vice President Director	-	-	-	-
Robert Christian Tanoko	Director	1,403,790,800	2.27	15,053,825	2.70
Kurnia Hadi Sinanto	Director	335,000	0.00	-	-

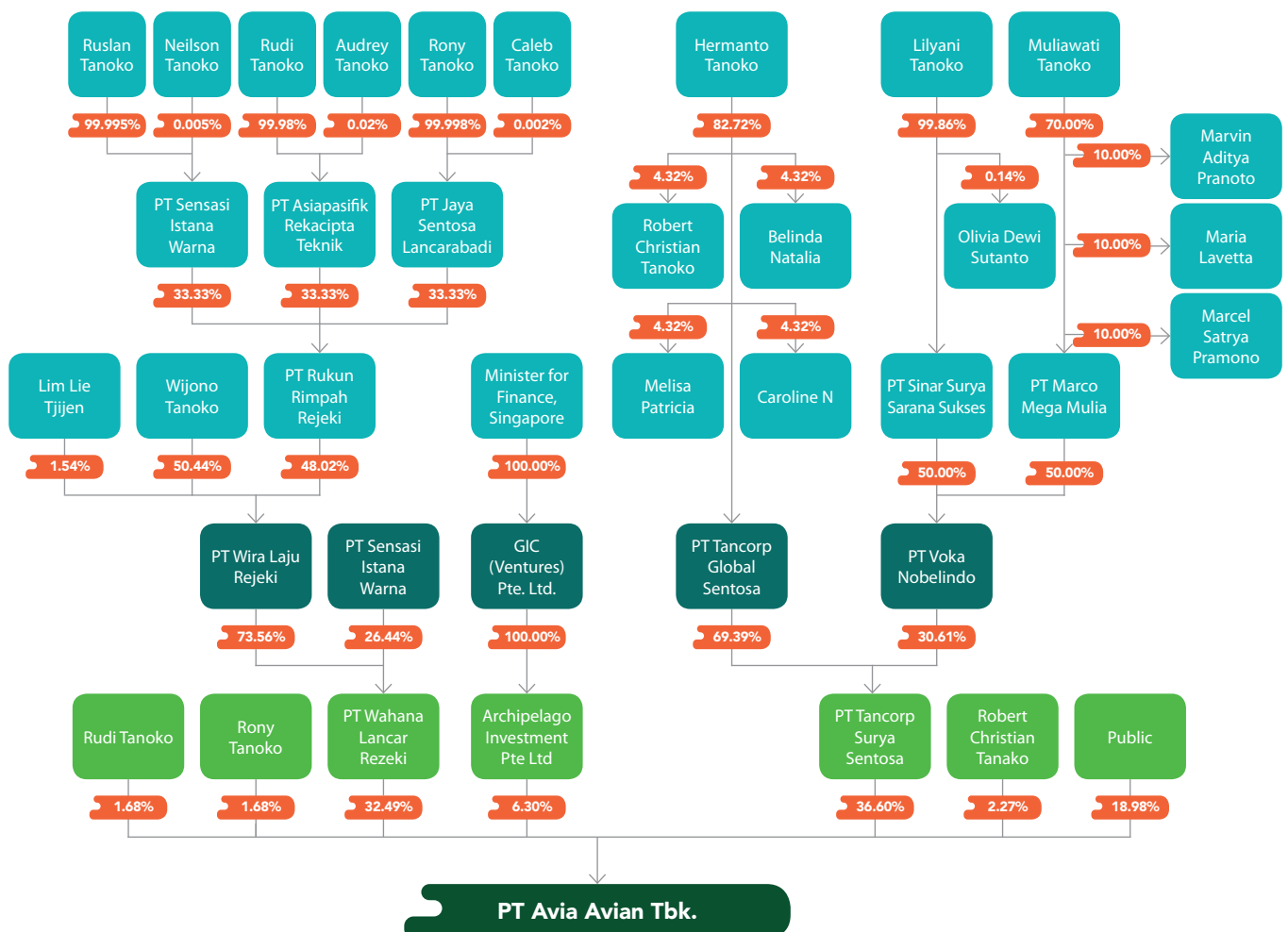
- 1) Effectively dismissed with honor since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 28 dated May 31, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency;
- 2) Effectively resigned since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 47 dated August 27, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency; and
- 3) Effectively appointed since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.



Share Ownership Based on Classification

Description	December 31, 2021			December 31, 2020		
	Number of Investors	Number of Shares (Shares)	Share Ownership (%)	Number of Investors	Number of Shares (Shares)	Share Ownership (%)
National Investor						
Indonesian Individual	9,980	3,879,788,800	6.26	3	37,635,475	6.76
Pension Fund Foundation	6	11,162,200	0.02	-	-	-
Limited Company	67	43,691,944,165	70.52	2	464,146,525	83.24
Others	1	67,200	0.00	-	-	-
Foreign Investor						
Foreign Individual	12	384,600	0.00	-	-	-
Foreign Corporation	172	14,370,208,635	23.20	1	55,753,556	10.00
Total	10,238	61,953,555,600	100.00	6	557,535,556	100.00

Main and Controlling Shareholders



Based on this structure, our Main and Controlling Shareholders are PT Wahana Lancar Rejeki and PT Tancorp Surya Sentosa, and our ultimate beneficial owners are Hermanto Tanoko, Ruslan Tanoko, Wijono Tanoko, Robert Christian Tanoko, Neilson Tanoko, Rudi Tanoko, Audrey Tanoko, Rony Tanoko, Caleb Tanoko, Melisa Patricia, Belinda Natalia, Caroline N, Lilyani Tanoko, Muliawati Tanoko, Lim Lie Tjijen, Olivia Dewi Sutanto, Marvin Aditya Pranoto, Marvel Satrya Pramono, Maria Lavetta, and the Minister for Finance, a body corporate set up by the Government of Singapore pursuant to the Minister for Finance (Incorporation) Act to own and administer government assets.

Chronology of Shares Listing

We conducted an Initial Public Offering on the Indonesia Stock Exchange with stock code AVIA on December 8, 2021 after obtaining an effective statement from the Board of Commissioners of the Financial Services Authority based on Letter No. S-223/D.04/2021 dated November 30, 2021. The number of issued shares was 6,200,000,000 shares or 10.0075% of the total issued and paid-up capital with a nominal value of Rp10.- per share and an offering price of Rp930.- per share. Of all the shares offered, 3,099,300 shares or 0.05% had been allocated for the Employee Stock Allocation (ESA) program. In addition, we conducted Private Placement by the Selling Shareholder as our Shareholder for their shares totaling 5,575,355,600 registered common shares or as much as of 10.00% of our total issued and paid-up capital on the date of listing on Indonesia Stock Exchange at the same offering price as the Initial Public Offering.

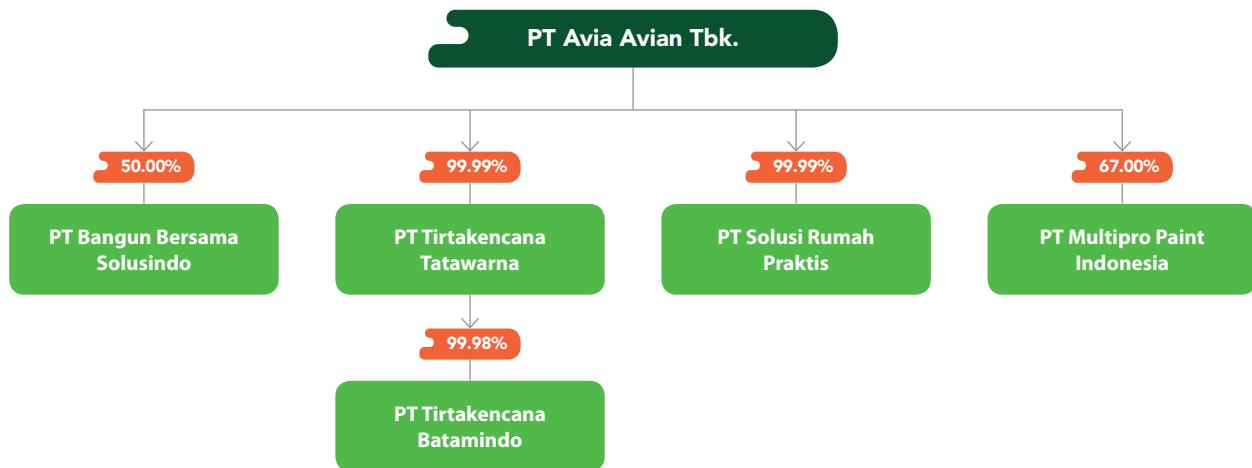
Thus, our total shares listed on the Indonesia Stock Exchange is 61,953,555,600 shares with a nominal value of Rp10.- per share.

Chronology of Other Securities Listing

Up until the end of 2021, we have not issued other securities such as bonds, sukuk, convertible bonds, or other securities that are justified in accordance with the laws and regulations.



Corporate Structure



Subsidiaries, Associates, and Venture Companies

We own 3 direct Subsidiaries dan 1 indirect Subsidiary. In addition, we also own 1 joint venture company. Information related to our Subsidiaries is described as follows:

Direct Ownership

PT Tirtakencana Tatawarna		
Legal Basis of Establishment	Business Sector	Operational Status
Deed of Establishment No. 27, dated July 14, 2000, drawn up before Dyah Ambarwaty Setyoso, S.H., a Notary in Surabaya.	Wholesale trade of paints, warehousing and storage, and self-owned or leased real estates.	Operating
Address	Ownership of Shares	Total Assets before Elimination
Jl. Raya Surabaya - Sidoarjo KM. 19, Kel. Wadungasih, Kec. Buduran, Kab. Sidoarjo, Provinsi Jawa Timur, Indonesia.	99.99%	Rp4,026,368,801,537.-

PT Solusi Rumah Praktis		
Legal Basis of Establishment	Business Sector	Operational Status
Deed of Establishment No. 17 dated November 22, 2018, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency.	Retail trade of paints, varnishes, and lacquers, as well as painting.	Operating
Address	Ownership of Shares	Total Assets before Elimination
Avian Brands Building, Jl. Raya Ahmad Yani No. 317, Kel. Dukuh Menanggal, Kec. Gayungan, Kota Surabaya, Jawa Timur, Indonesia.	99.99%	Rp4,364,712,662,-

PT Multipro Paint Indonesia		
Legal Basis of Establishment	Business Sector	Operational Status
Deed of Establishment No. 80 dated August 27, 2008, drawn up before David, S.H., M.Kn., a Notary in Jakarta.	Paint and printing ink industry, varnish (including mastic) industry, wholesale trade of paints, and wholesale trade of various building materials.	Operating
Address	Ownership of Shares	Total Assets before Elimination
Menara Satu Sentra Kelapa Gading 7 th Floor, Room 6, Jl. Boulevard Kelapa Gading LA 3 No. 1, Kel. Kelapa Gading Timur, Kec. Kelapa Gading, Jakarta Utara, DKI Jakarta, Indonesia	67.00%	Rp19,309,825,512.-

Indirect Ownership

PT Tirtakencana Batamindo (through PT Tirtakencana Tatawarna)		
Legal Basis of Establishment	Business Sector	Operational Status
Deed of Establishment No. 58 dated September 30, 2010, drawn up before Rusdi Mulyono, S.H., M.Kn., a Notary in Surabaya.	Wholesale trade of various building materials, wholesale trade of other construction materials, retail trade of furnitures.	Operating
Address	Ownership of Shares	Total Assets before Elimination
Komplek Executive Industrial Park Block D2 No. 8, Kel. Belian, Kec. Batam Kota, Kota Batam, Kepulauan Riau, Indonesia	99.98%	Rp28,273,527,938.-

Joint Venture Company

PT Bangun Bersama Solusindo		
Legal Basis of Establishment	Business Sector	Operational Status
Deed of Establishment No. 1 dated February 1, 2021, drawn up before Emmyra Fauzia Kariana, S.H., M.Kn., a Notary in Jakarta.	Wholesale trade of cement, lime, sand, and stone as construction materials, building materials, as well as basic or industrial chemical materials and goods.	Operating
Address	Ownership of Shares	Total Assets before Elimination
Menara Sentraya 21 st Floor, Jl. Iskandarsyah Raya No. 1A, Kel. Melawai, Kec. Kebayoran Baru, Jakarta Selatan, DKI Jakarta, Indonesia.	50.00%	Rp18,969,057,631.-

Capital Market Supporting Institutions and Professionals

Public Accounting Firm

We have appointed a Public Accounting Firm in accordance with the decision made in the Decision of the Board of Commissioners dated December 27, 2021, namely the appointment of Purwanto, Sungkoro & Surja Public Accounting Firm, a member firm of Ernst & Young Global Limited, to audit Consolidated Financial Statements of our Company and our Subsidiaries for the 2021 financial year. Purwanto, Sungkoro & Surja is a Public Accounting Firm that is registered with the Financial Services Authority. The total cost for the Audit of the Consolidated Financial Statements for 2021 was Rp943,000,000.-.

In 2021, we also engaged the services of Purwanto, Sungkoro & Surja Public Accounting Firm for the following:

1. Audit and issuance of audit reports of Consolidated Financial Statements of the Company and its Subsidiaries for the financial years ended December 31, 2020, 2019, and 2018;

2. Review of Unaudited Interim Consolidated Financial Statements of our Company and its Subsidiaries as of May 31, 2020 and for the five-month period ended on the date;
3. Audit and issuance of audit reports of Unaudited Interim Consolidated Financial Statements of the Company and its Subsidiaries as of May 31, 2021 and for the five-month period ended on the date;
4. Comfort Letter relating to the proposed offering of our equity securities; and
5. Review of Unaudited Interim Consolidated Financial Statements of the Company and its Subsidiaries as of July 31, 2021 and 2020 and for the seven-month period ended on the date;

The total cost of the Public Accounting Firm for the execution of the above tasks was Rp6,843,000,000.-.

Public Accounting Firm		Legal Consultant	
Name	Purwanto, Sungkoro & Surja Public Accounting Firm (member firm of Ernst & Young Global Limited)	Name	Witara Cakra Advocates
Address	Bursa Efek Indonesia Tower 2 7 th Floor Jl. Jend. Sudirman Kav. 52-53 Jakarta, 12190, Indonesia T : (62-21) 5289 5000 F : (62-21) 5289 4100	Address	Sampoerna Strategic Square North Tower 17 th Floor Jl. Jend. Sudirman Kav. 45-46 Jakarta, 12930, Indonesia T : (62-21) 2992 7000 F : (62-21) 2992 7001
Assignment Period	2021	Assignment Period	2021
Notary		Securities Administration Bureau	
Name	Liestiani Wang, S.H., M.Kn.	Name	PT Bima Registra
Address	Sampoerna Strategic Square South Tower LG-17 Jl. Jend. Sudirman Kav. 45-46 Jakarta, 12930, Indonesia T : (62-21) 5795 2359	Address	Satrio Tower 9 th Floor A2 Jl. Prof. DR. Satrio Block C4 Kuningan, Setiabudi Jakarta Selatan, Indonesia T : (62-21) 2598 4818 F : (62-21) 2598 4819
Assignment Period	2021	Assignment Period	2021

Human Resources

Human Resources ("HR") is one of the key factors in achieving competitive advantage as well as in having a strategic role as the front liner in our business activities. Therefore, we always prioritize effective and efficient HR management in order to create fully developed human resources. The HR management strategy is also systematically developed with a long-term focus to ensure continuity of competence development in accordance to our business direction. The HR management strategy initiatives in 2021 are described as follows:

1. HR Management Transformation

We transformed our HR management from personnel administration system to human resource business partner. The transformation was executed through talent management program. Talent management is carried out through mapping the talent, successors, and development programs for employees with leadership positions and higher in order to create uniformity in the competence of all of our leaders.

2. HR Management Standardization

Since the end of 2020, we established Standard Operating Procedures ("SOPs") to ensure that HR management is continuously implemented and is well documented. The infiltration of organizational values is reflected in the implementation of SOPs, which is supported by regular audits and the use of human resources information systems to support digital HR management. In 2021, we have 21 completed HR management SOPs and an additional of 10 more SOPs will be formulated in the coming year.

3. Organizational Structure Review

We developed organization structure in order to fulfill business needs and complexity.

4. Compensation and Benefits Review

We adjusted the compensation and benefits provided to employees not only based on compliance with prevailing laws and regulations, but also as our effort in appreciating our employees' performance, in ensuring employees' fairness, as well as in procuring and retaining quality employees.

5. Developing Employee Promotion Program

To meet HR needs, we conduct internal recruitment (promotions, transfers and rotations) from internal employees as well as from outsourced employees. This step is to obtain competent human resources in accordance with our needs.

6. Improving HR Competence

We continued to strive to improve the quality of our human resources by increasing employee's training hours. We also developed various training that focus on developing core competencies and technical competencies in each department.

7. Developing a Digital-Based System

We have used a digital-based system in the HR management process, starting from database program of the competency development, web recruitment, performance evaluation, competency assessment, online psychological tests, online surveys, and various e-forms. In addition to improve the quality of HR management, digital based system is part of the paperless program that has been implemented in our Company.

Recruitment

The fulfillment of HR needs in our Company and our Subsidiaries is carried out through a planned recruitment process according to the standards and qualifications. The recruitment process is conducted fairly, reasonably, transparently, and without discrimination of ethnicity, religion, race, gender, or political group. We and Subsidiaries conduct the recruitment process through 2 methods, which is internal and external recruitments. Internal recruitment is carried out through promotion, transfer, and rotation of existing employees. Meanwhile, external recruitment is carried out through an open selection of prospective employees, both independently and in collaboration with external parties, such as job fairs, recruitment on campuses, and job portals. In 2021, we and Subsidiaries have recruited a total of 762 new employees posted in various positions in our Company as well as our Subsidiaries. This happened because of the organization is rapidly growth that balanced with internal corporation development program of the Company and Subsidiaries in order to prepare the availability of talents and manpower.

Composition

By the end of 2021, the total employees of our Company and our Subsidiaries were 7,769 people, an increase of 10.87% compared to the number of employees in the previous year of 7,007 people. The composition of employees of our Company and our Subsidiaries is presented in more details as follows:

Category	2021						2020					
	The Company	Subsidiaries					The Company	Subsidiaries				
		TKTW	TKB	SRP	BBS	MPI		TKTW	TKB	SRP	BBS	MPI
Number of Employees by Gender												
Male	1,538	4,742	35	1	3	27	1,363	4,337	33	10	-	-
Female	226	1,183	-	1	3	10	221	1,041	-	2	-	-
Total	1,764	5,925	35	2	6	37	1,584	5,378	33	12	-	-
Number of Employees by Appointment												
Deputy Director	5	12	-	-	1	-	3	11	-	-	-	-
Manager	55	146	1	1	4	7	52	136	1	1	-	-
Supervisor	85	490	4	1	1	3	98	476	4	6	-	-
Staff	1,619	5,277	30	-	-	27	1,431	4,755	28	5	-	-
Total	1,764	5,925	35	2	6	37	1,584	5,378	33	12	-	-
Number of Employees by Age												
≥50 year old	43	68	-	-	1	7	110	62	-	-	-	-
36-50 year old	426	1,499	12	-	3	14	250	1,330	11	3	-	-
18-35 year old	1,295	4,358	23	2	2	16	1,224	3,986	22	9	-	-
Total	1,764	5,925	35	2	6	37	1,584	5,378	33	12	-	-
Number of Employees by Education												
>Master Degree	-	10	-	-	2	-	-	-	-	-	-	-
Bachelor Degree	240	1,219	7	2	3	12	583	1,110	5	4	-	-
Diploma (D3)	21	262	-	-	-	9	315	262	-	3	-	-
<High school or Equivalent	1,503	4,434	28	-	1	16	686	4,006	28	5	-	-
Total	1,764	5,925	35	2	6	37	1,584	5,378	33	12	-	-
Number of Employees by Employment Status												
Permanent Employee	531	707	5	2	6	16	519	672	5	2	-	-
Contractual Employee	1,233	5,218	30	-	-	21	1,065	4,706	28	10	-	-
Total	1,764	5,925	35	2	6	37	1,584	5,378	33	12	-	-

Notes:

TKTW : PT Tirtakencana Tatawarna SRP : PT Solusi Rumah Praktis
 TKB : PT Tirtakencana Batamindo MPI : PT Multipro Paint Indonesia
 BBS : PT Bangun Bersama Solusindo



Competence Development

We and our Subsidiaries always provide opportunities for all employees to continue developing and maximizing their capabilities and expertise through various competence development programs which are organized by both internal and external parties. In 2021, we and our Subsidiaries have organized 114 competence development programs with participants 11,527 employees. More detailed information is described as follows:

Competence Development Program Type	Competence Development Target	Appointment of Participant	Number of Participants*	Number of Competence Development (program)	Number of Competence Development Hour (hours)
Basic Competence	To sharpen skills and teach norms to support employees in carrying out their duties and responsibilities.	Staff - Manager	559	21	1,901
Technical Competence	To certify and improve skills that are able to support the work of employees.	Staff - Manager	10,968	93	4,537

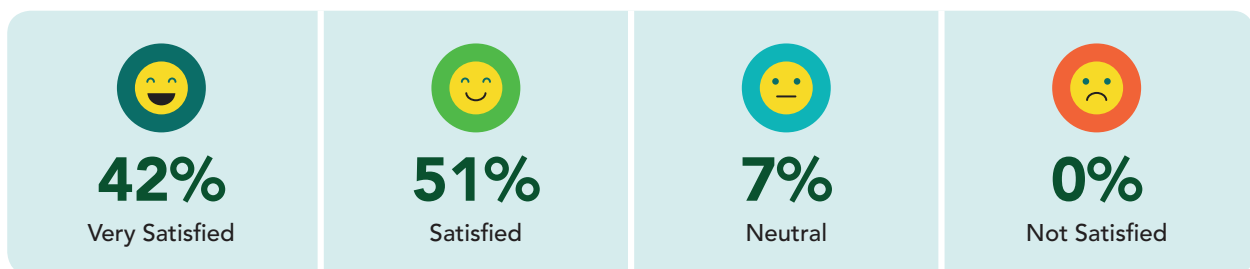
*Each employee can participate in more than one competence development program.



Complaint Management

Complaint management is a procedure developed by the Company concerning the handling of complaints from all employees. Through this procedure, we ensure that the working relationship that exists between us and our employees as well as amongst employees is healthy, so that employees are able to work comfortably and bring out their best abilities for our Company. Complaints can be submitted by employees through 2 methods, by direct and verbal notification their superiors or by filling out survey forms, either online or offline through the suggestion box provided. Each incoming complaint will be handled to completion, either internally by the direct superior together with the employee concerned or by the Human Resources General Affairs Department who will form a Complaint Team. In the event that the Complaint Team is unable to resolve employee complaints, we will involve the Bipartite Cooperation Institute with Top Management to discuss the best resolution for the complaints.

Since its first implementation on August 6, 2021, we conducted a complaint survey in October 2021 and received 9 complaints from employees, all of which were resolved amicably without causing significant and material losses to our Company and the employees themselves. In addition, we conducted a survey of employee satisfaction regarding the services of the Human Resources Department in October 2021 with the following results:



HR Development Strategy 2022

We have formulated plans and strategies for HR development to ensure that HR management and development can be carried out in a continuing manner and achieve optimal results. Our HR development strategy for 2022 is focused on the following:

- 1. Individual Development Plan** which is aimed and focused on developing employee competence by providing training, projects, and special assignments to the Company's talents. This is done in an effort to improve talent competence from all aspects which include core, technical, and managerial competencies of each talent who will be prepared as future leaders of our Company and our Subsidiaries.
- 2. Cadreization Program** which is aimed and focused on organizational sustainability in an effort to provide opportunities for personnel of our Company and Subsidiaries to plan and achieve career paths in accordance with organizational development plans of our Company and Subsidiaries, one part of the program is the Management Trainee (MT) program.

Information Technology



The operational complexity of large-scale manufacturing companies requires reliable information technology (IT) to ensure the ability of every department and unit to obtain accurate information in making the right decisions based on valid data. Therefore, we develop our IT on an ongoing basis in order to improve the speed, accuracy, reliability, and stability of the flow of information and communication, as well as to support the automation of various internal processes.

IT Development 2021

We have historically invested in information technology infrastructure and systems development to enhance our competitiveness, achieve higher customer service standards, and increase the effectiveness and efficiency of our operations. We have formulated primary strategies in 2021 and carried out developments and innovations as described below:

1. **Application of Microsoft Dynamic Navision ERP Software ("ERP NAV System")**, an integrated system with a variety of benefits, including:
 - a. Data and information reliability.
Our data is stored in one place to facilitate data retrieval with a single compiled source of information;
 - b. Lean business processes.
The integrated system provides our Company with a platform to connect and share information internally;
 - c. Real-time processing.
Our system is supported with backup facility in readiness. We can monitor inventory, orders, sales, products delivery, and billing payments in real-time manner, which helps in managing our production and operational expenses more efficiently; and



d. Data collection.

Our ERP NAV system collects valuable data on customer preferences and enables us to design execution-worthy production plans, allowing us to better meet customer demands. By applying the ERP NAV System, we are able to collect information and electronic purchase orders from distributors, thereby enabling efficient customer service and reducing errors.

2. Application of the Computerized Maintenance Management System ("CMMS"), an automated system in our business operations for the maintenance of manufacturing facilities which offers several advantages, including:

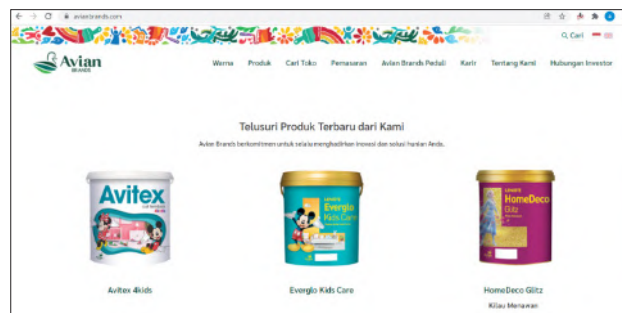
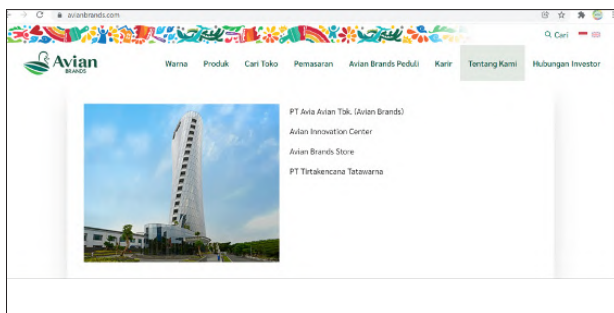
- A preventive function that serves notifications for machines due for maintenance (automatic maintenance schedule), to enable our engineering team perform maintenance in a timely manner and thereby minimize machine damage;
- A checklist system that facilitates machine-check procedures for the engineering team to ensure that every component is periodically checked;
- An integrated stock system that facilitates quicker decision making action whenever replacement of spare-parts is required;
- Data history of machines and spare-parts replacements that facilitates the engineering team to analyze whether a machine is suitable for use or whether it is due for a replacement; and
- Data forecast of machine maintenance that facilitates the prediction of future maintenance costs by our engineering team.

3. Application of the Laboratory Information Management Systems ("LIMS") system at the Avian Innovation Center to digitize the activities of our chemists with various advantages, including:

- Facilitating the monitoring of all Research, Development and Innovation ("RDI") Projects, to oversee which projects are new, ongoing, exceeding limits, or completed;
- Storing historical data of all experiments performed, to facilitate and expedite analysis by our chemists in the creation of new and better formulations;
- An integrated inventory system that uses a QR code to facilitate our chemists to perform stock maintenance which includes stock of materials, samples, as well as experimental results;
- Color conversion system compatible with spectro equipments to speed up the creation process of new colors by our chemists;
- A multi frame work LIMS system that is accessible via a desktop or gadget to facilitate the work of our chemists in the laboratory with only tablets (paperless); and
- Analysis of featured reports that facilitates decision making.

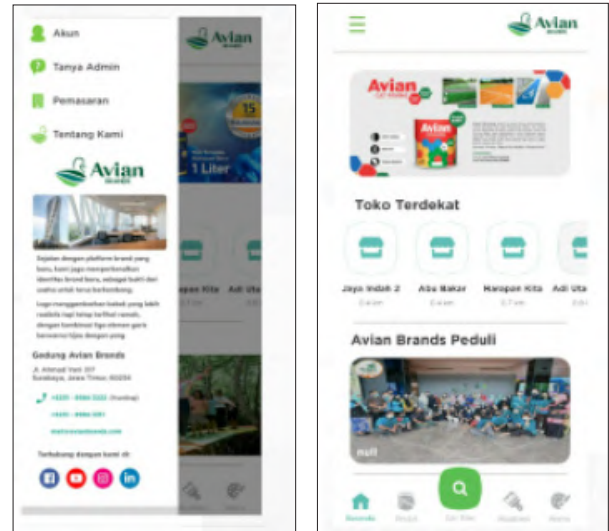
4. Development of Our Website (www.avianbrands.com) which allows customers to obtain detailed information and usage guidelines for our products. Some of this information may be in the form of:

- Product list information along with usage categories in the field so that information on certain products and their applications can be clearly disseminated, additionally, a calculator is available to help customers calculate the optimal number of products to be purchased;
- Information on which colors are supported by certain products that serves as a guide for customers;
- Information related to investor relations containing news related to investors and corporate governance;
- Career information for people who would like to find out about career developments, furthermore job application can also be done through our website; and
- Information on humanitarian activities carried out by our Company along with community activities that strengthen good relations with stakeholders.



5. Launch of the Avian Application which provides customers with an economical tool to identify the location of nearby retail outlets offering our products. This application can be downloaded via Google Play Store or Apple App Store. Some of its benefits are as follows:

- Facilitating our customers to find the nearest outlets carrying our products;
- Presenting almost all features and information from our website;
- In the event that a customer is out of town, the application can find the location of the nearest retail outlets whenever they need to purchase certain products; and
- The application can be directly connected to the google map, facilitating a more accurate search.



6. Application of Warehouse Management System (“WMS”) Software, a warehouse management system that allows our Company to effectively manage the stock of goods in the warehouse which offers several other advantages, including:

- Facilitating the placement of goods in the warehouse by using a racking system, to ensure that goods are properly placed or stored;
- Facilitating the retrieval of goods for delivery to customers, to avoid errors in retrieving the wrong goods; and
- Improving employee performance and productivity, especially those working in the warehouse. The system facilitates efficient placement and retrieval of goods in or from the shelves, which optimizes the processing time required thanks to its ability to provide layout suggestion.

7. Application of Sales Force Automation (“SFA”) Software, a system that supports the implementation of the sales team’s tasks in the field by systematically providing directions and tasks with several advantages, including:

- Providing direction to the sales team regarding the daily visit routes to customers which is automated with a 4-week cycle and is modifiable as needed, to ensure that the routes taken by the sales team are efficient and optimal;
- Facilitating order taking by utilizing a tablet that is connected through the ERP NAV System program, thus enhancing accuracy and minimizing errors. Using the software, the sales team is able to respond more quickly to the customers in the event of order change; and
- Facilitating the billing process that can be done directly to customers and entered into the SFA software, so that the payment process in the ERP NAV System can be swifter and controlled to minimize the risk of fraud.

8. Application of Driver Force Automation (“DFA”) Software, a system that automatically provides directions to the dispatching team in the field to ensure optimal delivery process and avoid delivery error, along with several other benefits, including:

- Automatic processing of travel documents intended for customers and providing guidance on delivery routes to the dispatching team;
- Integrating information on delivery to customers with the ERP NAV System, to avoid delivery errors, whether concerning goods, customers, or delivery addresses; and
- Handling of returned goods from certain customers who are recorded in our system to avoid error in deliveries, assuring a better and faster return process and customer satisfaction with our products and services.



IT Development Strategy 2022

We are committed to continuously developing our IT in order to improve customer service and to support our operational activities. For the year of 2022, we have formulated development strategies, which include:

1. Development of Microsoft Dynamic Navision ERP Software

In utilizing the latest technology and features from Microsoft, Navision changed its name to Business Central (BC). The updated and integrated system will provide various benefits, such as:

- a. Increasing the level of software security in order to close more gaps penetrable by irresponsible parties;
- b. Integrating with many different applications from the latest Microsoft, such as Microsoft Excel to facilitate easy data transfer from BC to Excel for further analysis by the users;
- c. Addition of latest features which are standardized for immediate use, these include workflow features (approvals) that was not part of the older version. Examples of the application are used in the standard approval system in purchase or sale;
- d. A leaner and more optimized data storage using the latest database technology, which greatly reduces data size;
- e. Significant increase in the speed of data access and data processing which reduces the waiting time for data entry and data processing;
- f. Facilitating data consolidation and collaboration with other non-BC applications, in order that data located in different locations can be integrated more easily; and
- g. The presentation of a newer dashboard system, which creates a more user friendly look that is easier to analyze. From the dashboard, data can also be drilled down into more details.

2. Centralized Internal Program Portal

Along with technological developments, all departments are attempting to integrate manual systems into the program. Different work-supporting programs are sometimes located in different places (servers). Therefore, these programs are combined in one location or portal, so that they are able provide various conveniences, including:

- a. Facilitating program search by the users, which ensures a speedier accuracy of program use. With the increasing number of work-supporting programs, the number of overview has decreased, while there are many routine activities that must be performed by the users. With this centralized portal, difficulties experienced by users in searching can be minimized;
- b. Program maintenance carried out by the IT team is far more optimal and on target, which greatly reduces the completion time;
- c. Increasing users accessibility enabling the users to carry out approval or data entry processes outside of the office;
- d. Multiplatform, meaning that the portal is accessible by the users via laptops, personal computers, or gadgets. The availability of adequate options provides users with more flexibilities in their work; and
- e. Minimizing the number of servers used, ensuring a better control over the procurement costs.

3. In-Depth Risk Management

In the effort to minimize or avoid the risk in every step taken or to be taken, it is necessary to perform an in-depth risk management. Any action that poses a risk must be managed properly. Especially in the current pandemic situation, the risks that we must be aware of are becoming more varied. Some of the objectives of this risk management are:

- a. To minimize interference in goals achievement, so that the targets that have been set out can be achieved accurately;
- b. To avoid losses in the implementation of various strategic steps through a good and comprehensive risk analysis so that risks with the potential of causing cost overruns can be averted; and
- c. If the objectives have been met by taking into account these risk factors, we will be in the position of advantage. Understanding uncertain conditions such as the current pandemic situation is not easy, therefore management and estimation of possible and probable risks will provide our Company with better and more efficient breakthroughs.

4. Cloud Computing

Internet-based data processing has been booming and a number of companies are handing their data management over to third parties. Some of the benefits of cloud computing are as follows:

- a. Improved data security as guaranteed by the cloud providers, providing a safer environment for the users as data is securely stored. The quality and qualifications of cloud providers is an important aspect to be considered, this includes compliance with ISO standards for data centers and engineering certification. For example: Google Cloud, Microsoft Azure Cloud, and Amazon Cloud (AWS);
- b. The accessibility of cloud computing at anytime and from anywhere, and its ability to accommodate multiplatforms, such as windows, android or ios, so that all users, including mobile users, can carry out their works optimally; and
- c. Its use as disaster recovery by selecting a different region or different country, so that if a major cause occurs, the data will remain safe and can be restored and used more quickly.

5. Implementation of Vehicle Booking Yard Management System ("YMS") Software

We, at all times, ensure that delivery to our customers can be carried out immediately after the completion of an order process. By using the YMS Vehicle Booking software, the distribution team can arrange shipments with certain expeditions or deploy our internal delivery fleet. The benefits of using the Vehicle Booking YMS software include:

- a. Automatic planning, by the Vehicle Booking YMS, of delivery documents originating from Navision's ERP software, which allows trucks to be optimally loaded with goods ready for delivery. The system will also calculate the total tonnage and cubication of goods, as well as optimize the contents of delivery trucks, so that no trucks is loaded with goods above or below its optimal capacity;
- b. Expeditions selected for delivery are all recorded in the system and can be selected according to the shipping route;
- c. The Vehicle Booking YMS Software is also connected to the WMS software, ensuring the accuracy of goods prepared for delivery as it is in accordance with the specified delivery documents; and
- d. Facilitating goods loading into delivery trucks by providing instructions on which goods should be loaded.



6. Business Continuity

Sustainable business development requires a reliable IT system. This is necessary so that the system can continue to run well despite some disturbances. In the event of a disturbance, the system is also required to be able to reduce or even eliminate the disturbance. Within the scope of the IT data center, the hardware and software used by the users must be properly arranged in order to overcome disturbances. This is because the IT data center plays an important role in the continuity of our business. Therefore, we plan to continue to develop the system with the steps and benefits as described below:

- a. Same-location hardware redundancy of the data center and one with the biggest impact on our business, so that if a damage occurs to one of the hardwares there are still backups that can be activated;
- b. A disaster recovery plan for the data center must be implemented in order that if and when a major cause occurs in the same location, the system can run at a different location and avoid disturbances;
- c. To perform testing of the formulated plans to ensure that if and when a disturbance occurs, the response to the disturbance will be resolved more quickly; and
- d. To allocate a special budget which is also considered as part of our investment so that it will be very beneficial from a business impact perspective.

Information Access



We seek to improve our service quality, one of which is through information disclosure that can be openly accessed by all stakeholders to obtain information on our Company through:



Other information about our Company can also be accessed through the Indonesian Stock Exchange website (www.idx.co.id) with the stock code AVIA.





Management Discussion and Analysis

Net sales in 2021 reached Rp6,779.64 billion, an increase of 18.29% compared to Rp5,731.26 billion in 2020. This increase was observed across all segments, where the architectural solutions operational segment increased 17.75% and the trading goods operational segment increased 20.29%.



Economic Review

Although still overshadowed by disruptions in supply chain as well as increase in cases of Covid-19 Delta variant, the global economy was projected to grow at around 5.7% in 2021 following a 3.1% contraction in 2020. The global economic growth is more balanced, not only resting on the economic recovery of the United States and China, but also accompanied by economic improvement of Europe, Japan, and India. The development was driven by vaccination programs to achieve herd immunity, the scale of fiscal and monetary policy stimulus, and the level of economic resilience of each country. Various economic indicators including, among others, Purchasing Managers' Index (PMI), consumer confidence, and retail sales showed an ongoing recovery amidst the stalling indicator of global goods transportation time (Suppliers' Delivery Times Index of PMI). However, uncertainties in global financial market remain, along with still-surfacing risks, including the increased spread of Covid-19 Delta variant, market anticipation of the Fed tapering policies, and concerns over longer-lasting inflationary pressures due to supply chain disruptions and energy limitations.

The improvement of the global economy continues to have a positive impact on Indonesia's economic growth. Stronger policy synergies between Bank Indonesia, the Government, and Financial System Stability Committee (*Komite Stabilitas Sistem Keuangan* or "KSSK"), as well as innovation, both in the coordination of national economic policies which includes fiscal and monetary coordination and in the acceleration of national economic-financial digitalization and inclusion, are key factors in the continued improvement of the economy with maintained stability. In 2021, the Government

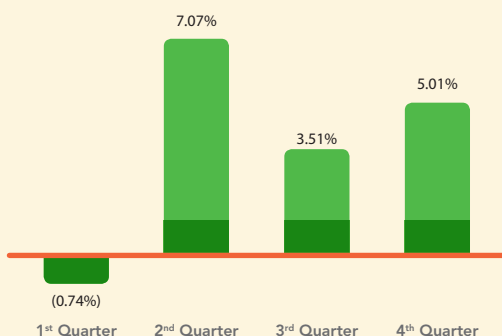
continued its expansionary fiscal policy with considerable fiscal stimulus to manage the impact of Covid-19, including for health and social protection budgets.

As a result, the Indonesian economy in 2021 recorded a positive growth of 3.69% (c-to-c) which followed a contraction of 2.07% in 2020. For the year 2021, on quarterly basis grew by (0.74%), 7.07%, 3.51% and 5.01% y-on-y, respectively. The positive performance was mainly driven by export performance growth of 24.04% and import performance growth of 23.31%. Meanwhile, the improvement in household consumption remained limited, affected by the limited mobility of the community as part of the management of the Covid-19 Delta variant, although the vaccination rate is getting better. In 2021, household consumption recorded a growth of 2.02% which was supported by growth in housing and household appliance consumption of 2.19%. From business view, the overall economic sectors also recorded a positive performance, such as the health services and social activities industry recorded the highest growth value at 10.46%, followed by information and communication at 6.81% and electricity and gas procurement at 5.55%. However, some business in the service sectors, such as educational services, corporate services, as well as financial and insurance services are still growing at a slower rate in line with the policies on mobility restriction, especially in Java and Bali, established by the Government to control further spread of the Delta variant.

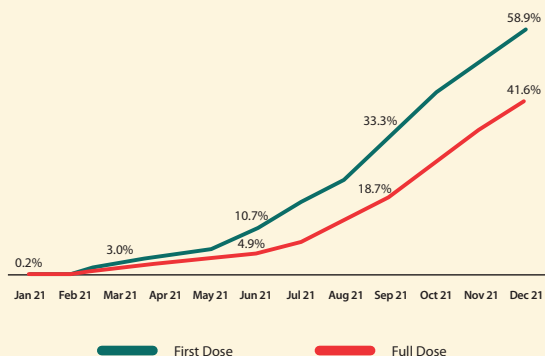
Source:

- Monetary Policy Review of December 2021, Bank Indonesia;
- Indonesia Economic Report 2021, Bank Indonesia; and
- Press Release, Statistics Indonesia.

**Indonesian Economic Growth
Year 2021 – Quarterly Y-on-Y**



Indonesia's Vaccination Rate - % from population



Industry Review

In line with the global and national economy, the domestic chemical industry also recorded a positive performance. In 2021, the industry was able to record a 9.61% growth, an increase compared to 2020's 9.39%. This fair result is intertwined with the efforts of the Indonesian government which continues to support the betterment of the chemical industry's competitiveness and productivity. This step is expected to be a pillar for the chemical industry to slowly improve its export performance considering that this industry is one of the priorities in realizing the Making Indonesia 4.0 program. The chemical industry, along with the pharmaceutical and textile industries, becomes one of the national priorities in the development of industry 4.0 owing to its brilliant performance. The government continues to encourage the chemical, pharmaceutical, and textile industry (*Industri Kimia, Farmasi, dan Tekstil* or "IKFT") to continue to grow by implementing the Making Indonesia 4.0 roadmap in the IKFT sector, including assessment of Indonesia Industry 4.0 Readiness Index (INDI 4.0), enforcement of roadmap, implementation and adoption of industrial technology 4.0 in the textile and fashion sector, improvement of material flow in the petrochemical industry sector, and establishment of the TTPT 4.0 pilot projects. The government also encourages companies to implement a customer-centric model, namely by changing production patterns from capacity-based to adjusting-to-customers' demands or needs.

Source:

- Data from Statistics Indonesia; and
- Media Industri 2021, Ministry of Industry.

Operational Review

Our Company's business activities are classified into 2 operational segments based on the group of products sold, namely the architectural solutions segment and the trading goods segment. Information concerning the performance of our operational segment is as follows:

1. Architectural Solutions Segment

Business activities that focus on the production, distribution, and trade of wall paint, wood and metal paint, waterproofing paint, wood care, glue, roof paint, and instant cement products or also commonly referred to as decorative paints and coatings.

2. Trading Goods Segment

Business activities that focus on the distribution and sales of pipes, furniture, and supporting products required in painting process, such as paint rollers, paint brushes, tape, and sandpaper.

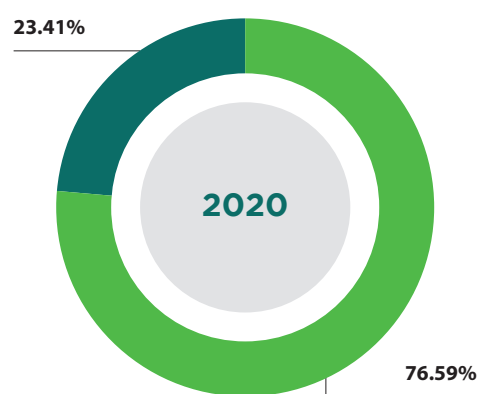
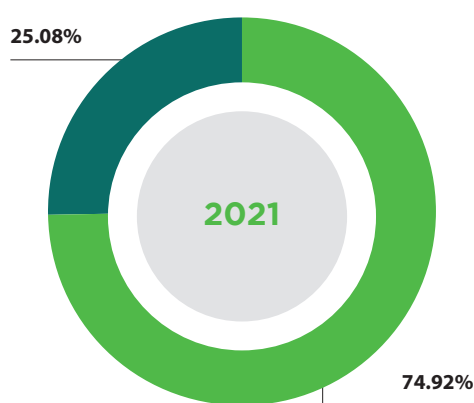


Production Capacity

The production processes are carried out at two manufacturing facilities owned by our Company, in Sidoarjo and Serang, with production capacity of 213,840 and 72,576 metric tons per year, respectively.

Paint Production

Description	2021		2020		Growth	
	Metric Ton	Contribution (%)	Metric Ton	Contribution (%)	Metric Ton	%
Sidoarjo Manufacturing Facility	153,872	74.92	129,095	76.59	24,777	19.19
Serang Manufacturing Facility	51,510	25.08	39,462	23.41	12,048	30.53
Total Production	205,382	100.00	168,557	100.00	36,825	21.85



● Sidoarjo Manufacturing Facility

● Serang Manufacturing Facility

● Sidoarjo Manufacturing Facility

● Serang Manufacturing Facility

Total production throughout 2021 reached 205,382 metric tons, an increase of 21.85% compared to 168,557 metric tons in 2020. This is influenced by sales growth and increased inventory balances, especially at our own distribution centers, in anticipation of possible issues on inter-island shipping due to container scarcity.

Profitability and Contribution of Operational Segment

Owing to the aforementioned production performance, our Company was able to record profitability and contribution of the operational segments to the consolidated financial performance as disclosed below:

Net Sales by Operational Segment

Description	2021		2020		Growth	
	Million Rp	Contribution (%)	Million Rp	Contribution (%)	Million Rp	%
Architectural Solutions	5,305,745	78.26	4,506,022	78.62	799,723	17.75
Trading Goods	1,473,898	21.74	1,225,239	21.38	248,659	20.29
Total Net Sales	6,779,643	100.00	5,731,261	100.00	1,048,382	18.29

Net sales in 2021 reached Rp6,779.64 billion, an increase of 18.29% compared to Rp5,731.26 billion in 2020. This increase was observed across all segments, where the architectural solutions operational segment increased 17.75% and the trading goods operational segment increased 20.29%. This growth in net sales is influenced by the growth in sales of wall paint, wood and iron paint, and leak-proof paint which continue to be the backbone of the architectural solutions segment. PVC pipe products in the trading goods segment are the main drivers of the segment's growth. Even though we faced major challenges in 2021 brought about by the increase in Covid-19 Delta variant cases in July-August which led to the implementation of Community Activities Restrictions Enforcement (*Pemberlakuan Pembatasan Kegiatan Masyarakat* or "PPKM") in a number of regions, we still succeeded in recording a positive operational and financial performance in 2021 in line with the improvement in pandemic management by the government and various business strategies that were implemented accurately.

Cost of Goods Sold by Operational Segment

Description	2021		2020		Growth	
	Million Rp	Contribution (%)	Million Rp	Contribution (%)	Million Rp	%
Architectural Solutions	(2,768,153)	(70.01)	(2,177,221)	(67.77)	(590,932)	27.14
Trading Goods	(1,185,957)	(29.99)	(1,035,373)	(32.23)	(150,584)	14.54
Total Cost of Goods Sold	(3,954,110)	(100.00)	(3,212,594)	(100.00)	(741,516)	23.08

The cost of goods sold in 2021 reached Rp3,954.11 billion, an increase of 23.08% compared to Rp3,212.59 billion in 2020. This increase was observed in all segments, where the architectural solutions operational segment increased 27.14% and the trading goods operational segment increased 14.54%. This is mainly influenced by the increase in raw material prices accompanied by restrictions on the mobility of goods and services in 2021. In this regard, we have taken preventive measures by ensuring long-term contracts with suppliers and increasing inventory levels in an effort to maintain the continuity of raw material supply, as well as efforts to increase productivity from the production side.

Gross Profit by Operational Segment

Description	2021		2020		Growth	
	Million Rp	Contribution (%)	Million Rp	Contribution (%)	Million Rp	%
Architectural Solutions	2,537,591	89.81	2,328,801	92.46	208,790	8.97
Trading Goods	287,942	10.19	189,866	7.54	98,076	51.66
Total Gross Profit	2,825,533	100.00	2,518,667	100.00	306,866	12.18

Gross profit in 2021 reached Rp2,825.53 billion, an increase of 12.18% compared to Rp2,518.67 billion in 2020. This increase was observed in all segments, where the architectural solutions operational segment increased 8.97% and the trading goods operational segment increased 51.66%. Although gross profit increased, gross profit margin decreased from 43.95% in 2020 to 41.68% in 2021. This is mainly influenced by the increase in raw material prices, necessitating the Company to adjust its selling price 3 times throughout 2021 in an effort to maintain margins. We are committed to continuously strive to improve the performance of architectural solutions and trading goods operational segments to maximize our Company's profit.



Profitability

Our ability to earn profits is reflected in the profitability ratio shown as follows:

(in %)

Description	2021	2020
Ratio of Profit Before Income Tax to Net Sales	27.21	26.02
Ratio of Profit Before Income Tax to Total Assets	16.96	25.40
Ratio of Profit Before Income Tax to Total Equity	19.59	31.83
Ratio of Profit for the Year to Net Sales	21.16	19.82
Ratio of Profit for the Year to Total Assets (ROA)	13.19	19.35
Ratio of Profit for the Year to Total Equity (ROE)	15.24	24.25

In 2021, our profitability to net sales ratio showed an increase, while profitability ratios to total assets and equity decreased. This is largely due to the fact that receipt of proceeds from the Initial Public Offering of the Company's shares remained mostly in the form of deposits and government bonds, so it has not provided optimal returns in accordance with the level of Operating Profitability.

Marketing Aspect

We believe that strong brand recognition and reputation has played a critical role in the success of our business. We have promoted our brands through various marketing and promotional activities by employing 2 forms of marketing techniques, namely the loyalty programs (below-the-line marketing or "BTL") and media advertising (above-the-line marketing or "ATL") that focuses on the use of mass media to reach a wide target audience.

BTL marketing strategy is carried out by targeting retailers who distribute our products to end customers through schemes offering rewards such as gold coins, loyalty points that can be redeemed into gift vouchers, retailer discounts, and other forms of rewards. We also host in-store events at our retailers for new product launches and other regular customer gathering events. We believe our BTL marketing strategy plays an increasingly important role in deepening our relationships with our retailers and modern trade, thereby increasing product sales and customer retention.

ATL marketing strategy is conducted through television commercials, advertisements in print, radio, and billboards; in-store programs consisting of display and info boards, store décor, product categorization, and product consultants acting as our brand ambassadors; and out-of-store activities consisting of brand launches and product training to specific customer groups.

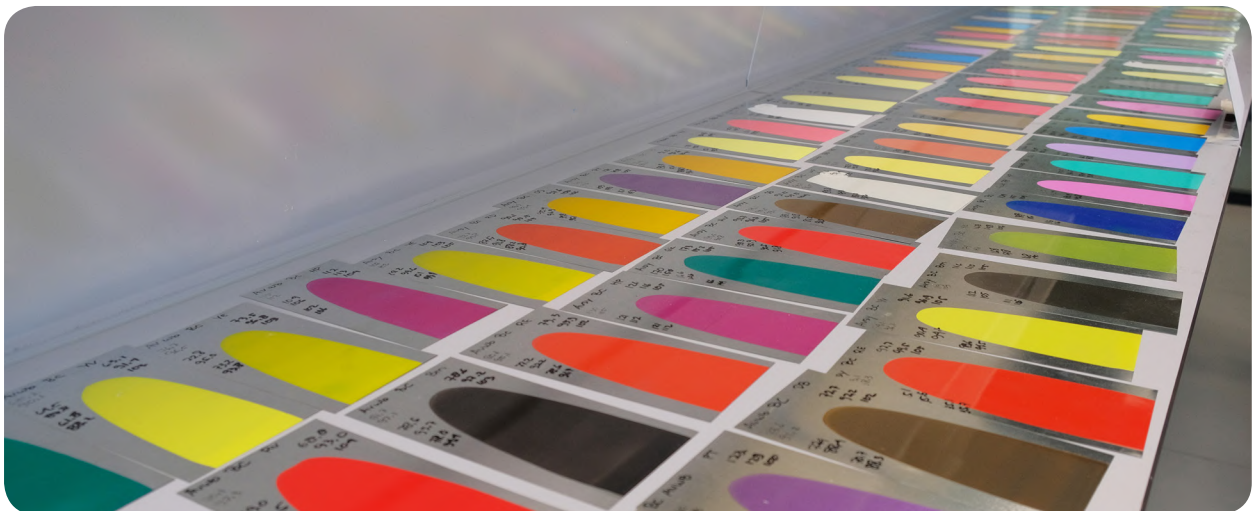
In addition, to keep our brands dynamic and accessible to young consumers as well as mobile consumers, we also invest in building our brands online through digital marketing activities, such as Google, Youtube, LinkedIn, Facebook, Instagram, TikTok, and our website. We believe that online brand communication provides unique benefits in terms of consumer reach and participation, especially during the Covid-19 pandemic.

Market Share

The Covid-19 pandemic, that is still ongoing throughout 2021, has not significantly affected our performance, both in operation and in finance. Our sales and profits continued to grow throughout 2021, by 18.29% and 26.26% respectively. We were able to properly implement various policies and strategies to ensure that our position in the national paint industry remains superior and is able to compete with our competitors. These policies and strategies are also supported by our competitive advantages, including:

1. We are a leading paint producer in Indonesia with strong brand recognition;
2. We are well-positioned to take advantage of the favorable industry growth dynamics in Indonesia;
3. We have extensive distribution and footprint network across Indonesia;
4. We have production excellence underpinned by our vertically integrated manufacturing capabilities and internal raw material production, supported by our long-term relationships with key suppliers;
5. We have the ability to offer differentiated and innovative solutions, supported by industry-leading R&D capabilities in decorative paints and coatings; and
6. We have a highly committed and visionary management team with a strong track record of success.

Our product marketing is supported by 101 own distribution centers and 33 third-party distribution centers spread across various regions of Indonesia. In addition to having an extensive distribution network, sales of our products are also supported by a solid marketing team, including recruitment of product consultants stationed in retail outlets of our customer stores to promote products and answer questions about our products asked by end consumers visiting these stores. As of the end of 2021, we have 834 product consultants who serve as members of our sales team.





Financial Review

Consolidated Statement of Financial Position

Assets

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Increase (Decrease)	
			Rp	(%)
Current Assets				
Cash and Cash Equivalents	1,288,214	1,361,184	(72,970)	(5.36)
Investment in Government Bonds	4,840,680	475,616	4,365,064	917.77
Trade Receivables				
Related parties	15,489	8,137	7,352	90.35
Third parties	1,150,535	992,502	158,033	15.92
Other Receivables				
Related parties	27,765	34,170	(6,405)	(18.74)
Third parties	80,472	11,450	69,022	602.82
Inventories, Net	1,446,354	1,007,154	439,200	43.61
Right of Return Asset	12,703	5,874	6,829	116.27
Advances to Suppliers				
Related parties	1,791	-	1,791	100.00
Third parties	5,085	7,742	(2,657)	(34.32)
Prepaid Expenses	11,297	17,262	(5,965)	(34.55)
Prepaid Taxes	6,054	410	5,644	1,375.12
Total Current Assets	8,886,439	3,921,501	4,964,938	126.61
Non-Current Assets				
Investment Properties	295,640	282,846	12,794	4.52
Right-of-use Assets	115,741	131,685	(15,944)	(12.11)
Fixed Assets, Net	1,551,224	1,523,900	27,324	1.79
Investment in Joint Ventures	17,741	-	17,741	100.00
Advances Payment for Purchase of Fixed Assets	5,233	7,630	(2,397)	(31.41)
Other Non-Current Assets	1,742	3,323	(1,581)	(47.58)
Total Non-Current Assets	1,987,321	1,949,384	37,937	1.95
Total Assets	10,873,760	5,870,885	5,002,875	85.22

Total Assets

Total assets in 2021 reached Rp10,873.76 billion, an increase of 85.22% compared to Rp5,870.88 billion in 2020. This is mainly influenced by an increase in current assets of Rp4,964.94 billion or 126.61% and non-current assets of Rp37.94 billion or 1.95%.

Current Assets

Current assets in 2021 reached Rp8,886.44 billion, an increase of 126.61% compared to Rp3,921.50 billion in 2020. This is mainly influenced by the increase placement of initial public offering proceeds in government bonds in the amount of

Rp4,365.06 billion or 917.77%, net inventory of Rp439.20 billion or 43.61%, and third party trade receivables of Rp158.03 billion or 15.92%.

Non-Current Assets

Non-current assets in 2021 reached Rp1,987.32 billion, an increase of 1.95% compared to Rp1,949.38 billion in 2020. This is influenced by an increase in net fixed assets of Rp27.32 billion or 1.79%, investments in joint ventures of Rp17.74 billion or 100.00%, and investment properties of Rp12.79 billion or 4.52%; and a decrease in right-of-use assets of Rp15.94 billion or 12.11%.

Liability

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Increase (Decrease)	
			Rp	(%)
Current Liabilities				
Bank Loans	671	-	671	100.00
Trade Payables				
Related parties	292,070	241,626	50,444	20.88
Third parties	476,678	247,259	229,419	92.78
Other Payables				
Related parties	14,374	602	13,772	2,287.71
Third parties	41,285	29,709	11,576	38.96
Unearned Revenue				
Related parties	1,809	1,828	(19)	(1.04)
Third parties	781	-	781	100.00
Accrued Expenses	323,481	277,928	45,553	16.39
Taxes Payables	140,136	180,436	(40,300)	(22.33)
Customer Guarantee	4,219	6,129	(1,910)	(31.17)
Refund Liabilities	19,601	9,361	10,240	109.39
Current Maturities of Lease Liability	24,576	27,700	(3,124)	(11.28)
Total Current Liabilities	1,339,681	1,022,578	317,103	31.01
Non-Current Liabilities				
Employee Benefit Liability	53,934	81,275	(27,341)	(33.64)
Deferred Tax Liabilities, Net	19,692	9,014	10,678	118.46
Lease Liability - Non-Current Portion	44,833	73,384	(28,551)	(38.91)
Total Non-Current Liabilities	118,459	163,673	(45,214)	(27.62)
Total Liabilities	1,458,140	1,186,251	271,889	22.92

Total Liabilities

Total liabilities in 2021 reached Rp1,458.14 billion, an increase of 22.92% compared to Rp1,186.25 billion in 2020. This is mainly influenced by an increase in current liabilities of Rp317.10 billion or 31.01% and a decrease in non-current liabilities of Rp45.21 billion or 27.62%.

Current Liabilities

Current liabilities in 2021 reached Rp1,339.68 billion, an increase of 31.01% compared to Rp1,022.58 billion in 2020. This is mainly influenced by an increase in third party trade payables of Rp229.42 billion or 92.78% and accrued expenses of Rp45.55 billion or 16.39%.



Non-Current Liabilities

Non-current liabilities in 2021 reached Rp118.46 billion, a decrease of 27.62% compared to Rp163.67 billion in 2020. This is influenced by a decrease in lease liability non-current portion of Rp28.55 billion or 38.91% and employee benefit liabilities of Rp27.34 billion or 33.64%.

Equity

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Increase (Decrease)	
			Rp	(%)
Equity Attributable to Owner of the Parent Entity				
Share Capital	619,536	557,536	62,000	11.12
Additional Paid-in Capital	7,793,218	2,208,573	5,584,644	252.86
Revaluation Surplus of Fixed Assets	213,548	213,438	110	0.05
Changes in Fair Value of Investment in Government Bonds	(835)	18,389	(19,224)	(104.54)
Re-measurement Gain on Employee Benefits Liability	16,329	916	15,413	1,682.28
Retained Earnings				
Appropriate	112,000	-	112,000	100.00
Unappropriate	658,393	1,685,780	(1,027,387)	(60.94)
Total	9,412,189	4,684,632	4,727,557	100.92
Non-controlling Interests	3,431	2	3,429	171,450.00
Total Equity	9,415,620	4,684,634	4,730,986	100.99

Total equity in 2021 reached Rp9,415.62 billion, an increase of 100.99% compared to Rp4,684.63 billion in 2020. This is mainly influenced by an increase in additional paid-up capital of Rp5,584.64 billion or 252.86% and share capital of Rp62.00 billion or 11.12% in line with the initial public offering of the Company's shares to the public.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Increase (Decrease)	
			Rp	(%)
Net Sales	6,779,643	5,731,261	1,048,382	18.29
Cost of Goods Sold	(3,954,110)	(3,212,594)	741,516	23.08
Gross Profit	2,825,533	2,518,667	306,866	12.18
Selling Expenses	(889,065)	(917,985)	(28,920)	(3.15)
General and Administrative Expenses	(181,567)	(162,690)	18,877	11.60
Other Operating Income, Net	47,486	9,768	37,718	386.14
Operating Profit	1,802,387	1,447,760	354,627	24.49
Finance Income	80,678	53,019	27,659	52.17
Finance Costs	(37,102)	(9,734)	27,368	281.15
Share of Loss of a Joint Venture	(1,258)	-	1,258	100.00
Profit before Income Tax Expense	1,844,705	1,491,045	353,660	23.72
Income Tax Expense	(410,154)	(354,897)	55,257	15.57
Profit for the Year	1,434,551	1,136,148	298,403	26.26

Description	2021	2020	Increase (Decrease)	
			Rp	(%)
Profit for the Year Attributable to:				
Owners of the parent entity	1,434,613	1,136,147	298,466	26.27
Non-controlling interests	(62)	1	(63)	(9,326.84)
Total Other Comprehensive Income (Loss), Net of Tax	(3,701)	29,376	(33,077)	(112.60)
Total Comprehensive Income for the Year	1,430,850	1,165,524	265,327	22.76
Total Comprehensive Income for the Year Attributable to:				
Owners of the parent entity	1,430,913	1,165,523	265,390	22.77
Non-controlling interests	(63)	1	(63)	(9,355.23)
Basic Earnings Per Share Attributable to Owner of the Parent Entity (Full Rupiah)	25.54	20.38	5.17	25.35

Net Sales

Net sales in 2021 reached Rp6,779.64 billion, an increase of 18.29% compared to Rp5,731.26 billion in 2020. This is mainly influenced by sales growth from the architectural solutions segment of Rp799.72 billion or 17.75% and the trading goods segment of Rp248.66 billion or 20.29%.

Cost of Goods Sold

The cost of goods sold in 2021 reached Rp3,954.11 billion, an increase of 23.08% compared to Rp3,212.59 billion in 2020. This is mainly influenced by the increase in raw material prices in 2021 which caused our cost of goods sold to increase.

Gross Profit

Gross profit in 2021 reached Rp2,825.53 billion, an increase of 12.18% compared to Rp2,518.67 billion in 2020. Although the gross profit increased, the gross profit margin decreased as a result of rising raw material prices, from 43.95% in 2020 to 41.68% in 2021.

Profit before Income Tax Expense

Profit before income tax expense in 2021 reached Rp1,844.70 billion, an increase of 23.72% compared to Rp1,491.04 billion in 2020. This is mainly influenced by the success of operational cost saving efforts made by our Company, resulting in increase of 27.21% in the profit margin before income tax in 2021 compared to 2020's 26.02%.

Profit for the Year

Profit for the year in 2021 reached Rp1,434.55 billion, an increase of 26.26% compared to Rp1,136.15 billion in 2020. This is mainly influenced by our stable operating profit margin and the increase in non-operating income in the form of interest income.

Total Comprehensive Income for the Year

The comprehensive profit for the year reached Rp1,430.85 billion in 2021, an increase of 22.76% compared to Rp1,165.52 billion in 2020. This is in line with the increase in profit for the year and net sales.

Consolidated Statement of Cash Flows

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Growth	
			Rp	(%)
Net Cash Provided by Operating Activities	1,224,428	1,802,054	(577,626)	(32.05)
Net Cash Used in Investing Activities	(4,516,452)	(533,314)	(3,983,138)	746.87
Net Cash Provided by (Used in) Financing Activities	3,218,853	(762,981)	3,981,835	521.88
Increase (Decrease) of Net Cash and Cash Equivalents	(73,171)	505,759	(578,930)	(114.47)
Net Effect of Currency Exchange Rate	0	(25)	25	98.80
Cash and Cash Equivalents at the Beginning of the Year*	1,361,385	855,450	505,935	59.14
Cash and Cash Equivalents at the End of the Year	1,288,214	1,361,184	(72,970)	(5.36)

* Initial balance in 2021 includes cash and cash equivalents of PT MPI, a Subsidiary, in the amount of Rp201 million.



Cash Flow from (for) Operating Activities

Net cash obtained by our Company from operating activities in 2021 reached Rp1,224.43 billion, a decrease of 32.05% compared to Rp1,802.05 billion in 2020. This is mainly influenced by the increase in receivables and inventories in 2021.

Cash Flow from (for) Investment Activities

Net cash used by our Company for investment activities in 2021 reached Rp4,516.45 billion, an increase of 746.87% compared to Rp533.31 billion in 2020. This is mainly influenced by the addition of investment in government bonds of Rp4,555.94 billion, but, on the other hand, there was no significant change to the realization of capital expenditures in 2021 and 2020.

Cash Flow from (for) Financing Activities

Net cash obtained by our Company from funding activities in 2021 reached Rp3,218.85 billion, an increase of 521.88% compared to 2020 where net cash of Rp762.98 billion was used. This is mainly influenced by the receipt of proceeds from the Company's initial public offering to the public of Rp5,646.64 billion and dividend payments to Shareholders of Rp2,350.00 billion.

Ability to Pay Debts

We use the liquidity and solvency ratio approach in measuring our ability to pay debt. Information concerning the performance of the ratio over the past 2 years is described as follows:

(in X)

Description	2021	2020
Liquidity Ratio		
Ratio of Total Current Assets to Total Current Liabilities	6.63	3.83
Solvency Ratio		
Ratio of Total Non-Current Liabilities to Total Equity	0.01	0.03
Ratio of Total Liabilities to Total Equity	0.15	0.25
Ratio of Total Liabilities to Total Assets	0.13	0.20

Liquidity Ratio

The liquidity ratio demonstrates our ability to fulfill current liabilities as measured through current ratios by looking at the comparison of current assets to current liabilities. In 2021, the current ratio increased from 3.83X to 6.63X. This shows that our ability to fulfill short-term obligations in a timely manner has increased compared to the previous period.

Solvency Ratio

The solvency ratio demonstrates our ability to pay long-term debts. In 2021, our solvency ratio as measured through the comparison of total non-current liabilities to total equity, total liabilities to total equity, and total liabilities to total assets of 0.01X, 0.15X, and 0.13X, respectively, decreased when compared to 2020's 0.03X, 0.25X and 0.20X, respectively. The performance of this ratio shows increase in our ability to pay off all our debts and demonstrates our stronger capital structure following the initial public offering of shares.

Collectibility Level of Receivables

The collectibility level of receivables contains information about our ability to collect all business receivables owned. In its measurement, we use the average payment period approach calculated by dividing business receivables by net sales, then multiplying it by 365 days (total days of the year). Information regarding the collectibility level of our receivables is described as follows:

Description	2021	2020
Receivables Turnover Ratio (times)	6.26	5.91
Average Payment Period (days)	58	62

In 2021, the collectibility level of our receivables based on the receivables turnover ratio was recorded at 6.26 times, an increase compared to the previous year of 5.91 times. Likewise, the average payment period of our receivables increased to 58 days, compared to the previous year of 62 days. This is mainly influenced by the better management of our receivables.

Capital Structure

Policy and Basis of Determining Capital Structure

The management policy on the capital structure is based on ensuring that our Company is able to maintain a healthy capital ratio in order to support business continuity and maximize value for Shareholders. We manage the capital structure and make adjustments, based on changes in economic conditions. To maintain and adjust the capital structure, we may adjust dividend payments to Shareholders, issue new shares, or seek funding through loans.

Capital Structure

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Growth	
			Rp	(%)
Total Liabilities	1,458,140	1,186,251	271,889	22.92
Minus: Cash and Cash Equivalents	1,288,214	1,361,184	(72,970)	(5.36)
Net Debt	169,926	(174,933)	(344,859)	(197.14)
Total Equity	9,415,620	4,684,634	4,730,986	100.99
Net Debt to Equity Ratio (%)	1.80	(3.73)	-	-

Capital Expenditures Investment

We invest in capital expenditures in the form of fixed assets with the aim to support the flow of the company's operation. In 2021, we made capital expenditures investment of Rp140.88 billion, a decrease of 5.44% from 2020 of Rp148.99 billion. The following details describe the Company's capital expenditures issued for capital expenditures investment in the last 2 years:



(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	Increase (Decrease)	
			Rp	(%)
Direct Ownership				
Buildings and Improvements	27,051	36,136	(9,085)	(25.14)
Machinery and Equipment	20,807	50,252	(29,445)	(58.60)
Tinting Machines	8,908	11,040	(2,132)	(19.31)
Installations	9,768	10,280	(512)	(4.98)
Vehicles	46,644	14,974	31,670	211.50
IT Infrastructure and Office Supplies	27,704	26,304	1,400	5.32
Total	140,882	148,986	(8,104)	(5.44)

Material Commitment of Capital Expenditures Investment

Throughout 2021, we had no material commitment related to capital expenditures investment, therefore information on the name of the committing party, the purpose of the commitment, the source of funds expected to fulfill the commitments, the denominating currency, and the Company's planned measures for protection against risks relating to position of the relevant foreign currency is not presented.

Realization of Use of Public Offering Proceeds

The report on the realization of use of the Company's public offering proceeds as of December 31, 2021 is outlined as follows:

(in millions of Rupiah, unless otherwise stated)

Description	Effective Date	Realization Value of Public Offering			Plan of Use of Proceeds According to Prospectus					Realization of Use of Proceeds According to Prospectus				Remaining of Public Offering Proceeds
		Total of Public Offering Proceeds	Cost of Public Offering	Net Value of Public Offering		Working Capital	Capital Expenditure	Principal Repayment of Bank Loans	Total	Working Capital	Capital Expenditure	Principal Repayment of Bank Loans	Total	
Initial Public Offering of Shares	November 30, 2021	5,766,000	119,356	5,646,644	Company	2,980,000	702,000	550,000	4,232,000	120,011	539	550,000	670,550	3,561,450
					PT Tirtakencana Tatawarna	950,000	85,000	380,000	1,415,000	950,000	85,000	380,000	1,415,000	-

Policy and Distribution of Dividends

Dividend Policy

Our dividend distribution policy is determined based on the provisions contained in the Articles of Association of the Company and approved by the Shareholders in the General Meeting of Shareholders (GMS). The amount of dividends to be paid is at least 50.00% of distributable net profit and dependent on the Company's cash flow and investment plans, prevailing Indonesian laws and regulations and other applicable requirements. The determination of the amount and the payment of dividends is decided by taking into account the recommendations of the Board of Directors and other factors, including income, operational and financial results, condition of liquidity, capital expenditure plans, acquisition opportunities, future business prospects, compliance with prevailing regulations and legislation as well as other factors deemed relevant.

We may declare final dividend (in Rupiah) for the year where we have a positive retained earnings balance. A portion of our net income, as determined by the Annual General Meeting of Shareholders ("Annual GMS"), after deduction of corporate income tax, shall be allocated for reserved funds until it amounts to at least 20.00% of the Company's fully-paid capital, unless

otherwise stipulated in the Annual GMS. Our Company's articles of association also permit the distribution of interim dividends before the end of the financial year provided that the interim dividend does not result in our net assets being less than the required amount of issued and paid up capital and reserved fund.

Dividend Distribution

Payment Date	Total of Dividend Paid (Rupiah)	Dividend per Share (Rupiah per Share)
2021		
May 31, 2021	1,050,000,000,000	18.83
August 9, 2021	1,000,000,000,000	17.94
September 20, 2021	300,000,000,000	5.38
Total	2,350,000,000,000	42.15
2020		
April 23, 2020	400,000,000,000	7.17
May 26, 2020	300,000,000,000	5.38
Total	700,000,000,000	12.56

Material Information Related to Investment, Expansion, Divestment, Business Merger/ Consolidation, Acquisition and Restructuring of Debt/Capital

1. Based on Notary Deed No. 18 dated October 13, 2021, the Company purchased shares of PT Multipro Paint Indonesia ("MPI") from Garibaldi Thohir, Yohanes Chandra Ekajaya, and Suprajitno Sutomo totaling 2,345, 2,345 and 2,010 shares respectively with a nominal value of Rp1,000,000.-. This purchase resulted in the Company owning 67.00% of shares in MPI;
2. Based on Notary Deed No. 1 dated December 8, 2021, the Company has subscribed for 2,830,000 shares with a nominal value of Rp500,000,- or a total of Rp1,415,000,000,000,- on the increase in issued and paid up capital of PT Tirtakencana Tatawarna ("TKTW"), our Subsidiary. With this, the Company remains to own 99.99% of shares in TKTW; and
3. Based on Notary Deed No. 68 dated December 28, 2021, the Company has subscribed for 30,820 shares with a nominal value of Rp100,000,- or a total of Rp3,082,000,000,- on the increase in issued and paid up capital of MPI, our Subsidiary. With this, the Company remains to own 67.00% of shares in MPI.

Material Transactions Containing Conflicts of Interest or Transactions with Related Parties

Information on Material Transactions Containing Conflict of Interest

Throughout 2021, we did not conduct transactions containing conflict of interest.

Information on Transactions with Related Parties

Throughout 2021, we conducted transactions with related parties indicated as follows:

Related Parties	Object of Transactions	Nature of Relationships	Transaction Value (Rp)
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Caturkarda Depo Bangunan as customer.	Sales of paint products and building materials.	Having the same key management personnel and common control entity.	18,517,149,353
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Megadepo Indonesia as customer.	Sales of paint products and building materials.	Having the same key management personnel and under common control.	14,540,908,539



Related Parties	Object of Transactions	Nature of Relationships	Transaction Value (Rp)
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Avia Avian Pipa Industry as manufacturer.	Purchase of PVC pipe products.	Having the same key management personnel and under common control.	912,731,379,495
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Avia Avian Pipa Industry as producer.	Reimbursement of marketing costs.	Having the same key management personnel and under common control.	679,180,172
The Company as paint manufacturer and PT Mitra Mulia Makmur as supplier.	Purchase of product packagings.	Having the same key management personnel and under common control.	312,337,695,805
The Company as paint manufacturer and PT Mitra Mulia Makmur as supplier.	Sales of paint products and plastic scraps.	Having the same key management personnel and under common control.	421,591,364
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Wahana Lentera Raya as producer.	Purchase of furniture products.	Having the same key management personnel and under common control.	231,189,724,673
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Wahana Lentera Raya as producer.	Reimbursement of marketing costs.	Having the same key management personnel and under common control.	138,992,884
The Company as paint manufacturer and PT Panca Kalsiumindo as supplier.	Purchase of calcium products.	Having the same key management personnel and under common control.	24,771,637,911
The Company as paint manufacturer and PT Panca Kalsiumindo as supplier.	Sales of paint products and building materials.	Having the same key management personnel and under common control.	71,328,194
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Kencana Lintasindo Internasional as supplier.	Purchase of supporting building materials products.	Having the same key management personnel and under common control.	96,834,903,422
The Company as paint manufacturer and PT Bangun Bersama Solusindo, a joint venture, as producer.	Provision of production tolling services.	Joint venture.	5,816,979,581
The Company's subsidiary, namely PT Tirtakencana Tatawarna as distributor and PT Bangun Bersama Solusindo, a joint venture, as producer.	Purchase of cement-based waterproofing products.	Joint venture.	9,539,990,460
The Company's subsidiary, namely PT Tirtakencana Tatawarna as tenant and PT Sarana Depo Kencana as property owner.	Distribution center.	Having the same key management personnel and under common control.	42,283,455,744

Fairness of Transaction

In the transactions made, we do not have any special purpose with the potential of violating applicable provisions, including not causing conflict of interest for the Company or the majority or minority shareholders.

Compliance with Relevant Rules and Regulations

All transactions with related parties that will be carried out by the Company or its Subsidiaries in the future will be carried out with due observance of the prevailing laws and regulations, including Regulation of the Financial Services Authority No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions.

Statement of the Board of Commissioners and the Board of Directors on Related Parties Transactions

The Board of Commissioners and the Board of Directors always ensure that transactions with related parties conducted by the Company have gone through adequate procedures and are carried out in accordance with generally accepted business practices by fulfilling arm's length principle.

Comparison of Targets and Realizations in 2021

Information related to the target and realization of business growth that our Company would like to achieve in 2021 is as follows:

(in millions of Rupiah, unless otherwise stated)

Description	Target 2021	Realization of 2021	Achievement (%)
Total Production (metric tons)	202,268	205,382	101.54
Net Sales	6,877,500	6,779,643	98.58
Operating Profit	1,788,150	1,802,387	100.80
Profit for the Year	1,409,885	1,434,551	101.75

Business Prospects

Although slower than the previous year, the global economic growth in 2022 is expected to remain at a relatively high level of 4.4%. This is in line with the increasing volume of global trade which is expected to experience a lot of growth, by 6.5%. This is supported by efforts to manage the Covid-19 pandemic and the extent of stimulus provided by governments of countries around the world. However, the increase in Covid-19 cases along with the development of Omicron variants and constraints on the vaccination process has the potential to hamper the recovery of global economic activity.

From monetary point of view, the prospect of a faster U.S. economic recovery and normalization plans of monetary policy in some countries have the potential to increase the pressure risk on exchange rates of rupiah in 2022, which is transmitted through capital outflows from emerging markets. Indonesian economy is expected to grow at 5.2-5.8% in 2022. Acceleration in the country's economic growth is supported by increased investment with growth expectation of 5.4-6.9% and goods and services exports with growth expectation of 4.3-6.8%. Increased investment and exports will increase the productive capacity as well the economic productivity, which had fallen due to the impact of Covid-19.

From business point of view, the processing industry sector is expected to be the driving force of economic growth which is predicted to be in the range of 5.3-5.9% in 2022. The recovery of the processing industry sector continues through the following strategies:

1. Increase in spending by government and state-owned enterprises ("SOEs") for domestic products;
2. Increase in availability of raw materials and auxiliary materials at a competitive level;
3. Provision of stimulus in the business world;
4. Workforce recovery and working-hours recovery through re-hiring and re-training of manpower;
5. Acceleration of the development of priority industrial estates to accommodate investment relocation; and
6. Funding expansion for projects in priority industry.

Source: Government Work Plan 2022, Ministry of National Development Planning (*Badan Perencanaan Pembangunan Nasional* or "Bappenas").



Business Development Strategy

In welcoming the projected 2022 economic growth, we plan to implement our business development strategies through several policies outlined as follows:

1. We intend to capture the growing potential of the Indonesian paint and coatings market and increase our excellence and leadership in the national paint and coating industry;
2. We will accelerate the expansion and transformation of the broad distribution model in Indonesia;
3. We will continue to enhance our portfolio of architectural solutions that is innovative and provides added value;
4. We will continue to focus on the development of our strategically beneficial operating model; and
5. We will implement Environmental, Social and Governance ("ESG") practices in every element of our strategy to create value for stakeholders.

2022 Projection

We have established performance achievement targets in 2022 indicated as follows:

(in million Rupiah)

Description	Realization in 2021	Target for 2022
Total Production (metric tons)	205,382	^ 10% - 15%
Net Sales	6,779,643	^ 10% - 15%
Operating Profit	1,802,387	^ 10% - 15%
Profit for the Year	1,434,551	^ 17% - 22%

Changes in Accounting Policy

New standards, amendments, revisions, and interpretations that have been published as well as that will be effective for the financial year beginning on or after January 1, 2021, are as follows:

ISAK/Amendment PSAK	Impact on the Company
Amendment to PSAK 22: Business Combination	No significant impact on the Company
Amendment to PSAK 71: Financial Instruments	No significant impact on the Company
Amendment to PSAK 55: Financial Instruments: Recognition and Measurement	No significant impact on the Company
Amendment to PSAK 60: Financial Instruments: Disclosure	No significant impact on the Company
Amendment to PSAK 62: Insurance Contract	No significant impact on the Company
Amendment PSAK 73: Rent on Interest Rate Benchmark Reform - Phase 2 adopted from IFRS on Interest Rate Benchmark Reform - Phase 2.	No significant impact on the Company

Cause for Change in Accounting Policy

The application of financial accounting standards is carried out to comply with the prevailing PSAK for the year.

Changes in Laws and Regulations with Significant Impact on the Company

In 2021, there were a number of laws and regulations that have undergone changes and regulations that have just been passed by regulators which affected our Company, namely:

Regulation	Impact for the Company	Adjustments Made
Constitutional Court Decision on Material Test Rights Law No. 11 of 2020 on Job Creation.	- The value of compensation as stipulated in Article 16 of Government Regulation No. 35 of 2021 is suspended which resulted in ambiguous regulation of the value, this is in accordance with the Constitutional Court Decision No. 91/PUU-XVIII/2020 page 416 point 4 and page 417 point 7; and - The amount of severance as stipulated in Article 41. 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 54, 55, 56, and 57 of Government Regulation No. 35 of 2021 are suspended which resulted in legal vacuum, this is in accordance with the Constitutional Court Decision No. 91/ PUU-XVIII/2020 page 417 point 7.	Made adjustments in accordance with the direction of the local Labor Department.
Circular Letter of the Minister of Industry of the Republic of Indonesia No. 3 of 2021 concerning the Operation and Mobility of Industrial Activities during the Covid-19 Public Health Emergency.	- Obligation to have an Operational and Mobility Permit for Industrial Activities (<i>Izin Operasional Mobilitas Kegiatan Industri</i> or "IOMKI"); - Implementation of health protocols and weekly reporting on SIINas (<i>Sistem Informasi Industri Nasional</i> or National Industry Information System) application; and - Restrictions on the number of employees working in the office and the arrangement of production shifts which impact production operations and offices.	- Submitted IOMKI application to the Ministry of Industry; - Implemented health protocols and reported to the Ministry of Industry's SIINas application every week; and - Limited the number of employees working in the office by implementing a WFH system and production shift arrangements that prevent employee interactions during shift changes.
- Minister of Trade Regulation No. 16 of 2021 on Recommendations of Dangerous Imports; and - Minister of Industry Regulation No. 20 of 2021 on Import Policy and Regulation.	- The addition of new permits in the form of import recommendations and import permits, impacting import of raw materials, especially <i>Phtalic Anhydride</i>; and - Increased import costs, tightening of on-field verification and restrictions on import quotas according to needs.	- Submitted permit application in accordance with the requirements; and - Coordinated with the relevant departments to calculate the needs and realization of goods for the following year's submission.

Material Information Subsequent to the Financial Statement Date

Material information and facts subsequent to the date of the financial statement are described as follows:

- On January 27, 2022, the Company has made changes to its capital structure after the completion of the initial public offering process, namely the amendment of Article 4 paragraph 2 of the Company's Articles of Association, based on the deed of the Statement of Shareholder Decision on the Amendment of the Company's Articles of Association No. 31 dated January 27, 2022, which was drawn up in the presence of Liestiani Wang, S.H., M.Kn., a Notary in the Administrative City of South Jakarta and as notified to the Ministry of Law and Human Rights of Republic of Indonesia, as stated in the Receipt of Notification Letter on the Amendment to the Articles of Association No. AHU-AH.01.03-0061733 dated January 27, 2022.
- On February 8, 2022, Mr. Robert Christian Tanoko, the Company's Director, purchased 12,000,000 of the Company's share, resulting in Mr. Robert Christian Tanoko owning 1,415,790,800 shares of the Company.
- On February 9 and 10, 2022, Mr. Robert Christian Tanoko, the Company's Director, purchased 6,103,000 of the Company's shares, resulting in Mr. Robert Christian Tanoko owning 1,421,893,800 shares of the Company.
- On February 23, 2022, the Company has changed the Head of the Internal Audit Unit and the composition of the members of its Internal Audit Unit to the following:
 Head of Internal Audit Unit : Mr. Devyka Oktima S
 Member : Mr. Sarwono
- On February 23, 2022, the Company has changed the composition of the Good Corporate Governance Committee to the following:
 Chairman : Mr. Robert Christian Tanoko
 Member : Mr. Kurnia Hadi Sinanto
 Member : Mr. Iwan Sigit





Good Corporate Governance

We understand the importance of effectively and efficiently implementing Good Corporate Governance in order to improve our sustainable business performance and also as a form of our accountability to the stakeholders.



Commitment to the Implementation of Good Corporate Governance

Good Corporate Governance ("GCG") is the principles that underlie a corporate management process and mechanism based on laws and regulations as well as business ethics. GCG implementation is necessary for our Company in order to support the realization of the right work environment, optimal performance, and sustainable business growth. For this matter, we are committed to implementing GCG in all aspects of our management, including in order to adapt to the dynamics of business activities that are increasingly advancing and developing along with technological developments, as well as to new business opportunities that emerge from time to time. In line with the increasing business risks and challenges that may and will be faced by our Company, as well as our increasingly rapid growth and progressively fierce competition in the paint industry, our GCG implementation is based on the 5 fundamental principles of GCG which are consistently applied for our business continuity. The five GCG principles are described as follows:

1. **Transparency**
This principle ensures the provision of relevant, accurate, and clear information about the Company to the Shareholders and stakeholders.
2. **Accountability**
This principle ensures that all operational and business activities are carried out professionally and in accordance with the prevailing laws and regulations, thereby fostering trust from the public, shareholders, and stakeholders.
3. **Responsibility**
This principle is embodied in our every action in decision making, in which each of our management members is responsible for the stipulated achievements.
4. **Independence**
This principle is applied to ensure that every decision taken is independent and in accordance with the prevailing laws and regulations, and to minimize the occurrence of conflicts of interest.
5. **Equality and Fairness**
This principle is applied to ensure equal and fair treatment in the fulfillment of the rights of employees, suppliers, and stakeholders.

Implementation Basis of Good Corporate Governance

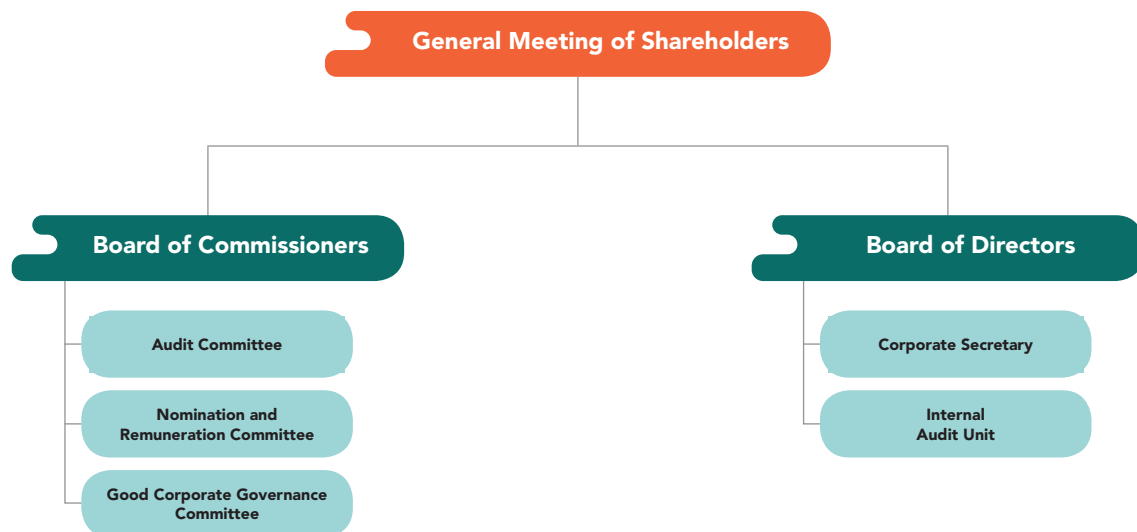
The implementation of GCG in our Company refers to the following provisions, among others:

1. The 1945 Constitution of the Republic of Indonesia;
2. Law No. 8 of 1995 concerning the Capital Market;
3. Law No. 40 of 2007 concerning the Limited Liability Companies;
4. Financial Services Authority ("OJK") Regulations;
5. Indonesian Stock Exchange ("IDX") Regulations;
6. OJK Circular Letter No. 32/SEOJK.04/2015 concerning Guidelines for the Governance of Public Companies;
7. Indonesian GCG General Guidelines issued by the National Committee on Governance Policy (*Komite Nasional Kebijakan Governance* or "KNKG") with due observance to the ASEAN Corporate Governance Scorecard (ACGS);
8. The Company's Articles of Association; and
9. Other Company guidelines and policies.

We also have GCG Guidelines in place, which were stipulated on June 25, 2021 and updated on December 27, 2021. The GCG guidelines are a set of rules guiding the process of good corporate management and supervision. The guidelines cover the division of duties, authorities, and responsibilities, particularly for Shareholders, the Board of Commissioners, and the Board of Directors, which are based on the principles of Good Corporate Governance.

Structure of Good Corporate Governance

To ensure the systematic implementation of GCG, we established a GCG structure based on Law No. 40 of 2007 concerning Limited Liability Companies, which consists of:



General Meeting of Shareholders

The General Meeting of Shareholders ("GMS") is an organ of our Company which possesses authority not granted to the Board of Commissioners nor the Board of Directors within the limits determined by the Limited Liability Company Law and/or Articles of Association. Based on OJK Regulation No. 15/POJK.04/2020 concerning the Planning and Holding of General Meeting of Shareholders of a Public Company, the convention of the GMS is divided into 2, namely, the Annual GMS and the Extraordinary GMS. The Annual GMS must be held no later than 6 months after the end of a financial year, while the Extraordinary GMS is conditional, meaning that it can be held at any time based on need.

GMS Convention in 2021

In 2021, we convened no Annual GMS and no Extraordinary GMS. However, decision-making actions were performed by the Shareholders outside of the meeting, in which Deed of Restatement of Shareholders' Resolutions in Lieu of the General Meeting of the Shareholders were stipulated as the following:



The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders of PT Avia Avian No. 06 dated April 08, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency

Decision	1. To approve the distribution of dividends on the Company's retained earnings in 2020, amounting to Rp1,050,000,000,000.- respectively to: <table> <tr> <td>a. PT Wahana Lancar Rejeki</td><td>Rp 411,075,000,000.-</td></tr> <tr> <td>b. PT Tancorp Surya Sentosa</td><td>Rp 463,050,000,000.-</td></tr> <tr> <td>c. Archipelago Investment Private Limited</td><td>Rp 105,000,000,000.-</td></tr> <tr> <td>d. Rudi Tanoko</td><td>Rp 21,262,500,000.-</td></tr> <tr> <td>e. Rony Tanoko</td><td>Rp 21,262,500,000.-</td></tr> <tr> <td>f. Robert Christian Tanoko</td><td>Rp 28,350,000,000.-</td></tr> <tr> <td></td><td>Rp 1,050,000,000,000.-</td></tr> </table> 2. Concerning the distribution of dividends, taxes in accordance with applicable tax regulations will be deducted and will be borne by each Shareholder. 3. To approve the granting of authority/power to Robert Christian Tanoko, for and on behalf of the Company, to take necessary and appropriate actions in order to follow up on the contents of the Circular Resolutions, in particular: a. To appear before a Notary to formalize the decisions in the Circular Resolutions in the form of a Notary Deed as required; and b. For the above purposes, to appear before the authorized officials, to provide information, to sign deeds and other documents as required or deemed proper and necessary by the power of attorney.	a. PT Wahana Lancar Rejeki	Rp 411,075,000,000.-	b. PT Tancorp Surya Sentosa	Rp 463,050,000,000.-	c. Archipelago Investment Private Limited	Rp 105,000,000,000.-	d. Rudi Tanoko	Rp 21,262,500,000.-	e. Rony Tanoko	Rp 21,262,500,000.-	f. Robert Christian Tanoko	Rp 28,350,000,000.-		Rp 1,050,000,000,000.-
a. PT Wahana Lancar Rejeki	Rp 411,075,000,000.-														
b. PT Tancorp Surya Sentosa	Rp 463,050,000,000.-														
c. Archipelago Investment Private Limited	Rp 105,000,000,000.-														
d. Rudi Tanoko	Rp 21,262,500,000.-														
e. Rony Tanoko	Rp 21,262,500,000.-														
f. Robert Christian Tanoko	Rp 28,350,000,000.-														
	Rp 1,050,000,000,000.-														
Realization	Fully realized.														

The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders of PT Avia Avian No. 26 dated May 28, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency

Decision	1. To approve the distribution of dividends on the Company's retained earnings in 2020, amounting to Rp600,000,000,000.- respectively to: <table> <tr> <td>a. PT Wahana Lancar Rejeki</td><td>Rp 234,900,000,000.-</td></tr> <tr> <td>b. PT Tancorp Surya Sentosa</td><td>Rp 264,600,000,000.-</td></tr> <tr> <td>c. Archipelago Investment Private Limited</td><td>Rp 60,000,000,000.-</td></tr> <tr> <td>d. Rudi Tanoko</td><td>Rp 12,150,000,000.-</td></tr> <tr> <td>e. Rony Tanoko</td><td>Rp 12,150,000,000.-</td></tr> <tr> <td>f. Robert Christian Tanoko</td><td>Rp 16,200,000,000.-</td></tr> <tr> <td></td><td>Rp 600,000,000,000.-</td></tr> </table> 2. Concerning the distribution of dividends, taxes in accordance with applicable tax regulations will be deducted and will be borne by each Shareholder. 3. Dividend payment will be made no later than November 30, 2021. 4. To approve the granting of authority/power to Robert Christian Tanoko, for and on behalf of the Company, to take necessary and appropriate actions in order to follow up on the contents of the Circular Resolutions, in particular: a. To appear before a Notary to formalize the decisions in the Circular Resolutions in the form of a Notary Deed as required; and b. For the above purposes, to appear before the authorized officials, to provide information, to sign deeds and other documents as required or deemed proper and necessary by the power of attorney.	a. PT Wahana Lancar Rejeki	Rp 234,900,000,000.-	b. PT Tancorp Surya Sentosa	Rp 264,600,000,000.-	c. Archipelago Investment Private Limited	Rp 60,000,000,000.-	d. Rudi Tanoko	Rp 12,150,000,000.-	e. Rony Tanoko	Rp 12,150,000,000.-	f. Robert Christian Tanoko	Rp 16,200,000,000.-		Rp 600,000,000,000.-
a. PT Wahana Lancar Rejeki	Rp 234,900,000,000.-														
b. PT Tancorp Surya Sentosa	Rp 264,600,000,000.-														
c. Archipelago Investment Private Limited	Rp 60,000,000,000.-														
d. Rudi Tanoko	Rp 12,150,000,000.-														
e. Rony Tanoko	Rp 12,150,000,000.-														
f. Robert Christian Tanoko	Rp 16,200,000,000.-														
	Rp 600,000,000,000.-														
Realization	Fully realized.														

The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders of PT Avia Avian No. 28 dated May 31, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency

Decision	- To approve the honorable discharge of Mr. Choo Koon Po from his appointment as member of the Company's Board of Commissioners by granting full settlement and release (acquitt et de charge) for all actions he has taken while serving as a member of the Board of Commissioners. - To approve the appointment of Mr. Amit Kunal as a member of the Company's Board of Commissioners, so that the composition of the Company's Board of Directors and Board of Commissioners is as follows: Board of Directors President Director : Mr. Wijono Tanoko Vice President Director : Mr. Ruslan Tanoko Director : Mr. Robert Christian Tanoko Director : Mr. Kurnia Hadi Sinanto Board of Commissioners President Commissioner : Mr. Hermanto Tanoko Commissioner : Mr. Amit Kunal - To approve the granting of authority/power to Wijono Tanoko as the President Director to represent the Board of Directors for and on behalf of our Company: - To appear before a Notary to formalize the decisions in the circular resolutions in the form of a Notary Deed as required; and - For the above purposes, to appear before the authorized officials, to provide information, to sign deeds and other documents as required or deemed proper and necessary by the power of attorney.
Realization	Fully realized.

The Deed of Restatement of Shareholders' Resolutions in Lieu of the Annual General Meeting of the Shareholders of PT Avia Avian No. 14 dated June 18, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency

Resolutions	- To approve and ratify the Financial Statements and the Profit and Loss Calculation for 2020 and accept the accountability of the management for the performance of the Company in 2020 to the extent that it is stated in the 2020 Financial Statements that have been audited, as attached, which is an integral part of this Circular Resolutions. - To approve the Company's Work Plan for the period of 2021 as attached, which is an integral part of this Circular Resolutions. - To approve the Company's dividends distribution for 2020 which amounts to Rp700,000,000,000.- respectively to: <table border="0"> <tr> <td>a. PT Wahana Lancar Rejeki</td><td>Rp 274,050,000,000.-</td></tr> <tr> <td>b. PT Tancorp Surya Sentosa</td><td>Rp 308,700,000,000.-</td></tr> <tr> <td>c. Archipelago Investment Private Limited</td><td>Rp 70,000,000,000.-</td></tr> <tr> <td>d. Rudi Tanoko</td><td>Rp 14,175,000,000.-</td></tr> <tr> <td>e. Rony Tanoko</td><td>Rp 14,175,000,000.-</td></tr> <tr> <td>f. Robert Christian Tanoko</td><td>Rp 18,900,000,000.-</td></tr> <tr> <td></td><td>Rp 700,000,000,000.-</td></tr> </table> As stated in the Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders of "PT Avia Avian" No. 9 dated April 23, 2020, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency. - To approve the reservation of net profit allowance in the amount of 20% of the Company's issued and paid-up capital. - To approve the granting of authority/power to Robert Christian Tanoko as the Director to represent the Board of Directors acting for and on behalf of the Company to declare this Circular Resolutions in a Notary deed. - To state that this Circular Resolutions is effective on the date when the last of our shareholders sign the resolutions.	a. PT Wahana Lancar Rejeki	Rp 274,050,000,000.-	b. PT Tancorp Surya Sentosa	Rp 308,700,000,000.-	c. Archipelago Investment Private Limited	Rp 70,000,000,000.-	d. Rudi Tanoko	Rp 14,175,000,000.-	e. Rony Tanoko	Rp 14,175,000,000.-	f. Robert Christian Tanoko	Rp 18,900,000,000.-		Rp 700,000,000,000.-
a. PT Wahana Lancar Rejeki	Rp 274,050,000,000.-														
b. PT Tancorp Surya Sentosa	Rp 308,700,000,000.-														
c. Archipelago Investment Private Limited	Rp 70,000,000,000.-														
d. Rudi Tanoko	Rp 14,175,000,000.-														
e. Rony Tanoko	Rp 14,175,000,000.-														
f. Robert Christian Tanoko	Rp 18,900,000,000.-														
	Rp 700,000,000,000.-														
Realization	Fully realized.														



The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders of PT Avia Avian No. 19 dated June 22, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency

Decision

1. To approve the appointment of Mr. Mohammad Noor Rachman as a member of the Company's Board of Commissioners, so that the composition of the Company's Board of Directors and Board of Commissioners is as follows:

Board of Directors

President Director	: Mr. Wijono Tanoko
Vice President Director	: Mr. Ruslan Tanoko
Director	: Mr. Robert Christian Tanoko
Director	: Mr. Kurnia Hadi Sinanto

Board of Commissioners

President Commissioner	: Mr. Hermanto Tanoko
Commissioner	: Mr. Amit Kunal
Commissioner	: Mr. Mohammad Noor Rachman Soejoeti

2. To approve the granting of authority/power to Wijono Tanoko as the President Director to represent the Board of Directors for and on behalf of the Company:
 - a. To appear before a Notary to formalize the decisions contained in the circular resolutions in the form of a Notary Deed as required; and
 - b. For the above purposes, to appear before the authorized officials, to provide information, to sign deeds and other documents as required or deemed proper and necessary by the power of attorney.

Realization

Fully realized.

Deed of Restatement of Shareholders' Resolutions on Amendment to the Articles of Association of PT Avia Avian No. 03 dated August 04, 2021, drawn up before Liestiani Wang, S.H., M.Kn., a Notary in South Jakarta Administrative City

Decision

1. To approve status change of the Company from a private limited company to a public company based on the prevailing laws and regulations and to change the name of the Company, from PT Avia Avian to PT Avia Avian Tbk., and thereby amending the provisions of Article 1 of the Company's Articles of Association.
2. To approve the increase of the Company's authorized capital from Rp1,200,000,000,000.- to Rp2,000,000,000,000.-, thereby amending the provisions of Article 4 paragraph (1) of the Company's Articles of Association.
3. To approve the change in the nominal value of the shares from Rp1,000.- per share to Rp10.- per share, thereby changing the number of issued and paid-up shares from 557,535,556 shares to 55,753,555,600 shares.
4. To approve the implementation of the Public Offering through the issuance of new shares from the Company's unissued shares (portfolio) of a maximum of 6,200,000,000 new shares with a nominal value of Rp10.- per share or a maximum of 10.0075% of the Company's total issued and paid capital after the Public Offering, to be offered to the public in the territory of the Republic of Indonesia and/or internationally, and list on the Indonesia Stock Exchange which has included the ESA program, as well as registration of the Company's shares in collective custody in accordance with the regulations of the PT Kustodian Sentral Efek Indonesia. Our Shareholders hereby declare and waive their rights to subscribe for the newly issued shares.
5. To approve the implementation of the ESA program with a maximum amount of 2% of the number of new shares offered in the Public Offering, the implementation of which will be carried out simultaneously and in connection with the Company's Public Offering.
6. To approve the issuance of new shares of the Company in the amount of a maximum of 12.5% of the number of shares offered in the Public Offering, excluding other accompanying securities, which are issued in the context of fulfilling the obligation to allocate a number of shares in a centralized allotment in the event of an excess of subscriptions at the centralized allotment in the context of a Public Offering, as required in OJK Regulation No. 41/POJK.04/2020 concerning the Implementation of Public Offering Activities of Equity Securities, Debt Securities, and/or Sukuk by Electronic Means and OJK Circular Letter No. 15/SEOJK.04/2020 concerning Provision of Order Funds, Verification of Fund Availability, Securities Allocation for Central Allotment, and Settlement of Securities Subscriptions in Electronic Public Offerings of Equity Securities in the Form of Shares.
7. To approve the granting of authority to the Company's Board of Commissioners to make changes to the Company's capital structure after the completion of the Public Offering process.
8. Re-stipulation of the Company's purposes and objectives as well as business activities to be adjusted to the main business activities and supporting business activities that have been and/or will be carried out by the Company, thereby amending Article 3 of the Company's Articles of Association.
9. To approve changes to the entire Articles of Association of the Company to be adjusted to (a) Regulation No. IX.J.1, (b) OJK Regulation No. 15/2020, and (c) OJK Regulation No. 33/2014, and authorize the Board of Directors of the Company to declare and rewrite the entire Articles of Association of the Company in a deed made before a notary.
10. Reaffirmation of the composition of the members of the Board of Directors and Board of Commissioners of the Company as follows:

Decision	Board of Directors President Director : Mr. Wijono Tanoko Vice President Director : Mr. Ruslan Tanoko Director : Mr. Robert Christian Tanoko Director : Mr. Kurnia Hadi Sinanto Board of Commissioners President Commissioner : Mr. Hermanto Tanoko Commissioner : Mr. Amit Kunal Independent Commissioner : Mr. Drs. Mohammad Noor Rachman Soejoeti, Master of Arts The above mentioned members of the Board of Directors and the Board of Commissioners are appointed for a period that will end at the Company's fifth Annual GMS from 2021, without prejudice to the right of the GMS to dismiss members of the Board of Directors and/or Board of Commissioners at any time before their term of office ends in accordance with the Company's Articles of Association. 11. In order to comply with the provisions of Article 85 of OJK Regulation No. 3/2021, our Shareholders hereby designate PT Wahana Lancar Rejeki and PT Tancorp Surya Sentosa as Controllers of the Company based on the prevailing laws and regulations in the capital market sector. 12. To approve the listing of all of our shares, after the Public Offering, which consists of shares offered to the public through a Public Offering and shares already owned by our Shareholders on the Indonesia Stock Exchange (Company Listing), and agree to register our shares in collective custody in accordance with the regulations of the Indonesian Central Securities Depository. 13. To authorize the Board of Directors to take all and any necessary actions in connection with the Public Offering to the public through the Capital Market, including but not limited to (i) determining the use of funds obtained from the Public Offering, (ii) listing the Company's shares which are the issued and paid up shares on the Indonesia Stock Exchange with due observance of the prevailing laws and regulations in the capital market, and (iii) registering the Company's shares in collective custody in accordance with the regulations of the Indonesian Central Securities Depository as well as the laws and regulations applicable in the capital market sector, and also authorize the Board of Directors to take all and every necessary action in connection with the Public Offering to the public.
Realization	Fully realized, with the exception of decree No. 7 which will be realized in January 2022.
The Deed of Restatement of Shareholders' Resolutions in Lieu of the Extraordinary General Meeting of the Shareholders of PT Avia Avian Tbk. No. 47 dated August 27, 2021, drawn up before Anwar, S.H., M.Kn., a Notary in Gresik Regency	
Decision	1. To approve changes to the provisions of Article 16 paragraph (1) of the Company's Articles of Association. 2. To approve the resignation of Mr. Amit Kunal from his appointment as member of the Company's Board of Commissioners and granted him with full settlement and release (acquit et discharge) for all actions taken while serving as a member of the Company's Board of Commissioners. 3. The composition of the members of the Board of Directors and the Board of Commissioners of the Company is as follows: Board of Directors President Director : Mr. Wijono Tanoko Vice President Director : Mr. Ruslan Tanoko Director : Mr. Robert Christian Tanoko Director : Mr. Kurnia Hadi Sinanto Board of Commissioners President Commissioner : Mr. Hermanto Tanoko Independent Commissioner : Mr. Drs. Mohammad Noor Rachman Soejoeti, Master of Arts 4. To approve the granting of authority/power to Wijono Tanoko as the President Director to represent the Board of Directors for and on behalf of our Company: a. To appear before a Notary to formalize the decisions in the circular resolutions in the form of a Notary Deed as required; and b. For the above purposes, to appear before the authorized officials, to provide information, to sign deeds and other documents as required or deemed proper and necessary by the power of attorney.
Realization	Telah direalisasikan sepenuhnya.
Deed of Restatement of Shareholders' Resolutions of PT Avia Avian Tbk. No. 87 dated September 23, 2021, drawn up before Liestiani Wang, S.H., M.Kn., a Notary in South Jakarta Administrative City	
Decision	1. To approve the plan for sale of shares in the amount of a maximum of 10% of the company's paid up capital owned by the Shareholders ("Selling Shareholders") by means of a private placement with terms and conditions deemed appropriate by the Board of Directors after the listing of the Company's shares on the Indonesia Stock Exchange. 2. The details of the Selling Shareholders and their percentage will be further notified by the Selling Shareholders to the Company's Board of Directors no later than before the issuance of pre-effective letter by the Financial Services Authority.
Realization	Fully realized.



Board of Commissioners

The Board of Commissioners is an organ of the Company that supervises and provides advice on the management of the Company which is carried out in accordance with the Articles of Association and the prevailing laws and regulations. The Board of Commissioners is also tasked with ensuring that the implementation of GCG in the Company has been carried out in accordance with the principles of GCG in a sustaining manner.

Board of Commissioners Charter

The Company has a Board of Commissioners Charter in place, which was stipulated on August 16, 2021 ("Board of Commissioners Charter"). The Board of Commissioners Charter is used as a guideline for the Board of Commissioners to carry out the supervisory function on the Company and the Board of Directors based on GCG principles in realizing the Company's Vision, Mission, and Values, based, in particular, on the Company's Articles of Association and the prevailing laws and regulations in general.

Board of Commissioners Composition

Based on Article 16 paragraph (1) of the Company's Articles of Association, the composition of the Company's Board of Commissioners may consist of a minimum of 2 members, one of whom is the President Commissioner and the other is an Independent Commissioner. The term of office of the Board of Commissioners is 5 years. The Board of Commissioners composition for the 2021 period will be in office until the Annual GMS which will be held in 2026. In 2021, the composition of the Board of Commissioners consists of 2 people, namely:

Name	Appointment
Hermanto Tanoko	President Commissioner
Mohammad Noor Rachman Soeji	Independent Commissioner

The Company's Board of Commissioners composition is in accordance with OJK Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies ("POJK No. 33/2014"), which stipulates that every public company is obliged to have Independent Commissioner of at least 30% of the total members of the Board of Commissioners.

In this case the Company has complied with these provisions by appointing 1 member as an Independent Commissioner of the total 2 members of the Board of Commissioners. Our Independent Commissioner is currently serving the first period until the Annual GMS which will be held in 2026.

Duties and Responsibilities of the Board of Commissioners

Based on the Charter of the Board of Commissioners, the duties and responsibilities of the Board of Commissioners are, among others:

1. Supervising the management of the Company by the Board of Directors, both regarding the Company and its business, as well as providing advice to the Board of Directors;
2. Performing specifically-assigned tasks in accordance with the Articles of Association, applicable laws and/or based on the resolutions of the GMS;
3. Performing duties, responsibilities, and authorities in accordance with the provisions of the Company's Articles of Association and the resolutions of the GMS, including proposing the appointment of a Public Accountant and/or Public Accounting Firm that will conduct audit services on the Company's financial statements;

4. Directing, monitoring, and evaluating the implementation of the Company's strategic policies;
5. Implementing and ensuring the implementation of risk management and good corporate governance principles in the Company's each business activity, at all organizational levels or stages;
6. Evaluating and approving the Company's work plan;
7. Assisting and encouraging efforts in fostering and developing the Company;
8. Establishing the Audit Committee and other committees in accordance with the prevailing laws and regulations;
9. Ensuring that the supporting committees of the Board of Commissioners have carried out their duties and responsibilities effectively;
10. Evaluating the performance of the committees assisting the Board of Commissioners to perform their duties and responsibilities at the end of each financial year; and
11. Convening the Annual GMS and other GMS in accordance with their authority as regulated by laws and regulations as well as the Articles of Association.

Board of Commissioners Meeting

Meeting Policy

Based on the provisions in POJK No. 33/2014 and the Company's Articles of Association, the Board of Commissioners is required to hold an internal meeting at least once in every 2 months. Meanwhile, joint meetings with the Board of Directors must be held at least once in every 4 months.

Meeting Convention

Throughout 2021, the Board of Commissioners has held 12 meetings. Information regarding the number of meetings and meeting attendance by members of the Board of Commissioners is as follows:

Name	Appointment	Internal and/or Joint Meetings with the Board of Directors			GMS
		Number of Meetings	Number of Attendance	Attendance (%)	
Hermanto Tanoko	President Commissioner	12	12	100.00	In 2021, the Company convened no Annual GMS and no Extraordinary GMS, but the Shareholders made legal and binding decisions outside of the GMS which are stated in a Notary Deed, namely the Deed of Restatement of Shareholders' Resolutions. Therefore, information regarding the presence of the Board of Commissioners at the GMS is not available.
Choo Koon Po¹⁾	Commissioner	5	3	60.00	
Amit Kunal²⁾	Commissioner	3	2	66.67	
Mohammad Noor Rachman Soejoeti³⁾	Independent Commissioner	6	1	16.67	

1) Effectively resigned since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Company's Extraordinary General Meeting of the Shareholders No. 28 dated May 31, 2021, drawn up before Anwar, Bachelor of Law, Master of Notary, a Notary in Gresik Regency.

2) Effectively resigned since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Company's Extraordinary General Meeting of the Shareholders No. 47 dated August 27, 2021, drawn up before Anwar, Bachelor of Law, Master of Notary, a Notary in Gresik Regency.

3) Effectively appointed since the issuance of the Deed of Restatement of Shareholders' Resolutions in Lieu of the Company's Extraordinary General Meeting of the Shareholders No. 19 dated June 22, 2021, drawn up before Anwar, Bachelor of Law, Master of Notary, a Notary in Gresik Regency.



Competence Development of the Board of Commissioners

Competence Development Policy of the Board of Commissioners

Policy concerning the implementation of the Board of Commissioners competence development program is stipulated in the Company's Board of Commissioners Charter. The Board of Commissioners is required to keep abreast of the latest developments in economy, finance, related industries, regulations, and other matters related to the Company as well as to improve their capabilities for the advancement of the Company through training and education programs, seminars, visits, benchmarks, and brainstorming.

Information related to the competence development program participated by members of the Board of Commissioners throughout 2021 has been disclosed in the Company Profile Chapter, in particular the Profile section of each member of the Board of Commissioners.

Orientation Program for New Members of the Board of Commissioners

The Company has an orientation program in place, which must be completed by newly appointed members of the Board of Commissioners of the Company. The program is designed for the new member of the Board of Commissioners to gain knowledge and understanding of the Company's profile, including the business characteristics and processes of the Company in a prompt and timely manner. The orientation program for the newly appointed Board of Commissioners includes the following:

1. Knowledge of the Company, among others:
 - a. The Company's Vision, Mission, purposes, and objectives;
 - b. The Company's strategy;
 - c. The Company's medium and long term plans;
 - d. The Company's operational performance;
 - e. The Company's financial performance; and
 - f. The Company's risk management;
2. Knowledge concerning the designation of the Board of Commissioners, among others:
 - a. Duties, responsibilities, and authorities of the Board of Commissioners;
 - b. Working time;
 - c. Relationship with members of the Board of Directors; and
 - d. Relevant rules/provisions.

In 2021, the Company has implemented an orientation program for a new member of the Board of Commissioners, namely Mr. Mohammad Noor Rachman Soejoeti who serves as Independent Commissioner.

Performance Assessment of the Board of Commissioners

Policy, Procedure, and Implementation of Performance Assessment

Policy concerning performance assessment of the Board of Commissioners refers to the Performance Assessment Policy of the Board of Commissioners and the Board of Directors of the Company formulated on December 27, 2021. With this policy, each member of the Board of Commissioners can assess the performance of the Board of Commissioners collegially and not based on the individual performance of each member of the Board of Commissioners. The performance assessment of the Board of Commissioners is carried out yearly and independently by each member of the Board of Commissioners by considering the achievement of the agreed assessment aspects.

Aspects of Performance Assessment

Information concerning performance assessment aspect of the Board of Commissioners in 2021 is described as follows:

1. Supervising the management of the Company carried out by the Board of Directors;
2. Reviewing, examining, and approving the Company's work plan;
3. Performing tasks specifically assigned to the Board of Commissioners in accordance with the Company's Articles of Association, applicable laws and regulations, and/or GMS resolutions;
4. Performing duties and responsibilities in accordance with the provisions of the Company's Articles of Association and the resolutions of the GMS;
5. Conforming to the Company's Articles of Association as well as applicable laws and regulations, and its obligation to carry out duties in accordance with the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness, including the convention of the Board of Commissioners Meetings in accordance with applicable regulations.

Performance Assessment Results

The results of the performance assessment carried out by each member of the Board of Commissioners in 2021 are exceptional, this is also reflected in the Company's performance which shows good growth in 2021.

Performance Assessment of Committees under the Board of Commissioners

Policies, Procedures, and Implementation of Performance Assessment

At the end of each financial year, the Board of Commissioners assesses the performance of the committees under its supervision by considering the assignment reports and annual reports concerning implementation of activities of those committees. The results of the assessment serve as the basis for consideration in the reappointment of committee members.

Aspect and Results of Performance Assessment

Information concerning aspect and results of the performance of committees under the Board of Commissioners in 2021 is described as follows:

Committee	Assessment Aspect	Results of Performance Assessment
Audit Committee	1. Realization of work plan;	Based on the procedures and criteria for performance assessment carried out in 2021, the Board of Commissioners believes that the Audit Committee has carried out its duties and responsibilities well. The Audit Committee has supervised and evaluated matters relating to financial information, internal control systems, and the effectiveness of audits by internal and external auditors.
Nomination and Remuneration Committee	2. Attendance in committee meetings;	
	3. Quality of supervision; and	
Good Corporate Governance Committee	4. Recommendation provided.	
		Based on the procedures and criteria for performance assessment carried out in 2021, the Board of Commissioners believes that the Good Corporate Governance Committee has carried out its duties and responsibilities well. The Good Corporate Governance Committee has assisted the Board of Commissioners in providing recommendations concerning the nomination and remuneration system and policy for the Board of Commissioners and the Board of Directors of the Company.
		Based on the procedures and criteria for performance assessment carried out in 2021, the Board of Commissioners believes that the Good Corporate Governance Committee has carried out its duties and responsibilities well. The Good Corporate Governance Committee has assisted the Board of Commissioners in following up on any reports of violations of the Business Ethics and Code of Conduct, as well as providing recommendations for the resolution of these violations, including the sanctions that will be imposed.





Board of Directors

As one of the main organs of the GCG structure, the Board of Directors is in charge of the entire management of the Company and representing the Company, both in and out of the court in accordance with the provisions of the Articles of Association and prevailing laws and regulations. The Board of Directors is also tasked to ensure that the GCG is implemented at all organizational levels or stages.

Board of Directors Charter

The Company has a Board of Directors Charter in place, which was stipulated on August 16, 2021 ("Board of Directors Charter"). The Board of Directors Charter is used as a guide for the Board of Directors in performing the work of the Board of Directors effectively, efficiently, and transparently and based on the principles of GCG in realizing the Company's Vision, Mission and Values, based, in particular, on the Company's Articles of Association and the prevailing laws and regulations in general.

Board of Directors Composition

Based on Article 13 paragraph (1) of the Company's Articles of Association, the composition of the Board of Directors consists of at least 3 people, one of whom can be appointed as President Director and Vice President Director. The term of office of the Board of Directors is 5 years. The Board of Directors composition for the 2021 period will be in office until the Annual GMS which will be held in 2026. In 2021, the composition of the Board of Directors consists of 4 people, namely:

Name	Appointment
Wijono Tanoko	President Director
Ruslan Tanoko	Vice President Director
Robert Christian Tanoko	Director
Kurnia Hadi Sinanto	Director

Duties and Responsibilities of the Board of Directors

Based on the Charter of the Board of Directors, the duties and responsibilities of the Board of Directors are, among others:

1. Carrying out and be responsible for the management of the Company for the benefit of the Company in accordance with the purposes and objectives of the Company which have been stipulated in the Articles of Association;
2. Managing the Company in accordance with the authorities and responsibilities as stipulated in the Articles of Association and the prevailing laws and regulations;
3. Managing the Company's assets in accordance with the prevailing laws and regulations;
4. Implementing risk management system and GCG principles in the Company's every business activity at all organizational levels or stages;
5. Establishing the organizational structure and working procedures of the Company;
6. Convening Annual GMS and other GMS in accordance with the Articles of Association as well as the laws and regulations; and
7. Establishing supporting committees in accordance with the prevailing laws and regulations, and assessing the performance of the committees at the end of each financial year.

Each member of the Board of Directors also has specific duties and responsibilities, as presented in the following table:

Name	Appointment	Duties and Responsibilities
Wijono Tanoko	President Director	Mr. Wijono is responsible for the operation of the Company as a whole. The President Director oversees the other three Directors.
Ruslan Tanoko	Vice President Director	Mr. Ruslan is responsible as the Vice President Director and has duties and functions concerning the Company's business development including sales and marketing, as well as overseeing the Company's Information Technology Division, Distribution Division, and Marketing Division.
Robert Christian Tanoko	Director	Mr. Robert is responsible for and has the duties and functions concerning the Company's operational activities as well as overseeing the Research, Development and Innovation ("RDI"), Procurement, Manufacturing, Human Resources, and Legal Divisions.
Kurnia Hadi Sinanto	Director	Mr. Hadi is responsible for and has the duties concerning the management of the Company's finances, accounting, taxes, corporate secretary and investor relations.

Board of Directors Meeting

Meeting Policy

Based on the provisions in POJK No. 33/2014 and the Company's Articles of Association, the Board of Directors is required to hold an internal meeting at least once a month, hold a joint meeting with the Board of Commissioners at least 1 time in 4 months.

Meeting Convention

Throughout 2021, the Board of Directors has held 12 meetings. Information regarding the number of meetings and meeting attendance by members of the Board of Directors is as follows:

Name	Appointment	Internal and/or Joint Meetings with the Board of Commissioners			GMS
		Number of meetings	Number of Attendance	Attendance (%)	
Wijono Tanoko	President Director	12	12	100.00	In 2021, the Company convened no Annual GMS and no Extraordinary GMS, but the Shareholders made legal and binding decisions outside of the GMS which are stated in a Notary Deed, namely the Deed of Restatement of Shareholders' Resolutions. Therefore, information regarding the presence of the Board of Directors at the GMS is not available.
Ruslan Tanoko	Vice President Director	12	12	100.00	
Robert Christian Tanoko	Director	12	12	100.00	
Kurnia Hadi Sinanto	Director	12	12	100.00	

Competence Development of the Board of Directors

Competence Development Policy of the Board of Commissioners and the Board of Directors

Policy concerning the implementation of the Board of Directors competence development program is stipulated in the Company's Board of Directors Charter. The Board of Directors is required to keep abreast of the latest developments in economy, finance, related industries, regulations, and other matters related to the Company as well as to improve their capabilities for the advancement of the Company through training and education programs, seminars, visits, benchmarks, and brainstorming.

Information related to the competence development programs participated by members of the Board of Directors of the Company throughout 2021 has been disclosed in the Company Profile Chapter, in particular the Profile section of each member of the Board of Directors.



Orientation Program for New Members of the Board of Directors

The Company has an orientation program in place, which must be completed by newly appointed members of the Board of Directors of the Company. The program is designed for the new member of the Board of Directors to gain knowledge and understanding of the Company's profile, including the business characteristics and processes of the Company in a prompt and timely manner. The orientation program for the newly appointed Board of Directors includes the following:

1. Knowledge of the Company, among others:
 - a. The Company's Vision, Mission, purposes, and objectives;
 - b. The Company's strategy;
 - c. The Company's medium and long term plans;
 - d. The Company's operational performance;
 - e. The Company's financial performance; and
 - f. The Company's risk management;
2. Knowledge concerning the designation of the Board of Directors, among others:
 - a. Duties, responsibilities, and authorities of the Board of Directors;
 - b. Working time;
 - c. Relationships with members of the Board of Commissioners; and
 - d. Relevant rules/provisions.

In 2021, we did not conduct any orientation program for the Board of Directors.

Assessment of the Performance of the Board of Directors

Policy, Procedure, and Implementation of Performance Assessment

Policy concerning performance assessment of the Board of Directors refers to the Performance Assessment Policy of the Board of Commissioners and the Board of Directors of the Company formulated on December 27, 2021. With this policy, each member of the Board of Commissioners can assess the performance of the Board of Directors collegially and not based on the individual performance of each member of the Board of Directors. The performance assessment of the Board of Directors is carried out yearly and independently by each member of the Board of Commissioners by considering the achievement of the agreed assessment aspects. In addition, each member of the Board of Directors can assess the performance of the Board of Directors collegially as an evaluation of their duties and achievements during the financial year.

Aspects of Performance Assessment

Information concerning performance assessment aspect of the Board of Directors in 2021 is described as follows:

1. Leading, managing, and controlling the company in accordance with the Company's objectives;
2. Making efforts to improve the efficiency and effectiveness of the Company;
3. Controlling, maintaining, and managing the Company's assets;
4. Composing annual work plan which contains the Company's annual budget and submitting the plan to the Board of Commissioners for approval before the beginning of the next financial year;
5. Performing their duties and responsibilities in accordance with the provisions of the Company's Articles of Association and the resolutions of the GMS; and
6. Conforming to the Company's Articles of Association as well as prevailing laws and regulations, and its obligation to carry out duties in accordance with the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness, including the convention of the Board of Directors Meetings in accordance with applicable regulations.

Performance Assessment Results

The performance assessment results of the Board of Directors are evaluated by the Board of Commissioners. The Board of Commissioners believes that the Board of Directors has worked well in implementing business strategies in accordance with the Company's stipulated work plan and budget. In 2021, the Company was able to increase its profit of the year by 26.26% and its revenue by 18.29% compared to the previous year.



Performance Assessment of Organs Under the Board of Directors

Policy, Procedure, and Implementation of Performance Assessment

At the end of each financial year, the Board of Directors assesses the performance of supporting organs under its supervision by considering the assignment reports and annual reports concerning implementation of activities of those committees. The results of the assessment serve as the basis for consideration in the reappointment of the Board of Directors' supporting organs.

Aspect and Results of Performance Assessment

Information concerning aspect and results of the performance assessment of the Board of Directors' supporting organs in 2021 is described as follows:

Committee	Assessment Aspect	Performance Assessment Results
Corporate Secretary	1. Realization of the implementation of duties and responsibilities; 2. Competence possessed; 3. Attendance in committee meetings; and	Based on the procedures and criteria for performance assessment carried out in 2021, the Board of Directors believes that the Corporate Secretary has carried out its duties and responsibilities well. The Corporate Secretary has become the official mediator between the Company and all stakeholders to ensure the Company's compliance with the laws and regulations in the Capital Market sector.
Internal Audit Unit	4. Recommendation provided.	Based on the procedures and criteria for performance assessment carried out in 2021, the Board of Directors believes that the Internal Audit Unit has carried out its duties and responsibilities well. This is reflected in the effectiveness of the implementation of internal control and risk management, as well as the implementation of corporate governance in all aspects of the Company's business.

Nomination and Remuneration of the Board of Commissioners and the Board of Directors

Nomination of the Board of Commissioners and the Board of Directors

Policy and Procedure in Nomination of the Board of Commissioners and the Board of Directors

In order to maintain the continuity of the regeneration process or leadership cadreization in the Company to maintain the Company's business sustainability and long-term goals, the Company formulated a policy concerning the nomination of the Board of Commissioners and the Board of Directors as stated in the Succession Policy in the Nomination Process of Members of the Board of Commissioners and the Board of Directors of the Company stipulated on December 27, 2021.

The procedure for the nomination of the Board of Commissioners and the Board of Directors is described as follows:

1. Nomination and Remuneration Committee ("Committee") receive proposals from Shareholders/members of the Board of Commissioners/members of the Board of Directors regarding the nominations of the Board of Commissioners and/or the Board of Directors;
2. The Committee discusses the referred proposal in the Committee meeting. The discussion is stated in the minutes of the Committee meeting. During the meeting, several things are considered, including:
 - a. Reasons and/or considerations for the proposal;
 - b. Qualifications of the candidate according to the relevant proposals; and
 - c. Requirements in accordance with the Company's Articles of Association, the Board of Commissioners Charter, and/or the Board of Directors Charter.



3. After deliberation, the Committee provides recommendations to the Board of Commissioners. The recommendation is stated in the form of a Committee Decree;
4. Based on the recommendation from the Committee, the Board of Commissioners decides to nominate candidates for the Board of Commissioners and/or Board of Directors to the chairman of the GMS. The decision of the Board of Commissioners is stated in the form of the Board of Commissioners Decree; and
5. The chairman of the GMS determines the composition and/or changes in the members of the Board of Commissioners and/or the Board of Directors of the Company. The decision of the GMS is stated in the Minutes of the GMS.

Remuneration of the Board of Commissioners and the Board of Directors

Procedure and Basis in the Determination of Remuneration of the Board of Commissioners and the Board of Directors

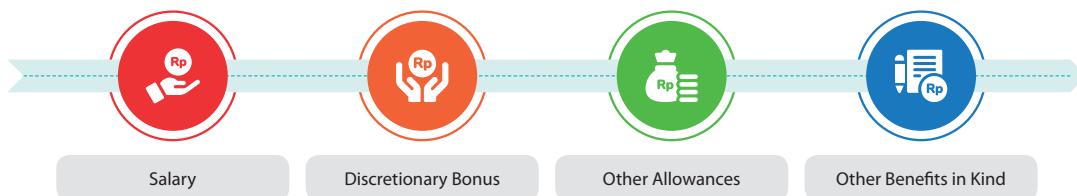
The determination of the remuneration of the Board of Commissioners and the Board of Directors must be stipulated by the GMS. The authority to determine the remuneration of the Board of Commissioners and the Board of Directors may be delegated by the GMS to the Board of Commissioners by taking into account the opinions and recommendations of the Nomination and Remuneration Committee.

The remuneration is determined by taking into account various aspects, including:

1. The remuneration applicable to the industry, in accordance with the Company's business activities and its business scale in the industry;
2. Duties, responsibilities, and authorities of the Board of Commissioners and the Board of Directors associated with the achievement of the goals and performance of the Company;
3. Target and performance of each member of the Board of Commissioners and the Board of Directors; and
4. The balance between fixed and variable benefits.

Remuneration Structure and Amount

The remuneration structure received by the Company's Board of Commissioners and Board of Directors consists of:



Information concerning the amount of remuneration received by the Company's Board of Commissioners and Board of Directors in 2021 is disclosed as follows:

Recipient	Amount (Rp)
Board of Commissioners	27,501,615,971
Board of Directors	56,144,297,647
Total	83,645,913,618

Sharia Supervisory Board

Up until the end of 2021, the Company does not have a Sharia Supervisory Board with the considerations that the products and services produced, the management system, fund management, and investment policies carried out by the Company have not fully implemented sharia principles.

Audit Committee

The Audit Committee has the duties and responsibilities to assist the Board of Commissioners in carrying out its supervisory function, including monitoring and evaluating the implementation of the internal control system, assessing the implementation of audit activities and results carried out by internal audit and external auditors, reviewing financial information to be issued by the Company, and monitoring compliance with applicable laws and regulations.

Audit Committee Charter

The Company has an Audit Committee Charter in place, which was stipulated on August 16, 2021 ("Audit Committee Charter"). The Audit Committee Charter was formulated to ensure that the Audit Committee is able to carry out its duties and responsibilities efficiently, effectively, transparently and independently, accountably, and acceptable by all stakeholders.

Audit Committee Composition

Based on the Audit Committee Charter, the composition of the Audit Committee comprises of at least 3 people, including an Independent Commissioner as the Chairman and members from independent parties. One of the Audit Committee members has expertise and experience in accounting and/or finance, and the others have expertise in law or capital markets, and a good understanding of corporate governance. The appointment and dismissal of members of the Audit Committee is based on the decision of the Board of Commissioners.



Audit Committee Profile

The profile of each member of the Audit Committee is described as follows:

Mohammad Noor Rachman Soejoeti

Chairman of Audit Committee



Term of Office and Basis of Appointment

2021-2026: The Board of Commissioners Decree No. 023/AA/DIR/VI/2021 dated August 16, 2021.

The full profile of the Chairman of the Audit Committee can be found in the Board of Commissioners Profile section of this Annual Report.



Fitradewata Teramihardja

Member of Audit Committee



Term of Office and Basis of Appointment

2021-2026: The Board of Commissioners Decree No. 023/AA/DIR/VI/2021 dated August 16, 2021.



Educational Background

Bachelor of Economics with a major in Accounting from Trisakti University, Jakarta, 1991.



Certifications

- Certified Public Accountant (CPA);
- Certified ASEAN Public Accountant (ASEAN CPA);
- Certified Chartered Accountant (CA); and
- State Registered Accountant.



Work Experiences

- Senior Manager in Public Accounting Firm of Prasetyo Utomo & Co (Arthur Andersen Jakarta), Arthur Andersen (Melbourne, Australia), Ernst & Young (Jakarta) (1991 - 2005);
- Managing Partner in Public Accounting Firm of Fitradewata Teramihardja (Jakarta) (2005 - 2008);
- Member of the Board of Professional Standards of Certified Public Accountants (Dewan Standar Profesional Akuntan Publik or "DSPAP") (2007 - 2008); and
- Deputy Managing Partner of Public Accounting Firm of Tjahjadi, Pradhono, Teramihardja (Jakarta) (Member Firm of Morison International) (2008 - 2011).



Dual Appointments

- Founding Partner of Public Accounting Firm of Teramihardja, Pradhono & Chandra (Jakarta) (Member Firm of Rodl International GmbH) (2011 - present);
- Member of Audit Committee of PT Mulia Boga Raya Tbk. (2019 - present); and
- Professional Organization Activities:
 - Indonesian Institute of Accountants (Ikatan Akuntan Indonesia or "IAI");
 - Indonesian Institute of Certified Public Accountants (Institut Akuntan Publik Indonesia or "IAPI"); and
 - ASEAN CPA.



Education/Training in 2021

- Update on Statement of Financial Accounting Standards (Pernyataan Standar Akuntansi Keuangan or "PSAK"): New PSAK and PSAK Amendments that Were Ratified Throughout 2020 and the Impact of Covid-19 on Audit Process;
- Code of Ethics; Public Accounting Firms (Kantor Akuntan Publik or "KAP") Network and Independence in Auditing Financial Statements;
- Special Considerations in the Audit of the Capital Market Sector Financial Statements;
- KAP Examination Findings by Financial Professional Development Center (Pusat Pembinaan Profesi Keuangan or "PPPK"), Results of the 2020 Service User Quality Survey, ED SA 570: Business Continuity, and ED SA 701 - Communicating Main Audit Matters in Independent Auditor's Report, KAP Rotation & NOCLAR;
- Update on Omnibus (Taxation Cluster); and
- Financial Reporting of Non-profit Oriented Entity Based on ISAK 35.



Citizenship
Indonesian



Age
53 years old



Sammy TS Lamentik
Member of Audit Committee



Citizenship
Indonesian



Age
59 year old



Term of Office and Basis of Appointment

2021-2026: The Board of Commissioners Decree No. 023/AA/DIR/VI/2021 dated August 16, 2021.



Educational Background

Diploma III in Accounting from Sekolah Tinggi Akuntansi Negara ("STAN"), 1984.



Certifications

Financial Services Sector Supervisory Certification (Sektor Jasa Keuangan or "SJK") Level 2.



Work Experiences

- Examiner in Inspectorate General of the Ministry of Finance (1984 - 1989);
- Executing officer in Bureau of Intermediary Development for the Capital Market Implementing Agency (1989 - 1991);
- Head of Sub Division in Bureau of Corporate Financial Assessment I - Capital Market Implementing Agency Services Sector (1991 - 2000);
- Head of Sub Division in Bureau of Accounting Standards and Disclosure - Capital Market Supervisory Agency (2000 - 2006);
- Head of Sub Division in Bureau of Accounting Standards and Disclosure - Capital Market Supervisory Agency (2006 - 2012);
- Head of Sub Division at the Directorate of Real Sector Company Valuation - Financial Services Authority - Capital Market Sector Supervisor (2013 - 2014);
- Head of Sub Division in the Directorate of Capital Market Supporting Institutions and Professionals - Financial Services Authority - PM2B Departement (2014 - 2020); and
- Ad interim Head of Accountant Compliance - DLPM Financial Services Authority - PM2B Departement (2016 - 2018).



Dual Appointments

- Commissioner of PT Kredit Rating Indonesia (2020 - present);
- Independent Commissioner of PT Super Energy Tbk. (2020 - present); and
- Independent Commissioner of PT Perdana Karya Perkasa Tbk. (2021 - present).



Education/Training in 2021

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Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee based on the Audit Committee Charter, include:

1. Reviewing the financial information to be issued by the Company to the public and/or authorities, including financial reports, projections, and other reports related to the Company's financial information;
2. Reviewing compliance with internal regulations as well as laws and regulations related to the Company's activities, and submitting the reviews to the Board of Commissioners;
3. Providing an independent opinion in the event of a difference of opinion between the management and the accountant on the services provided;
4. Providing recommendations to the Board of Commissioners regarding the appointment of a Public Accountant based on independence, scope of assignment, and remuneration for services;
5. Discussing audit plans including the nature and scope of the audit;
6. Reviewing the sufficiency of the audit by taking into account all significant risks;
7. Reviewing the planning, implementation, and supervising the follow-up implementation by the Board of Directors on the findings of internal and external auditors;
8. Reviewing and reporting to the Board of Commissioners, complaints related to the Company's accounting and financial reporting processes, including allegations of errors in the decisions of the Board of Directors meeting or deviations from the implementation of the decisions of the Board of Directors meeting;
9. Conducting inspections, either by the Audit Committee itself or by assigning third parties, if necessary;
10. Reviewing and providing advice to the Board of Commissioners regarding potential conflicts of interest in the Company;
11. Assisting the Board of Commissioners in carrying out active supervision of the compliance function by:
 - (i) evaluating the implementation of the Company's compliance function with internal regulations as well as laws and regulations relating to the Company's activities at least twice in a year; and
 - (ii) providing suggestions in order to improve the quality of the Company's compliance function;
12. Providing recommendations to the Board of Commissioners regarding the appointment, dismissal, and performance assessment of the Chairman of the Internal Audit Unit;
13. Maintain the confidentiality of the Company's documents, data, and information; and
14. Reviewing the implementation of risk management performed by the Board of Directors.

Audit Committee Statement of Independence

The Audit Committee always upholds the principles of independence and prudence in carrying out its duties and responsibilities. This is evidenced by the Chairman of the Audit Committee who comes from an Independent Commissioner, while the 2 members of the Audit Committee are personnel from external and independent parties who do not have familial, financial, and business relationships with members of the Board of Commissioners, Board of Directors, and/or Major/Controlling Shareholders of the Company, either directly or indirectly, which may affect its capacity to act independently.

Audit Committee Meeting

Meeting Policy

Based on the Audit Committee Charter, the Audit Committee is required to hold a meeting at least once in 3 months. The meeting can only convene if it is attended by at least 51% of the total members, including an Independent Commissioner.

Meeting Convention

Throughout 2021, the Audit Committee has held 1 meetings. Information regarding the number of meeting and meeting attendance of members of the Audit Committee as follows:

Name	Appointment	Number of Meeting	Number of Attendance	Attendance (%)
Mohammad Noor Rachman Soejoeti	Chairman	1	1	100.00
Fitradewata Teramihardja	Member	1	1	100.00
Sammy TS Lalamentik	Member	1	1	100.00

Competence Development of the Audit Committee

As part of the effort to continuously improve the knowledge and competence of the Audit Committee, various competence development programs are attended by members of the Company's Audit Committee every year. Information related to the competence development program participated by members of the Audit Committee of the Company throughout 2021 has been disclosed in the Profile section of each member of the Audit Committee.

Implementation of the Duties of the Audit Committee

The implementation of the duties and responsibilities of the Audit Committee throughout 2021, includes:

1. Reviewed the presentation of the Company's Financial Statements;
2. Provided recommendations on the appointment of Purwantono, Sungkoro & Surja Public Accounting Firm (member firm of Ernst & Young Global Limited) who will audit the Financial Statements for the 2021 financial year;
3. Reviewed the independence and objectivity of the Public Accounting Firm in performing audit for the 2021 financial year;
4. Reviewed audit findings, both by internal and external auditors, as well as monitored the follow-up to recommendations on audit findings;
5. Reviewed the effectiveness of the internal control system and risk management system, as well as provided input that encouraged the improvement of the quality of the system implementation; and
6. Supervised the implementation of the Company's business activities in accordance with applicable regulations and provisions, and provided input concerning compliance with regulatory provisions for any actions taken by the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established to assist the duties of the Board of Commissioners in supervising the implementation of the nomination and remuneration process so that it runs objectively, effectively, and efficiently, as well as to improve the quality, competence, and responsibilities of the Board of Commissioners and Board of Directors in achieving the Company's Vision and Mission.

Nomination and Remuneration Committee Charter

The Company has a Nomination and Remuneration Committee Charter in place, which was stipulated on August 16, 2021 ("Nomination and Remuneration Committee Charter"). The Nomination and Remuneration Committee Charter was formulated to ensure that the Nomination and Remuneration Committee is able to carry out its duties and responsibilities efficiently, effectively, transparently and independently, accountably, and acceptable by all stakeholders.

Nomination and Remuneration Committee Composition

Based on the Nomination and Remuneration Committee Charter, the Nomination and Remuneration Committee composition consists of 3 members, chaired by an Independent Commissioner of the Company. The appointment and dismissal of members of the Nomination and Remuneration Committee is based on the decision of the Board of Commissioners.



Nomination and Remuneration Committee Profile

The profile of each member of the Nomination and Remuneration Committee is described as follows:

Mohammad Noor Rachman Soejoeti

Chairman of Nomination and Remuneration Committee



Term of Office and Basis of Appointment

2021-2026: The Board of Commissioners Decree No. 023/AA/DIR/VI/2021 dated August 16, 2021.

The full profile of the Chairman of the Nomination and Remuneration Committee can be found in the Board of Commissioners Profile section of this Annual Report.

Hermanto Tanoko

Member of Nomination and Remuneration Committee



Term of Office and Basis of Appointment

2021-2026: The Board of Commissioners Decree No. 023/AA/DIR/VI/2021 dated August 16, 2021.

The full profile of the Member of the Nomination and Remuneration Committee can be found in the Board of Commissioners Profile section of this Annual Report.



Iwan Sigit^{*)}

Member of Nomination and Remuneration Committee



Citizenship
Indonesian



Age
49 year old



Term of Office and Basis of Appointment

2021-2026: The Board of Commissioners Decree No. 033/AA/DIR/VIII/2021 dated August 31, 2021.



Educational Background

Bachelor of Industrial Statistics from Brawijaya University, 1997.



Work Experiences

Operational General Manager of the Company (2017 - 2021).



Dual Appointments

Operational Vice Director of the Company (2021 - present).



Education/Training in 2021

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^{*)} Serving as Member of Nomination and Remuneration Committee in August of 2021 replacing Mr. Amit Kunal.

Duties and Responsibilities of the Nomination and Remuneration Committee

The duties and Responsibilities of the Nomination and Remuneration Committee based on Nomination and Remuneration Committee Charter include:

1. Providing recommendations to the Board of Commissioners concerning policy, amount, and structure of the remuneration for the Board of Commissioners and the Board of Directors which will be part of the Board of Commissioners' Report to be submitted and then stipulated in the GMS;
2. Assisting the Board of Commissioners in assessing performance in relation to suitability of remuneration received by each member of the Board of Commissioners and the Board of Directors;
3. Providing recommendations to the Board of Commissioners in relation to:
 - a. composition of designation of the Board of Commissioners and the Board of Directors;
 - b. policy and criteria required in the nomination process for members of the Board of Commissioners and the Board of Directors; and
 - c. policy on performance assessment for members of the Board of Commissioners and the Board of Directors;
4. Assisting the Board of Commissioners in assessing the performance of members of the Board of Commissioners and the Board of Directors based on the benchmarks that have been stipulated as assessment considerations;
5. Providing recommendations to the Board of Commissioners regarding competence development program for members of the Board of Commissioners and the Board of Directors;
6. Providing proposals of candidates fulfilling the requirements as members of the Board of Commissioners and/or members of the Board of Directors to the Board of Commissioners to be submitted to the GMS;
7. Performing tasks, other than those mentioned above, given by the Board of Commissioners in accordance with their functions and duties from time to time as needed; and
8. In carrying out its duties, the Nomination and Remuneration Committee is responsible to the Board of Commissioners and must act independently.

Nomination and Remuneration Committee Statement of Independence

The Nomination and Remuneration Committee is required to carry out its duties and responsibilities professionally and independently by taking into account the principles of independence and prudence. The Company warrants that the entire members of the Nomination and Remuneration Committee do not have conflicts of interest with other parties in the company's organs and are able to carry out their duties independently.

Nomination and Remuneration Committee Meeting

Meeting Policy

Based on the Nomination and Remuneration Committee Charter, the Nomination and Remuneration Committee meetings are held periodically, at least once in 4 months. Meetings can only convene if attended by a majority of the members of the Nomination and Remuneration Committee.

Meeting Convention

Throughout 2021, the Nomination and Remuneration Committee has held 1 meeting. Information regarding the number of meetings and meeting attendance of members of the Nomination and Remuneration Committee is as follows:

Name	Appointment	Number of Meetings	Number of Attendance	Attendance (%)
Mohammad Noor Rachman Soejoeti	Chairman	1	-	-
Hermanto Tanoko	Member	1	1	100.00
Iwan Sigit^{*)}	Member	1	1	100.00

^{*)} Serving as Member of the Nomination and Remuneration Committee in August 2021 replacing Mr. Amit Kunal.



Nomination and Remuneration Committee Competence Development

As part of the effort to continuously improve the knowledge and competence of the Nomination and Remuneration Committee, various competence development programs have been attended by members of the Nomination and Remuneration Committee of the Company every year. Information related to the competence development program participated by members of the Nomination and Remuneration Committee of the Company throughout 2021 has been disclosed in the Profile section of each member of the Nomination and Remuneration Committee.

Implementation of the Duties of the Nomination and Remuneration Committee

The implementation of the duties and responsibilities of the Nomination and Remuneration Committee throughout 2021, includes:

1. Provided recommendations and assisted in the formulation of the Succession Policy in the Nomination Process for Members of the Board of Commissioners and the Board of Directors;
2. Provided recommendations and assisted in the formulation of the Performance Assessment Policy for the Board of Commissioners and the Board of Directors; and
3. Provided recommendations to the Board of Commissioners concerning the number of salaries, bonuses, and allowances for members of the Board of Commissioners and the Board of Directors for the 2021 financial year which were based on the performance assessment.

Good Corporate Governance Committee

The Good Corporate Governance Committee was established as the party in charge of enforcing the Company's Business Ethics and Code of Conduct. The Good Corporate Governance Committee has the duties and responsibilities to receive and follow up on reports of any complaints regarding violations of the Business Ethics and Code of Conduct committed by company personnel.

Good Corporate Governance Committee Charter

In carrying out its duties and responsibilities, the Good Corporate Governance Committee is guided by the Company's Business Ethics and Code of Conduct which have been stipulated on June 25, 2021, as amended on December 27, 2021.

Good Corporate Governance Committee Composition

The Company has established the Good Corporate Governance Committee with a term of office of 3 years. The appointment and dismissal of members of the Good Corporate Governance Committee is based on the decision of the Board of Commissioners. The Good Corporate Governance Committee is chaired by the Operational Director with permanent members consisting of the Financial Director and Chairman of the Internal Audit Unit. The Good Corporate Governance Committee also consists of Ad Hoc members, namely the division leaders within the Company's organization.



Good Corporate Governance Committee Profile

The profile of each member of the Good Corporate Governance Committee is described as follows:

Robert Christian Tanoko

Chairman of Good Corporate Governance Committee



Term of Office and Basis of Appointment

2021-2024: The Board of Commissioners Decree No. 022/AA/VI/2021 dated August 16, 2021.

The full profile of the Chairman of the Good Corporate Governance Committee can be found in the Board of Directors Profile section of this Annual Report.

Kurnia Hadi Sinanto

Member of Good Corporate Governance Committee



Term of Office and Basis of Appointment

2021-2024: The Board of Commissioners Decree No. 022/AA/VI/2021 dated August 16, 2021.

The full profile of the Member of the Good Corporate Governance Committee can be found in the Board of Directors Profile section of this Annual Report.



Rio Henry Malinggi^{*)}

Member of Good Corporate Governance Committee



Term of Office and Basis of Appointment

2021-2024: The Board of Commissioners Decree No. 022/AA/VI/2021 dated August 16, 2021.



Educational Background

Bachelor of Economics in Accounting from Uki Paulus University, Makassar, 2008.



Certifications

- Certified Practitioner of Internal Audit (CPIA);
- ISO 9001:2015 on Quality Management System;
- ISO 19011:2018 on Guidelines for Auditing Management System; and
- ISO 31000:2018 on Risk Management Guidelines.



Work Experiences

- Internal Audit Supervisor of PT Trikomsel Oke Tbk. (2009 - 2015);
- Internal Audit Supervisor of PT Pinus Merah Abadi (Nabati Group) (2015 - 2018); and
- Internal Audit Manager of PT Pelayaran Teluk Bajau Cipta Sejahtera (2019 - 2021).



Dual Appointments

- Head of the Company's Internal Audit Unit (2021 - present); and
- Professional Organization Activities:
 - Indonesian Internal Audit Education Foundation (Yayasan Pendidikan Internal Audit Indonesia or "YPAI").



Education/Training in 2021

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Citizenship
Indonesian



Age
34 year old

^{*)} Office term as a member of Good Corporate Governance Committee ended since February 23, 2022.

Duties and Responsibilities of the Good Corporate Governance Committee

As stipulated in the Company's Business Ethics and Code of Conduct, the Good Corporate Governance Committee has duties and responsibilities that include:

1. Conducting socialization activities to enforce the Company's Business Ethics and Code of Conduct to all company personnel as a form of prevention of violations of the Company's Business Ethics and Code of Conduct;
2. Receiving questions that arise from company personnel regarding the contents of the Company's Business Ethics and Code of Conduct;
3. Receiving reports of any complaint against violations of the Company's Business Ethics and Code of Conduct by company personnel;
4. Following up on any reports of violations of the Company's Business Ethics and Code of Conduct; and
5. Providing recommendations on resolution of violations of the Company's Business Ethics and Code of Conduct to the Board of Directors, including sanctions that will be imposed.

Good Corporate Governance Committee Statement of Independence

The Good Corporate Governance Committee is required to carry out its duties and responsibilities professionally and independently by taking into account the principles of independence and prudence. The Company warrants that the entire members of the Good Corporate Governance Committee do not have conflicts of interest with other parties in the company's organs and are able to carry out their duties independently.

Good Corporate Governance Committee Meeting

Meeting Policy

The Good Corporate Governance Committee meetings are held periodically, as far as it is necessary to enforce Business Ethics and Code of Conduct.

Meeting Convention

Throughout 2021, the Good Corporate Governance Committee has held 1 meeting. Information regarding the number of meeting and meeting attendance of members of the Good Corporate Governance Committee is as follows:

Name	Appointment	Number of Meetings	Number of Attendance	Attendance (%)
Robert Christian Tanoko	Chairman	1	1	100.00
Kurnia Hadi Sinanto	Member	1	1	100.00
Rio Henry Malinggi^{*)}	Member	1	1	100.00

^{*)} Office term as a member of Good Corporate Governance Committee ended since February 23, 2022.

Good Corporate Governance Committee Competence Development

The Good Corporate Governance Committee participates in competence development through training and/or education programs to improve its capabilities in carrying out its functions within the Company. Information related to the competence development program participated by members of the Good Corporate Governance Committee of the Company throughout 2021 has been disclosed in the Profile section of each member of the Good Corporate Governance Committee.

Implementation of Duties of the Good Corporate Governance Committee

Implementation of the duties and responsibilities of the Good Corporate Governance Committee throughout 2021, includes:

1. Conducted socialization activities concerning the Company's Business Ethics and Code of Conduct to all company personnel through a number of approaches, including training, seminars, and meetings;
2. Provided a medium of reporting violations concerning GCG implementation as well as Business Ethics and Code of Conduct through a whistleblowing system; and
3. Ensured that all complaints of violations received had been followed up through in-depth investigations based on the facts obtained and protected the confidentiality of the identity of the reporter.

Corporate Secretary

The Corporate Secretary is a supporting organ for the Board of Directors with an important role as the liaison between the Company and stakeholders, especially shareholders, capital market authorities, and the public, as well as in ensuring the Company's compliance with laws and regulations, particularly in the capital market sector.

Corporate Secretary Charter

The Company has a Corporate Secretary Charter in place, which was stipulated on August 16, 2021 ("Corporate Secretary Charter"). The Corporate Secretary Charter was formulated to regulate the functions and responsibilities of the Corporate Secretary so that they can be carried out in an efficient, transparent, accountable, and independent manner in accordance with the prevailing laws and regulations.

Corporate Secretary Profile

Kurnia Hadi Sinanto
Corporate Secretary



Term of Office and Basis of Appointment

Board of Directors Decree No. 025/AA/DIR/IV/2021 dated August 16, 2021.

The full profile of the Corporate Secretary can be found in the Board of Directors Profile section of this Annual Report.

Duties and Responsibilities of the Corporate Secretary

Based on the Charter of the Corporate Secretary, the duties and responsibilities of the Corporate Secretary, among others, are:

1. Keeping abreast of capital market developments, in particular the prevailing laws and regulations in the capital market sector;
2. Providing input to the Board of Commissioners and the Board of Directors concerning compliance with the laws and regulations in the capital market sector;
3. Disclosing information to the public, including the availability of information on the Company's website;
4. Submitting reports to the Financial Services Authority in a timely manner;
5. Convening and documenting GMS and meetings of the Board of Commissioners and/or the Board of Directors;
6. Conducting orientation programs for the Board of Commissioners and/or the Board of Directors;
7. Responsible for the preparation and submission process of the Annual Report;
8. Acting as the liaison between the Company and the Shareholders, the Financial Services Authority, and other stakeholders;
9. Representing the Company in correspondence with capital market authorities in accordance with the authority granted by the Company; and
10. Submitting periodic reports, at least once in a year, regarding the implementation of the Corporate Secretary functions to the Board of Directors and copied to the Board of Commissioners.

Corporate Secretary Competence Development

In order to improve competence and broaden horizons in accordance with the latest business developments, the Company has facilitated the Corporate Secretary to participate in various education and training programs. Information related to the competence development program participated by the Corporate Secretary throughout 2021 has been disclosed in the Company Profile Chapter, in the Profile section of each member of the Board of Directors.



Implementation of Duties of the Corporate Secretary

Implementation of the duties and responsibilities of the Corporate Secretary throughout 2021, includes:

1. Took part in preparation of things and matters needed for the Company's Initial Public Offering on the Indonesia Stock Exchange and the Financial Services Authority;
2. Kept abreast of the development of laws and regulations related to the Company's business activities and ensured compliance with these laws and regulations. Some of the regulations that required adjustments from the Company are:
 - a. OJK Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies; and
 - b. Amendment to Regulation No. I-A concerning Listing of Shares and Equity Securities Other than Shares Issued by the Listed Company;
3. Carried out a number of actions relating to the disclosure of the Company's information, which includes information disclosure reports on capital increase by the Company's Subsidiaries, monthly reports on debt in foreign currencies, reports on the appointment of Public Accounting Firm for audit of the Company's financial statements for the 2021 financial year, and reports on share ownership/changes thereto by Shareholders and/or members of the Board of Directors of the Company, and provided information required by Shareholders;
4. Coordinated the Board of Directors and/or the Board of Commissioners meetings and the Audit Committee meetings, and recorded the minutes of these meetings;
5. Conducted an orientation program for new Board of Commissioners member, namely Mr. Mohammad Noor Rachman Soejoeti as Independent Commissioner;
6. Coordinated the preparation of the 2021 Annual Report and Sustainability Report;
7. Updated data contained in the website for the investor relations department; and
8. Improved his competence through participation in several trainings.

Internal Audit Unit

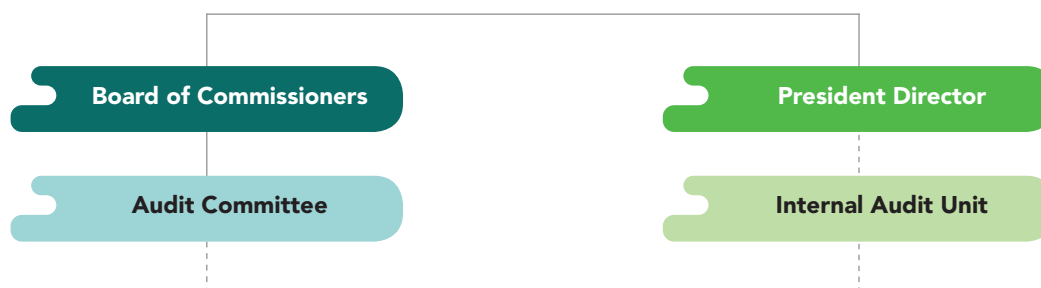
The Internal Audit Unit is a supporting organ for the Board of Directors established with the aim of carrying out assurance activities and providing professional, independent, and objective opinions to the Board of Directors on the Company's business activities. In addition, the Internal Audit Unit is expected to assist the Company in increasing its value and improving its operations, through a systematic approach by evaluating and improving the effectiveness of risk management, internal control, and GCG processes within the Company.

Internal Audit Unit Charter

The Company has an Internal Audit Charter in place, which was stipulated on August 16, 2021 ("Internal Audit Charter"). This Internal Audit Charter is used as guidelines and work instructions for the Internal Audit Unit so that its functions and roles can be carried out effectively.



Structure and Position of the Internal Audit Unit



Based on the Internal Audit Charter, the Internal Audit Unit is chaired by the Chairman of the Internal Audit Unit who is appointed and dismissed by the President Director with the approval of the Board of Commissioners. The structure of the Internal Audit Unit is directly under the President Director, therefore the implementation of its duties is directly accountable to the President Director. In 2021, the Internal Audit Unit comprised of 3 members:

Name	Appointment	Basis of Appointment
Rio Henry Malinggi ^{*)}	Head	Board of Directors Decree No. 024/AA/DIR/VI/2021 dated August 16, 2021.
Sarwono	Member	
Devyka Oktima S	Member	

^{*)} Office term as a Head of the Internal Audit Unit ended since February 23, 2022.

Profile of the Head of Internal Audit Unit

Rio Henry Malinggi^{*)}
Head of Internal Audit Unit

The full profile of the Head of the Internal Audit Unit can be found in the Good Corporate Governance Committee Profile section of this Annual Report.

^{*)} Office term as a Head of the Internal Audit Unit ended since February 23, 2022.

Duties and Responsibilities of the Internal Audit Unit

Based on the Internal Audit Charter, the duties and responsibilities of the Internal Audit Unit include:

1. Formulating and implementing annual internal audit plan;
2. Testing and evaluating the implementation of internal control and risk management systems in accordance with the Company's policies;
3. Conducting inspections and assessments of the efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology, and other activities;
4. Providing suggestions on improvement and objective information relating to audited activities to all managerial levels;
5. Compiling reports on audit results and submitting them to the President Director and the Board of Commissioners;
6. Monitoring, analyzing, and reporting the implementation of the suggested follow-up improvements;
7. Cooperating with the Audit Committee;
8. Developing a program to evaluate the quality of the audit activities it performs; and
9. Conducting special inspections, if necessary.

Expertise Certifications of the Internal Audit Unit

The Internal Audit Unit has the following expertise certifications:

Name	Appointment	Certifications
Rio Henry Malinggi^{*)}	Head	Can be found in the Good Corporate Governance Committee Profile section of this Annual Report.
Sarwono	Member	• ISO 9001:2015 on Quality Management System; • ISO 14001:2015 on Environmental Management System; and • ISO 45001:2018 on Occupational Health and Safety Management System.
Devyka Oktima S	Member	• ISO 9001:2015 on Quality Management System; • ISO 14001:2015 on Environmental Management System; and • ISO 45001:2018 on Occupational Health and Safety Management System.

*) Office term as a Head of the Internal Audit Unit ended since February 23, 2022.

Internal Audit Unit Meeting

The Internal Audit Unit may hold regular meetings both internally and with the Board of Commissioners, the Board of Directors, Audit Committee, and public accounting firms to conduct discussions related to the findings of General Audit, Compliance Audit, and Operational Improvement. Throughout 2021, the Internal Audit Unit has held 4 meetings with the following attendance levels:

Name	Appointment	Number of Meetings	Attendance (%)
Rio Henry Malinggi^{*)}	Head	4	100.00
Sarwono	Member	4	100.00
Devyka Oktima S	Member	4	100.00

*) Office term as a Head of the Internal Audit Unit ended since February 23, 2022.

Implementation of Duties of the Internal Audit Unit

Throughout 2021, the activities of the Company's Internal Audit Unit are as follows:

1. Performed an audit on cash and bank;
2. Performed an audit on receivables and sales conducted by the Company;
3. Performed an audit on debts and purchases made by the Company;
4. Performed an audit on end-products inventory;
5. Performed an audit on the Company's fixed assets;
6. Performed an audit on raw material & work-in-process inventory;
7. Performed an audit on the operations of the production process carried out by the Company; and
8. Performed an audit to the Company's Subsidiaries.

Additionally, the Internal Audit Unit submits an audit report to the Board of Directors on the 12th of every month.

Competence Development of the Internal Audit Unit

In order to improve the capabilities and skills of the Internal Audit Unit, the Company provides opportunities for the Internal Audit Unit to participate in training and/or education programs and to obtain professional certification. Information related to the competence development program participated by the Internal Audit Unit throughout 2021 has been disclosed in the Internal Audit Unit Head Profile.

Internal Control System

The Internal Control System is a corporate governance tool that functions to prevent fraud within the company and to provide confidence to the stakeholders that the systems, procedures, rules, and norms are carried out properly and accurately. In addition, an internal control system was established to ensure effective and efficient performance, including reliability of financial reporting, asset security, and compliance with laws and regulations.

Implementation of Internal Control System

The implementation of the internal control system within our Company is described as follows:

Components of Internal Control System	Implementation in the Company
Finance	Reviewing the comparison between target and budget realization through periodic reports.
Operation	Requiring all employees to comply with Standard Operating Procedures ("SOPs") which regulate various procedures for operational activities to ensure effective and efficient performance.
Assets	Insuring all fixed assets under insurances covering fire and other risks.
Compliance with applicable laws and regulations	Through the Corporate Secretary, the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Good Corporate Governance Committee, and the Internal Audit Unit, continuously communicating and coordinating to review our compliance with applicable laws and regulations. In addition, the Corporate Secretary regularly follows the development of laws and regulations, especially those related to the capital market.

Overview of the Effectiveness of Internal Control

To ensure that the internal control system is implemented properly, we have established the Internal Audit Unit who is responsible for the effectiveness of the internal control system implemented in each of our business lines. The Internal Audit Unit constantly evaluates the effectiveness of the internal control system to ensure that our operations are running well, and to identify any deficiencies, weaknesses, or deviations from the implementation of policies and procedures in each function of operational activities. Furthermore, the evaluation results are then used as inputs for the improvement of the internal control system for every sub-optimal operational function.

Followings are some of the actions performed by the Internal Audit Unit to ensure that the internal control system can run well, namely:

1. Conducting independent inspections within our Company with the objective of adding value of our operations by providing independent and objective assurances and consultations;
2. Supporting the achievement of our objectives by utilizing a systematic approach for evaluating and improving the effectiveness of risk management, control, and good corporate governance processes;
3. Serving as professional advisor to the Board of Directors as well as catalyst for all work units and our Company as a whole;
4. Ensuring that the internal control risk management and corporate governance processes is sufficient and functioning properly;
5. Evaluating compliance with prevailing laws, regulations, as well as our policies and procedures;
6. Evaluating key financial, managerial, and operational information within the scope of the audit to ensure that they are presented accurately, completely, reliably, and in a timely manner;
7. Identifying any potential savings and cost effectiveness, and providing recommendations to improve cost efficiency and effectiveness;



8. Performing special assignments from the Board of Directors, the Board of Commissioners, and/or Audit Committee that are relevant to the scope of work mentioned above, for example investigation and disclosure of irregularities, fraud, and waste; and
9. Preparing audit reports and recommendations for improvement.

Statement of the Board of Commissioners and Board of Directors on the Implementation of the Internal Control System

The Board of Commissioners and the Board of Directors conclude that the implementation of the internal control system in 2021 has been conducted well and in accordance with applicable regulations. There were no material weaknesses found in the internal control system in each business unit as all findings and irregularities in our operations had been properly handled and resolved.

Risk Management System

In conducting our business activities, we must prepare ourselves to face various risks that may arise due to both external and internal factors. Therefore, we implement a risk management system to manage every activity with the potential of posing a risk in a comprehensive, optimal, and continuing manner so as to avoid disruption to our business.

Risk Types and Mitigation

Based on a study conducted in 2021, the risks faced by our Company and their mitigation efforts are described as follows:

Main Risks with Significant Influence on Business Continuity	
Indication	Mitigation
Our business activities depend on the continued success of our key brands, such as Avian, Avitex, and No Drop; and any failure to maintain the strength and brand value of our products could have a material and negative impact on our business activities, financial condition, and results of operations.	- Performing continuous benchmarking with competitors to ensure that these products remain superior in the market; - Fund allocations to support the marketing efforts of these products; - Continuing the development of these products to maintain or improve quality; and - Adding variants of these products to strengthen the brand image and capture the growing needs in the market.
Risks Related to Business and Industry	
Indication	Mitigation
We face intense competition, and if we fail to compete effectively, we may lose market share and our operating results may be negatively affected.	- Increasing investment in product development, being selective in promotional and advertising activities, as well as product distribution; and - Pricing our products competitively based on a combination of various factors, including our ability to differentiate our products from other competing products.
Indication	Mitigation
Our efforts to innovate and develop products may not be successful.	- Developing a complete and modern RDI center by recruiting and developing qualified chemist personnel; - Preserving good relationships with material suppliers to obtain information on the current developments in latest materials; and - Recruiting experts in the global coating field.

Indication	Mitigation
In maintaining the success of our business, we rely on the availability of certain core personnel and our success in recruiting and retaining other qualified personnel.	- Improving the quality of our human resources; - Paying care and attention to the recruitment, development, and career path processes; and - Building partnerships with leading universities/academies to obtain quality talents.
Indication	Mitigation
Our main business activities depend on a stable and adequate supply of raw materials, and our operating results may be materially affected as a result of rising raw material costs or lack of raw material availability.	Procuring and maintaining consistent and adequate supply of raw materials at a reasonable price by always seeking/updating new (alternative) suppliers.
Indication	Mitigation
We lease important assets, such as warehouses and distribution centers. The inability to renew the lease may affect our operational capabilities.	Maximizing with a longer lease term (3-5 years).
Indication	Mitigation
We are involved in a number of transactions with related parties (affiliates) and we are not able to guarantee that our operational results or financial condition will not be negatively affected in the future if the provisions of these agreements are terminated or amended in a way that may potentially harm our Company.	Ensuring that all transactions with affiliated parties (Related Party Transactions) are carried out on an arm's length basis to avoid negative effects that may arise due to unhealthy business practices.
Indication	Mitigation
We may not be able to procure an adequate and uninterrupted supply of electricity, fuel, water, equipment and spare parts, or to procure them at a favorable price.	- Ensuring that cooperation agreements with vendors are well maintained; - Ensuring the availability of alternative vendors; and - Looking for alternative energy sources, such as the use of solar panels, so that the electricity supply reserves are maintained.
General Risks	
Indication	Mitigation
The ongoing global Covid-19 pandemic and the disruption caused by various preventive measures to reduce its spread can have a negative impact on our business activities, industry, as well as the Indonesian and the global economy.	- Proactively implementing health protocol at each of our operational location to limit and reduce the risk of the spread of Covid-19, which includes but is not limited to physical distancing, travel restrictions, sanitation, and frequent health checks and monitoring; - Limiting domestic and international business travels; and - Implementing quarantine for our employees and outside technicians prior to visits to our locations.
Indication	Mitigation
Our business activities, financial condition, results of operations, and business prospects may be negatively affected by global, regional, and national economic conditions.	Monitoring global and national economic conditions, to ensure that we are able to formulate appropriate and flexible strategies to adapt to existing changes.
Indication	Mitigation
We may not be able to adequately protect our intellectual property rights.	- Entering into license agreements with third parties; - Relying on contractual agreements and legal protections to protect our intellectual property rights; and - Relying on Indonesian patent, trademark, trade secret, and copyright laws to protect our intellectual property rights.
Indication	Mitigation
We may fail to obtain or experience material delays in obtaining or renewing the certificates, licenses, permits, or Government approvals required for our operations and relevant leasing activities for our manufacturing facilities. As a result, our business activities, financial condition, and operational results may be materially affected.	Ensuring that all certificates, permits, licenses, and other matters relating to permits for operational activities, including leases, are updated at all times.
Indication	Mitigation
Regulation of greenhouse gas emissions and climate change issues can have a negative impact on our operations and markets.	Implementing and improving the Environmental Management System (ISO 14001), as well as monitoring the consistency of its implementation in our environment, for example the development of environmentally friendly products (green label), the use of renewable energy (solar panels), and the use of electric forklifts to replace diesel.
Indication	Mitigation
Labor activism, riots, and labor laws in Indonesia may have a materially adverse effect on our Company.	Our constant efforts to comply with all regulations related to employment to minimize the related risks.



Financial Risks	
Indication	Mitigation
Foreign Currency Risk Our functional currency is Rupiah. We are exposed to foreign exchange rate risk as some of our purchases and operating costs are denominated in foreign currencies. This risk arises from the weakening/strengthening of the value of a foreign currency against Rupiah causing the debt and operational costs in Rupiah to decrease/increase.	Constantly diligent in paying our obligations in foreign currencies to avoid speculative effects and performing limited hedging actions (forward contracts). All bank loans, if any, are in Rupiah. Monitoring foreign currencies movement, especially USD.
Indication	Mitigation
Credit Risks Risks arising from the customer's inability or delay in fulfilling all debts from credit sales to our Company.	• Policies to ensure product sales are made only to customers who can be trusted and proven to have a good credit history; • Purchases on credit must go through a credit verification procedure; • Providing credit terms mostly up to 63 days from the invoice issuance date; and • Continuously monitoring the balance of receivables to reduce the possibility of uncollectible receivables.
Indication	Mitigation
Liquidity Risks Risks arising from our inability to meet our obligations as they fall due.	• Managing liquidity profile to ensure our ability to fund capital expenditures; • Managing maturing debt by maintaining sufficient cash; • Ensuring the availability of funding through a sufficient number of committed credit facilities; and • Evaluating projected and actual cash flows, and continuously assessing conditions on financial markets for opportunities to pursue fundraising initiatives.
Indication	Mitigation
Interest Rate Risk Risks arising from loan facilities provided to our Company for working capital and investment purposes.	Review of various interest rates offered by creditors by our management to find the most favorable interest rates prior to any debt commitment.

Overview on Implementation Effectiveness of the Risk Management System

We conduct periodic reviews to ensure and improve the effectiveness of future implementation of the risk management. This is done by evaluating mechanism of profit/loss relating to previously performed plans and actions. The evaluation steps are then followed by corrections of the weaknesses in the implementation of the risk management.

Statement of the Board of Commissioners and the Board of Directors on the Implementation of the Risk Management System

In 2021, the Board of Commissioners and Board of Directors assessed the implementation of the risk management system in our Company to be adequate, therefore business risks were able to be mitigated properly and in a timely manner. Nevertheless, it remains necessary to increase the implementation of risk management in a continuing manner to ensure more effective and optimal mitigation and management, significantly impacting the continuity of our business.



Material Disputes and the Administrative Sanctions Imposed

Material Disputes

Throughout 2021, there were no legal cases, both civil and criminal, faced by our Company, our Subsidiaries, the Board of Commissioners, or the Board of Directors.

Administrative Sanctions

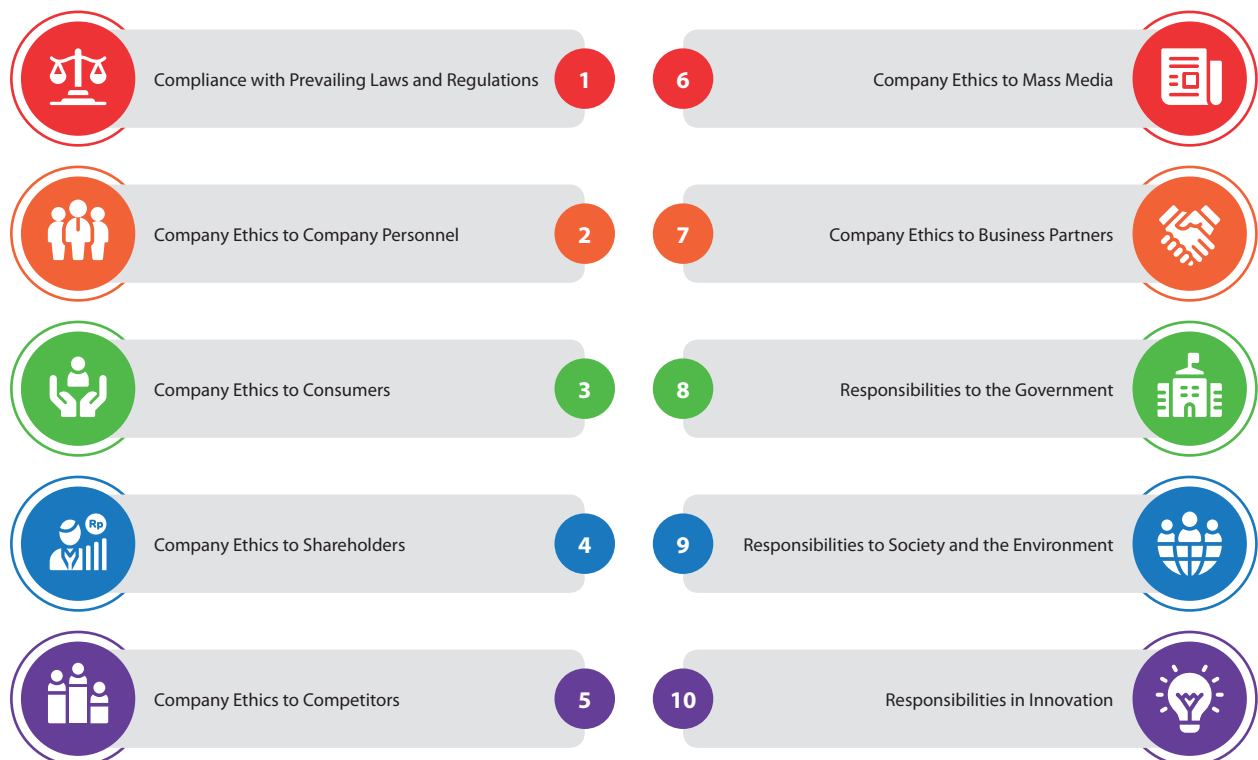
Throughout 2021, there were no administrative sanctions imposed to our Company, our Subsidiaries, the Board of Commissioners, and the Board of Directors by the relevant authorities (capital market, banking, and others).

Code of Ethics

We are committed to conducting our business activities in accordance with the highest ethical standards in regards to honesty, integrity, and professionalism. Therefore, we have formulated Business Ethics and Code of Conduct which serve as guided of conduct that must be adhered to by all employees including the Board of Directors, Board of Commissioners, and supporting organs of our Company, in carrying out their roles, authorities, and responsibilities, as well as in interacting in the work environment.

Principles of Business Ethics and Code of Conduct

The principles of our Business Ethics contain the following:



The principles of our Code of Conduct contain the following:



Form of Socialization and Efforts to Disseminate Business Ethics and Code of Conduct

Our Business Ethics and Code of Conduct are intensively socialized by our Company through the Good Corporate Governance Committee in order to create awareness in all of our employees to implement the Business Ethics and Code of Conduct. Socialization is conducted from the start of employment and repeated periodically thereafter. One of our efforts in disseminating the Business Ethics and Code of Conduct is the signing of the Integrity Pact as regulated in Form No. AA-HRD-FRM-01-010. To facilitate employees access, the Business Ethics and Code of Conduct are also posted on the Company's website.

Efforts in Enforcing Business Ethics and Code of Conduct

The Business Ethics and Code of Conduct are applicable to all of our personnel, from employees, management, the Board of Directors, to the Board of Commissioners. This is to ensure that all business activities are always in accordance with applicable ethics and rules. We have also established the Good Corporate Governance Committee as the responsible party in enforcing Business Ethics and Code of Conduct throughout the Company.

Violation Sanctions of Business Ethics and Code of Conduct

Any of company personnel who has been proven to have violated the Business Ethics and Code of Conduct may be subject to disciplinary action in the form of verbal and written warnings, stern warnings with suspensions, financial fines, and termination of employment (pemutusan hubungan kerja or "PHK").

Share Ownership Program by Employees (ESA)

We implement a policy to provide share ownership facilities to our employees through the employee stock allocation (ESA) program. The description concerning the implementation of the ESA program is as follows:

Number of Shares		Requirements on Employee Eligibility for ESA Program
3,099,300 shares or 0.05% of the new shares in the Initial Public Offering.		1. Permanent employees who have been registered as employees on a date determined by the Company ("ESA Date"); 2. Employees participating in the ESA program and the number of shares to be allocated to participants in the ESA program take into account their tenure, position, and other considerations. 3. As long as there remain shares allocated in the ESA program, the Board of Directors of the Company may allocate the remaining shares in the ESA program to employees who start their employment after the ESA Date; 4. Shares originating from the ESA program are subject to a lock-up period, and therefore cannot be transferred in any way for 24 months from the date of listing the Company's shares on the Indonesia Stock Exchange; 5. In the event that an employee resigns when the lock-up period has not ended, the shares will be transferred to another employee free of charge in accordance with the policy of the Board of Directors; and 6. In the event that an employee dies when the lock-up period has not ended, the shares will be transferred, free of charge, to their legal heirs and can be proven to the Board of Directors of the Company in accordance with the policy of the Board of Directors.
Responsible Parties	Execution Period	
• Department of HR Development; • Department of Business Development; and • Department of Finance.	December 2-6, 2021	
	Execution Price	
	Rp930.-	



Information Disclosure Policy

Information Disclosure Policy

The policy concerning the ownership of the Company's shares, either directly or indirectly, by the Board of Commissioners and the Board of Directors as well as changes in each ownership has been regulated in the Policy Regarding Reports of Share Ownership or Changes Thereto of the Board of Commissioners and the Board of Directors stipulated on December 27, 2021.

The reporting mechanism and reporting period by each member of the Board of Commissioners and the Board of Directors regarding ownership of the Company's shares and changes thereto are as follows:

- 1. Self Reporting**
Members of the Board of Commissioners or members of the Board of Directors directly submit a report to OJK and deliver a copy of the report to the Corporate Secretary. The reporting period is no later than 3 working days to the Company and no later than 10 working days to OJK from the effective date of the Company's share ownership or changes thereto.
- 2. Reporting through Authorization**
Members of the Board of Commissioners or members of the Board of Directors submit a report through the Corporate Secretary by attaching a Special Power of Attorney no later than 2 calendar days from the effective date of the Company's share ownership or changes thereto. The reporting period is no later than 5 working days from the effective date of the Company's share ownership or changes thereto.

The Company also submits a report of the transaction to the OJK no later than 10 days from the effective date of the transaction. In this regard, the Company has submitted a report on the share ownership of members of the Board of Commissioners and/or Board of Directors throughout 2021 via e-reporting to the Financial Services Authority and the Indonesia Stock Exchange.

Ownership of Shares Disclosure

Disclosure of the Company's share ownership, either directly or indirectly, can be found in the Composition of Share Ownership by Members of the Board of Commissioners and Board of Directors in the Company Profile chapter of this Annual Report.

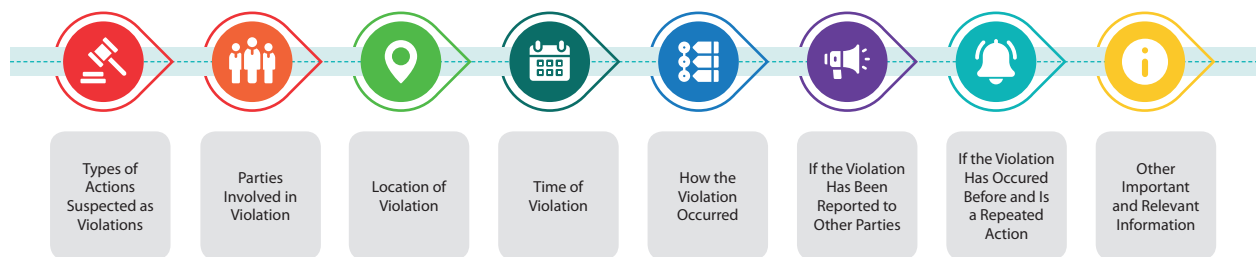


Violation Reporting (Whistleblowing) System

To realize our commitment to the implementation of GCG principles, we have a Whistleblowing System Guideline which was stipulated on June 25, 2021 and last amended on December 27, 2021. This system is a medium for all stakeholders to submit reports regarding alleged irregularities or violations of existing provisions and regulations, based on evidences that are accountable and in good-faith for the benefit of our Company.

Method of Submission and Persons Managing Reports of Violations

Every company personnel who discovers a violation or fraud is encouraged to submit a complaint. In submitting a violation report, the reporter/whistleblower must include complete information regarding:



The violation reports can be submitted via:



Good Corporate Governance Committee



Avian Brands Building
Jl. Ahmad Yani No. 317
Surabaya, 60234, Jawa Timur,
Indonesia





(62) 81138505000

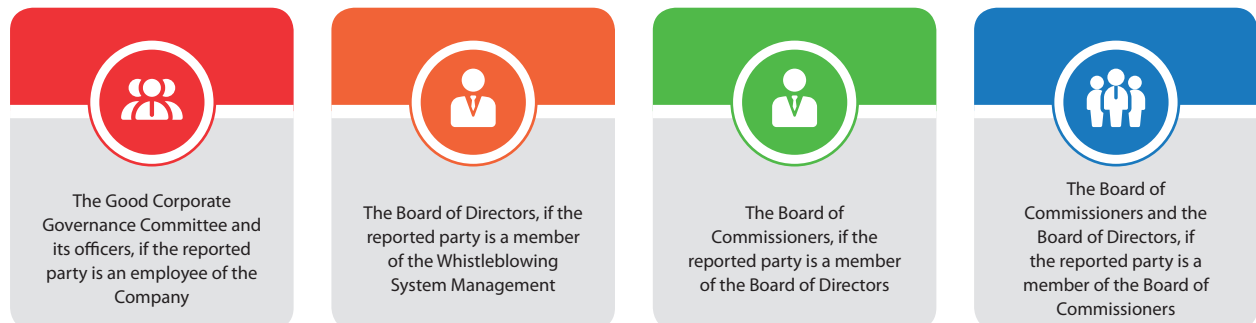


pengaduan@avianbrands.com



www.avianbrands.com

The parties authorized to follow up on reporting in our Company are:





Protection for Whistleblowers

We guarantee the confidentiality and security of the whistleblower's identity and reported information, as well as the protection from all forms of threats, intimidation, or unpleasant actions from any party caused by the reporting, as long as the whistleblower maintains confidentiality from other parties. The protection provided to the whistleblower also applies to the parties carrying out the investigation as well as the parties providing information related to the report.

Handling Procedure of Violation Reports

Any report of violations received will be followed up by collection of preliminary evidence. If the initial documents and evidences in the report submitted by the whistleblower are declared to be sufficient, the Good Corporate Governance Committee will sort the data and decide whether the violation report can advance to the investigation stage. If the violation report is upgraded to the investigation stage, it will be reported to the Board of Directors. If the violation report is not upgraded to the investigation stage, notification will be given to the whistleblower. Reports relating to employees are to be submitted in the form of letters and addressed to the President Director, while reports relating to the Board of Directors should be addressed to the Board of Commissioners.

Violation Report

In 2021, we did not receive any complaint regarding any alleged violation or fraud within our Company.

Anti Corruption Policy

We are committed to supporting and encouraging business and operational management to ensure its execution in an accountable and transparent manner, in accordance with the provisions of the prevailing laws and regulations. To that end, we strictly prohibit all of our employees from being involved in acts of bribery, corruption, and money laundering. The anti-corruption policy is contained in our Business Ethics and Code of Conduct.

The anti-corruption policy has been socialized to all employees on August 6, 2021 (in 2 sessions), in which all of our employees are required to sign the Integrity Pact document. As for new employees, the socialization will be carried out through an induction program.

Conflict of Interest Guidelines

We realize the importance of a firm attitude in the managing conflicts of interest that occur within our Company, to ensure good corporate management as well as amiable and harmonious relationships with all Stakeholders and to increase company value in a sustainable manner. With these considerations, we have compiled a Conflict of Interest Guidelines that are based on the prevailing laws and regulations, GCG Guidelines, Business Ethics and Code of Conduct, as well as Corporate Culture that are applicable and implemented in our Company. The Conflict of Interest Guidelines were stipulated on June 25, 2021 and updated on December 27, 2021.



Communication Policy Guidelines

We stipulated the Communication Policy Guidelines as a guide in communicating with our Shareholders, the Capital Market Authority, and the capital market community. The stipulation of the Communication Policy Guidelines aims to enable our Company to provide complete, accurate, actual, non-misleading, and easily accessible information in accordance with the provisions of the legislation, as well as to conduct ourselves fairly in the treatment of shareholders in relation to the exercise of their rights as our Shareholders. The Communication Policy Guidelines were stipulated on December 27, 2021.

Implementation of Public Company Governance Guidelines

As a public company, we are guided by the Circular Letter of the Financial Services Authority No. 32/SEOJK.04/2015 concerning Guidelines for Public Company Governance, the implementation of which is described as follows:

No.	Aspects/Principles/Recommendations	Fulfillment	Explanation
I.	Public Company Relations with the Shareholders in Guaranteeing the Rights of the Shareholders		
1.	Increasing the Value of the General Meeting of Shareholders (GMS).		
a.	The public company has technical voting methods or procedures, both publicly and privately, that promote independence and the interests of shareholders.	Explanation	We recently became a public company, at the end of 2021. We will implement a GMS voting procedure in the next GMS which will be held the following year.
b.	All members of the Board of Commissioners and the Board of Directors of the public company attend the Annual GMS.	Explanation	In 2021, the Shareholders made decisions outside of the Annual GMS. After becoming a public company, we will strive to comply with this provision.
c.	Summary of the GMS minutes is available on the website of the public company for at least 1 year.	Explanation	In 2021, the Shareholders made decisions outside of the GMS. After becoming a public company, we will strive to comply with this provision.
2.	Improving the Quality of Public Company's Communication with Shareholders or Investors.		
a.	The Public Company has a communication policy with shareholders or investors.	Fulfilled	We have a communication policy with Shareholders, as stipulated in the Communication Policy Guidelines.
b.	The public company discloses its communication policy with the Shareholders or Investors on the website.	Fulfilled	Our communication policy has been disclosed on our website.



No.	Aspects/Principles/Recommendations	Fulfillment	Explanation
II. Functions and Roles of the Board of Commissioners			
3.	Strengthening the Membership and Composition of the Board of Commissioners.		
a.	The determination of number of members of the Board of Commissioners considers the conditions of the public company.	Fulfilled	The number of members of our Board of Commissioners is in accordance with the provisions of our Company's Articles of Association and has been adjusted to the complexity of our business.
b.	The determination of the composition of the members of the Board of Commissioners considers the diversity of expertise, knowledge, and required experience.	Fulfilled	The nomination and appointment of our Board of Commissioners has taken into account the diversity of expertise, knowledge, and experience relevant to the responsibilities carried out in our Company.
4.	Improving the Implementation Quality of the Duties and Responsibilities of the Board of Commissioners.		
a.	The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.	Fulfilled	The performance assessment policy for the Board of Commissioners is regulated in the Performance Assessment Policy of the Board of Directors and the Board of Commissioners which was stipulated on December 27, 2021.
b.	The self-assessment policy to assess the performance of the Board of Commissioners is disclosed in the annual report of the public company.	Fulfilled	The performance assessment policy for the Board of Directors is conducted through self-assessment which has been disclosed in this Annual Report in the description of the Performance Assessment of the Board of Commissioners.
c.	The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners in the event of involvement in financial crimes.	Fulfilled	The policy concerning the resignation of the Board of Commissioners is regulated in the Policy in Resignation Procedure of the Board of Commissioners and the Board of Directors if Involved in a Financial Crime which was stipulated on December 27, 2021.
d.	The Board of Commissioners or the Committee performing the nomination and remuneration functions formulates a succession policy in the nomination process of members of the Board of Directors.	Fulfilled	The succession policy for members of the Board of Directors is contained in the Succession Policy in the Nomination Process for Members of the Board of Commissioners and Board of Directors which was stipulated on December 27, 2021.
III. Functions and Roles of the Board of Directors			
5.	Strengthening the Membership and Composition of the Board of Directors.		
a.	The determination of the number of members of the Board of Directors considers the condition of the public company, as well as the effectiveness in decision making.	Fulfilled	The number of members of the Board of Directors is in accordance with the provisions of our Company's Articles of Association and has been adjusted to the complexity of our business.
b.	The determination of the composition of the members of the Board of Directors considers the diversity of expertise, knowledge, and required experience.	Fulfilled	The proposal and appointment of the Board of Directors have taken into account the diversity of expertise, knowledge, and experience relevant to the responsibilities carried out in our Company.
c.	Members of the Board of Directors in charge of accounting or finance have the expertise and/or knowledge in accounting.	Fulfilled	The Director in charge of accounting or finance has experiences in accounting and finance.

No.	Aspects/Principles/Recommendations	Fulfillment	Explanation
6.	Improving the Implementation Quality of the Duties and Responsibilities of the Board of Directors.		
a.	The Board of Directors has a self-assessment policy in place to assess the performance of the Board of Directors.	Fulfilled	The performance assessment policy for the Board of Directors is regulated in the Performance Assessment Policy for the Board of Directors and the Board of Commissioners which was stipulated on December 27, 2021.
b.	The self-assessment policy to assess the performance of the Board of Directors is disclosed through the annual report of the public company.	Fulfilled	The performance assessment policy for the Board of Directors is conducted through self-assessment which has been disclosed in this Annual Report in the description of the Performance Assessment of the Board of Directors.
c.	The Board of Directors has a policy related to the resignation of members of the Board of Directors in the event of involvement in financial crimes.	Fulfilled	The policy concerning the resignation of the Board of Directors is regulated in the Policy in Resignation Procedure of the Board of Commissioners and the Board of Directors if Involved in a Financial Crime which was stipulated on December 27, 2021.
IV.	Stakeholder Participation		
7.	Improving Corporate Governance Aspects through Stakeholder Participation.		
a.	The public company has a policy to prevent insider trading.	Fulfilled	The policy to prevent insider trading is set out in the Policy to Prevent Insider Trading, which was stipulated on December 27, 2021.
b.	The public company has anti-corruption and anti-fraud policies.	Fulfilled	We have anti-corruption and anti-fraud policy which is contained in our Business Ethics and Code of Conduct.
c.	The public company has a policy on selection and improvement of suppliers or vendors capabilities.	Fulfilled	We have a policy on selection and improvement of suppliers capabilities which serves as a guide for related units in selecting working partners as stated in our Business Ethics and Code of Conduct.
d.	The public company has a policy on the fulfillment of creditors' rights.	Fulfilled	The policy on the fulfillment of creditors' rights is set out in the Policy on the Fulfillment of Creditor's Rights which was stipulated on December 27, 2021.
e.	The public company has a whistleblowing system policy.	Fulfilled	We have a Whistleblowing System Policy which is contained in the Whistleblowing System Guidelines.
f.	The public company has a long-term incentive policy for the Board of Directors and employees	Fulfilled	We have a policy concerning the provision of long-term incentives to employees as stated in the Employee Stock Allocation (ESA) Program.
V.	Information Disclosure		
8.	Improvement of the Implementation of Information Disclosure.		
a.	The public company utilizes the use of information technology more broadly, other than the website as media for information disclosure.	Fulfilled	We utilize information technology other than the our website in increasing the dissemination of information, including through our Youtube, Instagram, LinkedIn and Facebook pages/profiles, as well as through platforms provided by regulators, including SPE OJK and IDXnet.
b.	The Annual Report of the public company discloses the ultimate beneficial owner in the public company's share ownership of at least 5%, of shares, in addition to the disclosure of ultimate beneficial owner in the share ownership of the public company through the Main and Controlling Shareholders.	Fulfilled	The Annual Report contains the ultimate beneficial owners in our Company's share ownership.





Social and Environmental Responsibility



The sustainability of a company's business is not only measured by its success in managing economic aspects, but is also influenced by the performance of social, environmental aspects, and support from the community. As good corporate citizens, our Company and PT Tirtakencana Tatawarna, a subsidiary of our Company, are always committed to implementing the Social and Environmental Responsibility ("CSER") program designed from year to year to increase contribution to the quality of development and welfare of the community, especially those in in our operational areas. The SER programs implemented by our Company are guided by:

1. Law No. 40 of 2007 concerning Limited Liability Companies;
2. Law No. 13 of 2003 concerning Manpower;
3. Law No. 11 of 2000 concerning Job Creation;
4. Law No. 8 of 1999 concerning Consumer Protection; and
5. Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.

As a concrete step in implementing the CSER programs, we continue to innovate environmentally friendly products that are standardized based on the Singapore Green Label and have started using renewable energy sources from solar panels. We have also established Avian Brands Peduli, an CSER implementation platform with 3 focus pillars, namely education, environment, and natural disasters.

In education, we cooperated with various universities to provide scholarships for selected students. We also contributed to the improvement of schools conditions in various cities by repainting classrooms. For the environment, we contributed to the tourism development in 2 tourism destinations, housing development program of the Habitat for Humanity Indonesia, and the realization of Petik Laut, a program where we distributed paints along with wood and metal glue for fishermen to paint and repair their boats. Through the Colorful Village program, we also donated paint products to improve public facilities around our operational areas. Additionally, as our response to natural disasters, we have made donations to victims of Mount Semeru eruption in East Java, victims of disasters in Lembata, East Nusa Tenggara and victims of the tsunami in Banten and Lampung. We also participated in donating hand-washing facilities to 150 schools in Indonesia in order to prevent the transmission of Covid-19, and vaccination programs for our employees and their families, as well as the surrounding community.

Overview of Sustainability Performance

Sustainability of Economic Aspect

(in millions of Rupiah, unless otherwise stated)

Description	2021	2020	2019
Direct Economic Value Generated			
Cash Receipt from Customers	6,617,183	5,728,608	5,528,130
Other Receipts	16,620	14,273	8,689
Receipt from Interest Income	26,728	47,260	50,957
Total Direct Economic Value Generated	6,660,531	5,790,141	5,587,776
Distributed Economic Value			
Payment to Suppliers	3,949,663	2,744,165	3,224,355
Payment to Employees	590,549	509,844	463,880
Payment for Other Operating Expenses	461,685	462,140	583,529
Payment for Corporate Income Tax	426,627	268,342	366,713
Dividend Payment to Shareholders	2,350,000	700,000	1,200,000
Expenses for Society	1,923	468	352
Environmental Cost	1,257	1,073	1,391
OHS Investment Cost	4,399	2,055	972
Total Distributed Economic Value	7,786,103	4,688,087	5,841,192
Retained Economic Value	(1,125,572)	1,102,054	(253,416)

Sustainability of Social Aspect

Description	Unit	2021	2020	2019
Manpower Management				
Total Employees	Employee	7,689	6,962	7,277
Total Female Employees	Employee	1,409	1,262	1,351
Number of Participants in the Competence Development	Employee	3,420	2,265	2,532
Total Recordable Injury Rate	Rate	2.4	3.3	3.7
Total Recordable Incident Frequency Rate	Rate	2.3	2.2	2.6
Community Development and Empowerment (Pengembangan dan Pemberdayaan Masyarakat or "PPM")				
Number of PPM Program	Program	13	11	18
Cost of PPM Program	Million Rupiah	1,923	468	352
Local Supplier Engagement				
Local Supplier	Number of Company	231	208	206
Contract Value	Million Rupiah	2,824,585	2,083,573	2,230,834

* The Company and PT Tirtakencana Tatawarna, a Subsidiary of the Company.



Sustainability of Environmental Aspect

Description	Unit	2021	2020	2019
Energy Usage				
Electricity	GJ	54,248.59	49,427.24	44,753.94
Fuel	GJ	122,065.15	124,782.88	119,181.87
Gas	GJ	48,089.43	40,417.07	37,385.00
Renewable Energy (Solar Energy)	GJ	674.91	65.41	-
Water Usage				
Groundwater	Megaliter	84.32	83.91	114.24
Third Party (PDAM)	Megaliter	45.94	30.29	28.91
Industrial Wastewater	Megaliter	0.65	0.55	0.58
Emissions Generated				
Greenhouse Gas Emissions	Ton CO _{2e}	105.24	96.62	93.01
Reduction of Hazardous Waste Generation				
Reuse of Industrial Waste	Ton	1,263.45	861.78	489.03
Reuse of Solvent	Ton	230.06	179.94	138.19
B3 waste (liquid and solid handled by third parties)	Ton	574.22	406.77	654.79
Non-B3 Waste	Ton	98.14	86.41	58.00
Water	Megaliter	4.54	5.10	4.03
Material Usage				
Non-Renewable Materials	Ton	94,294	77,903	81,098
Renewable Materials	Ton	80,411	70,064	73,528
Total Production	Metric Tons	205,382	168,557	177,135

*The Company and PT Tirtakencana Tatawarna, a Subsidiary of the Company.

A complete description of the policies and programs of Social and Environmental Responsibility ("CSER") is discussed more comprehensively in our Sustainability Report which is presented separately from this Annual Report.

Annual Report Responsibility

Statement of Members of the Board of Commissioners and the Board of Directors on the Responsibility for the 2021 Annual Report of PT Avia Avian Tbk.

We, the undersigned, hereby declare that all information in the 2021 Annual Report of PT Avia Avian Tbk. (the "Company") has been completely presented and we shall be fully responsible for the correctness of contents in the Company's Annual Report.

This statement is hereby made in all truthfulness.

Surabaya, March 25, 2022

Board of Commissioners,



Hermanto Tanoko
President Commissioner



Mohammad Noor Rachman Soejoeti
Independent Commissioner

Board of Directors,



Wijono Tanoko
President Director



Ruslan Tanoko
Vice President Director



Robert Christian Tanoko
Director



Kurnia Hadi Sinanto
Director





Consolidated Financial Statements of PT Avia Avian Tbk. and Subsidiaries

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PT Avia Avian Tbk.
dan entitas anaknya/*and its subsidiaries*

Laporan keuangan konsolidasian tanggal 31 Desember 2021
dan untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
*Consolidated financial statements as of December 31, 2021
for the year then ended with independent auditors' report*

The original consolidated financial statements included herein are in the Indonesian language.

**PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN KEUANGAN KONSOLIDASIAN
TANGGAL 31 DESEMBER 2021
DAN UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
BESERTA LAPORAN
AUDITOR INDEPENDEN**

**PT AVIA AVIAN Tbk.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT
AUDITORS' REPORT**

Daftar Isi

Table of Contents

	Halaman/ Page	
Surat Pernyataan Direksi		<i>Statement of the Board of Directors</i>
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan Konsolidasian.....	1-2	<i>Consolidated Statement of Financial Position</i>
Laporan Laba Rugi dan Penghasilan Kprehensif Lain Konsolidasian.....	3-4	<i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas Konsolidasian.....	5	<i>Consolidated Statement of Changes in Equity</i>
Laporan Arus Kas Konsolidasian.....	6	<i>Consolidated Statement of Cash Flows</i>
Catatan atas Laporan Keuangan Konsolidasian.....	7-120	<i>Notes to the Consolidated Financial Statements</i>

**SURAT PERNYATAAN DEWAN DIREKSI TENTANG
TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN
TANGGAL 31 DESEMBER 2021
DAN UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL TERSEBUT
PT AVIA AVIAN Tbk DAN ENTITAS ANAK**

**BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021
AND FOR THE YEAR THEN ENDED
PT AVIA AVIAN Tbk AND SUBSIDIARIES**

Kami, yang bertanda tangan di bawah ini :

We, the undersigned below:

- | | |
|------------------------------------|--|
| 1. Nama | Wijono Tanoko |
| Alamat kantor | Jl. Ahmad Yani No.317, Surabaya |
| Alamat domisili
atau sesuai KTP | Graha Family Blok K-9, Surabaya |
| Nomor telepon | 031-99850500 |
| Jabatan | Direktur Utama / <i>President Director</i> |
| 2. Nama | Kurnia Hadi Sinanto |
| Alamat kantor | Jl. Ahmad Yani No.317, Surabaya |
| Alamat domisili
atau sesuai KTP | Wonorejo Permai Timur I/15,
Surabaya |
| Nomor telepon | 031-99850500 |
| Jabatan | Direktur / <i>Director</i> |

- | | |
|--|--|
| Name | |
| Office address | |
| Domicile address or
address according to ID | |
| Telephone number | |
| Title | |
| Name | |
| Office address | |
| Domicile address or
address according to ID | |
| Telephone number | |
| Title | |

menyatakan bahwa:

declare that:

- | | |
|--|---|
| 1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Avia Avian Tbk dan Entitas Anak; | 1. <i>We are responsible for the preparation and presentation of the consolidated financial statements of PT Avia Avian Tbk and Subsidiaries;</i> |
| 2. Laporan keuangan konsolidasian PT Avia Avian Tbk dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; | 2. <i>The consolidated financial statements of PT Avia Avian Tbk and Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standards;</i> |
| 3. a. Semua informasi dalam laporan keuangan konsolidasian PT Avia Avian Tbk dan Entitas Anak telah dimuat secara lengkap dan benar; dan | 3. a. <i>All information in the consolidated financial statements of PT Avia Avian Tbk and Subsidiaries have been fully disclosed in a complete and truthful manner; and</i> |
| b. Laporan keuangan konsolidasian PT Avia Avian Tbk dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; | b. <i>The consolidated financial statements of PT Avia Avian Tbk and Subsidiaries do not contain any incorrect information or material fact, nor do they omit any information or material fact;</i> |
| 4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Avia Avian Tbk dan Entitas Anak. | 4. <i>We are responsible for the internal control system of PT Avia Avian Tbk and Subsidiaries.</i> |

Demikian pernyataan ini dibuat dengan sebenarnya.

This statement is made truthfully.

Surabaya, 16 Maret 2022/ Surabaya, March 16, 2022

	
Wijono Tanoko Direktur Utama / <i>President Director</i>	Kurnia Hadi Sinanto Direktur / <i>Director</i>

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. 00232/2.1032/AU.1/04/0685-1/1/III/2022

**Pemegang Saham, Dewan Komisaris, dan Direksi
PT Avia Avian Tbk.**

Kami telah mengaudit laporan keuangan konsolidasian PT Avia Avian Tbk. ("Perusahaan") dan entitas anaknya (secara kolektif disebut sebagai "Kelompok Usaha") terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2021, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. 00232/2.1032/AU.1/04/0685-1/1/III/2022

**The Shareholders, and the Boards of Commissioners and Directors
PT Avia Avian Tbk.**

We have audited the accompanying consolidated financial statements of PT Avia Avian Tbk. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

The original report included herein is in the Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. 00232/2.1032/AU.1/04/0685-1/1/III/2022 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Avia Avian Tbk. dan entitas anaknya tanggal 31 Desember 2021, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report (continued)

Report No. 00232/2.1032/AU.1/04/0685-1/1/III/2022 (continued)

Auditors' responsibility (continued)

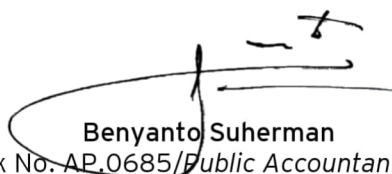
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Avia Avian Tbk. and its subsidiaries as of December 31, 2021, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

KAP Purwantono, Sungkoro & Surja



Benyanto Suherman

Registrasi Akuntan Publik No. AP.0685/Public Accountant Registration No. AP.0685

16 Maret 2022/March 16, 2022



00232

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
Tanggal 31 Desember 2021
(Disajikan dalam Rupiah,
kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As of December 31, 2021
(Expressed in Rupiah,
unless otherwise stated)

	31 Desember 2021/ December 31, 2021	Catatan/ Notes	31 Desember 2020/ December 31, 2020	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	1.288.214.014.542	2i,2j,4	1.361.183.696.546	Cash and cash equivalents
Investasi pada surat utang negara	4.840.680.012.840	10	475.615.501.050	Investment in government bonds
Piutang usaha		2i,5		Trade receivables
Pihak berelasi	15.488.785.564	2h,6	8.136.963.657	Related parties
Pihak ketiga	1.150.535.224.115		992.501.710.177	Third parties
Piutang lain-lain		2i,7		Other receivables
Pihak berelasi	27.765.344.600	2h,6	34.170.145.108	Related parties
Pihak ketiga	80.472.088.405		11.449.962.249	Third parties
Persediaan, neto	1.446.353.444.232	2k,8	1.007.154.435.763	Inventories, net
Hak retur aset	12.703.231.932	2r,23	5.873.730.619	Right of return assets
Uang muka pemasok		11		Advance to suppliers
Pihak berelasi	1.790.596.473	2h,6	-	Related parties
Pihak ketiga	5.084.571.214		7.741.741.855	Third parties
Beban dibayar di muka	11.297.425.666	2l,9	17.262.404.319	Prepaid expenses
Pajak dibayar di muka	6.054.249.213	2s,17a	410.424.381	Prepaid taxes
TOTAL ASET LANCAR	8.886.438.988.796		3.921.500.715.724	TOTAL CURRENT ASSETS
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Properti investasi	295.640.496.098	2o,12	282.846.135.094	Investment properties
Aset tetap, neto	1.551.223.623.874	2m,13	1.523.899.890.223	Fixed assets, net
Aset hak-guna	115.740.573.535	2n,15	131.684.912.405	Right-of-use assets
Investasi pada ventura bersama	17.741.257.536	2f,29	-	Investment in joint venture
Uang muka pembelian aset tetap	5.233.413.314	11	7.629.697.187	Advances payment for purchase of fixed assets
Aset tidak lancar lainnya	1.741.883.427		3.323.184.345	Other non-current assets
TOTAL ASET TIDAK LANCAR	1.987.321.247.784		1.949.383.819.254	TOTAL NON-CURRENT ASSETS
TOTAL ASET	10.873.760.236.580		5.870.884.534.978	TOTAL ASSETS
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang bank	670.857.472	2i,34	-	Bank loans
Utang usaha		2i,14		Trade payables
Pihak berelasi	292.070.007.248	2h,6	241.626.298.850	Related parties
Pihak ketiga	476.678.430.445		247.258.991.402	Third parties
Utang lain-lain		2i		Other payables
Pihak berelasi	14.374.360.456	2h,6	601.420.631	Related parties
Pihak ketiga	41.284.584.474		29.709.191.920	Third parties
Pendapatan diterima dimuka		2i		Unearned revenue
Pihak berelasi	1.808.978.941	2h,6	1.827.620.618	Related parties
Pihak ketiga	780.837.206		-	Third parties
Beban akrual	323.481.271.887	2i,16	277.927.602.915	Accrued expenses
Utang pajak	140.135.933.498	2s,17b	180.436.316.565	Taxes payable
Uang jaminan pelanggan	4.218.698.191	2i	6.128.975.639	Customer guarantee
Kewajiban untuk retur	19.600.675.181	2r,23	9.361.061.941	Refund liabilities
Bagian lancar atas liabilitas sewa	24.576.574.151	2n,15	27.700.315.968	Current maturities of lease liability
TOTAL LIABILITAS JANGKA PENDEK	1.339.681.209.150		1.022.577.796.449	TOTAL CURRENT LIABILITIES

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN (lanjutan)
Tanggal 31 Desember 2021
(Disajikan dalam Rupiah,
kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (continued)
As of December 31, 2021
(Expressed in Rupiah,
unless otherwise stated)

	31 Desember 2021/ December 31, 2021	Catatan/ Notes	31 Desember 2020/ December 31, 2020	
LIABILITAS JANGKA PANJANG				NON-CURRENT LIABILITIES
Liabilitas imbalan kerja	53.933.964.737	2q,18	81.274.720.918	Employee benefits liability
Liabilitas pajak tangguhan, neto	19.692.213.481	2s,17d	9.013.949.930	Deferred tax liabilities, net
Liabilitas sewa - bagian jangka panjang	44.832.917.270	2n,15	73.383.678.602	Lease liability - non-current portion
TOTAL LIABILITAS JANGKA PANJANG	118.459.095.488		163.672.349.450	TOTAL NON-CURRENT LIABILITIES
TOTAL LIABILITAS	1.458.140.304.638		1.186.250.145.899	TOTAL LIABILITIES
EKUITAS				EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the parent entity
Modal saham - nilai nominal Rp10 per saham (2020: Rp1.000 per saham)				Share capital - Rp10 par value per share (2020: Rp1,000 par value)
Modal dasar - (2021: 2.000.000.000 saham; 2020: 1.200.000.000 saham)				Authorized - (2021: 2,000,000,000 shares; 2020: 1,200,000,000 shares)
Modal ditempatkan dan disetor penuh - (2021: 61.953.555.600 saham; 2020: 557.535.556 saham)	619.535.556.000	1b,19	557.535.556.000	Issued and fully paid - (2021: 61,953,555,600 shares; (2020: 557,535,556 shares)
Tambahan modal disetor	7.793.217.601.930	1b,1c,21	2.208.573.270.799	Additional paid-in capital
Surplus revaluasi aset tetap	213.548.380.600	2m,2v,13	213.438.215.600	Revaluation surplus of fixed assets
Perubahan nilai wajar atas investasi pada surat utang negara	(834.853.604)	2v,10	18.388.890.019	Changes in fair value of investment in government bonds
Keuntungan pengukuran kembali liabilitas imbalan kerja	16.329.029.336		916.185.138	Re-measurement gain on employee benefits liability
Saldo laba				Retained earnings
Ditentukan penggunaannya	112.000.000.000	19	-	Appropriate
Belum ditentukan penggunaannya	658.393.304.224	19	1.685.779.715.294	Unappropriate
Total	9.412.189.018.486		4.684.631.832.850	Total
Kepentingan nonpengendali	3.430.913.456	2c,22a	2.556.229	Non-controlling Interests
TOTAL EKUITAS	9.415.619.931.942		4.684.634.389.079	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS	10.873.760.236.580		5.870.884.534.978	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2021
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT LOSS
AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2021
(Expressed in Rupiah,
unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2021	Catatan/ Notes	2020	
PENJUALAN NETO	6.779.643.348.943	2r,23	5.731.260.683.244	NET SALES
BEBAN POKOK PENJUALAN	(3.954.110.369.894)	2r,24	(3.212.593.772.967)	COST OF GOODS SOLD
LABA BRUTO	2.825.532.979.049		2.518.666.910.277	GROSS PROFIT
Beban penjualan	(889.064.624.332)	2r,26	(917.984.866.114)	Selling expenses
Beban umum dan administrasi	(181.567.719.223)	2r,26	(162.690.535.092)	General and administrative expenses
Pendapatan operasi lain, neto	47.486.289.976	2r,26	9.768.276.480	Other operating income, net
LABA USAHA	1.802.386.925.470		1.447.759.785.551	OPERATING PROFIT
Penghasilan keuangan	80.678.466.729	2r,27	53.019.361.838	Finance income
Beban keuangan	(37.101.907.024)	2r,28	(9.734.247.522)	Finance costs
Bagian atas kerugian ventura bersama	(1.258.742.464)	2f,2r,29	-	Share of loss of a joint venture
LABA SEBELUM BEBAN PAJAK PENGHASILAN	1.844.704.742.711		1.491.044.899.867	PROFIT BEFORE INCOME TAX EXPENSE
BEBAN PAJAK PENGHASILAN				INCOME TAX EXPENSE
Kini	(398.106.683.260)	2s,17c	(362.097.766.360)	Current
Tangguhan	(12.046.836.755)	2s,17d	7.200.695.982	Deferred
TOTAL BEBAN PAJAK PENGHASILAN	(410.153.520.015)		(354.897.070.378)	TOTAL INCOME TAX EXPENSE
LABA TAHUN BERJALAN	1.434.551.222.696		1.136.147.829.489	PROFIT FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos yang tidak akan direklasifikasi ke laba rugi tahun berikutnya:				Items that will not be reclassified to profit or loss in subsequent years:
Surplus revaluasi aset tetap	110.165.000	2m,2v,13	-	Revaluation surplus of fixed assets
Keuntungan pengukuran kembali atas liabilitas imbalan kerja	19.759.810.559	2v,18	14.204.442.526	Re-measurement gain on employee benefits liability
Pajak tangguhan terkait	(4.347.158.323)	2s,17d	(3.217.492.883)	Related deferred tax
	15.522.817.236		10.986.949.643	
Pos yang akan direklasifikasi ke laba rugi tahun berikutnya:				Item that will be reclassified to profit or loss in subsequent years:
Perubahan nilai wajar atas investasi pada surat utang negara	(19.223.743.623)	2v,10	18.388.890.019	Changes in fair value of investment in government bonds
Total penghasilan (rugi) komprehensif lain, neto setelah pajak	(3.700.926.387)		29.375.839.662	Total other comprehensive income (loss), net of tax
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	1.430.850.296.309		1.165.523.669.151	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN LABA RUGI
DAN PENGHASILAN KOMPREHENSIF LAIN
KONSOLIDASIAN (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2021
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT LOSS
AND OTHER COMPREHENSIVE INCOME
(continued)
For the Year Ended December 31, 2021
(Expressed in Rupiah,
unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2021	Catatan/ Notes	2020	
LABA TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				PROFIT FOR THE YEAR ATTRIBUTABLE TO:
Pemilik entitas induk	1.434.613.588.930		1.136.147.153.567	Owners of the parent entity
Kepentingan nonpengendali	(62.366.234)	2c,22b	675.922	Non-controlling interests
TOTAL	1.434.551.222.696		1.136.147.829.489	TOTAL
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:
Pemilik entitas induk	1.430.912.854.505		1.165.522.993.229	Owners of the parent entity
Kepentingan nonpengendali	(62.558.196)	2c,22b	675.922	Non-controlling interests
TOTAL	1.430.850.296.309		1.165.523.669.151	TOTAL
Laba per saham dasar yang dapat diatribusikan kepada pemilik entitas induk	25,54	2x,20	20,38	Basic earnings per share attributable to the owners of the parent entity

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

The original consolidated financial statements included herein are in the Indonesian language.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2021
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2021
(Expressed in Rupiah, unless otherwise stated)

Ekuitas yang dapat diatribusikan kepada pemilik entitas induk/Equity attributable to owners of the parent entity											
Catatan/ Notes	Modal saham ditempatkan dan disetor penuh/ Issued and fully paid share capital	Tambahan modal disetor/ Additional paid-in capital	Surplus revaluasi aset tetap/ Revaluation surplus of fixed assets	Perubahan nilai wajar atas investasi pada surat utang negara/ Changes in fair value of investment in government bonds	Keuntungan (kerugian) pengukuran kembali liabilitas imbalan kerja/ Re-measurement gain (loss) in employee benefits liability	Saldo laba/ Retained earnings		Total/ Total	Kepentingan nonpengendali/ Non-controlling interests	Total ekuitas/ Total equity	
						Belum ditentukan penggunaannya/ Unappropriate	Ditentukan penggunaannya/ Appropriate				
Saldo per 31 Desember 2019	557.535.556.000	2.208.573.270.799	213.438.215.600	-	(10.070.764.505)	1.249.632.561.727	-	4.219.108.839.621	2.480.307	4.219.111.319.928	Balance as of December 31, 2019
Dividen	22d,30	-	-	-	-	(700.000.000.000)	-	(700.000.000.000)	(600.000)	(700.000.600.000)	Dividend
Laba tahun berjalan		-	-	-	-	1.136.147.153.567	-	1.136.147.153.567	675.922	1.136.147.829.489	Profit for the year
Penghasilan komprehensif lain		-	-	-	18.388.890.019	10.986.949.643	-	29.375.839.662	-	29.375.839.662	Other comprehensive income
Saldo per 31 Desember 2020	557.535.556.000	2.208.573.270.799	213.438.215.600	18.388.890.019	916.185.138	1.685.779.715.294	-	4.684.631.832.850	2.556.229	4.684.634.389.079	Balance as of December 31, 2020
Tambahan modal ditempatkan dan disetor penuh	62.000.000.000	5.584.644.331.131	-	-	-	-	-	5.646.644.331.131	-	5.646.644.331.131	Additional issued and fully paid capital
Dividen	22c,30	-	-	-	-	(1.650.000.000.000)	-	(1.650.000.000.000)	(963.597)	(1.650.000.963.597)	Dividend
Dividen interim	22d,30	-	-	-	-	(700.000.000.000)	-	(700.000.000.000)	-	(700.000.000.000)	Interim dividend
Pembentukan cadangan umum	19	-	-	-	-	(112.000.000.000)	112.000.000.000	-	-	-	Appropriation for general reserve
Laba tahun berjalan		-	-	-	-	1.434.613.588.930	-	1.434.613.588.930	(62.366.234)	1.434.551.222.696	Profit for the year
Penghasilan (rugi) komprehensif lain		-	-	110.165.000	(19.223.743.623)	15.412.844.198	-	(3.700.734.425)	(191.962)	(3.700.926.387)	Other comprehensive income (loss)
Akuisisi entitas anak baru	1d	-	-	-	-	-	-	-	3.491.879.020	3.491.879.020	Acquisition of new subsidiary
Saldo per 31 Desember 2021	619.535.556.000	7.793.217.601.930	213.548.380.600	(834.853.604)	16.329.029.336	658.393.304.224	112.000.000.000	9.412.189.018.486	3.430.913.456	9.415.619.931.942	Balance as of December 31, 2021

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS KONSOLIDASIAN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2021
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021
(Expressed in Rupiah,
unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2021	Catatan/ Notes	2020	
ARUS KAS DARI				CASH FLOWS FROM
AKTIVITAS OPERASI				OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	6.617.183.288.425		5.728.607.700.158	Cash received from customers
Pembayaran ke pemasok	(3.949.662.745.515)		(2.744.165.192.898)	Payments to suppliers
Pembayaran ke karyawan	(590.548.944.468)		(509.843.910.657)	Payments to employees
Pembayaran untuk beban usaha	(469.264.353.881)		(465.735.821.329)	Payments for operating expenses
Kas yang diperoleh dari operasi	1.607.707.244.561		2.008.862.775.274	Cash generated from operations
Penerimaan lain-lain	16.619.595.194		14.273.254.505	Other receipts
Penerimaan penghasilan bunga	26.728.354.184		47.260.356.374	Receipts of finance income
Pembayaran pajak penghasilan badan	(426.627.201.181)	2s, 17	(268.342.098.542)	Payments of corporate income taxes
Kas neto diperoleh dari aktivitas operasi	1.224.427.992.758		1.802.054.287.611	Net cash provided by operating activities
ARUS KAS DARI				CASH FLOWS FROM
AKTIVITAS INVESTASI				INVESTING ACTIVITIES
Penerimaan dari pelepasan aset tetap	11.650.517.640	2m,13	7.967.572.198	Proceeds from disposal of fixed assets
Penerimaan dari penjualan investasi pada surat utang negara	604.502.651.700		-	Proceeds from sale of investment in government bonds
Perolehan saham entitas anak	(16.641.000.000)	1d	-	Acquisition of shares of a subsidiary
Pembelian aset tetap	(133.252.101.474)	2m,11,33	(119.261.020.020)	Purchase of fixed assets
Penambahan investasi pada surat utang negara	(4.977.962.336.948)	10	(422.020.216.670)	Additions of investment in government bonds
Penambahan investasi pada ventura bersama	(4.750.000.000)	29	-	Additions of investments in joint venture
Kas neto digunakan untuk aktivitas investasi	(4.516.452.269.082)		(533.313.664.492)	Net cash used in investing activities
ARUS KAS DARI				CASH FLOWS FROM
AKTIVITAS PENDANAAN				FINANCING ACTIVITIES
Penerimaan utang bank	930.000.000.000		-	Proceeds from bank loan
Tambahan modal disetor	5.584.644.331.131	21	-	Additional paid in capital
Penambahan saham baru	62.000.000.000	19	-	Addition of new shares
Pembayaran utang bank	(935.112.839.573)		-	Payment of bank loans
Pembayaran liabilitas sewa	(35.574.968.504)	2n,15	(53.246.493.044)	Payments of lease liabilities
Pembayaran beban bunga	(37.101.907.024)		(9.734.247.522)	Payment of interest expense
Pembayaran dividen tunai	(2.350.000.963.597)	30	(700.000.600.000)	Payments of cash dividends
Kas neto diperoleh dari (dipergunakan untuk) aktivitas pendanaan	3.218.853.652.433		(762.981.340.566)	Net cash provided by (used in) financing activities

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS KONSOLIDASIAN (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2021
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)
For the Year Ended December 31, 2021
(Expressed in Rupiah,
unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2021	Catatan/ Notes	2020	
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS	(73.170.623.891)		505.759.282.553	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
Pengaruh neto perubahan kurs mata uang asing terhadap kas dan setara kas	(292.712)		(25.739.863)	Net effect of foreign currency exchange rate changes on cash and cash equivalents
KAS DAN SETARA KAS AWAL TAHUN *)	1.361.384.931.145		855.450.153.856	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR *)
KAS DAN SETARA KAS AKHIR TAHUN	1.288.214.014.542	4	1.361.183.696.546	CASH AND CASH EQUIVALENTS AT END OF YEAR

*) Termasuk kas dan setara kas PT Multipro Paint Indonesia, entitas anak, sebesar Rp201.234.599

*) Including cash and cash equivalent of PT Multipro Paint Indonesia, a subsidiary, amounting to Rp201,234,599

Informasi tambahan atas perubahan pada liabilitas pendanaan dan aktivitas nonkas diungkapkan dalam Catatan 33.

Additional information about changes to financing liabilities and non-cash transaction activities disclosed in Note 33.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM

a. Pendirian dan informasi umum Perusahaan

PT Avia Avian Tbk. ("Perusahaan") didirikan berdasarkan Akta Pendirian No. 06 tanggal 1 Maret 1983 yang dibuat di hadapan Indrawati Setiabudhi, S.H., Notaris di Malang, yang diubah dengan akta No. 63 tanggal 23 Mei 1983 yang dibuat di hadapan notaris yang sama. Akta Perubahan Perusahaan tersebut telah disahkan berdasarkan Keputusan Departemen Kehakiman Republik Indonesia tertanggal 05 Juli 1983 dengan Surat Keputusan No. C2-4984.HT.01.01. Tahun 1983 dan telah diumumkan dalam Berita Negara Republik Indonesia No. C2-4984.HT.01.01. Tahun 1983.

Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan dan terakhir berdasarkan Akta Pernyataan Keputusan Para Pemegang Saham Sebagai Pengganti Rapat Umum Pemegang Saham Luar Biasa Perusahaan No. 47 tanggal 27 Agustus 2021, yang dibuat di hadapan Anwar, S.H., M.Kn., Notaris di Gresik mengenai perubahan ketentuan Pasal 16 ayat 1 anggaran dasar Perusahaan. Perubahan ini telah diterima dan dicatat dalam basis data Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan surat No. AHU-AH.01.03-0442031, tanggal 30 Agustus 2021, perihal Penerimaan Pemberitahuan Perubahan Anggaran Dasar Perusahaan.

Berdasarkan Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan antara lain bergerak dalam bidang industri pengolahan, dan perdagangan besar. Perusahaan berkantor pusat di Sidoarjo dan memiliki pabrik di Sidoarjo dan Serang.

Perusahaan memulai operasi komersialnya pada tahun 1983.

1. GENERAL

a. The Company's establishment and general information

PT Avia Avian ("the Company") is established based on Deed of Establishment No. 06 dated March 1, 1983 made by Indrawati Setiabudhi, S.H., Notary in Malang, that was amended based on Deed No. 63 dated May 23, 1983 by the same notary. The Company's Deeds of Amendments have been approved based on Decision of the Department of Justice of the Republic of Indonesia dated July 05, 1983 with Decision Letter No. C2-4984.HT.01.01. Tahun 1983 and was published in State Gazette No. C2-4984.HT.01.01. Tahun 1983 of the Republic of Indonesia.

The Company's Articles of Association have been amended several times and the latest was based on Deed of Resolution of Shareholders in Lieu of the Company's Extraordinary General Meeting of Shareholders No. 47 dated August 27, 2021, that was made by Anwar, S.H., M.Kn., Notary in Gresik regarding changes in Article 16 paragraph 1 of the Company's Article of Association. The amendment was received and recorded in the Database of the Minister of Law and Human Rights based on letter No AHU-AH.01.03-0442031 dated August 30, 2021, regarding the Acceptance of Acknowledgment for Amendments of the Company's Article of Association.

Based on the Company's Articles of Association, the scope of activities of the Company comprises processing industry, and wholesale trading. The Company's head office is located at Sidoarjo, with factories in Sidoarjo and Serang.

The Company started its commercial operations in 1983.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

b. Penawaran umum saham Perusahaan

Berdasarkan Akta Notaris No. 3 tanggal 4 Agustus 2021 oleh Notaris Liestiani Wang, S.H., M.Kn. Notaris di Jakarta Selatan, perubahan ini telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia dengan Surat Keputusan No. AHU-0043612.AH.01.02.Tahun 2021 tanggal 12 Agustus 2021 dan telah diterima dan dicatat dalam Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat No. AHU-AH.01.03-0436412 tertanggal 12 Agustus 2021, Para Pemegang Saham Perusahaan memutuskan dan menyetujui hal-hal diantaranya perubahan status Perusahaan dari perseroan tertutup menjadi perseroan terbuka dan perubahan nama Perusahaan dari PT Avia Avian menjadi PT Avia Avian Tbk.

Dalam rangka penawaran umum perdana saham Perusahaan, Perusahaan mendapatkan Surat Pemberitahuan Efektif Pernyataan Pendaftaran No. S-223/D.04/2021 tertanggal 30 November 2021 dari Otoritas Jasa Keuangan ("OJK") untuk melakukan penawaran umum perdana sebanyak 6.200.000.000 lembar saham dengan nilai nominal Rp10 (angka penuh) per lembar saham dan harga penawaran sebesar Rp930 (angka penuh) per lembar saham. Seluruh saham yang ditawarkan ke masyarakat pada saat penawaran umum perdana berasal dari saham baru yang diterbitkan Perusahaan. Efektif tanggal 8 Desember 2021, saham Perusahaan telah dicatatkan di Bursa Efek Indonesia.

c. Entitas induk dan entitas induk terakhir

PT Wahana Lancar Rejeki dan PT Tancorp Surya Sentosa merupakan entitas pengendali Perusahaan. Pemilik manfaat dari Perusahaan adalah Hermanto Tanoko, Ruslan Tanoko dan Wijono Tanoko.

1. GENERAL (continued)

b. Public offering of the Company's shares

Based on Notarial Deed No. 3 dated August 4, 2021, by Notary Liestiani Wang, S.H., M.Kn. Notary in South Jakarta, this amendment was approved by Minister of Law and Human Rights under Decision Letter No. AHU-0043612.AH.01.02.Tahun 2021 dated August 12, 2021 and was received and recorded in the Database of the Minister of Law and Human Rights based on letter No AHU-AH.01.03-0436412 dated August 12, 2021, the Shareholders of the Company decided and approved matters including the changes of the Company's status from Limited Company to become Public Company and the Company's name from PT Avia Avian to PT Avia Avian Tbk.

In relation to the initial public offering of the Company's shares, the Company obtained the Notification Letter of Statement of Effective Registration No. S-223/D.04/2021 dated November 30, 2021 from the Financial Services Authority ("OJK") to conduct an initial public offering of 6,200,000,000 shares to the public with par value of Rp10 (full amount) per share at an offering price of Rp930 (full amount) per share. All of shares offered to the public in the initial public offering were new shares issued by the Company. Effective on December 8, 2021, the Company's shares have been listed on the Indonesia Stock Exchange.

c. Parent and ultimate parent entity

PT Wahana Lancar Rejeki and PT Tancorp Surya Sentosa are the controlling interest of the Company. The beneficial owners of the Company are Hermanto Tanoko, Ruslan Tanoko and Wijono Tanoko.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi

Pada tanggal 31 Desember 2021 dan 2020, Perusahaan memiliki entitas anak and ventura bersama dengan kepemilikan efektif sebagai berikut:

Entitas Anak/ Subsidiaries	Domisili/ Domicile	Bidang usaha/ Nature of business	Dimulainya kegiatan komersial/ Commencement of commercial operations
<u>Kepemilikan langsung/Direct ownership</u>			
PT Tirtakencana Tatawarna ("PT TKTW")	Surabaya	Perdagangan/Trading	2000
PT Solusi Rumah Praktis ("PT SRP")	Surabaya	Perdagangan dan jasa/ Trading and service	2018
PT Multipro Paint Indonesia ("PT MPI")	Jakarta	Perdagangan dan industri/ Trading and industry	2008
<u>Kepemilikan tidak langsung/Indirect ownership</u>			
<u>Melalui PT TKTW/Through PT TKTW</u>			
PT Tirtakencana Batamindo ("PT TKBI")	Batam	Perdagangan/Trading	2010
<u>Ventura bersama/Joint venture</u>			
PT Bangun Bersama Solusindo	Jakarta	Industri semen, mortar dan beton/ Industry of cement, mortar and concrete	2021

1. GENERAL (continued)

d. Consolidated subsidiaries

As of December 31, 2021 and 2020, the Company has subsidiaries and joint venture with effective percentage of ownership as follows:

Persentase kepemilikan/Percentage of ownership	
31 Desember/December 31,	
2021	2020
99,99%	99,99%
99,99%	99,99%
67,00%	-
99,98%	99,98%
50,00%	50,00%
Total aset/Total assets	
31 Desember/December 31,	
2021	2020
4.026.368.801.537	2.578.604.061.321
4.364.712.662	6.372.592.771
19.309.825.512	-
28.273.527.938	20.065.859.883
18.969.057.631	-

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

PT TKTW

Berdasarkan Akta Notaris No. 02 tanggal 2 November 2015, oleh Notaris Fenny Hudaya Sulisty, S.E., S.H., M.Kn., Perusahaan membeli saham PT TKTW dari Global Strategic Capital Pte. Ltd. sejumlah 63.266 lembar saham. Pembelian ini menjadikan Perusahaan memiliki 28,96% saham PT TKTW.

Berdasarkan Akta Notaris No. 07 tanggal 10 Desember 2015, oleh notaris yang sama, disetujui pengalihan hak atas PT TKTW dari Wijono Tanoko, Hermanto Tanoko, dan Ruslan Tanoko, pihak berelasi Perusahaan, masing-masing sejumlah 62.104, 62.105, dan 31.018 lembar saham kepada Perusahaan. Pengalihan saham ini menyebabkan kepemilikan Perusahaan menjadi 99,99% atas PT TKTW.

Atas peningkatan kepemilikan tersebut, Perusahaan memiliki pengendalian atas PT TKTW efektif sejak tanggal 10 Desember 2015.

Arus kas yang timbul dari akuisisi PT TKTW tersebut adalah sebagai berikut:

	Tirtakencana Tatawarna
Nilai buku neto aset	187.879.451.111
% diakuisisi	99,99%
Harga pembelian	149.862.340.847
Tambahan modal disetor	38.017.110.264

Perusahaan dan PT TKTW adalah entitas sepengendali, oleh karenanya selisih antara jumlah imbalan yang dialihkan dengan jumlah tercatat aset neto PT TKTW diakui sebagai bagian dari akun "Tambahan Modal Disetor" pada laporan posisi keuangan konsolidasian.

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

PT TKTW

Based on Notarial Deed No. 02 dated November 2, 2015 by Notary Fenny Hudaya Sulisty, S.E., S.H., M.Kn., the Company agreed to buy 63,266 shares of PT TKTW from Global Strategic Capital Pte. Ltd. This acquisition has resulted in the Company having PT TKTW's shares of 28.96%.

Based on Notarial Deed No. 07 dated December 10, 2015 by the same notary, Wijono Tanoko, Hermanto Tanoko, and Ruslan Tanoko, the Company's related parties, agreed to transfer 62,104 shares, 62,105 shares, and 31,018 shares, respectively, to the Company. This shares transfer has caused the ownership of PT TKTW by the Company to become 99.99%.

In relation to the above increase in ownership, the Company has control over PT TKTW effective as of December 10, 2015.

Cash flows information arising from the acquisition of PT TKTW is as follow:

	Net book value of assets
% acquired	% acquired
Purchase price	Purchase price
Additional paid-in capital	Additional paid-in capital

The Company and PT TKTW are entities under common control, therefore the difference between the consideration transferred and the book value of the net assets of PT TKTW is recorded as part of "Additional Paid-in Capital" in the consolidated statement of financial position.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

PT TKTW (lanjutan)

Karena transaksi diatas merupakan transaksi antara entitas sepengendali dan tidak mengakibatkan perubahan substansi ekonomi kepemilikan atas aset, liabilitas, saham atau instrumen kepemilikan lainnya yang dipertukarkan, maka transaksi ini dicatat dengan menerapkan PSAK No. 38, dan karenanya pengalihan aset dan liabilitas sebagai penggabungan usaha dicatat menggunakan metode penyatuan kepentingan (*pooling-of-interests*). Dalam menerapkan metode penyatuan kepentingan ini, unsur-unsur laporan keuangan dari entitas yang bergabung, untuk periode terjadinya kombinasi bisnis entitas sepengendali dan untuk periode komparatif penyajian, disajikan sedemikian rupa seolah-olah penggabungan telah terjadi sejak awal periode entitas yang bergabung berada dalam sepengendalian.

Berdasarkan Akta Notaris Dr. Susanti, S.H., M.Kn., No. 1 tanggal 8 Desember 2021, para pemegang saham PT TKTW menyetujui peningkatan modal ditempatkan dan disetor dari Rp709.247.000.000 menjadi Rp2.124.248.000.000 yang diambil oleh Perusahaan dan Wijono Tanoko masing-masing sebesar Rp1.415.000.000.000 dan Rp1.000.000.

Komposisi modal ditempatkan dan disetor PT TKTW menjadi sebagai berikut:

- Perusahaan memiliki 99,9999% atau sebanyak 4.248.493 saham dengan nilai nominal sebesar Rp2.124.246.500.000.
- Wijono Tanoko memiliki 0,0001% atau sebanyak 3 saham dengan nilai nominal sebesar Rp1.500.000.

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

PT TKTW (continued)

Since the above transactions are among entities under common control and does not result in a change of the economic substance of the ownership of assets, liabilities, ownership transfer shares or other instruments of ownership which are exchanged, then this transaction is recorded by implementing PSAK No. 38, and therefore the assets or liabilities transferred as business combination is recorded as if using the pooling-of-interests method. In implementing the pooling-of-interests method, the financial statements' details of the combining entities, for the period of business combination of the entities under common control and for the comparative period, is presented as if the business combination has occurred since the beginning of the period the entities were under common control.

Based on Notarial Deed of Dr. Susanti, S.H., M.Kn., No. 1 dated December 8, 2021, the shareholders of PT TKTW approved an increase in the issued and paid-up capital from Rp709,247,000,000 to Rp2,124,248,000,000 which was taken by the Company and Wijono Tanoko amounting to Rp1,415,000,000,000 and Rp1,000,000, respectively.

The capital share ownership of capital of PT TKTW is as follows:

- The Company owns 99,9999% or 4,248,493 shares with total amount of Rp2,124,246,500,000.
- Wijono Tanoko owns 0.0001% or 3 share with total amount of Rp1,500,000.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

PT SRP

PT SRP didirikan berdasarkan Akta Pendirian No. 17 tanggal 22 November 2018 dibuat dihadapan Notaris Anwar, S.H., M.Kn., Notaris di Gresik, dan telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Republik Indonesia dengan Surat Keputusan No. AHU-0056091.AH.01.01 tanggal 24 November 2018.

Modal dasar PT SRP sebesar Rp40.000.000.000. Modal yang telah ditempatkan sebesar Rp10.000.000.000, yang terdiri dari 10.000 saham dengan nilai nominal Rp1.000.000 per saham.

Komposisi modal ditempatkan dan disetor sebagai berikut:

- Perusahaan memiliki 99,99% atau sebanyak 9.999 saham dengan nilai nominal sebesar Rp9.999.000.000.
- PT TKTW memiliki 0,01% atau sebanyak 1 saham dengan nilai nominal sebesar Rp1.000.000.

PT SRP bergerak dalam bidang perdagangan eceran bahan konstruksi dan jasa pengecatan.

PT MPI

Berdasarkan Akta Pengalihan Hak Atas Saham yang diaktakan dengan Akta Notaris Liestiani Wang, S.H., M.Kn., No.19 tanggal 13 Oktober 2021, Garibaldi Thohir (sebagai "Penjual") dan Perusahaan (sebagai "Pembeli"). Penjual merupakan pemilik dari 3.500 saham, yang mewakili 35% dari seuruh modal ditempatkan dan disetor PT MPI, setuju untuk menjual 2.345 saham yang mewakili 23,45% kepemilikan di PT MPI kepada Perusahaan.

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

PT SRP

PT SRP was established based on Deed of Establishment No. 17 dated November 22, 2018 made by Notary Anwar, S.H., M.kn., Notary in Gresik, and has been approved by Minister of Law and Human Rights of Republic Indonesia with the Decree No. AHU-0056091.AH.01.01 dated November 24, 2018.

The authorized capital of PT SRP amounted to Rp40,000,000,000. Issued capital amounting to Rp10,000,000,000, which composed of 10,000 shares with par value of Rp1,000,000 per share.

The capital share ownership of capital is as follows:

- The Company owns 99.99% or 9,999 shares with total amount of Rp9,999,000,000.
- PT TKTW owns 0.01% or 1 share with total amount of Rp1,000,000.

PT SRP activities are retail trade of construction materials and painting services.

PT MPI

Based on the Deed of Transfer of shares which notarized by Notarial Deed Liestiani Wang, S.H., M.Kn., No. 19 dated October 13, 2021, Garibaldi Thohir (as the "Seller") and the Company (as the "Buyer"). The seller is the owner of 3,500 shares, which represents 35% ownership of all issued and paid-up capital of PT MPI, agreed to sell 2,345 shares representing 23.45% ownership of PT MPI to the Company.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

PT MPI (lanjutan)

Berdasarkan Akta Pengalihan Hak Atas Saham yang diaktakan dengan Akta Notaris Liestiani Wang, S.H., M.Kn., No.20 tanggal 13 Oktober 2021, Yohanes Chandra Ekajaya (sebagai "Penjual") dan Perusahaan (sebagai "Pembeli"), Penjual merupakan pemilik dari 3.500 saham, yang mewakili 35% dari seluruh modal ditempatkan dan disetor PT MPI, setuju untuk menjual 2.345 saham yang mewakili 23,45% kepemilikan di PT MPI kepada Perusahaan.

Berdasarkan Akta Pengalihan Hak Atas Saham yang diaktakan dengan Akta Notaris Liestiani Wang, S.H., M.Kn., No.21 tanggal 13 Oktober 2021, Suprajitno Sutomo (sebagai "Penjual") dan Perusahaan (sebagai "Pembeli"), Penjual merupakan pemilik dari 3.000 saham, yang mewakili 30% dari seluruh modal ditempatkan dan disetor PT MPI, setuju untuk menjual 2.010 saham yang mewakili 20,10% kepemilikan di PT MPI kepada Perusahaan.

Dengan demikian Perusahaan membeli total 6.700 saham yang mewakili 67,00% kepemilikan di PT MPI. Pengalihan hak atas saham ini telah mendapatkan persetujuan Dewan Komisaris Perusahaan pada tanggal 12 Oktober 2021.

Arus kas yang timbul dari akuisisi PT MPI tersebut adalah sebagai berikut:

	Multipro Paint Indonesia
Nilai buku neto aset	16.946.023.461
% diakuisisi	67,00%
Harga pembelian	16.641.000.000
Pembelian dengan diskon	305.023.461

Selisih antara jumlah imbalan yang dialihkan dengan jumlah tercatat aset neto PT MPI diakui sebagai bagian dari akun "Pendapatan operasi lain, neto" pada laporan laba rugi dan pendapatan komprehensif lain konsolidasian.

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

PT MPI (continued)

Based on the Deed of Transfer of shares which notarized by Notarial Deed Liestiani Wang, S.H., M.Kn., No. 20 dated October 13, 2021, Yohanes Chandra Ekajaya (as the "Seller") and the Company (as the "Buyer"). The seller is the owner of 3,500 shares, which represents 35% ownership of all issued and paid-up capital of PT MPI, agreed to sell 2,345 shares representing 23.45% ownership of PT MPI to the Company.

Based on the Deed of Transfer of shares which notarized by Notarial Deed Liestiani Wang, S.H., M.Kn., No. 21 dated October 13, 2021, Suprajitno Sutomo (as the "Seller") and the Company (as the "Buyer"). The seller is the owner of 3,000 shares, which represents 30% ownership of all issued and paid-up capital of PT MPI, agreed to sell 2,010 shares representing 20.10% ownership of PT MPI to the Company.

Thus, the Company purchased a total of 6,700 shares representing 67.00% ownership in PT MPI. The transfer of rights to these shares was approved by the Company's Board of Commissioners on October 12, 2021.

Cash flows information arising from the acquisition of PT MPI is as follow:

	Net book value of assets
% acquired	% acquired
Purchase price	Purchase price
Bargain purchase	Bargain purchase

The difference between the consideration transferred and the book value of the net assets of PT MPI is recorded as part of "other operating income, net" in the consolidated statement of profit or loss and other comprehensive income.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

PT MPI (lanjutan)

Berdasarkan Akta Notaris No. 68 tanggal 28 Desember 2021 oleh Notaris Liestiani Wang, S.H., M. Kn. Notaris di Jakarta Selatan, Para Pemegang Saham PT MPI menyetujui hal sebagai berikut: (lanjutan)

- a. Perubahan nilai nominal saham dari semula sebesar Rp1.000.000 per saham menjadi Rp100.000 per saham.
- b. Peningkatan modal dasar, dari semula Rp10.000.000.000 menjadi Rp58.400.000.000 dan peningkatan modal ditempatkan dan disetor penuh dari semula Rp10.000.000.000 menjadi sebesar Rp14.600.000.000 dengan cara pengeluaran saham baru sebanyak 46.000 saham atau setara dengan Rp4.600.000.000, yang akan diambil secara proporsional oleh:
 - Perusahaan sebanyak 30.820 saham atau setara dengan Rp3.082.000.000;
 - Garibaldi Thohir sebanyak 5.313 saham atau setara dengan Rp531.300.000;
 - Yohanes Chandra Ekajaya sebanyak 5.313 saham atau setara dengan Rp531.300.000;
 - Suprajitno Sutomo sebanyak 4.554 saham atau setara dengan Rp455.400.000.

Modal dasar PT MPI sebesar Rp58.400.000.000. Modal yang telah ditempatkan sebesar Rp14.600.000.000, yang terdiri dari 146.000 saham dengan nilai nominal Rp100.000 per saham.

Komposisi modal ditempatkan dan disetor sebagai berikut:

- Perusahaan memiliki 67,00% atau sebanyak 97.820 saham dengan nilai nominal sebesar Rp9.782.000.000.
- Garibaldi Thohir memiliki 11,55% atau sebanyak 16.863 saham dengan nilai nominal sebesar Rp1.686.300.000.
- Yohanes Chandra Ekajaya memiliki 11,55% atau sebanyak 16.863 saham dengan nilai nominal sebesar Rp1.686.300.000.
- Suprajitno Sutomo memiliki 9,90% atau sebanyak 14.454 saham dengan nilai nominal sebesar Rp1.445.400.000.

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

PT MPI (continued)

Based on Notarial Deed No. 68 dated December 28, 2021 by Notary Liestiani Wang, S.H., M.Kn. Notary in South Jakarta, the shareholders of PT MPI approved on the following: (continued)

- a. Changes in the par value of the shares from Rp1,000,000 per share to Rp100,000 per share.
- b. Increase in authorized capital, from Rp10,000,000,000 to Rp58,400,000,000 and an increase in issued and fully paid-up capital from Rp10,000,000,000 to Rp14,600,000,000 by issuing 46,000 new shares or equivalent to Rp4,600,000,000, which will be taken proportionally by:
 - 30,820 shares or equivalent to Rp3,082,000,000;
 - Garibaldi Thohir as many as 5,313 shares or equivalent to Rp531,300,000;
 - Yohanes Chandra Ekajaya as many as 5,313 shares or equivalent to Rp531,300,000;
 - Suprajitno Sutomo as many as 4,554 shares or equivalent to Rp.455.400.000.

The authorized capital of PT MPI amounted to Rp58,400,000,000. Issued capital amounting to Rp14,600,000,000, which composed of 146,000 shares with par value of Rp100,000 per share.

The capital share ownership of capital is as follows:

- The Company owns 67.0% or 97,820 shares with total amount of Rp9,782,000,000.
- Garibaldi Thohir owns 11.55% or 16,863 share with total amount of Rp1,686,300,000.
- Yohanes Chandra Ekajaya owns 11.55% or 16,863 share with total amount of Rp1,686,300,000.
- Suprajitno Sutomo owns 9.90% or 14,454 share with total amount of Rp1,445,400,000.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

PT TKBI

PT TKBI didirikan berdasarkan Akta Pendirian No. 58 tanggal 30 September 2010 dibuat dihadapan Notaris Rusdi Muljono, S.H. Notaris di Surabaya, dan telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Republik Indonesia dengan Surat Keputusan No. AHU-55288.AH.01.01.Tahun 2010 tanggal 24 November 2010.

Modal dasar PT TKBI sebesar Rp10.000.000.000. Modal yang telah ditempatkan sebesar Rp4.500.000.000, yang terdiri dari 4.500 saham dengan nilai nominal Rp1.000.000 per saham.

Komposisi modal ditempatkan dan disetor sebagai berikut:

- PT TKTW memiliki 99,98% atau sebanyak 4.499 saham dengan nilai nominal sebesar Rp4.499.000.000.
- Wijono Tanoko memiliki 0,02% atau sebanyak 1 saham dengan nilai nominal sebesar Rp1.000.000.

e. Dewan Komisaris dan Direksi, Komite Audit dan karyawan

Susunan Dewan Komisaris dan Direksi pada tanggal Desember 2021 dan 2020 adalah sebagai berikut:

	31 Desember 2021/ December 31, 2021
<u>Dewan Komisaris</u>	
Komisaris Utama	Hermanto Tanoko
Komisaris	Mohammad Noor Rachman Soejoeti
<u>Direksi</u>	
Direktur Utama	Wijono Tanoko
Wakil Direktur Utama	Ruslan Tanoko
Direktur	Robert Christian Tanoko
Direktur	Kurnia Hadi Sinanto

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

PT TKBI

PT TKBI was established based on Deed of Establishment No. 58 dated September 30, 2010 made by Notary Rusdi Muljono, S.H., Notary in Surabaya, and has been approved by Minister of Law and Human Rights of Republic Indonesia with the Decree No. AHU-55288.AH.01.01.Tahun 2010 dated November 24, 2010.

The authorized capital of PT TKBI amounted to Rp10,000,000,000. Issued capital amounting to Rp4,500,000,000, which composed of 4,500 shares with par value of Rp1,000,000 per share.

The capital share ownership of capital is as follows:

- PT TKTW owns 99.98% or 4,499 shares with total amount of Rp4,499,000,000.
- Wijono Tanoko owns 0.02% or 1 share with total amount of Rp1,000,000.

e. Board of Commissioners and Directors, Audit Committee and employees

The composition of the Company's Board of Commissioners and Board of Directors as of December 31, 2021 and 2020 are as follows:

31 Desember 2020/ December 31, 2020	<u>Board of Commissioners</u>
Hermanto Tanoko	President Commissioner
Choo Koon Po	Commissioner
<u>Board of Directors</u>	
Wijono Tanoko	President Director
Ruslan Tanoko	Vice President Director
Robert Christian Tanoko	Director
Kurnia Hadi Sinanto	Director

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

e. Dewan Komisaris dan Direksi, Komite Audit dan karyawan (lanjutan)

Susunan Direksi dan Komisaris Perusahaan mengalami perubahan berdasarkan Akta Pernyataan Keputusan Pemegang Saham No. 47 tanggal 27 Agustus 2021 yang dibuat di hadapan Anwar, S.H., M.Kn., Notaris di Gresik. Akta tersebut telah diterima dan dicatat dalam basis data Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Direktorat Jenderal Administrasi Hukum Umum No. AHU-0147019.AH.01.11.Tahun 2021, tanggal 30 Agustus 2021, perihal Penerimaan Pemberitahuan Perubahan Data Perseroan.

Susunan komite audit berdasarkan Surat Keputusan Dewan Komisaris No. 023/AA/DIR/VI/2021 tanggal 16 Agustus 2021 pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

**31 Desember 2021/
December 31, 2021**

Komite Audit

Ketua
Anggota
Anggota

Mohammad Noor Rachman Soejoeti
Fitradewata Teramihardja
Sammy TS Lalamentik

Audit Committee

Chief
Member
Member

Pembentukan komite audit Perusahaan telah dilakukan sesuai dengan Peraturan BAPEPAM-LK No. IX.1.5, sebagaimana telah diperbarui dengan Peraturan Otoritas Jasa Keuangan No.55/POJK.04/2015 tanggal 23 Desember 2015 tentang Pembentukan dan Pedoman Pelaksanaan Kerja Komite Audit dan Peraturan Pencatatan Efek No. I-A, Lampiran Keputusan Direksi PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 tanggal 20 Januari 2014.

Pada tanggal 31 Desember 2021 dan 2020, Kelompok Usaha memiliki masing-masing 1.261 dan 1.205 orang karyawan tetap (tidak diaudit).

Gaji dan kompensasi kesejahteraan jangka pendek lainnya yang dibebankan untuk Komisaris dan Direksi Kelompok Usaha untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2021 dan 2020 masing-masing adalah sebesar Rp83.645.913.618 dan Rp73.441.925.547.

1. GENERAL (continued)

e. Board of Commissioners and Directors, Audit Committee and employees (continued)

The Company's Board of Directors and Board of Commissioners have been changed based on AGM deed No. 47 dated August 27, 2021 made by Anwar, S.H., M.Kn., Notary in Gresik. This Deed has been accepted and recorded in the Administration System of Legal Entity Database by the Ministry of Law and Human Rights based on Letter from Directorate General of Public Law Administration No. AHU-0147019.AH.01.11.Tahun 2021, dated August 30, 2021, regarding the Acceptance of Acknowledgment for Amendments of the Company's Data.

The members of Company's Audit Committee based on Boards of Commissioners' Decision Letter No. 023/AA/DIR/VI/2021 dated August 16, 2021 as of December 31, 2021 and 2020 are as follows:

The establishment of the Company's audit committee has complied with BAPEPAM-LK Rule No. IX.1.5, as renewed and replaced with Financial Services Authority Rule No. 55/POJK.04/2015 dated December 23, 2015 on the Establishment and Implementation Guidance of the Audit Committee and Securities Listing Regulation No. I-A, Appendix of Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated January 20, 2014.

As of December 31, 2021 and 2020, the Group had a total of 1,261 and 1,205 permanent employees, respectively (unaudited).

Salaries and other short-term compensation benefits expensed to the Group's Commissioners and Directors for the years ended December 31, 2021 and 2020 amounted Rp83,645,913,618 and Rp73,441,925,547, respectively.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

f. Tanggal penyelesaian laporan keuangan konsolidasian

Manajemen Perusahaan bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, yang telah diselesaikan dan diotorisasi untuk diterbitkan oleh Direksi Perusahaan pada tanggal 16 Maret 2022.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

a. Dasar penyusunan laporan keuangan konsolidasian

Laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan Indonesia ("SAK"), yang mencakup Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan ("DSAK") Ikatan Akuntan Indonesia dan Dewan Standar Akuntansi Syariah Ikatan Akuntan Indonesia serta Peraturan regulator pasar modal untuk entitas yang berada di bawah pengawasannya. Kebijakan ini telah diterapkan secara konsisten terhadap seluruh tahun yang disajikan, kecuali jika dinyatakan lain.

Laporan keuangan konsolidasian telah disusun sesuai dengan PSAK 1: Penyajian Laporan Keuangan. Laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian, disusun berdasarkan basis akrual, menggunakan dasar akuntansi biaya historis, kecuali untuk beberapa akun tertentu yang disajikan berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas konsolidasian menyajikan arus kas dari perubahan kegiatan operasi, investasi dan pendanaan. Laporan arus kas konsolidasian disusun dengan metode langsung (*direct method*).

Mata uang fungsional Kelompok Usaha adalah Rupiah. Mata uang penyajian yang digunakan untuk penyusunan laporan keuangan konsolidasian adalah mata uang Rupiah (Rp).

1. GENERAL (continued)

f. Completion date of the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, which were completed and authorized for issuance by the Board of Directors of the Company on March 16, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK") issued by the Financial Accounting Standards Board ("DSAK") of the Indonesian Institute of Accountants and the Sharia Accounting Standards Board of the Indonesian Institute of Accountants as well as the Regulation of capital market regulatory for entities under its supervision. These policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with PSAK 1: Presentation of Financial Statements. The consolidated financial statements, except consolidated statement of cash flows, have been prepared on the accrual basis, using the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies for those accounts.

The consolidated statements of cash flows present the changes in cash from operating, investing and financing activities. The consolidated statements of cash flows are prepared using the direct method.

The functional currency of the Group is the Indonesian Rupiah. The presentation currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah (Rp).

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

b. Perubahan kebijakan akuntansi

Pada tanggal 1 Januari 2021, Kelompok Usaha menerapkan amandemen dan penyesuaian standar akuntansi yang relevan dengan pelaporan keuangan Kelompok Usaha dan efektif berlaku sejak tanggal tersebut, sebagai berikut:

Amandemen PSAK 22: Definisi Bisnis

Amandemen PSAK 22 Kombinasi Bisnis mengklarifikasi bahwa untuk dianggap sebagai suatu bisnis, suatu rangkaian terintegrasi dari aktivitas dan aset harus mencakup minimal, input dan proses substantif yang bersama-sama, berkontribusi secara signifikan terhadap kemampuan menghasilkan output. Selain itu, amandemen ini mengklarifikasi bahwa suatu bisnis tetap ada walaupun tidak mencakup seluruh input dan proses yang diperlukan untuk menghasilkan output. Amandemen ini tidak berdampak pada laporan keuangan konsolidasian Kelompok Usaha, tetapi dapat berdampak pada periode-periode mendatang jika Kelompok Usaha melakukan kombinasi bisnis.

Amandemen PSAK 55, PSAK 60, PSAK 62, PSAK 71 dan PSAK 73 – Reformasi Acuan Suku Bunga (Tahap 2)

Amandemen-amandemen ini memberikan kelonggaran sementara terkait dengan dampak pelaporan keuangan ketika suku bunga penawaran antarbank (Interbank Offered Rate) diganti dengan acuan suku bunga alternatif yang hampir bebas risiko (SBB). Amandemen tersebut mencakup cara praktis sebagai berikut ini:

- Cara praktis yang mensyaratkan perubahan kontraktual, atau perubahan arus kas yang secara langsung sebagaimana disyaratkan oleh reformasi (suku bunga acuan), untuk diperlakukan sebagai perubahan suku bunga mengambang, yang setara dengan pergerakan suku bunga pasar.
- Mengizinkan perubahan yang disyaratkan oleh reformasi suku bunga acuan terhadap penetapan dan dokumentasi lindung nilai tanpa penghentian hubungan lindung nilai.
- Memberikan kelonggaran sementara kepada entitas untuk memenuhi ketentuan dapat diidentifikasi secara terpisah, pada saat instrumen SBB ditetapkan sebagai lindung nilai dari suatu komponen risiko.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

b. Changes in accounting principles

On January 1, 2021, the Group applied amendments and improvements to accounting standards that are relevant to the Group's financial reporting and effective from that date, as follow:

Amendments to PSAK 22: Definition of a Business

The amendment to PSAK 22 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to PSAK 55, PSAK 60, PSAK 62, PSAK 71 and PSAK 73 – Interest Rate Benchmark Reform (Phase 2)

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the (interest rate benchmark) reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

b. Perubahan kebijakan akuntansi (lanjutan)

b. Changes in accounting principles
(continued)

Penyesuaian Tahunan 2021

2021 Annual Improvements

Berikut adalah ringkasan informasi tentang penyesuaian PSAK tahunan 2021 yang berlaku efektif untuk pelaporan tahunan yang dimulai pada atau setelah 1 Januari 2021. Penyempurnaan PSAK tahunan pada dasarnya merupakan rangkaian amandemen dalam lingkup sempit yang memberikan klarifikasi agar tidak terjadi perubahan yang signifikan terhadap prinsip-prinsip yang ada atau prinsip-prinsip baru.

The following summary provides information on the annual improvements of PSAKs that are effective for annual periods beginning on or after January 1, 2021. The annual improvements of PSAK are basically a set of narrow scope amendments that provide clarification so that there are no significant changes to existing principles or new principles.

- PSAK 1: Penyajian Laporan Keuangan, beberapa perubahan tentang pertimbangan yang dibuat oleh manajemen dalam proses penerapan kebijakan akuntansi yang secara signifikan mempengaruhi jumlah yang diakui dalam laporan keuangan.
- PSAK 13: Properti Investasi, tentang pengungkapan penerapan model nilai wajar telah dihapus.
- PSAK 48: Penurunan Nilai Aset, tentang ruang lingkup penurunan nilai aset dan menghapus perbedaan dengan IFRS pada IAS 36 paragraf 04(a).
- PSAK 66: Pengaturan Bersama, mengenai penyesuaian pada paragraf 25, PP11, PP33A(b) dan catatan kakinya, C12 dan C14 tentang rujukan ke PSAK 71: Instrumen Keuangan.
- ISAK 16: Pengaturan Konsesi Jasa, mengenai penyesuaian dalam beberapa paragraf dalam contoh ilustrasi agar konsisten dengan PSAK 72: Pendapatan dari Kontrak dengan Pelanggan.

- PSAK 1: Presentation of Financial Statements, some changes regarding consideration made by management in the process of applying accounting policies that significantly affect the amounts they recognize in the financial statements.
- PSAK 13: Investment Property, regarding disclosure of applying fair value model has been deleted.
- PSAK 48: Impairment of Assets, regarding the scope of impairment of assets and deletion of the difference with IFRS in IAS 36 paragraph 04(a).
- PSAK 66: Joint Arrangement, Regarding adjustments in paragraphs 25, PP11, PP33A(b) and its footnotes, C12 and C14 regarding reference to PSAK 71: Financial instruments.
- ISAK 16: Service concession arrangement, regarding adjustment in several paragraphs in illustrative example to be consistent with PSAK 72: Revenue from Contracts with Customers.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

c. Prinsip-prinsip konsolidasi

Laporan keuangan konsolidasian meliputi laporan keuangan Perusahaan dan entitas anaknya.

Seluruh transaksi dan saldo akun antar perusahaan yang signifikan (termasuk laba atau rugi yang belum terealisasi) telah dieliminasi.

Kendali diperoleh bila Kelompok Usaha terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan *investee* dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas *investee*. Dengan demikian, investor mengendalikan *investee* jika dan hanya jika investor memiliki seluruh hal berikut ini:

- (i) kekuasaan atas *investee*, yaitu hak yang ada saat ini yang memberi investor kemampuan kini untuk mengarahkan aktivitas relevan dari *investee*,
- (ii) eksposur atau hak atas imbal hasil variabel dari keterlibatannya dengan *investee*, dan
- (iii) kemampuan untuk menggunakan kekuasaannya atas *investee* untuk memengaruhi jumlah imbal hasil.

Umumnya, ada dugaan bahwa mayoritas hak suara menghasilkan kontrol. Untuk mendukung anggapan ini dan bila Kelompok Usaha memiliki kurang dari mayoritas hak suara atau hak serupa dari *investee*, Kelompok Usaha mempertimbangkan semua fakta dan keadaan yang relevan dalam menilai apakah ia memiliki kuasa atas *investee*, termasuk:

- (i) pengaturan kontraktual dengan pemegang hak suara lainnya pada *investee*,
- (ii) hak yang timbul atas pengaturan kontraktual lain, dan
- (iii) hak suara yang dimiliki Kelompok Usaha dan hak suara potensial.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

c. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

All significant intercompany transactions and account balances (including the related significant unrealized gains or losses) have been eliminated.

Control is achieved when the Group 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. Thus, the Group controls an investee if and only if the Group has all of the following:

- (i) power over the investee, that is existing rights that give the investor current ability to direct the relevant activities of the investee,
- (ii) exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement(s) with the other vote holders of the investee,
- (ii) rights arising from other contractual arrangements, and
- (iii) the Group's voting rights and potential voting rights.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

c. Prinsip-prinsip konsolidasi (lanjutan)

Kelompok Usaha menilai ulang apakah pengendaliannya melibatkan *investee* jika fakta dan keadaan menunjukkan bahwa ada perubahan pada satu atau lebih dari tiga elemen kontrol. Konsolidasi anak perusahaan dimulai pada saat Kelompok Usaha memperoleh kendali atas anak perusahaan dan berhenti pada saat Kelompok Usaha kehilangan kendali atas anak perusahaan tersebut. Aset, liabilitas, penghasilan dan beban anak perusahaan yang diakuisisi selama periode berjalan termasuk dalam laporan keuangan konsolidasian sejak tanggal Kelompok Usaha memperoleh kendali sampai dengan tanggal Kelompok Usaha tidak lagi mengendalikan anak perusahaan.

Seluruh laba rugi dan setiap komponen penghasilan komprehensif lain diatribusikan pada pemilik entitas induk dan pada kepentingan nonpengendali ("KNP"), walaupun hal ini akan menyebabkan saldo KNP yang defisit. Bila dipandang perlu, penyesuaian dilakukan terhadap laporan keuangan entitas anak untuk diselaraskan dengan kebijakan akuntansi Kelompok Usaha.

Perubahan dalam bagian kepemilikan entitas induk pada entitas anak yang tidak mengakibatkan hilangnya pengendalian, dicatat sebagai transaksi ekuitas. Bila kehilangan pengendalian atas suatu entitas anak, maka Kelompok Usaha menghentikan pengakuan atas aset (termasuk *goodwill*), liabilitas, KNP dan komponen lain dari ekuitas terkait, dan selisihnya diakui pada laba rugi. Bagian dari investasi yang tersisa diakui pada nilai wajar.

d. Kombinasi bisnis

Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Biaya perolehan dari sebuah akuisisi diukur pada nilai agregat imbalan yang dialihkan, diukur pada nilai wajar pada tanggal akuisisi dan jumlah setiap KNP pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, pihak pengakuisisi mengukur KNP pada entitas yang diakuisisi baik pada nilai wajar ataupun pada proporsi kepemilikan KNP atas aset neto yang teridentifikasi dari entitas yang diakuisisi. Biaya-biaya akuisisi yang timbul dibebankan langsung dan disertakan dalam beban-beban administrasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

c. Principles of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the parent's ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including *goodwill*), liabilities, NCI and other components of equity, while the difference is recognized in the profit or loss. Any investment retained is recognized at fair value.

d. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value on the acquisition date and the amount of an NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are directly expensed and included in administrative expenses.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

d. Kombinasi bisnis (lanjutan)

Ketika melakukan akuisisi atas sebuah bisnis, Kelompok Usaha mengklasifikasikan dan menentukan aset keuangan yang diperoleh dan liabilitas keuangan yang diambil alih berdasarkan pada persyaratan kontraktual, kondisi ekonomi dan kondisi terkait lain yang ada pada tanggal akuisisi.

Dalam suatu kombinasi bisnis yang dilakukan secara bertahap, pihak pengakuisisi mengukur kembali kepentingan ekuitas yang dimiliki sebelumnya pada pihak yang diakuisisi pada nilai wajar tanggal akuisisi dan mengakui keuntungan atau kerugian yang dihasilkan dalam laporan laba rugi.

Setiap imbalan kontinjensi yang akan ditransfer oleh perusahaan pengakuisisi akan diakui pada nilai wajar pada tanggal akuisisi. Imbalan kontinjensi yang diklasifikasikan sebagai ekuitas tidak diukur kembali dan penyelesaian selanjutnya adalah diperhitungkan dalam ekuitas. Imbalan kontinjensi yang diklasifikasikan sebagai aset atau liabilitas yaitu instrumen keuangan dan dalam lingkup PSAK 55: Instrumen Keuangan: Pengakuan dan Pengukuran, diukur pada nilai wajar dengan perubahan nilai wajar yang diakui dalam laba rugi sesuai dengan PSAK 55. Imbalan kontinjensi lain yang tidak termasuk dalam PSAK 55 diukur sebesar nilai wajar pada setiap tanggal pelaporan dengan perubahan nilai wajar yang diakui pada laba rugi.

Goodwill awalnya diukur dengan biaya perolehan (menjadi kelebihan agregat dari pertimbangan yang ditransfer dan jumlah yang diakui untuk KNP dan kepentingan sebelumnya yang dimiliki atas aset dan liabilitas yang dapat diidentifikasi). Jika nilai wajar aset bersih yang diakuisisi melebihi pertimbangan agregat yang ditransfer, Kelompok Usaha akan menilai ulang apakah telah mengidentifikasi dengan benar semua aset yang diperoleh dan semua liabilitas diasumsikan dan menelaah prosedur yang digunakan untuk mengukur jumlah yang akan diakui pada tanggal akuisisi. Jika penilaian kembali tersebut masih menghasilkan selisih antara nilai wajar aset bersih yang diperoleh dengan pertimbangan agregat yang ditransfer, maka keuntungan tersebut diakui dalam laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

d. Business combination (continued)

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and recorded any gains or losses incurred through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PSAK 55: Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with PSAK 55. Other contingent consideration that is not within the scope of PSAK 55 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

d. Kombinasi bisnis (lanjutan)

Setelah pengakuan awal, goodwill diukur pada jumlah tercatat dikurangi akumulasi kerugian penurunan nilai. Untuk tujuan pengujian penurunan nilai, goodwill yang diperoleh dari suatu kombinasi bisnis, sejak tanggal akuisisi dialokasikan kepada setiap Unit Penghasil Kas ("UPK") dari Kelompok Usaha yang diharapkan akan bermanfaat dari sinergi kombinasi tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang diakuisisi ditetapkan atas UPK tersebut. Jika goodwill telah dialokasikan pada suatu UPK dan operasi tertentu atas UPK tersebut dihentikan, maka goodwill yang diasosiasikan dengan operasi yang dihentikan tersebut termasuk dalam jumlah tercatat operasi tersebut ketika menentukan keuntungan atau kerugian dari pelepasan. Goodwill yang dilepaskan tersebut diukur berdasarkan nilai relatif operasi yang dihentikan terhadap bagian dari UPK yang ditahan.

Bila pencatatan awal kombinasi bisnis belum dapat diselesaikan pada tanggal pelaporan, Kelompok Usaha melaporkan jumlah sementara bagi item yang pencatatannya belum dapat diselesaikan tersebut.

Kombinasi bisnis entitas sepengendali

Kombinasi bisnis entitas sepengendali dicatat dengan menggunakan metode penyatuan kepentingan, dimana selisih antara jumlah imbalan yang dialihkan dengan jumlah tercatat aset neto entitas yang diakuisisi diakui sebagai bagian dari akun "Tambahan Modal Disetor" laporan posisi keuangan konsolidasian.

Dalam menerapkan metode penyatuan kepentingan tersebut, unsur-unsur laporan keuangan dari entitas yang bergabung disajikan seolah-olah penggabungan tersebut telah terjadi sejak awal periode entitas yang bergabung berada dalam kesepengendalian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

d. Business combination (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash-generating Units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those CGUs. Where goodwill has been allocated to a CGU and part of the operations within that CGU are disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

If the initial accounting for a business combination is incomplete by the end of the reporting, the Group reports provisional amounts for the items for which the accounting is incomplete.

Business combinations under common control

Business combinations under common control are accounted for using the pooling-of interest method, whereby the difference between the consideration transferred and the book value of the net assets of the acquiree is recognized as part of "Additional Paid-in Capital" account in the consolidated statement of financial position.

In applying the said pooling-of interest method, the components of the financial statements of the combining entities are presented as if the combination has occurred since the beginning of the period of the combining entity coming under common control.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

e. Klasifikasi lancar dan tidak lancar

Kelompok usaha menyajikan aset dan liabilitas dalam laporan posisi keuangan konsolidasian berdasarkan klasifikasi lancar/tidak lancar. Suatu aset disajikan lancar bila:

- i akan direalisasi, dijual atau dikonsumsi dalam siklus operasi normal,
- ii untuk diperdagangkan,
- iii akan direalisasi dalam 12 bulan setelah tanggal pelaporan, atau kas atau setara kas kecuali yang dibatasi penggunaannya atau akan digunakan untuk melunasi suatu liabilitas dalam paling lambat 12 bulan setelah tanggal pelaporan.

Seluruh aset lain diklasifikasikan sebagai tidak lancar.

Suatu liabilitas disajikan jangka pendek bila:

- i akan dilunasi dalam siklus operasi normal,
- ii untuk diperdagangkan,
- iii akan dilunasi dalam 12 bulan setelah tanggal pelaporan, atau
- iv tidak ada hak tanpa syarat untuk menangguhkan pelunasannya dalam paling tidak 12 bulan setelah tanggal pelaporan.

Seluruh liabilitas lain diklasifikasikan sebagai jangka panjang.

Persyaratan liabilitas yang dapat, atas opsi pihak lawan, menghasilkan penyelesaiannya dengan penerbitan instrumen ekuitas tidak memengaruhi klasifikasinya.

Aset pajak tangguhan diklasifikasikan sebagai aset tidak lancar dan liabilitas pajak tangguhan diklasifikasikan sebagai liabilitas jangka panjang.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

e. Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- i expected to be realised or intended to be sold or consumed in the normal operating cycle,
- ii held primarily for the purpose of trading,
- iii expected to be realised within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i expected to be settled in the normal operating cycle,
- ii held primarily for the purpose of trading
- iii due to be settled within 12 months after the reporting period, or
- iv there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of the equity instruments do not affect its classification.

Deferred tax assets are classified as non-current assets and deferred tax liabilities are classified as non-current liabilities.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

f. Investasi pada ventura bersama

Kelompok Usaha mempunyai bagian partisipasi dalam ventura bersama yaitu pengendalian bersama entitas, dimana venturer memiliki perjanjian kontraktual yang menciptakan pengendalian bersama atas aktivitas ekonomi entitas, dimana pihak yang berpartisipasi tidak memiliki pengendalian sepihak atas aktivitas ekonomi suatu pengendalian bersama entitas. Investasi Kelompok Usaha dalam ventura bersama diakui dengan menggunakan metode ekuitas, dikurangi kerugian penurunan nilai.

Dengan metode ekuitas, investasi pada ventura bersama awalnya diakui sebesar biaya perolehan. Nilai tercatat investasi disesuaikan untuk mengakui perubahan bagian Kelompok Usaha atas aset bersih ventura bersama sejak tanggal akuisisi. *Goodwill* sehubungan dengan ventura bersama termasuk dalam nilai tercatat investasi dan tidak diuji untuk penurunan nilai secara terpisah.

Pada setiap tanggal pelaporan, Kelompok Usaha menentukan apakah terdapat bukti obyektif bahwa investasi pada ventura bersama terganggu. Jika ada, Kelompok Usaha menghitung jumlah penurunan nilai sebagai selisih antara jumlah yang dapat dipulihkan dari ventura bersama dan nilai tercatatnya, dan kemudian mengakui kerugian tersebut dalam bagian laba ventura bersama dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Laporan laba rugi mencerminkan bagian Kelompok Usaha atas hasil usaha ventura bersama. Setiap perubahan OCI dari *investee* tersebut disajikan sebagai bagian dari penghasilan komprehensif lainnya ("OCI"). Apabila telah terjadi perubahan yang diakui secara langsung dalam ekuitas ventura bersama tersebut, Kelompok Usaha mengakui bagiannya, jika ada, dalam laporan perubahan ekuitas. Keuntungan dan kerugian yang belum direalisasi akibat transaksi antara Kelompok Usaha dengan ventura bersama tersebut dieliminasi sesuai kepentingan ventura bersama.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

f. Investment in joint ventures

The Group has an interest in joint venture which is a jointly-controlled entity, whereby the venturers have contractual arrangements that establish joint control over the economic activities of the entity, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity. The Group's investment in joint venture is accounted using the equity method of accounting, less any impairment losses.

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in The Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

At each reporting date, The Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, The Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss within the share of profit of a joint venture in the consolidated statement of profit or loss and other comprehensive income.

The statement of profit or loss reflects The Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the other comprehensive income ("OCI"). In addition, when there has been a change recognized directly in the equity of the joint venture, The Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

f. Investasi pada Ventura Bersama (lanjutan)

Keseluruhan bagian Kelompok Usaha atas laba rugi ventura bersama disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian di luar laba operasi dan merupakan laba rugi setelah pajak dan KNP pada ventura bersama.

Penyesuaian diperlukan untuk menyelaraskan perbedaan yang mungkin ada dalam kebijakan akuntansi. Kelompok Usaha menghentikan penggunaan metode ekuitas sejak tanggal venturer berhenti memiliki pengendalian bersama. Kelompok Usaha mengukur dan mengakui investasi pada nilai wajarnya. Selisih antara jumlah tercatat dan nilai wajar investasi diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

g. Transaksi dan saldo dalam mata uang asing

Mata uang fungsional Kelompok Usaha adalah Rupiah dan Kelompok Usaha menyelenggarakan pembukuannya dalam mata uang Rupiah. Transaksi-transaksi dalam mata uang selain Rupiah dibukukan dengan nilai tukar yang berlaku pada tanggal transaksi.

Pada tanggal laporan posisi keuangan konsolidasian, seluruh aset dan liabilitas moneter dalam mata uang asing disesuaikan untuk mencerminkan kurs tengah yang berlaku pada tanggal tersebut, sebagaimana dipublikasikan oleh Bank Indonesia. Laba atau rugi yang timbul diakui atau dibebankan pada operasi tahun berjalan.

Pada tanggal Desember 2021 dan 2020, kurs yang digunakan adalah sebagai berikut:

	31 Desember/December 31,	
	2021	2020
1 Dolar Amerika Serikat/Rupiah	14.269	14.105
1 Dolar Australia/Rupiah	10.344	10.717
1 Euro/Rupiah	16.127	17.330
1 Dolar Singapura/Rupiah	10.534	10.644

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

f. Investment in Joint Ventures (continued)

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and NCI in the joint venture.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group discontinues the use of the equity method from the date when it ceases to have joint control. The Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture and the fair value proceeds from disposal is recognized in the consolidated statement of profit or loss and other comprehensive income.

g. Transactions and balances in foreign currencies

The Group's functional currency is Indonesian Rupiah and the Group maintains its accounting records in Indonesian Rupiah. Transactions in currencies other than the Indonesian Rupiah are recorded at the prevailing rates of exchange in effect on the date of the transactions.

At consolidated statements of financial position dates, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at such dates, as published by Bank Indonesia. The resulting gains or losses are credited or charged to the current year's operations.

As of December 31, 2021 and 2020, the rates of exchange used were as follows:

United States Dollar 1/Rupiah
 Australian Dollar 1/Rupiah
 Euro 1/Rupiah
 Singapore Dollar 1/Rupiah

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

h. Transaksi dengan pihak-pihak berelasi

Kelompok Usaha mempunyai transaksi dengan pihak berelasi sesuai dengan definisi yang diuraikan pada PSAK 7: Pengungkapan pihak-pihak berelasi.

Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak.

Seluruh transaksi dan saldo yang material dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan konsolidasian yang relevan.

Kecuali diungkapkan khusus sebagai pihak berelasi, maka pihak-pihak lain yang disebutkan dalam catatan-catatan atas laporan keuangan konsolidasian merupakan pihak ketiga.

i. Instrumen keuangan

Instrumen keuangan adalah setiap kontrak yang memberikan aset keuangan bagi satu entitas dan liabilitas keuangan atau ekuitas bagi entitas lain.

(i) Aset keuangan

Pengakuan dan pengukuran awal

Aset keuangan diklasifikasikan, pada pengakuan awal, yang selanjutnya diukur pada biaya perolehan diamortisasi, nilai wajar melalui pendapatan komprehensif lain (OCI), dan nilai wajar melalui laba rugi.

Klasifikasi aset keuangan pada pengakuan awal tergantung pada karakteristik arus kas kontraktual aset keuangan dan model bisnis Kelompok Usaha untuk mengelolanya. Kelompok Usaha pada awalnya mengukur aset keuangan pada nilai wajarnya ditambah, dalam hal aset keuangan tidak diukur pada nilai wajar melalui laba rugi, biaya transaksi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

h. Transactions with related parties

The Group have transactions with related parties as defined in PSAK 7: Related party disclosures.

The transactions are made based on terms agreed by the parties.

All significant transactions and balances with related parties are disclosed in the relevant notes to the consolidated financial statements.

Unless specifically identified as related parties, the parties disclosed in the notes to the financial statements are third parties.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengakuan dan pengukuran awal
(lanjutan)

Aset keuangan diklasifikasi dan diukur pada biaya perolehan diamortisasi atau FVOCI jika menghasilkan arus kas yang semata-mata pembayaran pokok dan bunga ("SPPI") dari jumlah pokok terutang. Tes SPPI dilakukan pada tingkat instrumen. Aset keuangan dengan arus kas yang bukan SPPI diklasifikasikan dan diukur pada FVTPL, terlepas dari model bisnis terkait.

Model bisnis Kelompok Usaha untuk mengelola aset keuangan mengacu pada bagaimana Kelompok Usaha mengelola aset keuangannya untuk menghasilkan arus kas. Model bisnis menentukan apakah arus kas akan dihasilkan dari pengumpulan arus kas kontraktual, penjualan aset keuangan, atau keduanya.

Aset keuangan diklasifikasikan dan diukur pada biaya perolehan diamortisasi bila model bisnisnya bertujuan mempertahankan aset keuangan untuk mengumpulkan arus kas kontraktual. Aset keuangan diklasifikasikan dan diukur pada FVOCI bila model bisnisnya bertujuan baik untuk mengumpulkan arus kas kontraktual maupun untuk dijual.

Aset keuangan Kelompok Usaha terdiri dari kas dan setara kas, investasi pada surat utang negara, piutang usaha, dan piutang lain-lain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Initial recognition and measurement
(continued)

A financial asset is classified and measured at amortized cost or FVOCI if it gives rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. Such SPPI test is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are classified and measured at amortized cost when the business model is to hold the financial assets to collect contractual cash flows. Financial assets are classified and measured at FVOCI when the business model is both to collect contractual cash flows and to be sold.

The Group's financial assets consist of cash and cash equivalents, investment in government bonds, trade receivables, and other receivables.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengukuran setelah pengakuan awal

Untuk tujuan pengukuran selanjutnya, aset keuangan diklasifikasikan dalam empat kategori:

- Aset keuangan pada biaya perolehan diamortisasi (instrumen utang);
- Aset keuangan pada nilai wajar melalui OCI dengan daur ulang keuntungan dan kerugian kumulatif (instrumen utang);
- Aset keuangan yang ditetapkan pada nilai wajar melalui OCI tanpa daur ulang keuntungan dan kerugian kumulatif setelah penghentian pengakuan (instrumen ekuitas);
- Aset keuangan pada nilai wajar melalui laba rugi.

i. Aset keuangan pada biaya perolehan diamortisasi (instrumen utang)

Kelompok Usaha mengukur aset keuangan yang diukur dengan biaya perolehan diamortisasi jika kedua kondisi berikut terpenuhi:

- Aset keuangan dimiliki dalam model bisnis dengan tujuan untuk memiliki aset keuangan untuk mengumpulkan arus kas kontraktual; dan
- Persyaratan kontraktual dari aset keuangan menimbulkan arus kas pada tanggal tertentu yang hanya merupakan pembayaran pokok dan bunga dari jumlah pokok terutang.

Aset keuangan yang diukur dengan biaya perolehan diamortisasi selanjutnya diukur dengan menggunakan metode suku bunga efektif (SBE) dan mengalami penurunan nilai. Keuntungan dan kerugian diakui dalam laba rugi pada saat aset dihentikan pengakuannya, dimodifikasi atau mengalami penurunan nilai.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

i. Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengukuran setelah pengakuan awal
(lanjutan)

ii. Aset keuangan pada nilai wajar
melalui OCI (instrumen utang)

Untuk instrumen utang yang diukur pada nilai wajar melalui OCI, pendapatan bunga, revaluasi valuta asing, dan kerugian atau pembalikan penurunan nilai diakui dalam laporan laba rugi dan dihitung dengan cara yang sama seperti untuk aset keuangan yang diukur dengan biaya perolehan diamortisasi. Perubahan nilai wajar yang tersisa diakui dalam OCI. Setelah penghentian pengakuan, perubahan nilai wajar kumulatif yang diakui dalam OCI didaur ulang ke laba rugi.

Setelah pengakuan awal, Kelompok Usaha dapat memilih untuk mengklasifikasikan investasi ekuitasnya yang tidak dapat ditarik kembali sebagai instrumen ekuitas yang ditetapkan pada nilai wajar melalui OCI jika memenuhi definisi ekuitas berdasarkan PSAK 50, "Instrumen Keuangan: Penyajian" dan tidak dimiliki untuk diperdagangkan. Klasifikasi ditentukan berdasarkan instrumen per instrumen.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

ii. Financial assets at fair value through
OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PSAK 50, "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengukuran setelah pengakuan awal
(lanjutan)

- iii. Aset keuangan yang ditetapkan pada nilai wajar melalui OCI (instrumen ekuitas)

Keuntungan dan kerugian dari aset keuangan ini tidak pernah didaur ulang ke laba rugi. Dividen diakui sebagai pendapatan lain-lain dalam laporan laba rugi pada saat hak pembayaran telah ditetapkan, kecuali jika Perusahaan mendapat keuntungan dari hasil tersebut sebagai pemulihan sebagian biaya perolehan aset keuangan, dalam hal ini, keuntungan tersebut adalah tercatat di OCI. Instrumen ekuitas yang ditetapkan pada nilai wajar melalui OCI tidak tunduk pada penilaian penurunan nilai.

- iv. Aset keuangan pada nilai wajar melalui laba rugi

Aset keuangan pada nilai wajar melalui laba rugi termasuk aset keuangan yang dimiliki untuk diperdagangkan, aset keuangan yang ditetapkan pada pengakuan awal pada nilai wajar melalui laba rugi, atau aset keuangan yang wajib diukur pada nilai wajar. Aset keuangan diklasifikasikan sebagai kelompok diperdagangkan jika mereka diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Derivatif, termasuk derivatif melekat yang dipisahkan, juga diklasifikasikan sebagai dimiliki untuk diperdagangkan kecuali jika ditetapkan sebagai instrumen lindung nilai yang efektif. Aset keuangan yang tidak memenuhi SPPI testing diukur pada nilai wajar melalui laba rugi, terlepas apapun model bisnisnya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

- iii. Financial assets designated at fair value through OCI (equity instruments)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

- iv. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not fulfilled with solely payments of principal and interest (SPPI) testing are classified and measured at FVTPL, irrespective of the business model.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengukuran setelah pengakuan awal
(lanjutan)

iv. Aset keuangan pada nilai wajar
melalui laba rugi (lanjutan)

Terlepas dari kriteria untuk instrumen utang yang akan diklasifikasikan pada biaya perolehan diamortisasi atau pada nilai wajar melalui OCI, seperti dijelaskan di atas, instrumen utang dapat ditetapkan pada nilai wajar melalui laba rugi pada pengakuan awal jika hal tersebut menghilangkan, atau secara signifikan mengurangi, ketidaksesuaian akuntansi.

Aset keuangan yang diukur pada nilai wajar melalui laba rugi dicatat dalam laporan posisi keuangan konsolidasian pada nilai wajar dengan perubahan nilai wajar neto diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Kategori ini mencakup instrumen derivatif dan investasi ekuitas yang terdaftar di mana Kelompok Usaha tidak dipilih secara tidak dapat ditarik kembali untuk diklasifikasikan pada nilai wajar melalui OCI. Dividen atas investasi ekuitas tercatat juga diakui sebagai pendapatan lain-lain dalam laba rugi pada saat hak pembayaran telah ditetapkan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

iv. Financial assets at fair value through
profit or loss (continued)

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the profit or loss when the right of payment has been established.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengukuran setelah pengakuan awal
(lanjutan)

iv. Aset keuangan pada nilai wajar
melalui laba rugi (lanjutan)

Derivatif yang melekat dalam kontrak *hybrid*, dengan liabilitas keuangan atau *host* non-keuangan, dipisahkan dari *host* dan dicatat sebagai derivatif terpisah jika: karakteristik dan risiko ekonomi tidak terkait erat dengan *host*; instrumen terpisah dengan persyaratan yang sama seperti derivatif melekat akan memenuhi definisi derivatif; dan kontrak *hybrid* tidak diukur pada nilai wajar melalui laba rugi.

Derivatif melekat diukur pada nilai wajar dengan perubahan nilai wajar diakui dalam laba rugi. Penilaian ulang hanya terjadi jika terdapat perubahan dalam persyaratan kontrak yang secara signifikan mengubah arus kas yang seharusnya diperlukan atau reklasifikasi aset keuangan di luar dari kategori nilai wajar melalui laba rugi.

Derivatif yang melekat dalam kontrak *hybrid* yang mengandung aset keuangan utama tidak dicatat secara terpisah. Aset keuangan utama bersama dengan derivatif melekat harus diklasifikasikan secara keseluruhan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi.

Penghentian pengakuan

Aset keuangan dihentikan pengakuannya ketika:

- Hak untuk menerima arus kas dari aset telah kedaluwarsa; atau

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

iv. Financial assets at fair value through
profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial assets are derecognized when:

- The rights to receive cash flows from the asset have expired; or

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Penghentian pengakuan (lanjutan)

Aset keuangan dihentikan pengakuannya ketika: (lanjutan)

- Kelompok Usaha telah mengalihkan haknya untuk menerima arus kas dari aset atau telah mengasumsikan kewajiban untuk membayar arus kas yang diterima secara penuh tanpa penundaan material kepada pihak ketiga berdasarkan pengaturan 'pass-through'; dan salah satu (a) Kelompok Usaha telah mengalihkan secara substansial semua risiko dan manfaat aset, atau (b) Kelompok Usaha tidak mengalihkan atau memiliki secara substansial seluruh risiko dan manfaat aset, tetapi telah mengalihkan pengendalian aset.

Ketika Kelompok Usaha telah mengalihkan haknya untuk menerima arus kas dari aset atau telah menandatangani perjanjian 'pass-through', Kelompok Usaha mengevaluasi apakah, dan sejauh mana, telah mempertahankan risiko dan manfaat kepemilikan. Ketika Kelompok Usaha tidak mengalihkan atau mempertahankan secara substansial seluruh risiko dan manfaat dari aset, atau mengalihkan pengendalian atas aset, Kelompok Usaha terus mengakui aset yang ditransfer tersebut sejauh keterlibatannya secara berkelanjutan. Dalam kasus tersebut, Kelompok Usaha juga mengakui liabilitas terkait. Aset alihan dan liabilitas terkait diukur atas dasar yang mencerminkan hak dan kewajiban yang dimiliki Kelompok Usaha.

Keterlibatan berkelanjutan dalam bentuk jaminan atas aset yang ditransfer diukur pada nilai yang lebih rendah dari nilai tercatat asli aset dan jumlah maksimum imbalan yang mungkin diminta untuk dibayar kembali oleh Kelompok Usaha.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Derecognition (continued)

A financial assets are derecognized when: (continued)

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Penurunan nilai

Kelompok Usaha mengakui penyisihan kerugian kredit ekspektasian (ECL) untuk semua instrumen utang yang tidak dimiliki pada nilai wajar melalui laba rugi. ECL didasarkan pada perbedaan antara arus kas kontraktual yang jatuh tempo sesuai dengan kontrak dan semua arus kas yang diharapkan akan diterima Kelompok Usaha, didiskontokan dengan perkiraan suku bunga efektif awal. Arus kas yang diharapkan akan mencakup arus kas dari penjualan agunan yang dimiliki atau peningkatan kredit lainnya yang merupakan bagian integral dari persyaratan kontraktual.

ECL dikenali dalam dua tahap. Untuk eksposur kredit yang belum ada peningkatan risiko kredit yang signifikan sejak pengakuan awal, ECL disediakan untuk kerugian kredit yang diakibatkan oleh peristiwa gagal bayar yang mungkin terjadi dalam 12 bulan ke depan (ECL 12 bulan). Untuk eksposur kredit yang telah terjadi peningkatan risiko kredit yang signifikan sejak pengakuan awal, penyisihan kerugian diperlukan untuk kerugian kredit yang diperkirakan selama sisa umur eksposur, terlepas dari waktu default (ECL seumur hidup).

Untuk piutang dagang dan aset kontrak, Kelompok Usaha menerapkan pendekatan yang disederhanakan dalam menghitung ECL. Oleh karena itu, Kelompok Usaha tidak melacak perubahan dalam risiko kredit, tetapi mengakui penyisihan kerugian berdasarkan ECL seumur hidup pada setiap tanggal pelaporan. Kelompok Usaha telah menetapkan matriks provisi berdasarkan pengalaman kerugian kredit historisnya, yang disesuaikan dengan faktor-faktor perkiraan masa depan yang spesifik untuk debitur dan lingkungan ekonomi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Impairment

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Penurunan nilai (lanjutan)

Kelompok Usaha menganggap aset keuangan gagal bayar ketika pembayaran kontraktual telah lewat 90 hari. Namun, dalam kasus tertentu, Kelompok Usaha juga dapat mempertimbangkan aset keuangan mengalami gagal bayar ketika informasi internal atau eksternal menunjukkan bahwa Kelompok Usaha tidak mungkin menerima jumlah kontraktual yang terutang secara penuh sebelum memperhitungkan setiap peningkatan kredit yang dimiliki oleh Kelompok Usaha. Aset keuangan dihapuskan jika tidak ada ekspektasi yang wajar untuk memulihkan arus kas kontraktual.

(ii) Liabilitas keuangan

Pengakuan dan pengukuran awal

Liabilitas keuangan diklasifikasikan, pada pengakuan awal, sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, utang dan pinjaman, utang, atau derivatif yang ditetapkan sebagai instrumen lindung nilai dalam lindung nilai yang efektif, jika sesuai.

Semua liabilitas keuangan diakui pada nilai wajar saat pengakuan awal dan, untuk utang dan pinjaman, dicatat pada nilai wajar ditambah biaya transaksi yang dapat diatribusikan secara langsung.

Liabilitas keuangan Kelompok Usaha terdiri dari utang usaha, utang lain-lain, beban akrual, utang bank dan uang jaminan pelanggan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Impairment (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider 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.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities consist of trade payables, other payables, accrued expenses, bank loans and customers guarantee.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(ii) Liabilitas keuangan (lanjutan)

Pengukuran setelah pengakuan awal

Setelah pengakuan awal, liabilitas keuangan yang diukur pada biaya perolehan diamortisasi selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode SBE. Keuntungan dan kerugian diakui dalam laba rugi pada saat kewajiban dihentikan pengakuannya serta melalui proses amortisasi SBE.

Biaya perolehan diamortisasi ditentukan dengan memperhitungkan diskonto atau premium atas perolehan dan komisi atau biaya yang merupakan bagian tidak terpisahkan dari SBE. Amortisasi SBE dicatat sebagai beban keuangan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Liabilitas untuk utang usaha dan utang lain-lain jangka pendek dan biaya masih harus dibayar dinyatakan sebesar jumlah tercatat (jumlah nosional), yang kurang lebih sebesar nilai wajarnya.

Penghentian pengakuan

Liabilitas keuangan dihentikan pengakuannya ketika liabilitas tersebut dilepaskan atau dibatalkan atau kedaluwarsa. Ketika liabilitas keuangan yang ada digantikan oleh yang lain dari pemberi pinjaman yang sama dengan persyaratan yang secara substansial berbeda, atau persyaratan dari kewajiban yang ada secara substansial dimodifikasi, pertukaran atau modifikasi tersebut diperlakukan sebagai penghentian pengakuan kewajiban awal dan pengakuan kewajiban baru. Selisih nilai tercatat masing-masing diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(ii) Financial liabilities (continued)

Subsequent measurement

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Liabilities for current trade and other accounts payable and accrued expenses are stated at carrying amounts (notional amounts), which approximate their fair values.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

i. Instrumen keuangan (lanjutan)

(iii) Saling hapus instrumen keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan jumlah neto dilaporkan dalam laporan posisi keuangan konsolidasian jika terdapat hak hukum yang dapat diberlakukan saat ini untuk mengimbangi jumlah yang diakui dan ada niat untuk menyelesaikan secara neto, untuk merealisasikan aset dan menyelesaikan kewajiban secara bersamaan.

j. Kas dan setara kas

Kas dan setara kas terdiri atas kas, bank dan deposito jangka pendek dengan jangka waktu jatuh tempo antara (tiga) 3 bulan atau kurang pada saat penempatan dan tidak dibatasi penggunaannya, dan mana yang memiliki risiko tidak signifikan dari perubahan nilai.

k. Persediaan

Persediaan dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan dan nilai realisasi neto.

Biaya perolehan ditentukan dengan metode rata-rata tertimbang (*weighted-average method*) dan meliputi biaya pembelian, biaya konversi, dan biaya lainnya yang terjadi hingga persediaan berada dalam kondisi dan tempat yang siap untuk dijual atau dipakai. Nilai realisasi neto adalah taksiran harga jual dalam kegiatan usaha normal setelah dikurangi dengan taksiran biaya penyelesaian dan taksiran biaya yang diperlukan untuk melaksanakan penjualan.

Penyisihan untuk persediaan lama dan usang dibuat berdasarkan telaah manajemen setiap akhir tahun.

Nilai realisasi neto adalah taksiran harga jual yang wajar setelah dikurangi dengan taksiran biaya untuk menyelesaikan dan biaya untuk menjual persediaan barang yang dihasilkan.

l. Beban dibayar dimuka

Beban dibayar di muka diamortisasi dan dibebankan pada operasi selama masa manfaatnya, dan disajikan sebagai aset lancar atau aset tidak lancar sesuai sifatnya masing-masing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

i. Financial instruments (continued)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

j. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks and short-term deposits with an original maturity of (three) 3 months or less at the time of placements and not restricted to use, and which are subject to an insignificant risk of changes in value.

k. Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost is determined using the weighted-average method and cost may comprise of purchase, conversion and other costs incurred in bringing the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

A Provision for slow-moving inventories and obsolescence is made based on management's review at the end of the year.

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

l. Prepaid expenses

Prepaid expenses are amortized and charged to operations over the periods benefited, and are presented as current asset or non-current asset based on their nature.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

m. Aset tetap

m. Fixed assets

Aset tetap pada awalnya diakui sebesar biaya perolehan, yang terdiri atas harga perolehan dan biaya-biaya tambahan yang dapat diatribusikan langsung untuk membawa aset ke lokasi dan kondisi yang diinginkan agar aset siap digunakan sesuai maksud manajemen. Biaya perolehan tersebut juga termasuk estimasi awal atas biaya pembongkaran dan pemindahan aset tetap dan pemulihan lokasi dan biaya untuk mengganti komponen dari aset tetap pada saat penggantian, bila kriteria pengakuan terpenuhi.

Fixed assets are initially recognized at cost, which comprises its purchase price and any additional costs directly attributable in bringing the asset to its working condition and location for its intended use. Such cost also includes initial estimation of the costs of dismantling and removing the item and restoring the sites and the cost of replacing part of such fixed assets when that cost is incurred, if the recognition criteria are met.

Setelah pengakuan awal, aset tetap dinyatakan pada biaya perolehan dikurangi akumulasi penyusutan dan kerugian penurunan nilai, jika ada.

Subsequent to initial recognition, fixed assets are carried at cost less accumulated depreciation and impairment losses, if any.

Penyusutan dihitung dengan menggunakan metode garis lurus (*straight-line method*) selama taksiran masa manfaat ekonomis aset tetap sebagai berikut:

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Tahun/Years	
Bangunan dan prasarana	30	<i>Buildings and improvements</i>
Mesin dan peralatan	8 - 16	<i>Machinery and equipment</i>
Instalasi	8 - 20	<i>Installations</i>
Kendaraan	4 - 10	<i>Vehicles</i>
Peralatan kantor	8 - 10	<i>Office supplies</i>

Tanah termasuk biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali dinyatakan sebesar biaya perolehan dan tidak diamortisasi karena manajemen berpendapat bahwa kemungkinan besar hak atas tanah tersebut dapat diperbaharui/diperpanjang pada saat masa berlakunya selesai.

Land including legal cost of land rights in the form of Right to Cultivate ("Hak Guna Usaha" or "HGU"), Right to Build ("Hak Guna Bangunan" or "HGB") and Right to Use ("Hak Pakai" or "HP") when the land rights were acquired initially are stated at cost and not amortized as the management is of the opinion that it is probable the titles of land rights can be renewed/extended upon expiration.

Biaya pengurusan atas perpanjangan atau pembaruan legal hak atas tanah dalam bentuk HGU, HGB dan HP ditangguhkan dan diamortisasi yang lebih pendek antara umur hukum hak atas tanah dan umur ekonomi tanah, dan disajikan sebagai bagian dari akun "Aset Tidak Lancar Lainnya" pada laporan posisi keuangan konsolidasian.

The extension or the legal renewal costs of land rights in the form of HGU, HGB and HP are deferred and amortized over the shorter between the land rights' legal life and the economic life of the land, and presented as part of "Other Non-current Assets" account in the consolidated statement of financial position.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

m. Aset tetap (lanjutan)

m. Fixed assets (continued)

Sejak 2015, Tanah dicatat pada nilai revaluasian. Revaluasi dilakukan dengan keteraturan yang cukup berkala untuk memastikan bahwa jumlah yang tercatat tidak berbeda secara material dari jumlah yang ditentukan dengan menggunakan nilai wajar pada tanggal laporan posisi keuangan.

Since 2015, Lands are stated at their revalued amount. Revaluations are performed with sufficient regularity such that the carrying amount is not different materially from that which would be determined using fair values at the statement of financial position.

Surplus revaluasi aset tetap yang termasuk dalam ekuitas dipindahkan ke dalam saldo laba pada saat penghentian/pelepasan aset oleh entitas. Pemindahan surplus revaluasi ke saldo laba tidak dilakukan melalui laba rugi.

The revaluation surplus included in equity is transferred to retained earnings upon termination/disposal of assets by the entity. Transfer of revaluation surplus to retained earnings is not made through profit or loss.

Nilai tercatat atas aset tetap diestimasi apabila terdapat peristiwa atau perubahan keadaan yang memberikan indikasi bahwa nilai perolehan mungkin tidak sepenuhnya dapat diperoleh kembali.

The carrying amount of fixed asset is estimated whenever events or changes in circumstances indicate that its carrying amount may not be fully recoverable.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) dimasukkan dalam laba rugi pada tahun aset tersebut dihentikan pengakuannya.

An item of fixed assets is derecognized 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Pada setiap akhir tahun buku, nilai residu, masa manfaat dan metode penyusutan direviu, dan jika sesuai dengan keadaan, disesuaikan secara prospektif.

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively, if appropriate, at each financial year end.

Aset dalam penyelesaian dinyatakan sebesar harga perolehan. Akumulasi biaya perolehan akan dipindahkan ke masing-masing akun aset tetap pada saat aset tetap tersebut telah selesai dikerjakan dan siap untuk digunakan sesuai tujuannya.

Construction in progress is stated at cost. The accumulated cost will be transferred to the appropriate fixed asset account when the construction is completed and the asset is ready for its intended use.

Beban pemeliharaan dan perbaikan dibebankan pada laba rugi pada saat terjadinya. Beban pemugaran dan penambahan dalam jumlah besar dikapitalisasi kepada nilai tercatat aset tetap terkait bila besar kemungkinan bagi Kelompok Usaha manfaat ekonomi masa depan menjadi lebih besar dari standar kinerja awal yang ditetapkan sebelumnya dan disusutkan sepanjang sisa masa manfaat aset tetap terkait, jika ada.

Repairs and maintenance expenses are taken to profit or loss when these are incurred. The cost of major renovation and restoration is included in the carrying amount of the related fixed asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and is depreciated over the remaining useful life of the related asset, if any.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

n. Sewa

Kelompok Usaha mengevaluasi pada inisiasi kontrak bila kontrak tersebut adalah, atau mengandung, sewa. Yaitu, bila kontrak tersebut memberikan hak untuk mengendalikan penggunaan aset identifikasi selama suatu jangka waktu untuk dipertukarkan dengan imbalan.

Sebagai Penyewa

Kelompok Usaha menerapkan satu pendekatan pengakuan dan pengukuran untuk semua sewa, kecuali untuk sewa jangka pendek dan sewa aset bernilai-rendah. Kelompok Usaha mengakui liabilitas sewa untuk melakukan pembayaran sewa dan aset hak guna yang merupakan hak untuk menggunakan aset pendasar.

Aset hak-guna

Kelompok Usaha mengakui aset hak-guna pada tanggal dimulainya sewa. Aset hak-guna diukur pada biaya perolehan, dikurangi akumulasi penyusutan dan rugi penurunan nilai, dan disesuaikan untuk setiap pengukuran kembali liabilitas sewa. Biaya perolehan aset hak-guna mencakup jumlah liabilitas sewa yang diakui, biaya langsung yang timbul di awal, dan pembayaran sewa yang dilakukan pada atau sebelum tanggal mulai dikurangi insentif sewa yang diterima.

Setelah pengakuan awal, aset hak-guna diukur pada biaya perolehan diamortisasi dan disusutkan selama masa sewa menggunakan metode garis lurus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

n. 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.

As Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Following initial recognition, right-of-use assets are subsequently measured at amortized cost and depreciated over the term of the lease using the straight-line method.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

n. Sewa (lanjutan)

Sebagai Penyewa (lanjutan)

Liabilitas sewa

Pada tanggal permulaan sewa, Kelompok Usaha mengakui liabilitas sewa yang diukur pada nilai kini dari pembayaran sewa yang akan dilakukan selama masa sewa.

Dalam menghitung nilai kini dari pembayaran sewa, Kelompok Usaha menggunakan suku bunga fasilitas pinjaman inkremental pada tanggal permulaan sewa karena tingkat bunga yang tersirat dalam sewa tidak tersedia untuk ditentukan. Setelah tanggal permulaan, jumlah liabilitas sewa ditingkatkan untuk mencerminkan peningkatan bunga dan dikurangi pembayaran sewa yang dilakukan.

Selain itu, nilai tercatat liabilitas sewa diukur kembali jika ada modifikasi, perubahan jangka waktu sewa, perubahan pembayaran sewa (misalnya, perubahan pembayaran masa depan yang dihasilkan dari perubahan indeks) atau perubahan dalam penilaian opsi untuk memperoleh aset pendasar.

Sebagai Pesewa

Pada sewa di mana Kelompok Usaha tidak mengalihkan secara substansial semua risiko dan manfaat kepemilikan suatu aset diklasifikasikan sebagai sewa operasi. Biaya langsung awal yang dikeluarkan untuk melakukan negosiasi dan pengaturan sewa operasi ditambahkan ke nilai tercatat dari aset sewaan dan diakui selama masa sewa dengan dasar yang sama dengan pendapatan sewa. Sewa kontinjen diakui sebagai pendapatan pada periode perolehan.

Sewa jangka-pendek dan sewa aset bernilai rendah

Kelompok Usaha memilih untuk tidak mengakui aset hak-guna dan liabilitas sewa untuk sewa jangka-pendek yang memiliki masa sewa 12 bulan atau kurang dan tidak mengandung opsi pembelian dan aset bernilai-rendah. Pembayaran sewa untuk sewa jangka pendek dan sewa atas aset bernilai rendah diakui sebagai beban dengan metode garis lurus selama masa sewa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

n. Leases (continued)

As Lessee (continued)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Short term leases and leases of low-value assets

The Group chose not to recognize right-of-use assets and lease liabilities for short-term leases which have a lease term of 12 months or less from the commencement date and do not contain a purchase option and low-value assets. 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.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

o. Properti investasi

Pada awalnya, properti investasi diukur pada biaya perolehan, termasuk biaya transaksi. Setelah pengakuan awal, properti investasi dinyatakan sebesar nilai wajar, yang mencerminkan kondisi pasar pada tanggal laporan. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar properti investasi dicatat dalam laba rugi pada periode terjadinya, termasuk efek pajak yang terkait. Nilai wajar ditentukan berdasarkan penilaian tahunan yang dilakukan oleh penilai independen eksternal terakreditasi dengan menerapkan model penilaian yang direkomendasikan oleh Standar Penilaian Indonesia.

Properti investasi Kelompok Usaha terdiri dari:

(i) Tanah

Merupakan tanah yang belum ditentukan tujuan penggunaannya dan tidak untuk digunakan dalam produksi atau penyediaan barang atau jasa untuk tujuan administratif atau dijual dalam kegiatan usaha sehari-hari.

(ii) Bangunan

Merupakan gedung perkantoran yang disewakan kepada pihak berelasi.

Properti investasi dicatat menggunakan metode nilai revaluasi sejak aset tersebut diklasifikasikan sebagai properti investasi.

Properti investasi dihentikan pengakuannya baik saat dilepas atau ketika tidak digunakan lagi secara permanen dan tidak memiliki manfaat ekonomis masa depan yang diharapkan dari pelepasannya. Selisih antara hasil neto pelepasan dan nilai tercatat aset diakui dalam laba rugi pada periode terjadinya penghentian pengakuan.

Pengalihan dilakukan ke (atau dari) properti investasi hanya jika terdapat perubahan penggunaan. Untuk pengalihan dari properti investasi ke properti yang digunakan sendiri, biaya yang dianggap untuk akuntansi selanjutnya adalah nilai wajar pada tanggal perubahan penggunaan. Jika properti yang digunakan sendiri menjadi properti investasi, Kelompok Usaha memperhitungkan properti tersebut sesuai dengan kebijakan yang tercantum dalam aset tetap sampai dengan tanggal perubahan yang digunakan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

o. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the Indonesian Valuation Standards.

Investment properties of the Group consist of:

(i) Land

Represent land that its intended use has not been determined yet and not for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

(ii) Building

Represent office building that was rented to related parties.

Investment properties stated using revaluation method since the assets classified as investment properties.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under fixed assets up to the date of change in use.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

p. Penurunan nilai aset non-keuangan

Pada setiap akhir periode pelaporan, Kelompok Usaha menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut atau pada saat pengujian secara tahunan penurunan nilai aset diperlukan (untuk goodwill dan aset takberwujud dengan umur yang tidak terbatas atau aset takberwujud yang belum tersedia untuk dipakai), maka Kelompok Usaha membuat estimasi formal jumlah terpulihkan aset tersebut.

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau Unit Penghasil Kas ("UPK") dikurangi biaya untuk menjual dengan nilai pakainya, kecuali aset tersebut tidak menghasilkan arus kas masuk yang sebagian besar independen dari aset atau kelompok aset lain. Jika nilai tercatat aset lebih besar daripada nilai terpulihkannya, maka aset tersebut dipertimbangkan mengalami penurunan nilai dan nilai tercatat aset diturunkan menjadi sebesar nilai terpulihkannya. Rugi penurunan nilai dari operasi yang berkelanjutan diakui pada laba rugi sebagai "rugi penurunan nilai". Dalam menghitung nilai pakai, estimasi arus kas masa depan neto didiskontokan ke nilai kini dengan menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar kini dari nilai waktu uang dan risiko spesifik atas aset.

Dalam menentukan nilai wajar dikurangi biaya untuk menjual, digunakan harga penawaran pasar terakhir, jika tersedia. Jika tidak terdapat transaksi tersebut, Kelompok Usaha menggunakan model penilaian yang sesuai untuk menentukan nilai wajar aset. Perhitungan-perhitungan ini dikuatkan oleh penilaian berganda atau indikator nilai wajar yang tersedia.

Kerugian penurunan nilai dari operasi yang berkelanjutan, jika ada, diakui pada laba rugi sesuai dengan kategori biaya yang konsisten dengan fungsi dari aset yang diturunkan nilainya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

p. Impairment of non-financial assets

At each annual reporting period, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required (i.e. goodwill and intangible assets with indefinite useful life or intangible asset not yet available for use), 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 ("CGU")'s fair value less costs to sell 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 exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in profit or loss as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used by the Group to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations, if any, are recognized in profit or loss under expense categories that are consistent with the functions of the impaired assets.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

p. Penurunan nilai aset non-keuangan (lanjutan)

Penilaian dilakukan setahun sekali pada setiap akhir periode pelaporan apakah terdapat indikasi bahwa rugi penurunan nilai yang telah diakui dalam periode sebelumnya untuk aset selain *goodwill* mungkin tidak ada lagi atau mungkin telah menurun. Jika indikasi dimaksud ditemukan, maka entitas mengestimasi jumlah terpulihkan aset tersebut. Kerugian penurunan nilai yang telah diakui dalam periode sebelumnya untuk aset selain *goodwill* dibalik hanya jika terdapat perubahan asumsi-asumsi yang digunakan untuk menentukan jumlah terpulihkan aset tersebut sejak rugi penurunan nilai terakhir diakui. Dalam hal ini, jumlah tercatat aset dinaikkan ke jumlah terpulihkannya.

Pembalikan tersebut dibatasi sehingga jumlah tercatat aset tidak melebihi jumlah terpulihkannya maupun jumlah tercatat, neto setelah penyusutan seandainya tidak ada rugi penurunan nilai yang telah diakui untuk aset tersebut pada tahun sebelumnya. Pembalikan rugi penurunan nilai diakui dalam laba rugi. Setelah pembalikan tersebut, penyusutan aset tersebut disesuaikan di periode mendatang untuk mengalokasikan jumlah tercatat aset yang direvisi, dikurangi nilai sisanya, dengan dasar yang sistematis selama sisa umur manfaatnya.

q. Liabilitas imbalan kerja

Pada tahun 2021, Kelompok Usaha mengakui imbalan pascakerja manfaat pasti untuk karyawan berdasarkan Undang-undang No. 11/2020 mengenai Cipta Kerja (2020: Undang-undang Ketenagakerjaan No. 13/2003) dan PSAK No. 24, "Imbalan Kerja". Liabilitas imbalan kerja diukur berdasarkan laporan aktuaris.

Beban atas pemberian imbalan dalam program imbalan manfaat pasti ditentukan dengan metode *Projected Unit Credit*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Impairment of non-financial assets (continued)

An assessment is made once a year at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than *goodwill* may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset other than *goodwill* is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in profit or loss. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

q. Employee benefits liability

In 2021, the Group recognizes defined post-employment benefits to their employees in accordance with Law no. 11/2020 concerning Job Creation (2020: Labor Law No. 13/2003) and PSAK No. 24, "Employee Benefits". The employee benefits liability is estimated on the basis of actuarial reports.

The cost of providing benefits under the defined benefits plan is determined using the *Projected Unit Credit* method.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

q. Liabilitas imbalan kerja (lanjutan)

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto, yang diakui sebagai penghasilan komprehensif lain, terdiri dari:

- i. Keuntungan dan kerugian aktuarial;
- ii. Imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto; dan
- iii. Setiap perubahan dampak batas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto.

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto yang diakui sebagai penghasilan komprehensif lain tidak direklasifikasi ke laba rugi pada periode berikutnya.

Biaya jasa lalu diakui dalam laba rugi pada tanggal yang lebih awal antara:

- Tanggal amandemen atau kurtailmen program; dan
- Tanggal pada saat Perusahaan mengakui biaya restrukturisasi terkait.

r. Pengakuan pendapatan dan beban

Ruang lingkup kegiatan Kelompok Usaha meliputi bidang industri, perdagangan, jasa, dan pengangkutan. Pendapatan dari kontrak dengan pelanggan diakui pada saat pengendalian barang dialihkan kepada pelanggan dalam jumlah yang mencerminkan imbalan yang diharapkan akan menjadi hak Kelompok Usaha dalam pertukaran barang tersebut. Kelompok Usaha secara umum menyimpulkan bahwa Kelompok Usaha adalah prinsipal dalam pengaturan pendapatannya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

q. Employee benefits liability (continued)

Re-measurements of the net defined benefit liability (asset), which are recognized as other comprehensive income, consists of:

- i. Actuarial gains and losses;*
- ii. The return on plan assets, excluding the amounts included in net interest on the net defined benefit liability (asset); and*
- iii. Any change in the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability (asset).*

Re-measurements of the net defined benefit liability (asset) recognized in other comprehensive income will not be reclassified to profit or loss in the next periods.

Past service costs are recognized in profit or loss at the earlier of:

- The date of the plan amendment or curtailment; and*
- The date that The Company recognizes related restructuring costs.*

r. Revenue and expense recognition

The scope of activities of the Group consists of industry, trading, service, and transportation. Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

r. Pengakuan pendapatan dan beban
(lanjutan)

Kelompok Usaha menerapkan PSAK 72, "Pendapatan dari Kontrak dengan Pelanggan", yang mensyaratkan pengakuan pendapatan untuk memenuhi 5 (lima) langkah sebagai berikut:

- i) Identifikasi kontrak dengan pelanggan.
- ii) Identifikasi kewajiban pelaksanaan dalam kontrak. Kewajiban pelaksanaan merupakan janji-janji dalam kontrak untuk menyerahkan barang atau jasa yang memiliki karakteristik berbeda ke pelanggan.
- iii) Menetapkan harga transaksi, setelah dikurangi diskon, retur, insentif penjualan dan pajak pertambahan nilai, yang berhak diperoleh suatu entitas sebagai kompensasi atas diteruskannya barang atau jasa yang dijanjikan di kontrak.
- iv) Alokasi harga transaksi ke setiap kewajiban pelaksanaan dengan menggunakan dasar harga jual berdiri sendiri relatif dari setiap barang atau jasa berbeda yang dijanjikan di kontrak. Ketika tidak dapat diamati secara langsung, harga jual berdiri sendiri relatif diperkirakan berdasarkan biaya yang diharapkan ditambah margin.
- v) Pengakuan pendapatan ketika kewajiban pelaksanaan telah dipenuhi dengan menyerahkan barang atau jasa yang dijanjikan ke pelanggan (ketika pelanggan telah memiliki kendali atas barang atau jasa tersebut).

Penjualan barang

Pendapatan dari penjualan barang diakui pada saat pengendalian aset dialihkan kepada pelanggan, umumnya pada saat penyerahan barang. Jangka waktu kredit normal adalah 30 hingga 90 hari setelah pengiriman.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

r. Revenue and expense recognition
(continued)

The Group has adopted PSAK 72, "Revenue from Contracts with Customers", which requires revenue recognition to fulfill 5 (five) steps as follows:

- i) Identify contracts with a customer.
- ii) Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
- iii) Determine the transaction price, net of discounts, returns, sales incentives and value added tax, which an entity expects to be entitled in exchange for transferring the promised goods or services to a customer.
- iv) Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promised in the contract. When these are not directly observable, the relative stand-alone selling price is estimated based on expected cost plus margin.
- v) Recognise revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customer obtains control of those goods or services).

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

r. Pengakuan pendapatan dan beban (lanjutan)

Penjualan barang (lanjutan)

Kelompok Usaha mempertimbangkan apakah ada janji lain dalam kontrak yang merupakan kewajiban pelaksanaan terpisah yang perlu dialokasikan sebagian dari harga transaksi. Dalam menentukan harga transaksi untuk penjualan barang, Kelompok Usaha mempertimbangkan pengaruh dari imbalan variabel, keberadaan komponen pendanaan yang signifikan, imbalan non-kas, dan utang imbalan kepada pelanggan (jika ada).

(i) Imbalan variabel

Jika imbalan dalam kontrak mencakup jumlah variabel, Kelompok Usaha mengestimasi jumlah imbalan yang menjadi haknya sebagai imbalan atas pengalihan barang kepada pelanggan. Imbalan variabel diestimasi pada awal kontrak dan dibatasi hingga kemungkinan besar bahwa pembalikan pendapatan yang signifikan dalam jumlah pendapatan kumulatif yang diakui tidak akan terjadi ketika ketidakpastian terkait dengan imbalan variabel kemudian diselesaikan.

Beberapa kontrak untuk penjualan barang memberi hak retur dan rabat volume kepada pelanggan. Hak retur dan rabat volume menimbulkan imbalan variabel.

- **Hak retur**

Kontrak tertentu memberi pelanggan hak untuk mengembalikan barang dalam jangka waktu tertentu.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

r. Revenue and expense recognition
(continued)

Sale of goods (continued)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

- **Rights of return**

Certain contracts provide a customer with a right to return the goods within a specified period.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

r. Pengakuan pendapatan dan beban (lanjutan)

Penjualan barang (lanjutan)

(i) Imbalan variabel (lanjutan)

- Hak retur (lanjutan)

Kelompok Usaha menggunakan metode nilai yang diharapkan untuk mengestimasi barang yang tidak akan dikembalikan karena metode ini paling baik memprediksi jumlah imbalan variabel yang menjadi hak Kelompok Usaha. Ketentuan dalam PSAK 72 tentang estimasi batasan atas imbalan variabel juga diterapkan untuk menentukan jumlah imbalan variabel yang dapat dimasukkan ke dalam harga transaksi. Untuk barang yang diharapkan akan dikembalikan, alih-alih pendapatan, Kelompok Usaha mengakui kewajiban untuk retur. Hak retur aset (dan seiring dengan penyesuaian ke beban pokok penjualan) juga diakui sebagai hak untuk memperoleh kembali produk dari pelanggan.

- Rabat volume

Kelompok Usaha tidak memberikan rabat volume retrospektif kepada pelanggan tertentu setelah jumlah produk yang dibeli selama periode tersebut melebihi ambang batas yang ditentukan dalam kontrak.

Program poin loyalitas

Kelompok Usaha memiliki program poin loyalitas, GoodPoints, yang memungkinkan pelanggan mengumpulkan poin yang dapat ditukarkan dengan barang gratis. Poin loyalitas menimbulkan kewajiban pelaksanaan terpisah karena memberikan hak material kepada pelanggan. Sebagian dari harga transaksi dialokasikan ke poin loyalitas yang diberikan kepada pelanggan berdasarkan harga jual berdiri sendiri dan diakui sebagai liabilitas kontrak sampai poin tersebut ditukarkan. Pendapatan diakui pada saat penukaran produk oleh pelanggan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

r. Revenue and expense recognition
(continued)

Sale of goods (continued)

(i) Variable consideration (continued)

- Rights of return (continued)

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in PSAK 72 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset (and the corresponding adjustment to cost of goods sold) is also recognized for the right to recover products from a customer.

- Volume rebates

The Group does not provide retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

Loyalty points programme

The Group has a loyalty points programme, GoodPoints, which allows customers to accumulate points that can be redeemed for free items. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as a contract liability until the points are redeemed. Revenue is recognized upon redemption of products by the customer.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

r. Pengakuan pendapatan dan beban
(lanjutan)

Program poin loyalitas (lanjutan)

Ketika pihak lain terlibat dalam penyediaan barang promosi gratis kepada pelanggannya, Kelompok Usaha menentukan apakah ia adalah prinsipal atau agen dalam transaksi ini dengan mengevaluasi sifat dari janjinya kepada pelanggan. Kelompok Usaha sepenuhnya bertanggung jawab untuk memenuhi janji atas pemberian barang gratis kepada pelanggan yang memenuhi syarat. Kelompok Usaha menetapkan bahwa Kelompok Usaha mengendalikan barang gratis sebelum ditransfer ke pelanggan dan memiliki kemampuan untuk mengarahkan penggunaan barang gratis tersebut. Oleh karena itu, Kelompok Usaha menyimpulkan bahwa Kelompok Usaha adalah prinsipal dalam pengaturan ini. Pada saat penukaran poin loyalitas oleh pelanggan, Kelompok Usaha mencatat biaya barang promosi gratis sebagai bagian dari harga pokok penjualan dalam laporan laba rugi.

(ii) Komponen pendanaan yang signifikan

Kelompok Usaha tidak menerima uang dari para pelanggannya baik uang muka jangka pendek maupun uang muka jangka panjang.

(iii) Pertimbangan nonkas

Kelompok Usaha tidak menerima peralatan apapun dari pelanggan tertentu untuk digunakan dalam pembuatan barang untuk dijual kepada mereka.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

r. Revenue and expense recognition
(continued)

Loyalty points programme (continued)

When another party is involved in providing promotional free goods to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is primarily responsible for fulfilling the promise to provide the free items to the eligible customers. The Group determined that they control the free items before they are transferred to customers and have ability to direct the use of the free items. Therefore, the Group concluded that it is the principal in this arrangement. Upon redemption of loyalty points by the customer, the Group records the cost of promotional free items as part of the cost of goods sold in the statement of profit or loss.

(ii) Significant financing component

The Group does not receive for both short-term and long-term advances from its customers.

(iii) Non-cash consideration

The Group does not receive any tools from certain customers to be used in manufacturing goods to be sold to them.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

r. Pengakuan pendapatan dan beban
(lanjutan)

Aset dan liabilitas yang timbul dari hak retur

• Hak retur aset

Hak retur aset merupakan hak Kelompok Usaha untuk memulihkan barang yang diharapkan dikembalikan oleh pelanggan. Aset tersebut diukur pada nilai tercatat sebelumnya dari persediaan, dikurangi biaya yang diharapkan untuk memulihkan barang, termasuk potensi penurunan nilai barang yang dikembalikan. Kelompok Usaha memperbarui pengukuran aset yang dicatat untuk setiap revisi tingkat pengembalian yang diharapkan, serta penurunan tambahan dalam nilai produk yang dikembalikan.

• Kewajiban untuk retur

Kewajiban untuk retur adalah kewajiban untuk mengembalikan sebagian atau seluruh pembayaran yang diterima (atau piutang) dari pelanggan dan diukur pada jumlah yang diharapkan akan dikembalikan oleh Kelompok Usaha kepada pelanggan. Kelompok Usaha memperbarui estimasi kewajiban untuk retur (dan seiring perubahan dalam harga transaksi) pada setiap akhir periode pelaporan. Lihat kebijakan akuntansi di atas tentang imbalan variabel.

Beban dan biaya diakui dalam laba rugi dalam periode saat terjadinya.

s. Perpajakan

Penyesuaian atas pajak penghasilan kini dan tangguhan tahun sebelumnya (tidak termasuk bunga dan penalti yang disajikan sebagai bagian dari pendapatan atau beban usaha lain) disajikan sebagai bagian dari "Beban Pajak Penghasilan" dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

r. Revenue and expense recognition
(continued)

Assets and liabilities arising from rights of return

• Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

• Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to the above accounting policy on variable consideration.

Cost and expenses are recognized in profit or loss in the period when incurred.

s. Taxation

The adjustments in respect of current and deferred income tax of the previous years (exclusive of interests and penalties, which are presented as part of other operating income or expenses) are presented as part of "Income Tax Expense" in the consolidated statement of profit or loss and other comprehensive income.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

s. Perpajakan (lanjutan)

Pajak kini

Beban pajak kini ditetapkan berdasarkan taksiran laba kena pajak tahun berjalan dan dihitung menggunakan tarif pajak yang berlaku. Aset dan liabilitas pajak kini untuk tahun berjalan dan tahun sebelumnya diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan.

Pajak tangguhan

Aset dan liabilitas pajak tangguhan diakui dengan metode liabilitas atas konsekuensi pajak periode mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan dengan dasar pengenaan pajaknya, kecuali perbedaan yang dikenakan pajak final. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan, sepanjang besar kemungkinan dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa datang.

Pajak tangguhan diukur dengan menggunakan tarif pajak yang berlaku atau secara substansial telah berlaku pada tanggal pelaporan. Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan oleh perubahan tarif pajak dibebankan pada tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

Jumlah tambahan pokok dan denda pajak yang ditetapkan dengan Surat Ketetapan Pajak ("SKP") diakui sebagai pendapatan atau beban dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan, kecuali jika diajukan upaya penyelesaian selanjutnya. Jumlah tambahan pokok pajak dan denda yang ditetapkan dengan SKP ditangguhkan pembebanannya sepanjang memenuhi kriteria pengakuan aset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

s. Taxation (continued)

Current tax

Current tax expense is determined based on the estimated taxable income for the year and computed using prevailing tax rates. Current tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the tax authorities.

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, except those differences that are subject to final tax. Deferred tax liabilities are recognized for all taxable temporary differences while deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantially enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rate are charged to the current year, except to the extent that it relates to items previously charged or credited to equity.

The amounts of additional tax principal and penalty imposed through a Tax Assessment Letter ("SKP") shall be recognized as income or expense in the current period of the statement of profit or loss and other comprehensive income, unless further settlement is submitted. The amounts of tax principal and penalty imposed through SKP are deferred as long as they meet the asset recognition criteria.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

s. Perpajakan (lanjutan)

Pajak Pertambahan Nilai

Pendapatan, beban-beban dan aset-aset diakui neto atas jumlah PPN kecuali:

- PPN yang muncul dari pembelian aset atau jasa yang tidak dapat dikreditkan oleh kantor pajak, yang dalam hal ini PPN diakui sebagai bagian dari biaya perolehan aset atau sebagai bagian dari item beban-beban yang diterapkan; dan
- Piutang dan utang yang disajikan termasuk dengan jumlah PPN.

Jumlah PPN neto yang terpulihkan dari, atau terutang kepada, kantor pajak termasuk sebagai bagian dari piutang atau utang pada laporan posisi keuangan konsolidasian.

Pajak final

Peraturan perpajakan di Indonesia mengatur beberapa jenis penghasilan yang dikenakan pajak yang bersifat final. Pajak final dikenakan atas nilai bruto transaksi tetap dikenakan walaupun entitas mengalami kerugian. Pajak final tidak termasuk dalam lingkup yang diatur oleh PSAK 46: Pajak Penghasilan.

t. Provisi

Provisi diakui jika Kelompok Usaha memiliki liabilitas kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu besar kemungkinannya penyelesaian liabilitas tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi direviu pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi kini terbaik. Jika tidak terdapat kemungkinan arus kas keluar sumber daya yang mengandung manfaat ekonomi untuk menyelesaikan liabilitas tersebut, provisi tersebut dibalik.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

s. Taxation (continued)

Value Added Tax

Revenue, expenses and assets are recognized net of the amount of VAT except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the consolidated statement of financial position.

Final tax

The tax regulations in Indonesia determined that certain taxable income is subject to final tax. Final tax charged on the gross value of transactions is applied even if the entity suffered losses. Final tax is scoped out from PSAK 46: Income Tax.

t. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) where, 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 a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

u. Kontinjensi

Liabilitas kontinjensi diungkapkan, kecuali jika arus keluar sumber daya yang mengandung manfaat ekonomi kemungkinannya kecil terjadi (*remote*). Aset kontinjensi tidak diakui dalam laporan keuangan, tetapi diungkapkan jika terdapat kemungkinan besar (*probable*) arus masuk manfaat ekonomi.

v. Pengukuran nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran. Pengukuran nilai wajar didasarkan pada asumsi bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

- a) di pasar utama (*principal market*) untuk aset atau liabilitas tersebut; atau
- b) jika tidak terdapat pasar utama, di pasar yang paling menguntungkan (*most advantageous market*) untuk aset atau liabilitas tersebut.

Pasar utama atau pasar yang paling menguntungkan harus dapat diakses oleh Kelompok Usaha.

Nilai wajar suatu aset atau liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomi terbaiknya.

Pengukuran nilai wajar aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomi dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya (*highest and best use*) atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

Kelompok Usaha menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan *input* yang dapat diobservasi yang relevan dan meminimalkan penggunaan *input* yang tidak dapat diobservasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

u. Contingencies

Unless the possibility of an outflow of resources embodying economic benefits is remote, contingent liabilities are disclosed. Contingent assets are not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable.

v. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability; or*
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.*

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

v. Pengukuran nilai wajar (lanjutan)

Semua aset dan liabilitas yang nilai wajarnya diukur atau diungkapkan dalam laporan keuangan konsolidasian dikategorikan dalam hierarki nilai wajar, dijelaskan sebagai berikut, berdasarkan level *input* terendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan:

- Level 1 - Harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik;
- Level 2 - Teknik penilaian dimana level *input* terendah yang signifikan terhadap pengukuran nilai wajar adalah dapat diobservasi secara langsung atau tidak langsung;
- Level 3 - Teknik penilaian dimana level *input* terendah yang signifikan terhadap pengukuran nilai wajar adalah tidak dapat diobservasi.

Untuk aset dan liabilitas yang diakui dalam laporan keuangan konsolidasian secara berulang, Kelompok Usaha menentukan apakah perpindahan antar level dalam hierarki telah terjadi dengan menilai kembali kategorisasi (berdasarkan level *input* terendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan) pada akhir setiap periode pelaporan.

Untuk tujuan pengungkapan nilai wajar, Kelompok Usaha telah menentukan kelas aset dan liabilitas dengan dasar sifat, karakteristik dan risiko aset atau liabilitas dan level hierarki nilai wajar seperti dijelaskan di atas.

w. Kejadian setelah periode pelaporan

Peristiwa setelah periode pelaporan yang memberikan informasi tambahan mengenai posisi keuangan Kelompok Usaha pada tanggal pelaporan (peristiwa penyesuaian), jika ada, dicatat dalam laporan keuangan. Peristiwa setelah periode pelaporan yang merupakan peristiwa non-penyesuaian yang material diungkapkan dalam catatan atas laporan keuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

v. Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level *input* that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level *input* that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level *input* that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers between levels in the hierarchy have occurred by re-assessing categorization (based on the lowest level *input* that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

w. Events after the reporting period

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events), if any, are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)

x. Laba per Saham

Laba per saham dihitung berdasarkan rata-rata tertimbang jumlah saham yang beredar selama periode yang bersangkutan.

Apabila jumlah saham biasa yang beredar meningkat tanpa disertai peningkatan sumber daya, maka jumlah saham biasa yang beredar sebelum peristiwa tersebut disesuaikan dengan perubahan proporsional atas jumlah saham beredar seolah-olah peristiwa tersebut terjadi pada permulaan dari periode sajian paling awal.

y. Informasi segmen

Untuk tujuan manajemen, Kelompok Usaha dibagi menjadi dua segmen operasi berdasarkan produk yang dikelola secara independen oleh masing-masing pengelola segmen yang bertanggung jawab atas kinerja dari masing-masing segmen. Para pengelola segmen melaporkan secara langsung kepada manajemen Perusahaan yang secara teratur mengkaji laba segmen sebagai dasar untuk mengalokasikan sumber daya ke masing-masing segmen dan untuk menilai kinerja segmen. Pengungkapan tambahan pada masing-masing segmen terdapat dalam Catatan 35, termasuk faktor yang digunakan untuk mengidentifikasi segmen yang dilaporkan dan dasar pengukuran informasi segmen.

z. Biaya emisi saham

Biaya yang terjadi sehubungan dengan penerbitan modal saham Perusahaan kepada publik dikurangkan langsung dengan hasil emisi dan disajikan sebagai pengurang akun tambahan modal disetor dalam laporan posisi keuangan konsolidasian.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN

Penyusunan laporan keuangan konsolidasian Kelompok Usaha mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang memengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontinjensi, pada akhir periode pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat aset dan liabilitas dalam periode pelaporan mendatang.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)

x. Earnings per Share

Earnings per share is computed based on the weighted average number of issued and fully paid shares during the period.

If the number of ordinary shares outstanding is increased without an increase in resources, the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

y. Segment information

For management purposes, the Group is organised into two operating segments based on their products which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

z. Issuance Costs of Share Capital

Costs incurred in connection with the Company's issuance of share capital to the public were offset directly with the proceeds and presented as deduction to additional paid-in capital account in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS

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

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Kelompok Usaha yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Penentuan mata uang fungsional

Mata uang fungsional dari setiap entitas adalah mata uang dari lingkungan ekonomi utama di mana entitas tersebut beroperasi. Mata uang tersebut adalah mata uang yang memengaruhi pendapatan dan biaya dari masing-masing entitas. Penentuan mata uang fungsional bisa membutuhkan pertimbangan karena berbagai kompleksitas, antara lain, suatu entitas dapat bertransaksi dalam lebih dari satu mata uang dalam aktivitas usahanya sehari-hari.

Klasifikasi aset dan liabilitas keuangan

Kelompok Usaha menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan definisi yang ditetapkan PSAK. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Kelompok Usaha seperti diungkapkan pada Catatan 2i.

Pajak penghasilan

Ketidakpastian atas interpretasi dari peraturan pajak yang kompleks, perubahan peraturan pajak dan jumlah dan timbulnya penghasilan kena pajak di masa depan, dapat menyebabkan penyesuaian di masa depan atas penghasilan dan beban pajak yang telah dicatat.

Estimasi signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti sepanjang kegiatan usaha normal. Kelompok Usaha mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan yang harus dibayar. Penjelasan lebih rinci diungkapkan dalam Catatan 17.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Judgments

The following judgments are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

Determination of functional currency

The functional currency of each entity is the currency from the primary economic environment where such entity operates. Those currencies are the currencies that influence the revenues and costs of each respective entity. The determination of functional currency may require judgment due to various complexity, among others, the entity may transact in more than one currency in its daily business activities.

Classification of financial assets and financial liabilities

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities if they meet the definition set forth in PSAK. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2i.

Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income, could necessitate future adjustments to tax income and expense already recorded.

Judgment is involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. Further details are disclosed in Note 17.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Estimasi dan asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun berikutnya, diungkapkan di bawah ini. Kelompok Usaha mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan disusun. Asumsi dan situasi mengenai perkembangan masa depan yang digunakan saat ini, mungkin berubah akibat perubahan pasar atau situasi yang berada di luar kendali Kelompok Usaha. Perubahan-perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

Cadangan kerugian penurunan nilai atas piutang usaha evaluasi kolektif

Apabila Kelompok Usaha memutuskan bahwa tidak terdapat bukti objektif atas penurunan nilai pada evaluasi individual atas piutang usaha, baik yang nilainya signifikan maupun tidak, Kelompok Usaha menyertakan dalam kelompok piutang usaha dengan risiko kredit yang serupa karakteristiknya dan melakukan evaluasi kolektif atas penurunan nilai. Karakteristik yang dipilih memengaruhi estimasi arus kas masa depan atas kelompok piutang usaha tersebut karena merupakan indikasi bagi kemampuan pelanggan untuk melunasi jumlah terhutang.

Arus kas masa depan pada kelompok piutang usaha yang dievaluasi secara kolektif untuk penurunan nilai diestimasi berdasarkan pengalaman kerugian historis bagi piutang usaha dengan karakteristik risiko kredit yang serupa dengan piutang usaha pada kelompok tersebut. Penjelasan lebih rinci diungkapkan dalam Catatan 5.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions as they occur.

Allowance for impairment losses on trade receivables collective assessment

If the Group determine that no objective evidence of impairment exists for an individually assessed trade receivables, whether significant or not, they include the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. The characteristics chosen are relevant to the estimation of future cash flows for groups of such trade receivables by being indicative of the customers' ability to pay all amounts due.

Future cash flows in a group of trade receivables that are collectively evaluated for impairment are estimated on the basis of historical loss experience for the trade receivables with credit risk characteristics similar to those in the group. Further details are disclosed in Note 5.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Estimasi dan asumsi (lanjutan)

Penyisihan kerugian kredit ekspektasian dari piutang

Kelompok Usaha menggunakan matriks provisi untuk menghitung ECL untuk piutang. Matriks provisi pada awalnya berdasarkan tingkat gagal bayar yang diamati secara historis pada Kelompok Usaha. Kelompok Usaha akan mengkalibrasi matriks untuk menyesuaikan pengalaman kerugian kredit historis dengan informasi yang bersifat perkiraan masa depan (forward-looking). Misalnya, jika perkiraan kondisi ekonomi (yaitu, produk domestik bruto) diperkirakan akan memburuk pada tahun berikutnya yang dapat menyebabkan peningkatan jumlah kegagalan di sektor manufaktur, tingkat gagal bayar historis disesuaikan. Pada setiap tanggal pelaporan, tingkat gagal bayar yang diamati secara historis diperbarui dan perubahan dalam estimasi perkiraan masa depan dianalisis.

Penilaian korelasi antara tingkat gagal bayar yang diamati secara historis, perkiraan kondisi ekonomi, dan ECL adalah estimasi yang signifikan. Jumlah ECL sensitif terhadap perubahan keadaan dan perkiraan kondisi ekonomi.

Pengalaman kerugian kredit historis Kelompok Usaha dan perkiraan kondisi ekonomi mungkin juga tidak mewakili gagal bayar pelanggan yang sebenarnya di masa depan. Penjelasan lebih lanjut diungkapkan dalam Catatan 2i dan 5.

Penyisihan penurunan nilai pasar dan keusangan persediaan

Penyisihan penurunan nilai pasar dan keusangan persediaan diestimasi berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas kepada, kondisi fisik persediaan yang dimiliki, harga jual pasar, estimasi biaya penyelesaian dan estimasi biaya yang timbul untuk penjualan. Provisi dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang memengaruhi jumlah yang diestimasi. Penjelasan lebih rinci diungkapkan dalam Catatan 8.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Provision for expected credit losses of receivables

The Group uses a provision matrix to calculate ECLs for receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Further details are disclosed in Notes 2i and 5.

Provision for the decline in market value and obsolescence of inventories

Provision for the decline in market value and obsolescence of inventories is estimated based on available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated. Further details are disclosed in Note 8.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Estimasi dan asumsi (lanjutan)

Aset pajak tangguhan

Aset pajak tangguhan diakui atas seluruh perbedaan temporer yang dapat dikurangkan, sepanjang besar kemungkinannya bahwa penghasilan kena pajak akan tersedia sehingga perbedaan temporer tersebut dapat digunakan. Estimasi signifikan oleh manajemen disyaratkan dalam menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak dan strategi perencanaan pajak masa depan. Penjelasan lebih rinci diungkapkan dalam Catatan 17.

Penyusutan aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 4 sampai dengan 30 tahun. Ini adalah umur yang secara umum diharapkan dalam industri dimana Kelompok Usaha menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat memengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 13.

Penurunan nilai aset nonkeuangan

Penurunan nilai muncul saat nilai tercatat aset atau UPK melebihi nilai terpulihkannya, yang lebih besar antara nilai wajar dikurangi biaya untuk menjual dan nilai pakainya. Nilai wajar dikurangi biaya untuk menjual didasarkan pada ketersediaan data dari perjanjian penjualan yang mengikat yang dibuat dalam transaksi normal atas aset serupa atau harga pasar yang dapat diamati dikurangi dengan biaya tambahan yang dapat diatribusikan dengan pelepasan aset.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 17.

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 4 to 30 years. These are common life expectancies applied in the industries where the Group conducts their businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. Further details are disclosed in Note 13.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Estimasi dan asumsi (lanjutan)

Penurunan nilai aset nonkeuangan (lanjutan)

Perhitungan nilai pakai didasarkan pada model arus kas yang didiskontokan. Proyeksi arus kas tidak termasuk aktivitas restrukturisasi yang belum ada perikatannya atau investasi signifikan di masa depan yang akan meningkatkan kinerja dari UPK yang diuji. Nilai terpulihkan paling sensitif terhadap tingkat diskonto yang digunakan untuk model arus kas yang didiskontokan seperti halnya dengan arus kas masuk masa depan yang diharapkan dan tingkat pertumbuhan yang digunakan untuk tujuan ekstrapolasi. Manajemen berkeyakinan bahwa tidak diperlukan pencatatan kerugian penurunan nilai pada tanggal-tanggal pelaporan.

Liabilitas imbalan kerja

Nilai kini kewajiban imbalan kerja ditentukan dengan menggunakan penilaian aktuarial. Penilaian aktuarial melibatkan penentuan berbagai asumsi, termasuk penentuan tingkat diskonto, tingkat kenaikan gaji masa depan, tingkat mortalitas, tingkat pengunduran diri karyawan, tingkat kecacatan dan tingkat hasil yang diharapkan dari aset program. Karena kerumitan penilaian, asumsi yang mendasari dan sifat jangka panjangnya, kewajiban manfaat pasti sangat sensitif terhadap perubahan asumsi-asumsi tersebut. Seluruh asumsi ditelaah setiap akhir periode pelaporan.

Dalam menentukan tingkat diskonto yang sesuai, manajemen memperhitungkan tingkat bunga (pada akhir periode pelaporan) dari obligasi pemerintah dalam Rupiah. Kelompok Usaha menggunakan tingkat diskonto tunggal yang mencerminkan rata-rata perkiraan jadwal pembayaran imbalan dan mata uang yang digunakan dalam membayar imbalan. Tingkat mortalitas adalah berdasarkan tabel mortalitas yang tersedia pada publikasi. Tingkat kenaikan gaji masa depan didasarkan pada rencana kerja jangka panjang yang juga dipengaruhi oleh tingkat inflasi masa depan yang diharapkan.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Impairment of non-financial assets (continued)

The value in use calculation is based on a discounted cash flow model. The future cash flow projection does not include restructuring activities that are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The management believes that no impairment loss is required at reporting dates.

Employee benefits liability

The present value of the defined benefit obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions, which includes the determination of the discount rate, future salary increases, mortality rates, employee turn-over rate, disability rate and the expected rate of return on plan assets. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of reporting period.

In determining the appropriate discount rate, management considers the market yields (at the end of reporting period) on Indonesian Rupiah government bonds. The Group uses a single discount rate for each entity that reflects the estimated average timing of benefit payments and the currency in which the benefits are to be paid. The mortality rate is based on publicly available mortality tables. Future salary increase is based on the long-term business plan which is also influenced by expected future inflation rates.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Estimasi dan asumsi (lanjutan)

Liabilitas imbalan kerja (lanjutan)

Walaupun Kelompok Usaha berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan dapat memengaruhi secara material liabilitas diestimasi atas pensiun dan imbalan kerja dan beban imbalan kerja neto. Penjelasan lebih rinci mengenai asumsi-asumsi yang digunakan diungkapkan pada Catatan 18.

Instrumen keuangan

Kelompok Usaha mencatat aset dan liabilitas keuangan tertentu pada awalnya sebesar nilai wajar, lalu selanjutnya diukur pada biaya perolehan diamortisasi, yang mengharuskan penggunaan estimasi akuntansi.

Sementara komponen signifikan atas pengukuran nilai wajar ditentukan menggunakan bukti objektif yang dapat diverifikasi, jumlah perubahan nilai wajar dapat berbeda bila menggunakan metodologi penilaian yang berbeda. Perubahan nilai wajar aset dan liabilitas keuangan tersebut dapat memengaruhi secara langsung laba atau rugi Kelompok Usaha.

Menentukan masa sewa kontrak dengan opsi pembaharuan dan penghentian

Kelompok Usaha menentukan jangka waktu sewa sebagai jangka waktu sewa yang tidak dapat dibatalkan, bersama dengan setiap periode yang tercakup dalam opsi untuk memperpanjang sewa jika cukup pasti akan dilaksanakan, atau setiap periode yang tercakup dalam opsi untuk mengakhiri sewa, jika cukup pasti untuk tidak dilakukan.

Pertimbangan dilakukan dalam mengevaluasi apakah cukup pasti akan menggunakan opsi untuk memperbarui atau mengakhiri sewa. Artinya, Kelompok Usaha mempertimbangkan seluruh faktor relevan yang menciptakan insentif ekonomi untuk melakukan pembaharuan atau penghentian. Setelah tanggal dimulainya sewa, Kelompok Usaha menilai kembali masa sewa jika ada peristiwa atau perubahan signifikan dalam keadaan yang berada dalam kendali dan memengaruhi kemampuan Kelompok Usaha untuk menggunakan atau tidak menggunakan opsi untuk memperbarui atau menghentikan.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Employee benefits liability (continued)

While the Group believes that its assumptions are reasonable and appropriate, significant differences in the actual experiences or significant changes in the assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. Further details about the assumptions used are given in Note 18.

Financial instruments

The Group carries certain financial assets and liabilities initially at fair values, then subsequently measured at amortized cost, which requires the use of accounting estimates.

While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodologies. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss.

Determining the lease term of contracts with renewal and termination option

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)

Estimasi dan asumsi (lanjutan)

Sewa - Memperkirakan tingkat pinjaman tambahan

Kelompok Usaha tidak dapat langsung menentukan tingkat bunga implisit dalam sewa, oleh karena itu, Kelompok Usaha menggunakan suku bunga pinjaman inkremental ("Incremental Borrowing Rate" atau "IBR") untuk mengukur liabilitas sewa.

IBR adalah tingkat bunga yang harus dibayar oleh Kelompok Usaha untuk meminjam dengan syarat yang sama, dan dengan jaminan serupa, dana yang diperlukan untuk memperoleh aset dengan nilai yang sama dengan aset hak-guna dalam lingkup ekonomi yang serupa.

Oleh karena itu, IBR mencerminkan apa yang 'harus dibayar' oleh Kelompok Usaha, yang memerlukan estimasi ketika tidak tersedianya tingkat suku bunga yang dapat diobservasi atau ketika perlu disesuaikan untuk mencerminkan syarat dan ketentuan dari sewa. Kelompok Usaha mengestimasi IBR menggunakan input yang dapat diamati (seperti tingkat suku bunga pasar) jika tersedia dan perlu untuk membuat estimasi spesifik entitas tertentu. Pejelasan lebih rinci mengenai sewa diungkapkan dalam Catatan 2n dan 15.

Menentukan apakah poin loyalitas memberikan hak material kepada pelanggan

Kelompok Usaha menjalankan program poin loyalitas, GoodPoints, yang memungkinkan pelanggan mengumpulkan poin saat mereka membeli produk tertentu. Poin dapat ditukarkan dengan barang gratis, dengan tunduk pada jumlah minimum poin yang diperoleh dan kepatuhan atas jangka waktu pembayaran yang ditetapkan. Kelompok Usaha menilai apakah poin loyalitas memberikan hak material kepada pelanggan yang perlu diperhitungkan sebagai kewajiban pelaksanaan yang terpisah.

Kelompok Usaha menetapkan bahwa poin loyalitas memberikan hak material yang tidak akan diterima pelanggan tanpa membuat kontrak. Barang gratis yang akan diterima pelanggan dengan menggunakan poin loyalitas tidak mencerminkan harga jual yang berdiri sendiri atas produk tersebut yang akan dibayar oleh pelanggan tanpa adanya hubungan dengan Kelompok Usaha sebelumnya. Hak pelanggan juga terakumulasi saat mereka membeli produk tambahan.

3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. Further details on leases are disclosed in Notes 2n and 15.

Determining whether the loyalty points provide material rights to customers

The Group provides a loyalty points programme, GoodPoints, which allows customers to accumulate points when they purchase certain products. The points can be redeemed for free items, subject to a minimum number of points obtained and compliance to the term of payments. The Group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation.

The Group determined that the loyalty points provide a material right that the customer would not receive without entering into the contract. The free items the customer would receive by exercising the loyalty points do not reflect the stand-alone selling price that a customer without an existing relationship with the Group would pay for those items. The customers' right also accumulates as they purchase additional products.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

4. KAS DAN SETARA KAS

4. CASH AND CASH EQUIVALENTS

	31 Desember/December 31,		
	2021	2020	
Kas			Cash on hand
Rupiah	3.106.639.397	5.070.362.404	Rupiah
Rupiah	32.625.249	32.475.979	Rupiah
Peso	12.566.603	12.620.178	Peso
Yuan	5.501.541	5.472.584	Yuan
Total kas	3.157.332.790	5.120.931.145	Total cash on hand
Bank			Cash in banks
Rupiah			Indonesian Rupiah
PT Bank Danamon Indonesia Tbk.	300.394.520.548	-	PT Bank Danamon Indonesia Tbk.
PT Bank UOB Indonesia	283.025.660.103	299.386.829.163	PT Bank UOB Indonesia
PT Bank Mandiri (Persero) Tbk.	88.387.954.110	33.962.415.360	PT Bank Mandiri (Persero) Tbk.
PT Bank Tabungan			PT Bank Tabungan
Pensiunan Nasional Tbk.	5.932.119.494	-	Pensiunan Nasional Tbk.
PT Bank Central Asia Tbk.	2.022.631.791	2.710.094.358	PT Bank Central Asia Tbk.
PT Bank Rakyat Indonesia (Persero) Tbk.	912.432.525	2.388.826.621	PT Bank Rakyat Indonesia (Persero) Tbk.
PT Bank Negara Indonesia (Persero) Tbk.	178.300.739	-	PT Bank Negara Indonesia (Persero) Tbk.
PT Bank DBS Indonesia	53.986.245	16.865.354	PT Bank DBS Indonesia
PT Bank Pan Indonesia Tbk.	40.411.341	34.288.933	PT Bank Pan Indonesia Tbk.
PT Bank Mega Tbk.	-	32.665.478	PT Bank Mega Tbk.
PT Bank Tabungan Negara (Persero) Tbk.	-	36.494.128	PT Bank Tabungan Negara (Persero) Tbk.
PT Bank Pembangunan Daerah Sumatera Barat	-	1.055.425	PT Bank Pembangunan Daerah Sumatera Barat
Dolar Amerika Serikat			United States Dollar
PT Bank Mandiri (Persero) Tbk.	8.664.856	25.175.027	PT Bank Mandiri (Persero) Tbk.
Total bank	680.956.681.752	338.594.709.847	Total cash in bank
Deposito			Time deposits
Rupiah			Indonesian Rupiah
PT Bank Rakyat Indonesia (Persero) Tbk.	600.000.000.000	500.000.000.000	PT Bank Rakyat Indonesia (Persero) Tbk.
PT Bank Mandiri (Persero) Tbk.	4.100.000.000	6.100.000.000	PT Bank Mandiri (Persero) Tbk.
PT Permata Bank Tbk.	-	361.368.055.554	PT Permata Bank Tbk.
PT Bank UOB Indonesia	-	150.000.000.000	PT Bank UOB Indonesia
Total deposito	604.100.000.000	1.017.468.055.554	Total time deposits
Total	1.288.214.014.542	1.361.183.696.546	Total
Tingkat bunga deposito per tahun	2,90% - 7,00%	4,00% - 7,00%	Annual interest rate of time deposits

Tidak terdapat saldo kas dan setara kas yang digunakan sebagai jaminan dan dibatasi penggunaannya.

There is no balance of cash and cash equivalents which is pledged as collateral and restricted in use.

5. PIUTANG USAHA

5. TRADE RECEIVABLES

	31 Desember/December 31,		
	2021	2020	
Pihak berelasi (Catatan 6)	15.488.785.564	8.136.963.657	Related parties (Note 6)
Pihak ketiga	1.151.008.875.346	992.501.710.177	Third parties
Dikurangi cadangan kerugian penurunan nilai piutang usaha	(473.651.231)	-	Less allowance for impairment losses of trade receivables
Total	1.166.024.009.679	1.000.638.673.834	Total

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

5. PIUTANG USAHA (lanjutan)

Analisa umur piutang usaha adalah sebagai berikut:

	31 Desember/December 31,	
	2021	2020
Pihak berelasi (Catatan 6)		
Belum jatuh tempo	14.380.048.804	7.846.914.547
Lewat jatuh tempo:		
1 - 30 hari	943.886.360	164.941.150
31 - 60 hari	164.850.400	125.107.960
Total pihak berelasi	15.488.785.564	8.136.963.657
Pihak ketiga:		
Belum jatuh tempo	1.127.295.169.586	970.627.560.877
Lewat jatuh tempo:		
1 - 30 hari	18.231.629.630	17.018.921.001
31 - 60 hari	5.014.642.138	4.848.583.032
Lebih dari 60 hari	467.433.992	6.645.267
Dikurangi cadangan kerugian penurunan nilai piutang usaha	(473.651.231)	-
Total pihak ketiga	1.150.535.224.115	992.501.710.177
Total piutang usaha	1.166.024.009.679	1.000.638.673.834

5. TRADE RECEIVABLES (continued)

The aging analysis of trade receivables is as follows:

Related parties (Note 6)
Not yet due
Overdue:
1 - 30 days
31 - 60 days
Total related parties
Third parties:
Not yet due
Overdue:
1 - 30 days
31 - 60 days
Over 60 days
Less allowance for impairment losses of trade receivables
Total third parties
Total trade receivables

Pada tanggal 31 Desember 2021 dan 2020, seluruh piutang usaha Kelompok Usaha dalam mata uang Rupiah.

As of December 31, 2021 and 2020, all of the Group's trade receivables are denominated in Indonesian Rupiah.

Piutang usaha tidak dikenakan bunga dan umumnya dikenakan syarat pembayaran selama 30 - 60 hari.

Trade receivables are non-interest bearing and generally on 30 - 60 days term of payment.

Pada tanggal 31 Desember 2021 dan 2020, piutang usaha tertentu Kelompok Usaha dijaminkan atas fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk. dengan perjanjian fidusia terhadap piutang usaha dan persediaan masing-masing senilai Rp1.326.000.000.000 dan Rp1.056.000.000.000 (Catatan 34).

As of December 31, 2021 and 2020, the Group's certain trade receivables are pledged as collateral for the loans facility from PT Bank Mandiri (Persero) Tbk. with fiduciary agreement over trade receivables and inventories totaling Rp1,326,000,000,000 and Rp1,056,000,000,000, respectively (Note 34).

Berdasarkan hasil penelaahan keadaan piutang pada akhir periode pelaporan, manajemen Kelompok Usaha berkeyakinan bahwa penyisihan penurunan nilai telah memadai untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang usaha.

Based on a review of the status of receivable accounts at the end of the reporting period, the Group's management believes that the allowance for impairment losses is adequate to cover possible losses from uncollectible receivables.

Lihat Catatan 32 mengenai risiko kredit piutang usaha untuk memahami bagaimana Kelompok Usaha mengelola dan mengukur kualitas kredit piutang usaha.

Refer to Note 32 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

6. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI

Dalam kegiatan usaha normal, Kelompok Usaha melakukan transaksi usaha dan lainnya dengan pihak-pihak berelasi, yang terafiliasi dengan Kelompok Usaha melalui kepemilikan langsung dan tak langsung, dan/atau dibawah entitas sepengendali. Harga jual atau beli antara pihak-pihak berelasi ditentukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak.

Rincian pihak berelasi, sifat hubungan dan jenis transaksi yang signifikan dengan pihak-pihak berelasi adalah sebagai berikut:

Pihak-pihak berelasi/ Related parties

Sifat hubungan/Nature of relationship

Jenis transaksi/ Nature of transactions

PT Avia Avian Industri Pipa	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pembelian pipa, akrual pendapatan promosi dan pendapatan diterima dimuka/Sales, purchases of pipe, promotion accrued revenue, and unearned revenue
PT Kasakata Kimia	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Sewa gedung kantor/Office building rent
PT Mitra Mulia Makmur	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pembelian kemasan plastik/Sales, purchases of plastic packaging
PT Panca Kalsiumindo Perkasa	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pembelian kalsium/Sales, purchases of calcium
PT Sarana Depo Kencana	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, sewa bangunan untuk kantor cabang PT TKTW /Sales, building rent for branch offices PT TKTW
PT Tanrise Indonesia	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan/Sales
PT Sariguna Primatirta	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan/Sales
PT Kencana Lintasindo International	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pemasok produk perawatan rumah untuk PT TKTW dan akrual pendapatan promosi/Sales, home care supplier for PT TKTW and promotion accrued revenue
PT Wahana Lentera Raya	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pemasok mebel untuk PT TKTW, akrual pendapatan promosi dan pendapatan diterima dimuka/Sales, furniture supplier for PT TKTW, promotion accrued revenue and unearned revenue

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Group entered into trade and other transactions with related parties, which are affiliated with the Group through equity ownership, either direct or indirect, and/or under common control entity. Sales or purchase prices among related parties are made based on terms agreed by the parties.

The details of related parties, nature of relationship and types of significant transactions with related parties are as follows:

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

6. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Rincian pihak berelasi, sifat hubungan dan jenis transaksi yang signifikan dengan pihak-pihak berelasi adalah sebagai berikut: (lanjutan)

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

The details of related parties, nature of relationship and types of significant transactions with related parties are as follows: (continued)

Pihak-pihak berelasi/ Related parties	Sifat hubungan/Nature of relationship	Jenis transaksi/ Nature of transactions
PT Avian Superadhesive Indonesia	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Sewa gedung pabrik/Factory building rent
PT Bira Industri Rejeki Agung	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Sewa ruangan kantor/Office space rent
PT Megadepo Indonesia	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pembelian alat-alat dan bahan bangunan/Sales, purchases of tools and building materials
PT Caturkarda Depo Bangunan	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Penjualan, pembelian alat-alat dan bahan bangunan/Sales, purchases of tools and building materials
PT Sentralsari Primasentosa	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/Have the same key management personnel and under common control entity	Pembelian barang operasional kantor/Purchases of office operational goods
PT Baniran Alumina Cempaga	Dalam entitas sepengendali/Under common control entity	Sewa gedung kantor/Office building rent
PT Wita Indo Talisayan	Dalam entitas sepengendali/Under common control entity	Sewa gedung kantor/Office building rent
PT Umaq Tukung Mandiri Utama	Dalam entitas sepengendali/Under common control entity	Sewa gedung kantor/Office building rent
PT Tancorp Abadi Nusantara	Dalam entitas sepengendali/Under common control entity	Jasa pelatihan/Training services
PT De Vasa Indonesia	Dalam entitas sepengendali/Under common control entity	Layanan perhotelan/Hospitality services
PT Wita Internasional Bisnis Artisan	Dalam entitas sepengendali/Under common control entity	Sewa gedung kantor/Office building rent
PT Sarana Daya Hutama	Dalam entitas sepengendali/Under common control entity	Sewa gedung kantor/Office building rent
PT Wahana Lancar Rejeki	Pemegang saham Perusahaan/The Company's Shareholder	Dividen/Dividend
PT Tancorp Surya Sentosa	Pemegang saham Perusahaan/The Company's Shareholder	Dividen/Dividend
PT Bangun Bersama Solusindo	Investasi pada ventura bersama/Investment in joint venture	Utang setoran modal/Paid-in capital payables

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

6. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Rincian transaksi dan saldo dengan pihak berelasi adalah sebagai berikut:

a. Transaksi usaha dengan pihak berelasi

	Penjualan kepada pihak berelasi/ Sales to related parties	Pembelian dari pihak berelasi/ Purchases from related parties	Piutang usaha/ Trade receivables	Utang usaha/ Trade payables
31 Desember 2021/ December 31, 2021				
PT Caturkarda Depo Bangunan	18.517.149.353	-	4.763.727.329	-
PT Megadepo Indonesia	14.540.908.539	-	3.497.125.887	-
PT Avia Avian Industri Pipa	679.180.172	912.731.379.495	8.953.816	171.707.325.445
PT Mitra Mulia Makmur	421.591.364	312.337.695.805	18.150.000	59.482.601.691
PT Wahana Lentera Raya	138.992.884	231.189.724.673	32.259.810	41.126.902.870
PT Panca Kalsiumindo Perkasa	71.328.194	24.771.637.911	64.874.400	1.736.686.491
PT Kencana Lintasindo Internasional	2.632.098	96.834.903.422	-	17.353.763.589
PT Bangun Bersama Solusindo	5.816.979.581	9.539.990.460	6.398.677.539	662.727.162
Lain-lain (dibawah Rp1 miliar)/ Others (below Rp1 billion)	1.643.429.547	131.964.550	705.016.783	-
Total	41.832.191.732	1.587.537.296.316	15.488.785.564	292.070.007.248

	Penjualan kepada pihak berelasi/ Sales to related parties	Pembelian dari pihak berelasi/ Purchases from related parties	Piutang usaha/ Trade receivables	Utang usaha/ Trade payables
31 Desember 2020/ December 31, 2020				
PT Caturkarda Depo Bangunan	18.181.613.723	-	2.606.718.127	-
PT Megadepo Indonesia	16.313.838.731	-	4.394.275.542	-
PT Avia Avian Industri Pipa	150.195.419	742.173.535.060	3.849.206	147.436.043.418
PT Mitra Mulia Makmur	138.231.929	269.210.136.726	30.248.512	39.255.734.129
PT Wahana Lentera Raya	126.043.303	220.476.499.185	-	36.497.241.949
PT Panca Kalsiumindo Perkasa	59.565.262	9.635.505.760	4.008.413	1.764.071.056
PT Kencana Lintasindo Internasional	90.909	79.444.674.474	217.719.031	16.673.208.298
Lain-lain (dibawah Rp1 miliar)/ Others (below Rp1 billion)	2.137.944.578	1.277.447.297	880.144.826	-
Total	37.107.523.854	1.322.217.798.502	8.136.963.657	241.626.298.850

Penjualan kepada pihak berelasi masing-masing sebesar 0,62% dan 0,65% dari total penjualan neto pada tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020.

Pembelian dari pihak berelasi masing-masing sebesar 43,19% dan 37,36% dari total pembelian pada tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020.

Piutang usaha dari pihak berelasi masing-masing sebesar 0,14% dan 0,14% dari total aset pada tanggal 31 Desember 2021 dan 2020.

Sales to related parties represent 0.62% and 0.65%, respectively, from total net sales for the year ended December 31, 2021 and 2020.

Purchase from related parties represent 43.19% and 37.36% respectively, from total purchase for the year ended December 31, 2021 and 2020.

Trade receivables from related parties represent 0.14% and 0.14%, respectively, from total assets as of December 31, 2021 and 2020.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

6. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

a. Transaksi usaha dengan pihak berelasi (lanjutan)

Utang usaha kepada pihak berelasi masing-masing sebesar 20,03% dan 20,37% dari total liabilitas pada tanggal 31 Desember 2021 dan 2020.

b. Transaksi lainnya dengan pihak berelasi

	Piutang lain-lain/ Other receivables	Uang muka pemasok/ Advance to suppliers	Utang lain-lain/ Other payables	Pendapatan diterima dimuka/ Unearned revenue
31 Desember 2021/ December 31, 2021				
PT Avia Avian Industri Pipa	21.441.555.730	-	2.835.165	172.480.201
PT Wahana Lentera Raya	4.199.774.990	-	7.868.300	742.749.810
PT Panca Kalsiumindo Perkasa	-	1.790.596.473	-	-
PT Bangun Bersama Solusindo	941.691.148	-	14.250.000.000	-
Lain-lain (dibawah Rp1 miliar)/ Others (below Rp1 billion)	1.182.322.732	-	113.656.991	893.748.930
Total	27.765.344.600	1.790.596.473	14.374.360.456	1.808.978.941
	Piutang lain-lain/ Other receivables	Uang muka pemasok/ Advance to suppliers	Utang lain-lain/ Other payables	Pendapatan diterima dimuka/ Unearned revenue
31 Desember 2020/ December 31, 2020				
PT Avia Avian Industri Pipa	32.132.524.594	-	-	172.389.608
PT Wahana Lentera Raya	1.758.554.444	-	568.200	742.290.453
Lain-lain (dibawah Rp1 miliar)/ Others (below Rp1 billion)	279.066.070	-	600.852.431	912.940.557
Total	34.170.145.108	-	601.420.631	1.827.620.618

Piutang lain-lain dari pihak berelasi masing-masing sebesar 0,26% dan 0,58% dari total aset pada tanggal 31 Desember 2021 dan 2020.

Uang muka pemasok dari pihak berelasi masing-masing sebesar 0,02% dan 0,00% dari total aset pada tanggal dan 31 Desember 2021 dan 2020.

Utang lain-lain kepada pihak berelasi masing-masing sebesar 0,99% dan 0,05% dari total liabilitas pada tanggal 31 Desember 2021 dan 2020.

Pendapatan diterima dimuka dari pihak berelasi masing-masing sebesar 0,12% dan 0,15% dari total liabilitas pada tanggal 31 Desember 2021 dan 2020.

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

a. Trade transactions with related parties (continued)

Trade payables to related parties represent 20.03% and 20.37%, respectively, from total liabilities as of December 31, 2021 and 2020.

b. Other transactions with related parties

Other receivables from related parties represent 0.26% and 0.58%, respectively, from total assets as of December 31, 2021 and 2020.

Advance to suppliers from related parties represent 0.02% and 0.00%, respectively, from total assets as of December 31, 2021 and 2020.

Other payables to related parties represent 0.99% and 0.05%, respectively, from total liabilities as of December 31, 2021 and 2020.

Unearned revenue from related parties represent 0.12% and 0.15%, respectively, from total liabilities as of December 31, 2021 and 2020.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

7. PIUTANG LAIN-LAIN

7. OTHER RECEIVABLES

	31 Desember/December 31,		
	2021	2020	
Pihak berelasi (Catatan 6)	27.765.344.600	34.170.145.108	Related parties (Note 6)
Pihak ketiga			Third parties
Piutang bunga investasi pada surat utang negara	71.129.854.648	3.130.244.228	Interest receivables of investment in government bonds
Lain-lain	9.342.233.757	8.319.718.021	Others
Total	108.237.433.005	45.620.107.357	Total

8. PERSEDIAAN, NETO

8. INVENTORIES, NET

	31 Desember/December 31,		
	2021	2020	
Barang jadi	926.651.362.871	719.001.680.011	Finished goods
Bahan baku	348.106.643.541	190.995.730.698	Raw materials
Barang dalam proses	45.828.131.558	23.224.057.656	Work in process
Bahan pembantu	40.341.209.996	25.768.633.927	Supplies
Barang promosi	12.377.337.864	24.175.138.166	Promotional goods
Suku cadang	5.279.481.762	5.348.683.768	Spareparts
Persediaan dalam perjalanan	92.647.243.548	41.658.981.597	Inventories in transit
Penyisihan penurunan nilai persediaan	(24.877.966.908)	(23.018.470.060)	Allowance for decline in value of inventories
Total	1.446.353.444.232	1.007.154.435.763	Total

Mutasi penyisihan penurunan nilai persediaan adalah sebagai berikut:

Movements in the allowance for the decline in value of inventories are as follows:

	31 Desember/December 31,		
	2021	2020	
Saldo awal	23.018.470.060	-	Beginning balance
Penambahan pada tahun berjalan	1.859.496.848	23.018.470.060	Addition during the year
Saldo akhir	24.877.966.908	23.018.470.060	Ending balance

Berdasarkan penelaahan atas kondisi dan tingkat perputaran persediaan, manajemen Kelompok Usaha berkeyakinan bahwa penyisihan penurunan nilai persediaan tersebut cukup untuk menutup kemungkinan kerugian dari penurunan nilai persediaan.

Based on the review of the condition and turnover of the inventory items, the Group's management believes that the allowance for the decline in value of inventories is adequate to cover any possible losses from the decrease in value of inventories.

Pada tanggal 31 Desember 2021 dan 2020, seluruh persediaan dijaminkan atas fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk. dengan perjanjian fidusia terhadap persediaan dan piutang usaha senilai Rp1.056.000.000.000 (Catatan 34).

As of December 31, 2021 and 2020, all inventories are pledged as collateral for the loan facility from PT Bank Mandiri (Persero) Tbk. with fiduciary agreement over inventories and trade receivables totaling Rp1,056,000,000,000 (Notes 34).

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

8. PERSEDIAAN, NETO (lanjutan)

Persediaan diasuransikan terhadap risiko kerugian kebakaran atau pencurian dan risiko lainnya berdasarkan suatu paket polis dengan nilai pertanggungan sebesar AS\$43 juta dan Rp912 miliar pada tanggal 31 Desember 2021, AS\$43 juta dan Rp886 miliar pada tanggal 31 Desember 2020, yang menurut pendapat manajemen cukup untuk menutup kemungkinan kerugian atas risiko-risiko tersebut.

8. INVENTORIES, NET (continued)

Inventories are covered against losses from fire or theft and other risks under blanket amounting to US\$43 million and Rp912 billion as of December 31, 2021, US\$43 million and Rp886 billion as of December 31, 2020, respectively, which in management's opinion are adequate to cover any possible losses arising from such risks.

9. BEBAN DIBAYAR DI MUKA

9. PREPAID EXPENSES

		31 Desember/December 31,		
		2021	2020	
Sewa		4.516.211.975	4.691.984.167	Rent
Asuransi		5.240.700.966	8.253.737.738	Insurance
Iklan		143.666.669	3.619.914.422	Advertisement
Lain-lain		1.396.846.056	696.767.992	Others
Total		11.297.425.666	17.262.404.319	Total

10. INVESTASI PADA SURAT UTANG NEGARA

10. INVESTMENT IN GOVERNMENT BONDS

	31 Desember 2021/ December 31, 2021		31 Desember 2020/ December 31, 2020		
	Nilai nominal/ Nominal value	Nilai wajar/ Fair value	Nilai nominal/ Nominal value	Nilai wajar/ Fair value	
Aset keuangan pada nilai wajar melalui OCI (instrumen utang) Surat Utang Negara (SUN) - tersedia untuk dijual					Financial assets at fair value through OCI (debt instruments) Government Bonds (SUN) - available for sale
FR0087	1.509.000.000.000	1.518.899.981.940	51.875.000.000	52.286.267.000	FR0087
FR0091	550.000.000.000	554.898.500.000	-	-	FR0091
FR0081	400.000.000.000	422.200.000.000	-	-	FR0081
FR0086	400.000.000.000	405.815.746.000	-	-	FR0086
FR0082	394.000.000.000	425.382.764.600	-	-	FR0082
FR0064	366.000.000.000	372.771.000.000	-	-	FR0064
FR0092	250.000.000.000	255.788.125.000	-	-	FR0092
FR0065	235.000.000.000	236.553.375.000	125.770.000.000	132.165.150.000	FR0065
FR0080	172.000.000.000	180.541.932.000	50.650.001.025	55.151.132.000	FR0080
FR0078	100.000.000.000	112.150.000.000	-	-	FR0078
FR0059	100.000.000.000	107.300.000.000	-	-	FR0059
FR0076	65.000.000.000	67.001.152.400	96.825.000.000	100.079.393.500	FR0076
FR0074	55.000.000.000	58.438.156.700	56.100.000.000	59.640.006.250	FR0074
FR0088	50.000.000.000	49.975.000.000	-	-	FR0088
FR0075	40.000.000.000	41.667.418.800	40.460.000.000	43.164.960.000	FR0075
FR0083	30.000.000.000	31.296.860.400	30.360.000.000	33.128.592.300	FR0083
Total	4.716.000.000.000	4.840.680.012.840	452.040.001.025	475.615.501.050	Total

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

10. INVESTASI PADA SURAT UTANG NEGARA (lanjutan)

Berikut adalah mutasi investasi pada surat utang negara:

	31 Desember/December 31,	
	2021	2020
Saldo awal	475.615.501.050	-
Penambahan	4.977.962.336.948	452.040.001.025
Penjualan	(588.252.000.000)	-
Perubahan nilai wajar	(24.645.825.158)	23.575.500.025
Saldo akhir	4.840.680.012.840	475.615.501.050

Perubahan nilai wajar tahun berjalan dicatat sebagai bagian dari "Penghasilan komprehensif lain yang akan direklasifikasi ke laba rugi periode berikutnya" pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Perubahan nilai wajar investasi pada surat utang negara selama tahun berjalan adalah sebagai berikut:

	31 Desember/December 31,	
	2021	2020
Saldo awal	18.388.890.019	-
Perubahan nilai selama tahun berjalan	(19.223.743.623)	18.388.890.019
Saldo akhir	(834.853.604)	18.388.890.019

SUN diterbitkan oleh Pemerintah Republik Indonesia dengan tingkat suku bunga tetap antara 5,5% sampai dengan 8,25% per tahun dan akan jatuh tempo pada berbagai tanggal antara tanggal 15 Juni 2025 sampai dengan 15 Mei 2048.

Bunga atas SUN ini akan diterima setiap 6 (enam) bulan sekali.

10. INVESTMENT IN GOVERNMENT BONDS (continued)

The following are changes in investment in government bonds:

	31 Desember/December 31,	
	2021	2020
Beginning balance	475.615.501.050	-
Addition	4.977.962.336.948	452.040.001.025
Deduction	(588.252.000.000)	-
Changes in fair value	(24.645.825.158)	23.575.500.025
Ending balance	4.840.680.012.840	475.615.501.050

Changes in fair value for the year is recorded as part of "Other comprehensive income that will be reclassified to profit or loss in subsequent periods" in the consolidated statement of profit or loss and other comprehensive income.

The Changes in fair value of investment in government bonds during the year is as follows:

	31 Desember/December 31,	
	2021	2020
Beginning balance	18.388.890.019	-
Changes in fair value during the year	(19.223.743.623)	18.388.890.019
Ending balance	(834.853.604)	18.388.890.019

SUN issued by the Government of the Republic of Indonesia bears fixed interest rates ranging from 5.5% to 8.25% per annum and will be due on various dates from June 15, 2025 to May 15, 2048.

Interest of the SUN will be received every 6 (six) months.

11. UANG MUKA DAN ASET TIDAK LANCAR LAINNYA

Uang muka pemasok

Uang muka pemasok merupakan uang muka pembelian bahan baku dan suku cadang lokal dan impor. Saldo pada tanggal 31 Desember 2021 dan 2020 masing-masing sebesar Rp6.875.167.687 dan Rp7.741.741.855.

11. ADVANCES AND OTHER NON-CURRENT ASSETS

Advance from supplier

Advance from supplier represent advance for local and import of raw materials and spareparts. Balance as of December 31, 2021 and 2020 amounted to Rp6,875,167,687 and Rp7,741,741,855, respectively.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

11. UANG MUKA DAN ASET TIDAK LANCAR LAINNYA (lanjutan)

Uang muka pembelian aset tetap

Pada tanggal 31 Desember 2021 dan 2020 uang muka pembelian aset tetap terdiri dari:

	31 Desember/December 31,	
	2021	2020
Bangunan	3.017.887.084	3.828.511.044
Mesin	1.745.400.000	2.933.286.636
Instalasi	470.126.230	867.899.507
Total	5.233.413.314	7.629.697.187

11. ADVANCES AND OTHER NON-CURRENT ASSETS (continued)

Advance payment for purchase of fixed assets

As of December 31, 2021 and 2020, advances payment for purchase of fixed assets represent:

*Buildings
Machineries
Installations*

Total

12. PROPERTI INVESTASI

12. INVESTMENT PROPERTIES

	31 Desember/December 31,	
	2021	2020
Saldo awal	282.846.135.094	282.846.135.094
Perubahan nilai wajar (Catatan 26)	12.794.361.004	-
Saldo akhir	295.640.496.098	282.846.135.094

*Beginning balance
Changes in fair value (Note 26)*

Ending balance

Properti investasi berupa bangunan dan prasarana yang merupakan gedung perkantoran yang terletak di Jl. Ahmad Yani No. 317, Dukuh Menanggal, Gayungan, Surabaya, Jawa Timur, serta tanah yang terletak di Makassar seluas 175.798 m² yang dimiliki sendiri oleh Kelompok Usaha. Bangunan dan prasarana yang merupakan gedung perkantoran disewakan kepada pihak-pihak berelasi, sedangkan manajemen belum menentukan tujuan penggunaan tanah dan diperkirakan nilai perolehan akan terus bertambah sehubungan keluarnya biaya untuk pengembangan dan pengolahan tanah.

Harga perolehan properti investasi pada tanggal pada 31 Desember 2021 dan 2020 masing-masing sebesar Rp48.341.728.932.

Kelompok Usaha mengadopsi penilaian properti investasi berdasarkan nilai wajar. Nilai wajar properti investasi pada tanggal 31 Desember 2021 dan 2020 masing-masing sebesar Rp295.640.496.098 dan Rp282.846.135.094.

Investment properties are buildings and improvements which represent office building located on Jl. Ahmad Yani No. 317, Dukuh Menanggal, Gayungan, Surabaya, Jawa Timur, and land located in Makassar covering an area of 175,798 m² that is owned by the Group. Buildings and improvements which represent office building are rented to related parties, while management has not yet determined the intended use of the land and it is estimated that the cost will constantly increase due to the expenditure for land's development and maintenance.

The acquisition cost of investment properties as of December 31, 2021 and 2020 amounted to Rp48,341,728,932, respectively.

The Group adopted measurement of investment property based on fair value. Fair value of investment property land as of December 31, 2021 and 2020 amounted to Rp295,640,496,098, and Rp282,846,135,094, respectively.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

12. PROPERTI INVESTASI (lanjutan)

Nilai wajar properti investasi didasarkan pada penilaian yang dilakukan oleh penilai independen, Kantor Jasa Penilai Publik Suhartanto Budhihardjo dan Rekan melalui Laporan No. 00007/2.0079-00/PI/04/0118/1/II/2022 tanggal 13 Januari 2022, dan No. 00037/2.0079-00/PI/05/0118/1/II/2022 tanggal 21 Februari 2022 untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan Laporan No. 0021/2.0079-00/PI/04/0118/1/II/2021 tanggal 11 Februari 2021 untuk tahun yang berakhir pada tanggal 31 Desember 2020.

Metode penilaian sesuai dengan yang direkomendasikan oleh Standar Penilaian Indonesia dan Pedoman Penilaian dan Penyajian Laporan Penilaian Properti di Pasar Modal telah diterapkan.

12. INVESTMENT PROPERTIES (continued)

The fair values of the properties are based on valuations performed by independent appraisals, Kantor Jasa Penilai Publik Suhartanto Budhihardjo dan Rekan through its reports No. 00007/2.0079-00/PI/04/0118/1/II/2022 dated January 13, 2022 and No. 00037/2.0079-00/PI/05/0118/1/II/2022 dated February 21, 2022 for the year ended December 31, 2021 and report No. 0021/2.0079-00/PI/04/0118/1/II/2021 dated February 11, 2021 for the year ended December 31, 2020.

A valuation method in accordance with that recommended by the Indonesian Valuation Standards and Guidelines for Valuation and Presentation of Property Valuation Reports in the Capital Market have been applied.

	31 Desember/December 31,		
	2021	2020	
Pendapatan sewa berasal dari properti investasi	3.004.711.844	3.269.830.389	Rental income derived from investment properties
Biaya operasi langsung (termasuk perbaikan dan pemeliharaan)	(2.200.044.003)	(3.070.040.031)	Direct operating expenses (including repairs and maintenance) generating rental income
Laba yang timbul dari properti investasi dicatat pada nilai wajar	804.667.841	199.790.358	Profit arising from investment property carried at fair value

Kelompok Usaha tidak memiliki pembatasan kemampuan untuk merealisasi properti investasinya dan tidak memiliki kewajiban kontraktual untuk membeli, membangun atau mengembangkan atau untuk memperbaiki, memelihara, dan meningkatkan kondisi properti investasi.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

Pengukuran nilai wajar atas properti investasi menggunakan Level 2 hierarki nilai wajar, dimana level input terendah yang signifikan terhadap pengukuran nilai wajar adalah dapat diobservasi secara langsung atau tidak langsung.

The fair value measurement of such investment properties uses Level 2 of fair value hierarchy, whereby the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Penilaian atas properti investasi tanah dilakukan dengan pendekatan pasar, sedangkan properti investasi bangunan dilakukan dengan pendekatan pendapatan (metode diskonto arus kas).

The valuation of investment property land is carried out using a market approach, while investment property building is carried out using an income approach (discounted cash flow method).

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

13. ASET TETAP, NETO

13. FIXED ASSETS, NET

	Saldo 1 Januari 2021 *) Balance as of January 1, 2021 *)	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Revaluasi/ Revaluation	Saldo 31 Desember 2021/ Balance as of December 31, 2021	Cost
Harga Perolehan							Direct ownership
<u>Kepemilikan langsung</u>							<u>Land</u>
Tanah	517.072.361.246	10.193.873.754	-	-	110.165.000	527.376.400.000	Buildings and improvements
Bangunan dan prasarana	343.236.804.506	2.840.869.929	-	4.468.494.351	-	350.546.168.786	Machinery and equipment
Mesin dan peralatan	691.801.804.648	8.679.645.125	(269.500.615)	12.854.599.159	-	713.066.548.317	Installations
Instalasi	94.890.203.158	3.278.690.978	-	2.786.708.475	-	100.955.602.611	Vehicles
Kendaraan	272.601.448.223	46.644.183.788	(37.020.304.567)	-	-	282.225.327.444	Office supplies
Peralatan kantor	147.062.699.542	26.597.142.149	(1.604.212.346)	868.576.026	-	172.924.205.371	
Subtotal	2.066.665.321.323	98.234.405.723	(38.894.017.528)	20.978.378.011	110.165.000	2.147.094.252.529	Subtotal
Aset tetap dalam pembangunan	32.530.734.872	55.587.874.076	-	(20.978.378.011)	-	67.140.230.937	Assets under construction
	2.099.196.056.195	153.822.279.799	(38.894.017.528)	-	110.165.000	2.214.234.483.466	
Akumulasi penyusutan							Accumulated depreciation
<u>Kepemilikan langsung</u>							<u>Direct ownership</u>
Bangunan dan prasarana	59.291.675.669	10.975.690.362	-	-	-	70.267.366.031	Buildings and improvements
Mesin dan peralatan	260.751.608.359	50.929.837.802	(1.340.430)	-	-	311.680.105.731	Machinery and equipment
Instalasi	19.648.794.244	8.470.183.158	-	-	-	28.118.977.402	Installations
Kendaraan	141.361.225.207	32.256.479.561	(31.347.391.936)	-	-	142.270.312.832	Vehicles
Peralatan kantor	88.674.427.855	22.727.618.640	(727.948.899)	-	-	110.674.097.596	Office supplies
Subtotal	569.727.731.334	125.359.809.523	(32.076.681.265)	-	-	663.010.859.592	Subtotal
Nilai buku	1.529.468.324.861					1.551.223.623.874	Net book value

*) Saldo awal termasuk saldo PT MPI, entitas anak dengan nilai buku neto sebesar Rp5.568.434.638 (harga perolehan sebesar Rp10.876.251.297 dan akumulasi penyusutan sebesar Rp5.307.816.659).

*) Beginning balance included balance of PT MPI, a subsidiary with net book value amounting to Rp5,568,434,638 (Acquisition cost amounting to Rp10,876,251,297 and accumulated depreciation amounting to Rp5,307,816,659).

	Saldo 1 Januari 2020/ Balance as of January 1, 2020	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo 31 Desember 2020/ Balance as of December 31, 2020	Cost
Harga Perolehan							Direct ownership
<u>Kepemilikan langsung</u>							<u>Land</u>
Tanah	514.400.635.000	-	-	-	-	514.400.635.000	Buildings and improvements
Bangunan dan prasarana	297.615.481.072	-	-	40.794.893.927	-	338.410.374.999	Machinery and equipment
Mesin dan peralatan	632.316.575.110	13.811.661.705	(262.985.941)	44.131.269.448	-	689.996.520.322	Installations
Instalasi	71.454.026.143	2.757.900.100	-	20.468.805.768	-	94.680.732.011	Vehicles
Kendaraan	280.594.952.599	14.973.766.437	(23.885.039.909)	370.000.000	-	272.053.679.127	Office supplies
Peralatan kantor	119.616.328.381	18.771.014.065	(982.623.319)	8.842.409.440	-	146.247.128.567	
Subtotal	1.915.997.998.305	50.314.342.307	(25.130.649.169)	114.607.378.583	-	2.055.789.070.026	Subtotal
Aset tetap dalam pembangunan	48.466.081.979	98.672.031.476	-	(114.607.378.583)	-	32.530.734.872	Assets under construction
	1.964.464.080.284	148.986.373.783	(25.130.649.169)	-	-	2.088.319.804.898	
Akumulasi penyusutan							Accumulated depreciation
<u>Kepemilikan langsung</u>							<u>Direct ownership</u>
Bangunan dan prasarana	46.953.476.241	9.599.357.262	-	-	-	56.552.833.503	Buildings and improvements
Mesin dan peralatan	211.487.181.982	48.142.684.470	(152.237.212)	-	-	259.477.629.240	Machinery and equipment
Instalasi	12.079.220.156	7.361.561.283	-	-	-	19.440.781.439	Installations
Kendaraan	124.696.011.462	33.436.092.062	(17.145.512.603)	-	-	140.986.590.921	Vehicles
Peralatan kantor	69.444.696.570	19.277.140.604	(759.757.602)	-	-	87.962.079.572	Office supplies
Subtotal	464.660.586.411	117.816.835.681	(18.057.507.417)	-	-	564.419.914.675	Subtotal
Nilai buku	1.499.803.493.873					1.523.899.890.223	Net book value

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

13. ASET TETAP, NETO (lanjutan)

Beban penyusutan dibebankan sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Beban pabrikasi (Catatan 25)	25.872.095.404	21.536.161.916
Beban penjualan (Catatan 26)	63.533.251.900	63.847.426.675
Beban umum dan administrasi (Catatan 26)	35.954.462.219	32.433.247.090
Total	125.359.809.523	117.816.835.681

Nilai perolehan dari setiap aset tetap yang telah disusutkan penuh namun masih digunakan pada 31 Desember 2021 dan 2020 masing-masing sebesar Rp98.583.532.883 dan Rp71.953.853.075, terdiri atas mesin dan peralatan, instalasi dan peralatan kantor.

Rincian pelepasan aset tetap adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Hasil penjualan aset tetap	11.650.517.640	7.967.572.198
Nilai buku	(6.817.336.263)	(7.073.141.752)
Keuntungan pelepasan aset tetap (Catatan 26)	4.833.181.377	894.430.446

Aset tetap dalam pembangunan merupakan proyek yang masih belum selesai pada tanggal penerbitan kembali laporan keuangan konsolidasian dengan rincian sebagai berikut:

	Perkiraan % penyelesaian/ Estimated % of completion	
	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Bangunan dan prasarana	58%	36%
Mesin dan peralatan	60%	33%
Instalasi	70%	5%

Aset tetap dalam pembangunan pada tanggal 31 Desember 2021 dan 2020 diperkirakan akan selesai pada tahun 2022.

13. FIXED ASSETS, NET (continued)

The depreciation expenses were charged to the following:

Factory overhead (Note 25)
Selling expenses (Note 26)
General and administrative expenses
(Note 26)

Total

The costs of fixed assets that have been fully depreciated but still being utilised as of December 31, 2021 and 2020 are Rp98,583,532,883 and Rp71,953,853,075, respectively, consisting of machinery and equipment, installations and office supplies.

The details of disposal of fixed assets are as follows:

Proceeds from sales of fixed assets
Net book value

**Gain on disposal of fixed assets
(Note 26)**

Assets under construction represents projects that have not been completed at the date of the reissuance consolidated financial statements with the details as follows:

Buildings and improvements
Machinery and equipment
Installations

The estimation of completing assets under construction as of December 31, 2021 and 2020 will be in 2022.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

13. ASET TETAP, NETO (lanjutan)

Tidak ada perbedaan yang signifikan antara nilai wajar dan nilai tercatat dari aset tetap Kelompok Usaha.

Perusahaan memiliki beberapa bidang tanah dengan rincian sebagai berikut:

Lokasi/ Location	Luasan/ Area	Penggunaan lahan/ Land utilization
Sidoarjo	105.121 m ²	Pabrik/ Factory
Serang	36.880 m ²	Pabrik/ Factory
Medan	22.652 m ²	Pabrik/ Factory
Cirebon	110.211 m ²	Proyek pabrik baru/ New factory project

Hak atas tanah Grup berupa Sertifikat Hak Guna Bangunan ("SHGB") yang memiliki masa berlaku antara tahun 2026 hingga 2049. Manajemen berpendapat bahwa SHGB tersebut dapat diperpanjang.

Tanah diukur dengan metode revaluasi. Pengukuran nilai wajar dilakukan oleh Kantor Jasa Penilai Publik ("KJPP") Iskandar dan Rekan, selaku penilai independen, dalam laporannya No. 00262/2.0118-00/PI/04/0463/I/VI/2021 tanggal 5 Juli 2021 dan oleh Kantor Jasa Penilai Publik ("KJPP") Suhartanto Budhihardjo dan Rekan, selaku penilai independen, dalam laporannya No. 00133/2.0079-00/PI/04/0118/I/VI/2021 bertanggal 25 Juni 2021, No. 00134/2.0079-00/PI/04/0118/I/VI/2021 bertanggal 25 Juni 2021, dan No. 00132/2.0079-00/PI/04/0118/I/VI/2021 bertanggal 25 Juni 2021.

Perubahan surplus revaluasi aset tetap selama tahun berjalan adalah sebagai berikut:

	31 Desember/December 31,		
	2021	2020	
Saldo awal	213.438.215.600	213.438.215.600	Beginning balance
Penambahan selama tahun berjalan	110.165.000	-	Addition during the year
Saldo akhir	213.548.380.600	213.438.215.600	Ending balance

Harga perolehan aset tetap-tanah pada tanggal 31 Desember 2021 dan 2020 masing-masing sebesar Rp300.962.419.400.

Nilai wajar dari hak atas tanah dihitung dengan menggunakan pendekatan perbandingan harga pasar. Harga pasar tanah yang paling mendekati disesuaikan dengan perbedaan atribut utama seperti ukuran aset, lokasi dan penggunaan aset.

13. FIXED ASSETS, NET (continued)

There is no significant difference between the fair value and carrying value of the Group's fixed assets.

The Company has land properties with the details as follows:

The Group's land represents land-use rights ("SHGB") that will expire between 2026 until 2049. Management believes that the SHGB are extendable.

Land is measured using revaluation model. The re-measurement of fair value was carried out by the Public Appraisal Service Office ("KJPP") Iskandar dan Rekan, as independent appraiser, in its report No. 00262/2.0118-00/PI/04/0463/I/VI/2021 dated July 5, 2021 and by the Public Appraisal Service Office ("KJPP") Suhartanto Budhihardjo dan Rekan, as independent appraiser, in its reports No. 00133/2.0079-00/PI/04/0118/I/VI/2021 dated June 25, 2021, No. 00134/2.0079-00/PI/04/0118/I/VI/2021 dated June 25, 2021, and No. 00132/2.0079-00/PI/04/0118/I/VI/2021 dated June 25, 2021.

The movement of the revaluation surplus of fixed assets during the year is as follows:

The acquisition cost of fixed assets-land as of December 31, 2021 and 2020 amounted to Rp300,962,419,400, respectively.

Fair value of landrights is calculated using market price comparison approach. The closest market price of the landrights is adjusted with primary attributes differences such as assets size, location and usage of assets.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

13. ASET TETAP, NETO (lanjutan)

Pada tanggal 31 Desember 2021 dan 2020, aset tetap tertentu dijaminkan atas fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk. dengan perjanjian fidusia dan perjanjian Hak Tanggungan terhadap aset tetap tertentu masing-masing senilai Rp686.774.900.000 dan Rp608.821.900.000 (Catatan 34).

Aset tetap, kecuali tanah, diasuransikan terhadap risiko kerugian kebakaran dan risiko lain berdasarkan suatu paket polis dengan nilai pertanggungan masing-masing sebesar AS\$43 juta dan Rp1,4 triliun pada tanggal 31 Desember 2021 dan AS\$38 juta dan Rp1,3 triliun pada tanggal 31 Desember 2020, dimana manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas risiko-risiko tersebut.

Berdasarkan evaluasi yang dilakukan manajemen, tidak terdapat kejadian atau perubahan atas keadaan yang menunjukkan adanya penurunan nilai aset tetap pada tanggal 31 Desember 2021 dan 2020.

Pada tanggal 31 Desember 2021 dan 2020 tidak ada aset tetap yang tidak digunakan.

13. FIXED ASSETS, NET (continued)

As of December 31, 2021 and 2020, certain fixed assets are pledged as collateral for the loans facility from PT Bank Mandiri (Persero) Tbk. with fiduciary and mortgage agreements over certain fixed assets amounting to Rp686,774,900,000 and Rp608,821,900,000, respectively (Note 34).

Fixed assets, except for land, are covered against losses from fire and other risks under blanket policies amounting to US\$43 million and Rp1.4 trillion as of December 31, 2021 and amounting to US\$38 million and Rp1.3 trillion as of December 31, 2020, respectively, which in management's opinion that the sum insured is adequate to cover any possible losses arising from such risks.

Based on management's evaluation, there were no events or changes in circumstances which might indicate an impairment in the value of fixed assets as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020 there is no idle fixed assets.

14. UTANG USAHA

14. TRADE PAYABLES

	31 Desember/December 31,		
	2021	2020	
Pihak berelasi (Catatan 6)	292.070.007.248	241.626.298.850	Related parties (Note 6)
Pihak ketiga			Third parties
Rupiah	342.615.118.800	193.087.108.090	Rupiah
Dolar AS	134.063.311.645	54.171.883.312	US Dollar
Subtotal	476.678.430.445	247.258.991.402	Subtotal
Total	768.748.437.693	488.885.290.252	Total

Analisa umur utang usaha adalah sebagai berikut:

The aging analysis on trade payables is as follows:

	31 Desember/December 31,		
	2021	2020	
Pihak berelasi (Catatan 6)			Related parties (Note 6)
Belum jatuh tempo	291.748.148.467	240.671.121.440	Not yet due
Lewat jatuh tempo:			Overdue:
1 - 30 hari	319.340.540	955.177.410	1 - 30 days
31 - 60 hari	2.518.241	-	31 - 60 days
Total pihak berelasi	292.070.007.248	241.626.298.850	Total related parties

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

14. UTANG USAHA (lanjutan)

Analisa umur utang usaha adalah sebagai berikut:
(lanjutan)

	31 Desember/December 31,	
	2021	2020
Pihak ketiga:		
Belum jatuh tempo	472.585.354.337	237.695.256.505
Lewat jatuh tempo:		
1 - 30 hari	3.769.461.037	8.414.112.497
31 - 60 hari	47.292.969	1.149.622.400
Lebih dari 60 hari	276.322.102	-
Total pihak ketiga	476.678.430.445	247.258.991.402
Total	768.748.437.693	488.885.290.252

Utang usaha tidak dijamin, tidak dikenakan bunga, dan umumnya dikenakan syarat pembayaran 30 - 60 hari. Penjelasan mengenai proses manajemen risiko likuiditas Kelompok Usaha, lihat Catatan 32.

15. SEWA

Sebagai Penyewa

Kelompok Usaha memiliki kontrak sewa bangunan yang memiliki jangka waktu sewa antara 1 hingga 5 tahun yang digunakan dalam operasinya. Kelompok Usaha dibatasi untuk menyewakan kembali aset sewaan.

Kontrak sewa ini merupakan sewa bangunan oleh PT TKTW, entitas anak, dari PT Sarana Depo Kencana, pihak berelasi, dan dari pihak ketiga yang digunakan sebagai kantor cabang.

Kelompok Usaha juga memiliki sewa peralatan kantor dengan nilai yang rendah. Kelompok Usaha menerapkan pengecualian pengakuan dan 'sewa aset bernilai rendah' untuk sewa tersebut.

Di bawah ini adalah jumlah tercatat dari aset hak-guna yang diakui pada laporan posisi keuangan konsolidasian Kelompok Usaha dan mutasinya:

	Saldo awal 1 Januari 2021 *) Beginning balance	Penambahan/ Additions	Beban penyusutan/ Depreciation expense	Saldo akhir 31 Desember 2021/ Ending balance	
Mutasi 2021	January 1, 2021 *)			December 31, 2021	2021 Movements
Bangunan	132.345.784.454	45.441.141.951	(62.046.352.870)	115.740.573.535	Buildings

*) Saldo awal termasuk saldo PT MPI, entitas anak dengan nilai buku neto sebesar Rp660.872.049.

14. TRADE PAYABLES (continued)

The aging analysis on trade payables is as follows:
(continued)

	31 Desember/December 31,	
	2021	2020
Third parties:		
Not yet due	472.585.354.337	237.695.256.505
Overdue:		
1 - 30 days	3.769.461.037	8.414.112.497
31 - 60 days	47.292.969	1.149.622.400
Over 60 days	276.322.102	-
Total third parties	476.678.430.445	247.258.991.402
Total	768.748.437.693	488.885.290.252

Trade payables are unsecured, non-interest bearing and generally with 30-60 days term of payment. For explanations on the Group's liquidity risk management processes, refer to Note 32.

15. LEASE

As Lessee

The Group has lease contracts for buildings that have lease terms between 1 to 5 years used in its operation. The Group is restricted from assigning and subleasing the leased assets.

This lease contracts represent lease for buildings by PT TKTW, subsidiary, from PT Sarana Depo Kencana, related party, and from third parties used as branch offices.

The Group also has certain leases of office equipment with low value. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

Below are the carrying amounts of right-of-use assets recognized on the Group's consolidated statement of financial position and its movements:

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

15. SEWA (lanjutan)

Sebagai Penyewa (lanjutan)

	Saldo awal 1 Januari 2020/ Beginning balance January 1, 2020	Penambahan/ Additions	Beban penyusutan/ Depreciation expense	Saldo akhir 31 Desember 2020/ Ending balance December 31, 2020	2020 Movements
Mutasi 2020					
Bangunan	190.386.680.112	-	(58.701.767.707)	131.684.912.405	Buildings

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian:

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Beban penyusutan aset hak-guna (Catatan 26)	62.046.352.870	58.701.767.707	Depreciation of right-of-use assets (Note 26)
Beban bunga atas liabilitas sewa (Catatan 28)	8.198.773.315	9.734.247.522	Interest expense on lease liabilities (Note 28)
Total	70.245.126.185	68.436.015.229	Total

Di bawah ini adalah jumlah tercatat dari liabilitas sewa yang diakui pada laporan posisi keuangan konsolidasian Kelompok Usaha:

Below are the carrying amounts of lease liabilities recognized on the Group's consolidated statement of financial position:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Saldo awal *)	101.878.441.599	154.330.487.614	Beginning balance *)
Penambahan	3.106.018.326	-	Additions
Penambahan bunga	8.198.773.315	9.734.247.522	Accretion of interest
Pembayaran	(43.773.741.819)	(62.980.740.566)	Payments
Saldo akhir	69.409.491.421	101.083.994.570	Ending balance
Dikurangi: Bagian lancar	24.576.574.151	27.700.315.968	Less: Current maturity
Bagian tidak lancar	44.832.917.270	73.383.678.602	Non-current portion

*) Saldo awal pada tahun 2021 termasuk saldo PT MPI, entitas anak sebesar Rp794.447.029.

*) Beginning balance of 2021 included balance of PT MPI, a subsidiary amounting to Rp794,447,029.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

16. BEBAN AKRUAL

16. ACCRUED EXPENSES

	31 Desember/December 31,		
	2021	2020	
Promosi dan pemasaran	221.358.654.284	213.556.265.660	Promotion and Marketing
Gaji	36.158.816.013	34.398.036.569	Salary
Komisi	32.668.945.001	22.541.597.251	Commission
Jasa tenaga ahli	20.427.687.179	1.191.325.460	Professional fees
Asuransi	9.023.061.266	2.770.544.828	Insurance
Lain-lain (masing-masing di bawah Rp1 miliar)	3.844.108.144	3.469.833.147	Others (each below Rp1 billion)
Total	323.481.271.887	277.927.602.915	Total

17. PERPAJAKAN

17. TAXATION

a. Pajak dibayar dimuka

a. Prepaid taxes

Pajak dibayar dimuka pada tanggal 31 Desember 2021 merupakan pajak penghasilan pasal 4(2) dan pajak pertambahan nilai masing-masing sebesar Rp458.035.024 dan Rp5.596.214.189. Pada tanggal 31 Desember 2020, pajak dibayar dimuka merupakan pajak penghasilan pasal 4(2) masing-masing sebesar Rp410.424.381.

As of December 31, 2021, prepaid taxes represent income tax article 4(2) and value added tax amounting to Rp458,035,024 and Rp5,596,214,189, respectively. As of December 31, 2020, prepaid tax represents income tax article 4(2) amounting to Rp410,424,381.

b. Utang pajak

b. Taxes payable

	31 Desember/December 31,		
	2021	2020	
Perusahaan			The Company
PPN keluaran	-	12.301.905.140	VAT out
Pajak penghasilan:			Income taxes:
Pasal 4(2)	34.076.860	11.656.238	Article 4(2)
Pasal 21	2.094.850.457	1.418.221.771	Article 21
Pasal 23	8.522.371.841	467.597.838	Article 23
Pasal 25	24.100.001.530	10.349.635.001	Article 25
Pasal 29 (Catatan 17c)	68.180.409.422	123.607.829.869	Article 29 (Note 17c)
Subtotal	102.931.710.110	148.156.845.857	Subtotal
Entitas Anak			Subsidiaries
PPN keluaran	8.011.445.064	14.454.824.025	VAT out
Pajak penghasilan:			Income taxes:
Pasal 15	2.126.400	579.600	Article 15
Pasal 4(2)	6.371.116	1.308.176.010	Article 4(2)
Pasal 21	2.890.798.429	3.469.183.364	Article 21
Pasal 23	1.449.394.048	1.363.627.073	Article 23
Pasal 25	1.002.102.095	398.315.321	Article 25
Pasal 29	23.841.986.236	11.284.765.315	Article 29
Subtotal	37.204.223.388	32.279.470.708	Subtotal
Total	140.135.933.498	180.436.316.565	Total

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. PERPAJAKAN (lanjutan)

17. TAXATION (continued)

c. Beban pajak penghasilan

c. Income tax expense

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Beban pajak penghasilan berdasarkan tarif pajak berlaku	398.106.683.260	362.097.766.360	Income tax expense at applicable tax rate
Beban (manfaat) pajak tangguhan (Catatan 17d)	12.046.836.755	(7.200.695.982)	Deferred tax expense (benefit) (Note 17d)
Total beban pajak penghasilan	410.153.520.015	354.897.070.378	Total income tax expense
	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Perusahaan			The Company
Beban pajak penghasilan berdasarkan tarif pajak	295.319.564.320	289.200.018.360	Income tax expense at applicable tax rate
Beban (manfaat) pajak tangguhan	4.392.174.941	(6.476.076.446)	Deferred tax expense (benefit)
Subtotal	299.711.739.261	282.723.941.914	Subtotal
Entitas Anak			Subsidiaries
Beban pajak penghasilan berdasarkan tarif pajak	102.787.118.940	72.897.748.000	Income tax expense at applicable tax rate
Beban (manfaat) pajak tangguhan	7.654.661.814	(724.619.536)	Deferred tax expense (benefit)
Subtotal	110.441.780.754	72.173.128.464	Subtotal
Total	410.153.520.015	354.897.070.378	Total

Rekonsiliasi antara laba sebelum beban pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dengan taksiran laba kena pajak adalah sebagai berikut:

Reconciliation between income before income tax expense as shown in the consolidated statements of profit or loss and other comprehensive income and the estimated taxable income is as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Laba sebelum beban pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	1.844.704.742.711	1.491.044.899.867	Profit before income tax expense per consolidated statements of profit or loss and other comprehensive income
Eliminasi atas pembayaran dividen entitas anak kepada Perusahaan	649.999.036.403	-	Elimination of dividend payment from subsidiaries to the Company
Efek eliminasi lainnya, neto	156.182.895.239	13.561.430.851	Elimination effect, net
Dikurangi laba sebelum pajak Entitas Anak	499.571.442.248	188.428.076.304	Less profit before tax of Subsidiaries
Laba sebelum beban pajak Perusahaan	2.151.315.232.105	1.316.178.254.414	Profit before tax attributable to the Company

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. PERPAJAKAN (lanjutan)

17. TAXATION (continued)

c. Beban pajak penghasilan (lanjutan)

c. Income tax expense (continued)

Rekonsiliasi antara laba sebelum beban pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dengan taksiran laba kena pajak adalah sebagai berikut: (lanjutan)

Reconciliation between income before income tax expense as shown in the consolidated statements of profit or loss and other comprehensive income and the estimated taxable income is as follows: (continued)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Perbedaan temporer:		
Penyisihan penurunan nilai persediaan	797.529.082	23.018.470.060
Aset hak-guna	(538.869.590)	634.528.954
Penyusutan aset tetap	(16.825.662.254)	(22.603.111.031)
Imbalan kerja	(4.922.691.042)	(1.705.419.476)
Kewajiban untuk retur	557.076.036	14.777.762.290
Perbedaan tetap:		
Beban yang tidak dapat dikurangkan	(69.506.053.869)	33.201.776.014
Pendapatan yang dikenakan pajak penghasilan final	(68.515.868.037)	(48.956.723.314)
Pendapatan yang bukan merupakan objek pajak	(649.999.036.403)	-
Taksiran laba kena pajak - Perusahaan	1.342.361.656.028	1.314.545.537.911
Taksiran laba kena pajak, dibulatkan	1.342.361.656.000	1.314.545.538.000
Beban pajak kini	295.319.564.320	289.200.018.360
Dikurangi pajak dibayar muka		
Pajak penghasilan		
Pasal 22	15.336.165.035	4.744.725.982
Pasal 23	4.073.385	17.892.556
Pasal 25	211.798.916.478	160.829.569.953
Total	227.139.154.898	165.592.188.491
Taksiran utang pajak penghasilan Pasal 29 - Perusahaan (Catatan 17b)	(68.180.409.422)	(123.607.829.869)

Temporary differences:
Allowance for the decline in value of inventories
Right-of-use assets
Depreciation of fixed assets
Employee benefits
Refund liability

Permanent differences:
Non-deductible expenses

Income subject to final tax

Income not subjected to tax

Estimated taxable income - the Company

Estimated taxable income, rounded

Current tax expense

Less prepaid taxes
Income tax
Article 22
Article 23
Article 25

Total

Estimated income tax payable - Article 29 of the Company (Note 17b)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Tarif pajak penghasilan yang berlaku	22%	22%

Applicable income tax rate

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan (lanjutan)

Beban pajak penghasilan badan Kelompok Usaha yang menggunakan tarif 22% pada tahun 2021 dan 2020 sesuai dengan Peraturan Pemerintah Pengganti Undang-Undang Republik Indonesia No. 1 Tahun 2020 ("Perpu No.1/2020") yang berlaku tanggal 31 Maret 2020 serta Undang-Undang No.7 Tahun 2021 tanggal 29 Oktober 2021 tentang Harmonisasi Peraturan Perpajakan mengatur penyesuaian Tarif Pajak Penghasilan untuk wajib pajak badan dalam negeri menjadi 22%.

Laba kena pajak hasil rekonsiliasi menjadi dasar Perusahaan dalam pengisian Surat Pemberitahuan Tahunan ("SPT") PPh badan tahun 2021 dan akan dilaporkan oleh Perusahaan ke Kantor Pajak.

Laba kena pajak hasil rekonsiliasi menjadi dasar Perusahaan dalam pengisian Surat Pemberitahuan Tahunan ("SPT") PPh badan tahun 2020 dan telah dilaporkan oleh Perusahaan ke Kantor Pajak.

Rekonsiliasi antara hasil perhitungan laba sebelum beban pajak penghasilan dengan beban pajak penghasilan kini dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Laba sebelum beban pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	1.844.704.742.711	1.491.044.899.867
Pengaruh pajak atas:		
Pajak penghasilan dihitung dengan tarif pajak yang berlaku (2021 & 2020: 22%)	405.835.043.396	328.029.877.971
Beda tetap dan pembulatan	(155.215.313.646)	35.873.119.569
Pendapatan yang dikenakan pajak penghasilan final	(18.993.124.590)	(12.654.717.059)
Efek perubahan tarif pajak	942.282.143	(657.998.865)
Efek eliminasi, neto	177.584.632.712	4.306.788.762
Total beban pajak penghasilan Kelompok Usaha	410.153.520.015	354.897.070.378

17. TAXATION (continued)

c. Income tax expense (continued)

Corporate income tax expense of the Group using tax rate of 22% for 2021 and 2020 in accordance with Government Regulation in lieu of laws of the Republic of Indonesia ("Perpu No.1/2020") which was enacted on March 31, 2020 and Law No. 7 of 2021 dated October 29, 2021 regarding The Harmonization of Tax Law regulates the adjustment of the Income Tax rate for domestic corporate tax payer to 22%.

The reconciliation taxable income is the basis for the Company in filling out the annual income tax return ("SPT") for 2021 and will be reported by the Company to the Tax Office.

The reconciliation taxable income is the basis for the Company in filling out the annual income tax return ("SPT") for 2020 and have been reported by the Company to the Tax Office.

Reconciliation between the computation of income before tax expense and current income tax expense as shown in the consolidated statements of profit or loss and other comprehensive income is as follows:

Profit before income tax expense per consolidated statements of profit or loss and other comprehensive income
The tax effect on:
Income tax calculated at applicable tax rate (2021 & 2020: 22%)
Permanent difference and rounding
Income subject to final tax
Effect of changes in tax rate
Elimination effect, net
Total income tax expense the Group

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. PERPAJAKAN (lanjutan)

17. TAXATION (continued)

d. Aset (liabilitas) pajak tangguhan, neto

d. Deferred taxes assets (liabilities), net

Rincian aset dan liabilitas pajak tangguhan adalah sebagai berikut:

The details of deferred tax assets and liabilities are as follows:

	1 Januari 2021/ January 1, 2021	Efek perubahan tarif pajak/ Effect of changes in tax rates	(Dibebankan) dikreditkan ke laba rugi/ (Charged) credited to profit or loss	(Dibebankan) dikreditkan ke penghasilan komprehensif lain/ (Charged) credited to other comprehensive income	31 Desember 2021/ December 31, 2021	
Perusahaan						The Company
Liabilitas imbalan kerja	7.479.753.785	735.011.658	(1.082.992.029)	(2.206.533.578)	4.925.239.836	Employee benefits liability
Aset tetap	(27.218.494.761)	(1.706.465.056)	(3.701.645.696)	-	(32.626.605.513)	Fixed assets
Aset hak-guna	(121.317.530)	724.084.964	(118.551.310)	-	484.216.124	Right of use assets
Penyisihan penurunan nilai persediaan	4.603.694.012	460.369.401	175.456.398	-	5.239.519.811	Allowance for the decline in value of inventories
Kewajiban untuk retur	3.251.107.704	-	122.556.728	-	3.373.664.432	Refund liabilities
Surplus revaluasi investasi	(5.186.610.006)	-	-	4.342.550.685	(844.059.321)	Revaluation surplus of investment
Subtotal	(17.191.866.796)	213.000.967	(4.605.175.909)	2.136.017.107	(19.448.024.631)	Subtotal
Entitas Anak						Subsidiaries
Liabilitas imbalan kerja	9.111.273.902	818.662.752	(849.079.503)	(2.140.624.745)	6.940.232.406	Employee benefits liability
Aset tetap	(1.086.484.594)	(166.477.478)	(587.101.459)	-	(1.840.063.531)	Fixed assets
Aset hak-guna	279.042.738	(1.807.468.385)	663.318.635	-	(865.107.012)	Right of use assets
Penyisihan penurunan nilai persediaan	-	-	233.632.908	-	233.632.908	Allowance for the decline in value of inventories
Kewajiban untuk retur	167.734.812	-	138.079.279	-	305.814.091	Refund liabilities
Surplus revaluasi investasi	-	-	-	1.079.530.850	1.079.530.850	Revaluation surplus of investment
Properti investasi	-	-	(6.220.341.980)	-	(6.220.341.980)	Investment property
Pencadangan karyawan	-	-	17.910.147	-	17.910.147	Employee reserve
Cadangan kerugian penurunan nilai piutang usaha	-	-	104.203.271	-	104.203.271	Allowance for impairment losses of trade receivables
Subtotal *)	8.471.566.858	(1.155.283.111)	(6.499.378.702)	(1.061.093.895)	(244.188.850)	Subtotal *)
Liabilitas pajak tangguhan, neto	(8.720.299.938)	(942.282.144)	(11.104.554.611)	1.074.923.212	(19.692.213.481)	Deferred tax liabilities, net

*) Saldo awal pada tahun 2021 termasuk saldo PT MPI, entitas anak sebesar Rp293.649.992.

*) Beginning balance of 2021 included balance of PT MPI, a subsidiary amounting to Rp293,649,992.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. PERPAJAKAN (lanjutan)

d. Aset (liabilitas) pajak tangguhan, neto (lanjutan)

Rincian aset dan liabilitas pajak tangguhan adalah sebagai berikut:

	1 Januari 2020/ January 1, 2020	Efek perubahan tarif pajak/ Effect of changes in tax rates	(Dibebankan) dikreditkan ke laba rugi/ (Charged) credited to profit or loss	(Dibebankan) dikreditkan ke penghasilan komprehensif lain/ (Charged) credited to other comprehensive income	31 Desember 2020/ December 31, 2020
Perusahaan					
Liabilitas imbalan kerja	8.928.366.148	(2.313.281.221)	(375.192.285)	1.239.861.143	7.479.753.785
Aset tetap	(28.649.560.527)	6.403.750.193	(4.972.684.427)	-	(27.218.494.761)
Aset hak-guna	-	(260.913.900)	139.596.370	-	(121.317.530)
Penyisihan penurunan nilai persediaan	-	(460.369.401)	5.064.063.413	-	4.603.694.012
Kewajiban untuk retur	-	-	3.251.107.704	-	3.251.107.704
Surplus revaluasi investasi	-	-	-	(5.186.610.006)	(5.186.610.006)
Subtotal	(19.721.194.379)	3.369.185.671	3.106.890.775	(3.946.748.863)	(17.191.866.796)
Entitas Anak					
Liabilitas imbalan kerja	12.677.323.952	(1.740.560.473)	2.367.600.953	(4.457.354.026)	8.847.010.406
Aset tetap	(766.672.596)	258.478.189	(578.290.187)	-	(1.086.484.594)
Aset hak-guna	-	(1.229.104.522)	1.478.760.764	-	249.656.242
Kewajiban untuk retur	-	-	167.734.812	-	167.734.812
Subtotal	11.910.651.356	(2.711.186.806)	3.435.806.342	(4.457.354.026)	8.177.916.866
Liabilitas pajak tangguhan, neto	(7.810.543.023)	657.998.865	6.542.697.117	(8.404.102.889)	(9.013.949.930)

17. TAXATION (continued)

d. Deferred taxes assets (liabilities), net (continued)

The details of deferred tax assets and liabilities are as follows:

The Company
Employee benefits liability
Fixed assets
Right of use assets
Allowance for the decline in value of inventories
Refund liabilities
Revaluation surplus of investment
Subtotal
Subsidiaries
Employee benefits liability
Fixed assets
Right of use assets
Refund liabilities
Subtotal
Deferred tax liabilities, net

18. LIABILITAS IMBALAN KERJA

Kelompok Usaha mengakui liabilitas imbalan kerja karyawan yang tidak didanai berdasarkan Undang-undang No. 11/2020 tentang Cipta Kerja tanggal 2 November 2020 ("UUCK") dan Peraturan Pemerintah No. 35 Tahun 2021 (PP 35/2021) (2020: Undang-undang Tenaga Kerja No. 13/2003 tanggal 25 Maret 2003 ("UUTK")). Liabilitas imbalan kerja diukur berdasarkan laporan aktuaris.

Manajemen berkeyakinan bahwa saldo liabilitas imbalan kerja tersebut cukup untuk memenuhi imbalan minimum sesuai dengan UU No. 11/2020 dan Peraturan Pemerintah No. 35 Tahun 2021 (PP 35/2021).

18. EMPLOYEE BENEFITS LIABILITY

The Group recognized an unfunded employee benefits liability in accordance with the applicable Law No. 11/2020 on Job Creation (Cipta Kerja) dated November 2, 2020 and Government Regulation No. 35/2021 (2020: Labor Law No. 13/2003 dated March 25, 2003). The employee benefits liability is estimated on the basis of actuarial reports.

Management believes that the balance of employee benefits liability is sufficient to cover the minimum benefits required under Law No. 11/2020 and Government Regulation No. 35/2021 (PP 35/2021).

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

18. LIABILITAS IMBALAN KERJA (lanjutan)

Tabel berikut merangkum komponen dari beban imbalan kerja neto yang diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020, dan jumlah yang diakui pada laporan posisi keuangan konsolidasian untuk liabilitas imbalan kerja pada tanggal 31 Desember 2021 dan 2020 yang dihitung oleh aktuaris independen, KKA. Riana dan Rekan (d/h PT Padma Radya Aktuaria), dalam laporannya masing-masing dengan No. 916/II/22/KKA-RM tanggal 25 Februari 2022, No. 914/II/22/KKA-RM tanggal 25 Februari 2022, No. 791/II/22/KKA-RM tanggal 8 Februari 2022, dan No. 9536/IV/21/PRA-RM tanggal 10 April 2021, No. 9592/IV/21/PRA-RM tanggal 20 April 2021.

18. EMPLOYEE BENEFITS LIABILITY (continued)

The following tables summarize the components of net employee benefits expense recognized in the consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020, and the amounts recognized in the consolidated statements of financial position for the employee benefits liability as of December 31, 2021 and 2020, which determined by the independent actuary, KKA. Riana dan Rekan (formerly PT Padma Radya Aktuaria), in its reports No. 916/II/22/KKA-RM dated February 25, 2022, No. 914/II/22/KKA-RM dated February 25, 2022, No. 791/II/22/KKA-RM dated February 8, 2022, and No. 9536/IV/21/PRA-RM dated April 10, 2021, No. 9592/IV/21/PRA-RM dated April 20, 2021, respectively.

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Biaya jasa kini	7.305.867.837	10.645.052.024	Current service cost
Biaya jasa lalu	(18.032.635.820)	(2.798.815.920)	Past service cost
Biaya bunga	4.254.063.103	6.373.101.404	Interest cost
Total beban imbalan kerja	(6.472.704.880)	14.219.337.508	Total employee benefits expense

Mutasi nilai kini liabilitas imbalan kerja karyawan adalah sebagai berikut:

Movement in present value of employee benefits obligation are as follows:

	31 Desember 2021/ December 31, 2021	31 Desember 2020/ December 31, 2020	
Saldo awal tahun *)	82.475.918.626	86.422.760.407	Balance at beginning of year *)
Beban imbalan kerja	(6.472.704.880)	14.219.337.508	Employee benefits expense
Pembayaran manfaat	(2.309.438.450)	(5.162.934.471)	Benefits paid
Keuntungan aktuarial neto dibebankan ke penghasilan komprehensif lain	(19.759.810.559)	(14.204.442.526)	Net actuarial gain charged to other comprehensive income
Saldo akhir	53.933.964.737	81.274.720.918	Ending balance

*) Saldo awal pada tahun 2021 termasuk saldo PT MPI, entitas anak sebesar Rp1.201.197.708.

*) Beginning balance of 2021 included balance of PT MPI, a subsidiary amounting to Rp1,201,197,708.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

18. LIABILITAS IMBALAN KERJA (lanjutan)

Jadwal jatuh tempo dari kewajiban imbalan pasca kerja tanpa diskonto adalah sebagai berikut:

	31 Desember/December 31,		
	2021	2020	
Kurang dari 1 tahun	3.593.712.552	1.930.072.146	Within one year
1 - 5 tahun	6.851.028.590	8.481.971.452	1 - 5 years
Lebih dari 5 tahun	386.869.682.122	705.164.009.026	More than 5 years
Total	397.314.423.264	715.576.052.624	Total

Asumsi-asumsi dasar yang digunakan untuk menentukan liabilitas imbalan kerja adalah sebagai berikut:

The principal assumptions used in determining the employee benefits liability are as follows:

Usia pensiun	:	56 tahun/56 years	:	Retirement age
Tingkat kenaikan gaji tahunan	:	3%-8% pada tahun 2021, 7%-8% pada tahun 2020 3%-8% in 2021, 7%-8% in 2020	:	Annual rate of increase in salary
Tingkat diskonto	:	6%-7,5% pada tahun 2021, 7%-7,25% pada tahun 2020 6%-7.5% in 2021, 7%-7.25% in 2020	:	Discount rate
Tingkat kematian	:	TMI-IV-2019 pada tahun 2021 dan 2020 TMI-IV-2019 in 2021 and 2020	:	Mortality rate
Tingkat kecacatan	:	5% dari tingkat kematian/5% of mortality rate	:	Disability rate
Tingkat pengunduran diri	:	10% pada usia 30 tahun dan berkurang secara linier menjadi 0% pada usia 56 tahun/ 10% at age of 30 years and reducing linearly to 0% at age of 56 years	:	Turnover rate

Manajemen berkeyakinan bahwa liabilitas imbalan kerja tersebut cukup memadai untuk memenuhi imbalan minimum sesuai dengan ketentuan Undang-undang tersebut diatas.

The management believes that the recognized employee benefits liability is adequate to cover the minimum benefit requirements under the Law above.

Analisis sensitivitas terhadap asumsi utama yang digunakan dalam menentukan liabilitas imbalan kerja adalah sebagai berikut:

The sensitivity analysis to the key assumptions used in determining employee benefits liability are as follows:

	Tingkat diskonto/ Discount rate	(Penurunan) Kenaikan/ (Decrease) Increase	
31 Desember 2021	1%/(1%)	(Rp4.751.749.896)/ Rp6.859.639.044	December 31, 2021
31 Desember 2020	1%/(1%)	(Rp9.098.393.233)/ Rp10.686.865.592	December 31, 2020
	Tingkat gaji/ Salary rate	Kenaikan (penurunan)/ Increase (decrease)	
31 Desember 2021	1%/(1%)	Rp7.286.633.928/ (Rp5.188.197.262)	December 31, 2021
31 Desember 2020	1%/(1%)	Rp11.156.528.353/ (Rp9.631.279.297)	December 31, 2020

Durasi rata-rata dari liabilitas imbalan kerja di akhir periode pelaporan berkisar antara 6,02 tahun sampai 17,59 tahun pada tahun 2021 dan berkisar antara 15,52 tahun sampai dengan 18,39 tahun pada tahun 2020.

The average duration of the benefit obligation at the end of the reporting period is within a range of 6.02 years to 17.59 years in 2021 and within a range of 15.52 years to 18.39 years in 2020.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

19. MODAL SAHAM

Susunan pemegang saham Perusahaan dan kepemilikannya pada tanggal-tanggal 31 Desember 2021 setelah penawaran umum perdana saham (Catatan 1b) adalah sebagai berikut:

Pemegang saham	Jumlah saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase kepemilikan/ Percentage of ownership	Total/ Total	Shareholders
PT Tancorp Surya Sentosa	22.674.971.000	36,60%	226.749.710.000	PT Tancorp Surya Sentosa
PT Wahana Lancar Rejeki	20.129.652.900	32,49%	201.296.529.000	PT Wahana Lancar Rejeki
Archipelago Investment Private Limited	3.902.748.900	6,30%	39.027.489.000	Archipelago Investment Private Limited
Robert Christian Tanoko	1.403.790.800	2,27%	14.037.908.000	Robert Christian Tanoko
Rony Tanoko	1.041.265.000	1,68%	10.412.650.000	Rony Tanoko
Rudi Tanoko	1.041.265.000	1,68%	10.412.650.000	Rudi Tanoko
Masyarakat (masing-masing kepemilikan di bawah 5%)	11.759.862.000	18,98%	117.598.620.000	Public (each below 5% ownership)
Total	61.953.555.600	100,00%	619.535.556.000	Total

Susunan pemegang saham Perusahaan dan kepemilikannya pada tanggal-tanggal 31 Desember 2020 adalah sebagai berikut:

The Company's shareholders and their respective shares ownership as of December 31, 2021 after initial public offering (Note 1b) is as follows:

The Company's shareholders and their respective shares ownership as of December 31, 2020 is as follows:

Pemegang saham	Jumlah saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase kepemilikan/ Percentage of ownership	Total/ Total	Shareholders
PT Tancorp Surya Sentosa	245.873.180	44,10%	245.873.180.000	PT Tancorp Surya Sentosa
PT Wahana Lancar Rejeki	218.273.345	39,14%	218.273.345.000	PT Wahana Lancar Rejeki
Archipelago Investment Private Limited	55.753.556	10,00%	55.753.556.000	Archipelago Investment Private Limited
Robert Christian Tanoko	15.053.825	2,70%	15.053.825.000	Robert Christian Tanoko
Rony Tanoko	11.290.825	2,03%	11.290.825.000	Rony Tanoko
Rudi Tanoko	11.290.825	2,03%	11.290.825.000	Rudi Tanoko
Total	557.535.556	100,00%	557.535.556.000	Total

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

19. MODAL SAHAM (lanjutan)

Unsur saldo laba merupakan akumulasi dari akun-akun sebagai berikut:

	31 Desember 2021/ December 31, 2021	31 Desember 2020/ December 31, 2020
Saldo laba awal tahun	1.685.779.715.294	1.249.632.561.727
Laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk	1.434.613.588.930	1.136.147.153.567
Dividen	(1.650.000.000.000)	(700.000.000.000)
Dividen interim	(700.000.000.000)	-
Total	770.393.304.224	1.685.779.715.294

Pengelolaan modal

Tujuan utama pengelolaan modal Perusahaan adalah untuk memastikan pemeliharaan rasio modal yang sehat untuk mendukung usaha dan memaksimalkan imbalan bagi pemegang saham.

Perusahaan dipersyaratkan oleh Undang-undang Perseroan Terbatas No. 40 Tahun 2007 efektif tanggal 16 Agustus 2007 untuk mengalokasikan sampai dengan 20% dari modal ditempatkan dan disetor ke dalam dana cadangan yang tidak boleh didistribusikan.

Berdasarkan Surat Keputusan Direksi No. 036/AA/DIR/XI/2021 bertanggal 7 September 2021 tentang Pembentukan Cadangan Umum, Direksi Perusahaan telah menyetujui untuk menyisihkan Sebagian saldo laba Perusahaan untuk cadangan umum sebesar Rp112.000.000.000, yang mencerminkan 20,09% dari jumlah modal ditempatkan dan disetor Perusahaan pada tanggal 31 Desember 2021, sebagai tindak lanjut atas keputusan pemegang saham Perusahaan dalam Rapat Umum Pemegang Saham bertanggal 14 Juni 2021.

Perusahaan mengelola struktur permodalan dan melakukan penyesuaian, berdasarkan perubahan kondisi ekonomi. Untuk memelihara dan menyesuaikan struktur permodalan, Perusahaan dapat menyesuaikan pembayaran dividen kepada pemegang saham, menerbitkan saham baru atau mengusahakan pendanaan melalui pinjaman. Tidak ada perubahan atas tujuan, kebijakan maupun proses untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020.

Kebijakan Perusahaan adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

19. SHARE CAPITAL (continued)

The component of retained earnings represent accumulation from following accounts as follows:

	31 Desember 2021/ December 31, 2021	31 Desember 2020/ December 31, 2020
Saldo laba awal tahun	1.685.779.715.294	1.249.632.561.727
Laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk	1.434.613.588.930	1.136.147.153.567
Dividen	(1.650.000.000.000)	(700.000.000.000)
Dividen interim	(700.000.000.000)	-
Total	770.393.304.224	1.685.779.715.294

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company is also required by the Limited Liability Company Law No. 40, Year 2007 effective August 16, 2007 to allocate to and maintain a non-distributable reserve fund until the said reserve reaches at least 20% of the issued and paid capital.

Based on Board of Directors' Decision Letter No. 036/AA/DIR/XI/2021 dated September 7, 2021 concerning the Establishment of General Reserves, the Company's Board of Directors has agreed to set aside a portion of the Company's retained earnings for general reserves amounting to Rp112,000,000,000, which represents 20.09% of the Company's issued and paid-up capital as of December 31, 2021, as a follow-up to the decision of the Company's shareholders in the General Meeting of Shareholders dated June 14, 2021.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes during the periods presented for the years ended December 31, 2021 and 2020.

The Company's policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

20. LABA PER SAHAM DASAR

Rincian perhitungan laba per saham dasar adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Laba periode berjalan yang dapat diatribusikan kepada pemilik entitas induk	1.434.613.588.930	1.136.147.153.567
Rata-rata tertimbang jumlah saham yang beredar	56.161.226.833	55.753.555.600
Laba per saham dasar	25,54	20,38

20. BASIC EARNINGS PER SHARE

Details of basic earnings per share computation are as follow:

	Profit for the year attributable to owners of the parent company
	Weighted average number of outstanding shares
	Basic earnings per share

Berdasarkan Akta Notaris No. 3 tanggal 4 Agustus 2021 oleh Notaris Liestiani Wang, S.H., M.Kn. Notaris di Jakarta Selatan, perubahan ini telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia dengan Surat Keputusan No. AHU-0043612.AH.01.02.Tahun 2021 tanggal 12 Agustus 2021 dan telah diterima dan dicatat dalam Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat No. AHU-AH.01.03-0436412 tertanggal 12 Agustus 2021, Para Pemegang Saham Perusahaan memutuskan dan menyetujui perubahan nilai nominal saham dari Rp1.000 per saham menjadi Rp10 per saham, yang mengakibatkan jumlah saham beredar meningkat. Untuk tujuan perhitungan laba per saham, jumlah saham yang beredar dihitung menggunakan jumlah saham yang baru.

Based on Notarial Deed No. 3 dated August 4, 2021, by Notary Liestiani Wang, S.H., M.Kn. Notary in South Jakarta, this amendment was approved by Minister of Law and Human Rights under Decision Letter No. AHU-0043612.AH.01.02.Tahun 2021 dated August 12, 2021 and was received and recorded in the Database of the Minister of Law and Human Rights based on letter No AHU-AH.01.03-0436412 dated August 12, 2021, the Shareholders of the Company decided and approved the changes of the nominal value of the shares from Rp1,000 per share to become Rp10 per share, which resulted to increase in number of outstanding shares. For the purposes of calculating the earning per share, the outstanding shares were calculated based on new shares numbers.

Kelompok Usaha tidak mempunyai efek berpotensi saham biasa yang bersifat dilutif pada tanggal 31 Desember 2021 dan 2020 dan oleh karenanya, laba per saham dilusian tidak dihitung dan disajikan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

The Group has no outstanding dilutive potential ordinary shares as of December 31, 2021 and 2020 and accordingly, no diluted earnings per share is calculated and presented in the consolidated statement of profit or loss and other comprehensive income.

21. TAMBAHAN MODAL DISETOR

Akun ini merupakan tambahan modal disetor pada tanggal-tanggal 31 Desember 2021 dan 2020 yang timbul sebagai berikut:

	31 Desember 2021/ December 31, 2021	31 Desember 2020/ December 31, 2020
Selisih nilai nominal dengan penerimaan setoran modal	5.584.644.331.131	-
Pengeluaran saham baru tahun 2017	2.170.556.160.535	2.170.556.160.535
Dampak transaksi antara entitas sepengendali (Catatan 1d)	38.017.110.264	38.017.110.264
Saldo akhir	7.793.217.601.930	2.208.573.270.799

21. ADDITIONAL PAID-IN CAPITAL

This account represents additional paid-in capital as of December 31, 2021 and 2020 derived from as follow:

Difference in nominal value to proceeds of share capital
Issuance of new shares year 2017
Transactions between entities under common control (Note 1d)
Ending balance

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

21. TAMBAHAN MODAL DISETOR (lanjutan)

Rincian biaya IPO yang dikurangkan dari selisih nominal dengan penerimaan setoran modal terdiri dari:

	Biaya IPO/IPO Cost 31 Desember 2021/ December 31, 2021
Biaya jasa penjaminan dan penyelenggaraan	88.392.780.000
Biaya profesi penunjang pasar modal	18.449.160.000
Biaya lembaga penunjang pasar modal	1.050.000.000
Biaya lain-lain	11.463.728.869
Total	119.355.668.869

21. ADDITIONAL PAID-IN CAPITAL (continued)

IPO cost deducted from the difference in nominal value to proceeds of share capital consist of:

<i>Underwriting and management fee</i>
<i>Supporting professional service fee</i>
<i>Capital market supporting institution fee</i>
<i>Others fee</i>
Total

22. KEPENTINGAN NONPENGENDALI

Akun ini merupakan hak pemegang saham nonpengendali atas aset bersih dan bagian laba bersih Entitas Anak yang dikonsolidasikan.

- a. Ekuitas neto yang dapat diatribusikan kepada kepentingan nonpengendali masing-masing sebesar Rp3.430.913.456 dan Rp2.556.229 pada tanggal 31 Desember 2021 dan 2020.
- b. Laba (rugi) bersih dan penghasilan komprehensif lain tahun berjalan yang dapat diatribusikan kepada kepentingan nonpengendali masing-masing sejumlah (Rp62.366.234) dan Rp675.922 untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020.
- c. Berdasarkan Akta Notaris No. 9 dan 18 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Para Pemegang Saham sebagai Pengganti Rapat Umum Pemegang Saham Luar Biasa PT TKTW, masing masing bertanggal 8 Maret 2021 dan 28 Mei 2021, para pemegang saham menyetujui pembagian dividen tunai dengan total sebesar Rp649.999.036.403 kepada Perusahaan dan Rp963.597 kepada kepentingan nonpengendali.
- d. Berdasarkan Akta Notaris No. 4 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa PT Tirtakencana Batamindo ("PT TKBI"), anak perusahaan PT TKTW, tanggal 1 September 2020, para pemegang saham menyetujui pembagian dividen tunai sebesar Rp2.999.400.000 kepada PT TKTW dan Rp600.000 kepada kepentingan nonpengendali.

22. NON-CONTROLLING INTERESTS

This account represents the right of non-controlling interest shareholders of net assets and net income of the consolidated Subsidiaries.

- a. *Net equity attributable to non-controlling interest is amounting to Rp3,430,913,456 and Rp2,556,229 as of December 31, 2021, 2020, respectively.*
- b. *Net income (loss) and total comprehensive income for the year attributable to non-controlling interest amounting to (Rp62,366,234), and Rp675,922, for the years ended December 31, 2021 and 2020, respectively.*
- c. *Based on Notarial Deed No. 9 and 18 by Anwar, S.H., M.Kn., in the Statement of Shareholders' Resolutions in Lieu of Extraordinary General Meeting of Shareholders of PT TKTW, dated March 8, 2021 and May 28, 2021, respectively, PT TKTW's shareholders approved the distribution of cash dividends to the Company amounting to Rp649,999,036,403 and to the non-controlling interest amounting to Rp963,597.*
- d. *Based on Notarial Deed No. 4 by Anwar, S.H., M.Kn., in the decision statement of Extraordinary Shareholders Meeting of PT Tirtakencana Batamindo ("PT TKBI"), a subsidiary of PT TKTW dated September 1, 2020, PT TKBI's shareholders approved the distribution of cash dividends to PT TKTW amounting to Rp2,999,400,000 and to the non-controlling interest amounting to Rp600,000.*

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

23. PENJUALAN NETO

Penjualan neto berdasarkan kategori pelanggan

23. NET SALES

Net sales by customers category

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Pihak berelasi	41.832.191.732	37.107.523.854	Related parties
Pihak ketiga	6.737.811.157.211	5.694.153.159.390	Third parties
Total penjualan neto	6.779.643.348.943	5.731.260.683.244	Total net sales

Penjualan neto berdasarkan kategori produk

Net sales by product category

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Solusi arsitektur	5.305.745.206.241	4.506.021.835.351	Architecture solution
Barang dagangan	1.473.898.142.702	1.225.238.847.893	Trading goods
Total penjualan neto	6.779.643.348.943	5.731.260.683.244	Total net sales

Penjualan neto berdasarkan jaringan distribusi

Net sales by distribution channel

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Distributor sendiri	5.916.967.437.370	5.040.552.535.905	Owned distributor
Distributor pihak ketiga	843.441.436.437	636.377.614.964	Third party distributor
Penjualan langsung	19.234.475.136	54.330.532.375	Direct sales
Total penjualan neto	6.779.643.348.943	5.731.260.683.244	Total net sales

Penjualan melalui distributor sendiri merupakan penjualan yang dilakukan melalui PT TKTW (entitas anak) dan PT TKBI (entitas anak PT TKTW) kepada pelanggan. Penjualan melalui distributor pihak ketiga merupakan penjualan yang dilakukan melalui distributor Perusahaan. Sedangkan penjualan langsung merupakan penjualan kepada toko tradisional/ritel.

Sales through owned distributor represent sales made through PT TKTW (subsidiary) and PT TKBI (PT TKTW's subsidiary) to the customers. Sales through third party distributor represent sales made through the Company's distributors. While direct sales represent sales to traditional outlets/retails.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

23. PENJUALAN NETO (lanjutan)

23. NET SALES (continued)

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Hak retur aset dan kewajiban untuk retur			Right of return assets and refund liabilities
Hak retur aset	12.703.231.932	5.873.730.619	Right of return assets
Kewajiban untuk retur:			Refund liabilities:
Timbul dari hak retur	19.600.675.181	9.361.061.941	Arising from rights of return

Pada tanggal 31 Desember 2021 dan 2020, Kelompok Usaha tidak memiliki penjualan kepada pelanggan tertentu dengan total penjualan kumulatif individual masing-masing melebihi 10% dari total penjualan konsolidasian.

As of December 31, 2021 and 2020, the Group does not has any sales to certain customers with individual cumulative amount each exceeding 10% of the total consolidated sales.

Seluruh pelanggan adalah pelanggan lokal.

All customers are local customers.

Kewajiban pelaksanaan

Performance obligations

Informasi tentang kewajiban pelaksanaan Kelompok Usaha dirangkum di bawah ini:

Information about the Group's performance obligations are summarised below:

Solusi arsitektur (Cat)

Architecture solution (Paint)

Kewajiban kinerja dipenuhi setelah pengiriman cat dan pembayaran biasanya jatuh tempo dalam waktu 42 hingga 63 hari sejak pengiriman. Kontrak memberi pelanggan hak retur, yang dicatat sebagai kewajiban untuk retur.

The performance obligation is satisfied upon delivery of the paint and payment is generally due within 42 to 63 days from delivery. Contracts provide customers with a right of return, which is recorded as refund liabilities.

Kelompok Usaha memperbarui estimasi kewajiban untuk retur yang mungkin terjadi setiap akhir tahun dan setiap penyesuaian saldo kewajiban untuk retur dibebankan pada pendapatan.

The Group updates its estimates of refund liabilities that may occur at period end and any adjustments to the refund liabilities balance are charged against revenue.

Pipa

Pipes

Kewajiban kinerja dipenuhi setelah pengiriman pipa dan pembayaran biasanya jatuh tempo dalam waktu 42 hingga 56 hari sejak pengiriman. Kontrak memberi pelanggan hak retur, yang dicatat sebagai kewajiban untuk retur.

The performance obligation is satisfied upon delivery of the pipe and payment is generally due within 42 to 56 days from delivery. Contracts provide customers with a right of return, which is recorded as refund liabilities.

Mebel

Furnitures

Kewajiban kinerja dipenuhi setelah pengiriman mebel dan pembayaran biasanya jatuh tempo dalam waktu 56 hari sejak pengiriman. Kontrak memberi pelanggan hak retur, yang dicatat sebagai kewajiban untuk retur.

The performance obligation is satisfied upon delivery of the furniture and payment is generally due within 56 days from delivery. Contracts provide customers with a right of return, which is recorded as refund liabilities.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

23. PENJUALAN NETO (lanjutan)

Kewajiban pelaksanaan (lanjutan)

Informasi tentang kewajiban pelaksanaan Kelompok Usaha dirangkum di bawah ini: (lanjutan)

Jasa pengecatan

Kewajiban pelaksanaan dipenuhi dari waktu ke waktu dan pembayaran umumnya jatuh tempo setelah penyelesaian pengecatan. Uang muka jangka pendek diperlukan sebelum layanan pengecatan dilakukan.

Lain-lain

Kewajiban kinerja dipenuhi setelah pengiriman barang dan pembayaran biasanya jatuh tempo dalam waktu 42 hingga 56 hari sejak pengiriman. Kontrak memberi pelanggan hak retur, yang dicatat sebagai kewajiban untuk retur.

23. NET SALES (continued)

Performance obligations (continued)

Information about the Group's performance obligations are summarised below: (continued)

Painting services

The performance obligation is satisfied over-time and payment is generally due upon completion of painting. Short-term advances are required before the painting service is provided.

Others

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 42 to 56 days from delivery. Contracts provide customers with a right of return, which is recorded as refund liabilities.

24. BEBAN POKOK PENJUALAN

24. COST OF GOODS SOLD

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Pemakaian bahan baku	2.299.509.780.323	1.526.678.385.519	Raw materials usage
Upah langsung	74.015.537.636	67.127.412.016	Direct labor
Beban pabrikasi (Catatan 25)	164.833.971.448	135.537.464.637	Factory overhead (Note 25)
Total beban produksi	2.538.359.289.407	1.729.343.262.172	Total production cost
Barang dalam proses			Work in process
Awal tahun *)	24.226.788.637	16.307.450.988	At beginning of year *)
Akhir tahun	(45.828.131.558)	(23.224.057.656)	At end of year
Beban pokok produksi	2.516.757.946.486	1.722.426.655.504	Cost of goods manufactured
Barang jadi			Finished goods
Awal tahun *)	722.154.621.493	788.870.723.664	At beginning of year *)
Pembelian	1.207.271.322.019	1.021.417.101.519	Purchases
Akhir tahun	(926.651.362.871)	(719.001.680.011)	At end of year
Beban pokok penjualan sebelum pemakaian barang promosi	3.519.532.527.127	2.813.712.800.676	Cost of goods sold before promotional goods consumption
Pemakaian barang promosi	434.577.842.767	398.880.972.291	Promotional goods consumption
Beban pokok penjualan	3.954.110.369.894	3.212.593.772.967	Cost of goods sold

*) Saldo awal pada tahun 2021 termasuk saldo PT MPI, entitas anak untuk barang dalam proses dan barang jadi masing-masing sebesar Rp1.002.730.981 dan Rp3.152.941.482.

*) Beginning balance in 2021 included balance of PT MPI, a subsidiary for work in process and finished goods amounting to Rp1,002,730,981 and Rp3,152,941,482, respectively.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

25. BEBAN PABRIKASI

25. FACTORY OVERHEAD

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Upah tak langsung	69.515.722.661	59.842.414.240	Indirect labor
Penyusutan (Catatan 13)	25.872.095.404	21.536.161.916	Depreciation (Note 13)
Perawatan dan pemeliharaan	16.036.611.650	14.653.770.464	Repair and maintenance
Listrik, air, dan gas	19.442.417.310	17.510.097.897	Electricity, water, and gas
Biaya angkut	12.597.273.174	6.687.492.542	Freight
Pemakaian bahan pembantu	7.850.782.983	5.270.730.238	Supporting material used
Keperluan pabrik	6.477.934.952	3.766.018.896	Factory supplies
Penelitian dan pengembangan	3.200.724.738	3.702.154.422	Research and development
Lain-lain (masing-masing di bawah Rp1 miliar)	3.840.408.576	2.568.624.022	Others (each below Rp1 billion)
Total (Catatan 24)	164.833.971.448	135.537.464.637	Total (Note 24)

26. BEBAN (PENDAPATAN) OPERASI

26. OPERATING EXPENSE (INCOME)

Rincian beban penjualan adalah sebagai berikut:

The details of selling expenses are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Gaji, upah dan kesejahteraan karyawan	388.268.031.691	394.577.123.126	Salaries, wages and employee benefits
Biaya angkut	150.479.444.444	136.531.133.673	Freight
Komisi penjualan	72.866.545.099	62.380.572.253	Sales commission
Penyusutan (Catatan 13)	63.533.251.900	63.847.426.675	Depreciation (Note 13)
Penyusutan aset hak-guna (Catatan 15)	61.087.002.367	58.178.950.620	Depreciation right-of-use assets (Note 15)
Promosi dan iklan	57.839.438.572	106.306.534.223	Promotion and advertising
Perjalanan dinas	31.985.055.128	27.881.756.258	Travelling
Bahan bakar	18.547.225.244	16.790.640.660	Fuel
Cetak kartu warna	17.321.949.898	20.191.164.779	Print color card
Pemeliharaan	16.983.120.634	14.420.118.026	Maintenance expense
Asuransi	3.375.056.798	2.686.548.603	Insurance
Komunikasi	2.828.616.823	2.714.356.786	Communication
Parkir, retribusi dan tol	2.403.376.935	2.079.647.200	Parking, retribution and toll
Lain-lain (masing-masing di bawah Rp1 miliar)	1.546.508.799	9.398.893.232	Others (each below Rp1 billion)
Total	889.064.624.332	917.984.866.114	Total

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

26. BEBAN (PENDAPATAN) OPERASI (lanjutan)

Rincian beban umum dan administrasi adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Gaji, upah dan kesejahteraan karyawan	49.967.509.151	50.261.438.818
Penyusutan (Catatan 13)	35.954.462.219	32.433.247.090
Perlengkapan kantor	15.641.351.645	12.741.042.140
Utilitas	13.643.876.217	13.320.537.063
Asuransi	13.191.899.001	13.085.644.928
Perjalanan	9.838.159.860	7.636.473.778
Jasa tenaga ahli	9.775.326.897	5.779.757.847
Perijinan dan legalitas	7.658.614.460	9.309.005.671
Sumbangan dan jamuan	4.070.573.164	1.885.776.025
Kebersihan dan keamanan	3.000.238.695	2.855.610.992
Jasa tenaga alih daya	2.264.615.204	1.350.889.193
Pemeliharaan	1.731.872.815	2.423.819.899
Pajak dan lisensi	1.323.604.565	1.332.760.095
Penyusutan aset hak-guna (Catatan 15)	959.350.503	522.817.087
Lain-lain (masing-masing di bawah Rp1 miliar)	12.546.264.827	7.751.714.466
Total	181.567.719.223	162.690.535.092

26. OPERATING EXPENSE (INCOME) (continued)

The details of general and administrative expenses are as follows:

Salaries, wages and employees benefits
 Depreciation (Note 13)
 Office Supplies
 Utilities
 Insurance
 Travelling
 Professional fees
 Permits and legal
 Donation and entertainment
 Cleaning and security
 Outsourcing fees
 Maintenance
 Tax and license
 Depreciation right-of-use assets (Note 15)
 Others (each below Rp1 billion)

Rincian pendapatan operasi lain, neto adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Kenaikan nilai properti investasi (Catatan 12)	(12.794.361.004)	-
Pendapatan lain non operasional	(13.388.053.395)	(16.890.608.592)
Laba pelepasan aset tetap (Catatan 13)	(4.833.181.377)	(894.430.446)
Rugi (laba) kurs mata uang asing, neto	1.264.134.741	(4.763.545.400)
Rugi (laba) penjualan investasi pada surat utang negara	(16.250.651.700)	-
Lain-lain	(1.484.177.241)	12.780.307.958
Total	(47.486.289.976)	(9.768.276.480)

The details of other operating income, net are as follows:

Increase in fair value of investment
property (Note 12)
 Other non-operational income
 Gain on disposal of fixed assets (Note 13)
 Loss (gain) on foreign exchange, net
 Loss (gain) on sale of investment
in government bonds
 Others

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

27. PENGHASILAN KEUANGAN

Rincian penghasilan keuangan adalah sebagai berikut:

27. FINANCE INCOME

The details of finance income are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Bunga dari investasi pada surat utang negara	47.260.994.227	5.470.524.773	Interest from investment in government bonds
Bunga dari deposito	27.251.254.411	43.183.919.796	Interest from time deposits
Bunga dari rekening giro	6.166.218.091	4.364.917.269	Interest from checking account
Total	80.678.466.729	53.019.361.838	Total

28. BEBAN KEUANGAN

Rincian beban keuangan adalah sebagai berikut:

28. FINANCE COSTS

The details of finance costs are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Beban bunga atas liabilitas sewa (Catatan 15)	8.198.773.315	9.734.247.522	Interest expense on lease liabilities (Note 15)
Beban bunga utang bank	28.903.133.709	-	Interest expense on bank loans
Total	37.101.907.024	9.734.247.522	Total

29. INVESTASI PADA VENTURA BERSAMA

29. INVESTMENT IN JOINT VENTURE

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,		
	2021	2020	
Saldo awal	-	-	Beginning balance
Penambahan investasi pada ventura bersama	19.000.000.000	-	Additional investment in joint venture
Bagian atas kerugian ventura bersama	(1.258.742.464)	-	Share of loss of a joint venture
Nilai tercatat	17.741.257.536	-	Carrying amount

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

29. INVESTASI PADA VENTURA BERSAMA (lanjutan)

Pada tanggal 1 Februari 2021, Perusahaan dan PT Cipta Mortar Utama, mendirikan PT Bangun Bersama Solusindo yang berkedudukan di Jakarta dan bergerak di bidang industri semen, mortar, dan beton. Berdasarkan Akta Pendirian PT Bangun Bersama Solusindo No. 1 tanggal 1 Februari 2021, oleh Notaris Emmyra Fauzia Kariana, SH., M.Kn. dan telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia Direktorat Jenderal Administrasi Hukum Umum No. AHU-0009284.AH.01.01. Tahun 2021 tanggal 8 Februari 2021 bahwa total modal ditempatkan dan telah disetor penuh oleh Perusahaan adalah sebesar Rp19.000.000.000 yang mencerminkan persentase kepemilikan sebesar 50,00%. Sampai dengan tanggal 31 Desember 2021, Perusahaan telah melakukan setoran modal secara tunai sebesar Rp4.750.000.000. Sisa modal yang belum disetorkan sebesar Rp14.250.000.000 dicatat sebagai bagian dari utang lain-lain pihak berelasi (Catatan 6b).

Pada tanggal 12 November 2020, Perusahaan melakukan penjualan atas seluruh kepemilikan Perusahaan di PT Avian Sellaes Indonesia kepada PT Mitra Mulia Makmur. Keuntungan atas pelepasan investasi tersebut sebesar Rp5.597.223.689 dicatat sebagai bagian dari pendapatan operasi lain dalam laporan laba rugi dan komprehensif lain konsolidasian. Dengan demikian, nilai investasi pada ventura bersama pada tanggal 31 Desember 2020 adalah RpNihil.

30. DIVIDEN

Berdasarkan Akta Notaris No. 6 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Para Pemegang Saham Sebagai Pengganti Rapat Umum Pemegang Saham Perseroan Terbatas tanggal 8 April 2021, para pemegang saham menyetujui pembagian dividen tunai dari laba ditahan tahun 2020 sebesar Rp1.050.000.000.000.

Berdasarkan Akta Notaris No. 26 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Para Pemegang Saham Sebagai Pengganti Rapat Umum Pemegang Saham Perseroan Terbatas tanggal 28 Mei 2021, para pemegang saham menyetujui pembagian dividen dari laba ditahan tahun 2020 sebesar Rp600.000.000.000.

29. INVESTMENT IN JOINT VENTURE (continued)

On February 1, 2021, the Company and PT Cipta Mortar Utama, established PT Bangun Bersama Solusindo, domiciled in Jakarta and engaged in the industry of cement, mortar, and concrete. Based on Deed of Establishment No. 1 dated February 1, 2021 by Notary Emmyra Fauzia Kariana, SH., M.Kn. and have been agreed by the Minister of Laws and Human Rights of the Republic of Indonesia under Letter from Ministry of Law and Human Rights Republic of Indonesia Directorate General of Public Law Administration No. AHU-0009284.AH.01.01. Tahun 2021 dated February 8, 2021 that the total issued and paid in capital of the Company was amounting to Rp19,000,000,000, which reflects the ownership percentage of 50.00%. As of December 31, 2021, the Company has paid in capital amounting to Rp4,750,000,000. The remaining unpaid capital amounting to Rp14,250,000,000 recorded as part of other payables related parties (Note 6b).

On November 12, 2020, the Company sold all of the Company's ownership in PT Avian Sellaes Indonesia to PT Mitra Mulia Makmur. The gain on sale of investment amounting to Rp5,597,223,689 was recorded as part of other operating income in the consolidated statement of profit or loss and other comprehensive income. Accordingly, the amount of investment in joint venture as of December 31, 2020 is RpNil.

30. DIVIDENDS

Based on Notarial Deed No. 6 by Notary Anwar, S.H., M.Kn., in the Statement of Shareholders In Lieu of the General Meeting of Shareholders of the Company on April 8, 2021, the Company's shareholders approved the distribution of cash dividends from year 2020 retained earnings amounting to Rp1,050,000,000,000.

Based on Notarial Deed No. 26 by Notary Anwar, S.H., M.Kn., in the Statement of Shareholders In Lieu of the General Meeting of Shareholders of the Company on May 28, 2021, the Company's shareholders approved the distribution of dividends from year 2020 retained earnings amounting to Rp600,000,000,000.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

30. DIVIDEN (lanjutan)

Berdasarkan Akta Notaris No. 27 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Tertulis Direksi Sebagai Pengganti Rapat Umum Pemegang Saham Perseroan Terbatas tanggal 28 Mei 2021, para pemegang saham menyetujui pembagian dividen interim dari laba tahun berjalan hingga April 2021 sebesar Rp400.000.000.000.

Berdasarkan Akta Notaris No. 22 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Tertulis Direksi Sebagai Rapat Direksi Perseroan Terbatas tanggal 20 September 2021, para anggota Direksi Perusahaan telah membuat keputusan untuk membagi dividen interim Perusahaan dari laba tahun berjalan hingga Juli tahun 2021 sebesar Rp300.000.000.000.

Berdasarkan Akta Notaris No. 9 yang dibuat oleh Notaris Anwar, S.H., M.Kn., dalam Pernyataan Keputusan Para Pemegang Saham Sebagai Pengganti Rapat Umum Pemegang Saham Perseroan Terbatas tanggal 23 April 2020, para pemegang saham menyetujui pembagian dividen tunai dari laba ditahan tahun 2019 sebesar Rp700.000.000.000.

Pada tanggal 31 Desember 2021 dan 2020, seluruh jumlah dividen telah dibayarkan kepada Pemegang Saham.

31. PENGUKURAN NILAI WAJAR

Semua instrumen keuangan yang disajikan di dalam laporan posisi keuangan konsolidasian dicatat pada biaya perolehan diamortisasi. Metode-metode dan asumsi-asumsi di bawah ini digunakan untuk mengestimasi nilai wajar untuk masing-masing kelas instrumen keuangan:

- a. Aset keuangan lancar dan liabilitas keuangan jangka pendek

Manajemen menetapkan bahwa nilai tercatat (berdasarkan jumlah nominal) kas dan setara kas, piutang usaha, piutang lain-lain, utang bank jangka pendek, utang usaha, utang lain-lain, utang dividen dan beban akrual, kurang lebih sebesar nilai wajarnya karena instrumen keuangan tersebut bersifat jangka pendek.

Investasi pada surat utang negara merupakan aset Perusahaan yang nilai wajarnya didasarkan pada kuotasi harga pasar terakhir pada tanggal 31 Desember 2021 dan 2020.

30. DIVIDENDS (continued)

Based on Notarial Deed No. 27 by Notary Anwar, S.H., M.Kn., in the Written Statement of the Board of Directors In Lieu of the General Meeting of Shareholders of the Company on May 28, 2021, the Company's shareholders approved the distribution of interim dividends from profit year to date April 2021 amounting to Rp400,000,000,000.

Based on Notarial Deed No. 22 by Notary Anwar, S.H., M.Kn., in the Written Statement of the Board of Directors In Lieu of the General Meeting of Shareholders of the Company on September 20, 2021, the Company's Board of Directors arranged the distribution of interim dividends from retained earnings to July 2021 amounting to Rp300,000,000,000.

Based on Notarial Deed No. 9 made by Notary Anwar S.H., M.Kn., in the Extraordinary Meeting of the Shareholder's held on April 23, 2020, the Company's shareholders approved the distribution of cash dividends from year 2019 retained earnings amounting to Rp700,000,000,000.

As of December 31, 2021 and 2020, the entire amount of dividends have been paid to Shareholders.

31. FAIR VALUE MEASUREMENTS

All financial instruments presented in the consolidated statement of financial position are carried at amortized cost. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- a. Current financial assets and liabilities

Management has determined that the carrying amounts (based on notional amounts) of cash and cash equivalents, trade receivables, other receivables, short-term bank loans, trade payables, other payables, dividend payable and accrual, reasonably approximate their fair values because they are mostly short-term in nature.

Investment in government bonds represent the Company's assets which the fair value are stated with last quoted market prices as of December 31, 2021 and 2020.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

31. PENGUKURAN NILAI WAJAR (lanjutan)

- b. Aset tidak lancar dan liabilitas keuangan jangka panjang

Nilai wajar dari liabilitas keuangan jangka panjang, seperti liabilitas sewa, mendekati perkiraan nilai tercatatnya berdasarkan metode penilaian menggunakan metode arus kas diskonto dengan tingkat diskon yang tidak berbeda signifikan dengan tingkat diskon pasar.

Properti investasi diukur berdasarkan nilai wajar menggunakan Level 2 hierarki nilai wajar seperti dijelaskan pada Catatan 12.

Kelompok Usaha tidak memiliki aset atau liabilitas keuangan lainnya yang diukur berdasarkan nilai wajar.

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN

Instrumen keuangan utama Kelompok Usaha terdiri dari piutang usaha, kas dan bank dan utang usaha. Tujuan utama dari instrumen keuangan ini adalah untuk mengumpulkan dana untuk kegiatan operasional Kelompok Usaha. Kelompok Usaha mempunyai aset dan liabilitas keuangan yang lain seperti piutang lain-lain dan utang lain-lain dan beban akrual yang langsung muncul dari kegiatan usahanya.

Telah menjadi kebijakan Kelompok Usaha bahwa perdagangan instrumen keuangan hanya dapat dilakukan untuk tujuan mitigasi risiko dan tidak diperbolehkan untuk tujuan spekulasi.

31. FAIR VALUE MEASUREMENTS (continued)

- b. Non-current asset and long-term financial liabilities

The fair values of non-current liabilities, such as lease liabilities, approximate their carrying value based on valuation under the discounted cash flows method using discount rate that is not significantly different from market discount rate.

Investment properties are measured at fair value with fair value hierarchy at Level 2 as explained in Note 12.

Other than above, the Group did not have any financial assets or liabilities that are measured based on fair value.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of trade receivables, cash on hand and in banks and trade payables. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial assets and liabilities such as other receivables, other payables and accrued expenses, which arise directly from its operations.

It is and has been the Group's policy that trading of financial instruments shall be undertaken only to mitigate risks and never for speculation.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko utama dari instrumen keuangan Kelompok Usaha adalah risiko tingkat suku bunga, risiko pasar (termasuk risiko mata uang dan risiko harga komoditas), risiko kredit dan risiko likuiditas. Penelaahan direktur dan kebijakan yang disetujui untuk mengelola masing-masing risiko ini dijelaskan secara detail sebagai berikut:

a. Risiko mata uang asing

Mata uang fungsional Kelompok Usaha adalah Rupiah. Kelompok Usaha menghadapi risiko nilai tukar mata uang asing karena sebagian pembelian dan biaya operasionalnya dalam mata uang asing. Penurunan/penguatan nilai tukar mata uang asing terhadap Rupiah, mengakibatkan utang dan biaya operasional dalam Rupiah berkurang/meningkat.

Analisis sensitivitas untuk risiko nilai mata uang asing

Tabel berikut ini menunjukkan sensitivitas kemungkinan perubahan tingkat pertukaran Rupiah terhadap Dolar AS, dengan asumsi variabel lain konstan, maka dampak terhadap laba sebelum pajak penghasilan adalah sebagai berikut:

	Perubahan tingkat Rp/ Change in Rp rate	Dampak terhadap laba sebelum pajak penghasilan/ Effect on profit before income tax	
31 Desember 2021			December 31, 2021
Dolar AS	10%	14.322.921.192	US Dollar
Dolar AS	-10%	(14.322.921.192)	US Dollar
31 Desember 2020			December 31, 2020
Dolar AS	10%	5.574.242.401	US Dollar
Dolar AS	-10%	(5.574.242.401)	US Dollar

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The main risks arising from the Group's financial instruments are interest rate risk, market risk (including currency risk and commodity price risk), credit risk and liquidity risk. The directors review and approved policies for managing each of these risks, which are described in more detail as follows:

a. Foreign currency risk

The Group's functional currency is Indonesian Rupiah. The Group faces foreign exchange risk as a portion of its purchases and operating expenses are denominated in foreign currencies. The weakening/strengthening of foreign currency exchange rate against Indonesian Rupiah, will cause payable and operating expenses in Indonesian Rupiah decrease/increase.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonable possible change in the Indonesian Rupiah exchange rate againsts US Dollar, with all other variables held constant, the effect to the profit before income tax is as follows:

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Risiko mata uang asing (lanjutan)

Analisis sensitivitas untuk risiko nilai mata uang asing (lanjutan)

Aset dan liabilitas keuangan Kelompok Usaha dalam mata uang asing adalah sebagai berikut:

	31 Desember 2021/ December 31, 2021		31 Desember 2020/ December 31, 2020	
	Setara dengan mata uang asing (nilai penuh)/ In foreign currencies (full amount)	Rupiah	Setara dengan mata uang asing (nilai penuh)/ In foreign currencies (full amount)	Rupiah
Dolar Amerika Serikat				
Aset				
Kas dan setara kas	607	8.664.853	1.784	25.175.027
Liabilitas				
Utang usaha	(9.371.254)	(133.718.476.518)	(3.837.652)	(54.130.081.460)
Utang lain-lain	(667.138)	(9.519.400.255)	(116.094)	(1.637.505.870)
Liabilitas dalam Dolar Amerika Serikat, neto	(10.037.785)	(143.229.211.920)	(3.951.962)	(55.742.412.303)

United States Dollar
Assets
Cash and cash equivalents

Liabilities
Trade payables
Other payables
Liabilities in United States Dollar, net

b. Risiko kredit

Risiko kredit yang dihadapi oleh Kelompok Usaha berasal dari kredit yang diberikan kepada pelanggan. Untuk meringankan risiko ini, ada kebijakan untuk memastikan penjualan produk hanya dibuat kepada pelanggan yang dapat dipercaya dan terbukti mempunyai sejarah kredit yang baik. Ini merupakan kebijakan Kelompok Usaha dimana semua pelanggan yang akan melakukan pembelian secara kredit harus melalui prosedur verifikasi kredit. Kelompok Usaha memberikan jangka waktu kredit sebagian besar sampai dengan 63 hari dari faktur yang diterbitkan. Sebagai tambahan, saldo piutang dipantau secara terus menerus untuk mengurangi kemungkinan piutang yang tidak tertagih.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a. Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)

The Group's financial assets and liabilities in foreign currencies are as follows:

b. Credit risk

The Group is exposed to credit risk arising from the credit granted to its customers. To mitigate this risk, it has policies in place to ensure that sales of products are made only to creditworthy customers with proven track record or good credit history. It is the Group's policy that all customers who wish to trade on credit are subject to credit verification procedures. The Group may grant its customers credit terms mostly up to 63 days from the issuance of invoice. In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko kredit (lanjutan)

Ketika pelanggan tidak mampu melakukan pembayaran dalam jangka waktu yang telah diberikan, Kelompok Usaha akan menghubungi pelanggan untuk menindaklanjuti piutang yang telah lewat jatuh tempo. Jika pelanggan tidak melunasi piutang yang telah jatuh tempo dalam jangka waktu yang telah ditentukan, Kelompok Usaha akan menindaklanjuti melalui jalur hukum. Tergantung pada penilaian Kelompok Usaha, cadangan khusus mungkin dibuat jika piutang dianggap tidak tertagih. Untuk meringankan risiko kredit, Kelompok Usaha akan menghentikan penyaluran semua produk kepada pelanggan sebagai akibat gagal bayar.

Eksposur maksimum dari risiko kredit sama dengan jumlah tercatat dari aset keuangan seperti yang disajikan dalam laporan posisi keuangan konsolidasian.

c. Risiko likuiditas

Kelompok Usaha mengelola profil likuiditasnya untuk dapat mendanai pengeluaran modalnya dan mengelola utang yang jatuh tempo dengan mengatur kas yang cukup dan memastikan ketersediaan pendanaan melalui jumlah fasilitas kredit berkomitmen yang cukup.

Kelompok Usaha secara reguler mengevaluasi arus kas proyeksi dan aktual dan terus menerus menilai kondisi pada pasar keuangan untuk kesempatan mengejar inisiatif penggalangan dana. Inisiatif-inisiatif ini termasuk utang bank dan pinjaman dan isu pasar modal.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b. Credit risk (continued)

When a customer fails to make payment within the credit term granted, the Group will contact the customer to act on the overdue receivables. If the customer does not settle the overdue receivable within a reasonable time, the Group will proceed to commence with legal proceedings. Depending on the Group's assessment, specific allowance may be made if the receivable is deemed uncollectible. To mitigate credit risk, the Group will cease the supply of all products to the customer in the event of late payment and/or default.

The maximum exposure to credit risk is equal to the carrying amounts of the financial assets as presented in the consolidated statement of financial position.

c. Liquidity risk

The Group manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed credit facilities.

The Group regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans and borrowings and equity market issues.

	Dibawah 1 tahun/ Below 1 year	1-3 tahun/ 1-3 years	3-5 tahun/ 3-5 years	Total/ Total	
31 Desember 2021					December 31, 2021
Utang bank	670.857.472	-	-	670.857.472	Bank loans
Pihak berelasi	292.070.007.248	-	-	292.070.007.248	Related parties
Pihak ketiga	476.678.430.445	-	-	476.678.430.445	Third parties
Utang lain-lain					Other payables
Pihak berelasi	14.374.360.456	-	-	14.374.360.456	Related parties
Pihak ketiga	41.284.584.474	-	-	41.284.584.474	Third parties
Beban akrual	323.481.271.887	-	-	323.481.271.887	Accrued expenses
Uang jaminan pelanggan	4.218.698.191	-	-	4.218.698.191	Customers guarantee
Liabilitas sewa	25.646.939.364	46.283.515.545	224.667.000	72.155.121.909	Lease liability
Total	1.178.425.149.537	46.283.515.545	224.667.000	1.224.933.332.082	Total

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c. Risiko likuiditas (lanjutan)

c. Liquidity risk (continued)

	Dibawah 1 tahun/ Below 1 year	1-3 tahun/ 1-3 years	3-5 tahun/ 3-5 years	Total/ Total	
31 Desember 2020					December 31, 2020
Utang usaha					Trade payables
Pihak berelasi	241.626.298.850	-	-	241.626.298.850	Related parties
Pihak ketiga	247.258.991.402	-	-	247.258.991.402	Third parties
Utang lain-lain					Other payables
Pihak berelasi	601.420.631	-	-	601.420.631	Related parties
Pihak ketiga	29.709.191.920	-	-	29.709.191.920	Third parties
Beban akrual	277.927.602.915	-	-	277.927.602.915	Accrued expenses
Uang jaminan pelanggan	6.128.975.639	-	-	6.128.975.639	Customers guarantee
Liabilitas sewa	29.847.090.456	79.959.869.066	-	109.806.959.522	Lease liability
Total	833.099.571.813	79.959.869.066	-	913.059.440.879	Total

d. Risiko tingkat suku bunga

d. Interest rate risk

Risiko tingkat suku bunga Kelompok Usaha terutama timbul dari pinjaman untuk tujuan modal kerja dan investasi. Pinjaman pada berbagai tingkat suku bunga variabel menunjukkan Kelompok Usaha kepada nilai wajar risiko tingkat suku bunga.

The Group's interest rate risk mainly arises from loans for working capital and investment purposes. Loans at variable rates expose the Group to fair value interest rate risk

Analisis sensitivitas untuk risiko tingkat suku bunga

Sensitivity analysis for interest rate risk

Pada tanggal 31 Desember 2021, jika tingkat suku bunga pinjaman meningkat/menurun sebesar 50 basis poin dengan semua variabel konstan, maka laba sebelum beban pajak penghasilan untuk tahun yang berakhir pada tanggal di atas masing-masing sebesar Rp2.841.203.814 lebih rendah/tinggi, terutama sebagai akibat kenaikan/penurunan biaya bunga atas pinjaman dengan tingkat bunga mengambang dan biaya bunga atas liabilitas sewa.

As of December 31, 2021, had the interest rate of the loans been 50 basis points higher/lower with all other variables held constant, profit before income tax expense for the year then ended would have been Rp2,841,203,814 lower/higher, respectively, mainly as a result of increase/decrease interest expense on loans with floating interest rates and interest expense in lease liability.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

33. TAMBAHAN INFORMASI ARUS KAS

a. Aktivitas Nonkas

Aktivitas nonkas yang mendukung laporan arus kas pada setiap tanggal pelaporan adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Penambahan aset tetap melalui:		
Uang muka pembelian aset tetap	7.629.697.187	27.135.699.935
Utang lain-lain	-	2.589.653.828
Penambahan aset tetap melalui akuisisi entitas anak	12.940.481.138	-
Total aktivitas nonkas	20.570.178.325	29.725.353.763

33. SUPPLEMENTARY CASH FLOW INFORMATION

a. Non-cash Activities

Non-cash activities supporting the statement of cash flow at each reporting dates are as follows:

Acquisitions of fixed assets through:
 Advances payment for purchase of fixed assets
 Other payables
 Addition of fixed assets through acquisition of a subsidiary
Total non-cash activities

b. Perubahan pada Liabilitas yang Timbul Dari Aktivitas Pendanaan

	1 Januari 2021/ January 1, 2021 *)	Arus kas/ Cash flows	Mutasi penambahan/ Addition movement	31 Desember 2021/ December 31, 2021	
Utang bank	5.783.697.045	(5.112.839.573)	-	670.857.472	Bank loans
Liabilitas sewa	101.878.441.599	(35.574.968.504)	3.106.018.326	69.409.491.421	Lease liabilities
Total	107.662.138.644	(40.687.808.077)	3.106.018.326	70.080.348.893	Total
	1 Januari 2020/ January 1, 2020	Arus kas/ Cash flows	Mutasi penambahan/ Addition movement	31 Desember 2020/ December 31, 2020	
Liabilitas sewa	154.330.487.614	(53.246.493.044)	-	101.083.994.570	Lease liabilities

*) Saldo 1 Januari 2021 termasuk saldo PT MPI, entitas anak untuk utang bank dan liabilitas sewa masing-masing sebesar Rp5.783.697.045 dan Rp794.447.029.

*) Balance of January 1, 2021 included balance of PT MPI, a subsidiary for bank loans and lease liabilities amounting to Rp5,783,697,045 and Rp794,447,029, respectively.

34. UTANG BANK

Perusahaan

PT Bank Mandiri (Persero) Tbk

Berdasarkan Perjanjian Fasilitas Perbankan dengan PT Bank Mandiri (Persero) Tbk. ("Mandiri"), Perusahaan memperoleh persetujuan atas permohonan perpanjangan jangka waktu Kredit Modal Kerja (KMK) terhitung sejak tanggal 28 Agustus 2021 sampai dengan 27 Agustus 2022 dengan tingkat bunga sebesar 6,25% per tahun. Sub limit untuk KMK terdiri atas:

- Fasilitas Kredit Modal Kerja Revolving Rekening Koran dengan maksimum kredit sebesar Rp940.000.000.000 (2020: Rp540.000.000.000).

34. BANK LOANS

The Company

PT Bank Mandiri (Persero) Tbk

Based on Agreement Extension of Banking Facility with PT Bank Mandiri (Persero) Tbk. ("Mandiri"), the Company was granted approval for The Working Capital Loan's (WCL) period extension starting from August 28, 2021 until August 27, 2022 with interest rate of 6.25% per annum. Sub limit for WCL consists of:

- Working Capital Loan Revolving Current Account Facility with maximum credit limit amounting to Rp940,000,000,000 (2020: Rp540,000,000,000).

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

34. UTANG BANK (lanjutan)

Perusahaan (lanjutan)

PT Bank Mandiri (Persero) Tbk (lanjutan)

Fasilitas pinjaman ini dijamin dengan *negative covenant* sebagai berikut: (lanjutan)

- ii. Fasilitas *Letter of Credit* ("L/C") Impor atau SKBDN dengan maksimum kredit sebesar AS\$1.500.000.
- iii. Fasilitas *Treasury Line* dengan maksimum kredit sebesar AS\$10.000.000.
- iv. Fasilitas Bank Garansi ("BG") dengan maksimum kredit sebesar Rp2.000.000.000 sebagai jaminan pembayaran pembelian gas ke PT Perusahaan Gas Negara (Persero).

Fasilitas ini dijamin dengan perjanjian fidusia terhadap piutang usaha (Catatan 5) dan persediaan (Catatan 8) untuk tanggal 31 Desember 2021 dan 2020 masing-masing senilai Rp780.000.000.000 dan Rp650.000.000.000, dan terhadap aset tetap (Catatan 13) untuk tanggal 31 Desember 2021 dan 2020 masing-masing senilai Rp686.774.900.000 dan Rp608.821.900.000.

Fasilitas pinjaman ini dijamin dengan *negative covenant* sebagai berikut:

- a. Melakukan perubahan anggaran dasar Perusahaan yang terkait perubahan maksud dan tujuan perusahaan, pemegang saham, pengurus, permodalan dan nilai saham. Sepanjang perubahan anggaran dasar terkait permodalan tidak mengurangi modal dasar dan/atau modal disetor serta susunan pemegang saham, susunan pengurus masih dimiliki keluarga Tanoko dan/atau perusahaan yang dimiliki keluarga Tanoko sebagai *ultimate shareholder* termasuk kepemimpinan masih mayoritas keluarga Tanoko dimana pengurus baru tidak memiliki catatan kredit bermasalah atau sedang dalam permasalahan hukum, maka Perusahaan cukup memberitahukan secara tertulis kepada Mandiri.
- b. Memindah tangankan barang agunan kecuali persediaan barang dagangan dalam rangka transaksi usaha yang wajar.
- c. Memperoleh fasilitas kredit atau pinjaman dari pihak lain kecuali setelah memperoleh fasilitas kredit atau pinjaman dari pihak lain Perusahaan tetap memenuhi *financial covenant* yang telah ditetapkan dan melaporkan kepada Mandiri paling lambat 15 hari kerja.

34. BANK LOANS (continued)

The Company (continued)

PT Bank Mandiri (Persero) Tbk (continued)

The loan facilities are secured by a *negative covenant* as follows: (continued)

- ii. *Letter of Credit* ("L/C") Import or SKBDN Facility with maximum credit limit amounting to US\$1,500,000.
- iii. *Treasury Line* Facility with maximum credit amounting to US\$10,000,000.
- iv. *Bank Guarantee* ("BG") Facility with maximum credit amounting to Rp2,000,000,000 as payment guarantee for gas procurement with PT Perusahaan Gas Negara (Persero).

This facility is collateralized by fiduciary agreement over trade receivables (Note 5) and inventories (Note 8) as of December 31, 2021 and 2020 amounting to Rp780,000,000,000 and Rp650,000,000,000, respectively, and over fixed assets (Note 13) as of December 31, 2021 and 2020 amounting to Rp686,774,900,000 and Rp608,821,900,000, respectively.

The loan facilities are secured by a *negative covenant* as follows:

- a. Make changes to the articles of association of the Company related to changes in the purposes and objectives of the Company, shareholders, management, capital and share value. As long as the amendment to the articles of association related to capital does not reduce the authorized capital and/or paid up capital as well as the composition of shareholders, the composition of the management is still owned by the Tanoko family and/or company owned by the Tanoko family as the ultimate shareholder, including management is still the majority of the Tanoko family where the new management has no record non-performing loans or are in legal issues, the Company only needs to notify Mandiri in writing.
- b. Transferring collateral items except for merchandise inventory in the context of ordinary business transactions.
- c. Obtain credit facilities or loans from other parties except after obtaining credit facilities or loans from other parties the Company continues to meet the financial covenants that have been set and reports to Mandiri no later than 15 working days.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

34. UTANG BANK (lanjutan)

Perusahaan (lanjutan)

PT Bank Mandiri (Persero) Tbk (lanjutan)

Fasilitas pinjaman ini dijamin dengan *negative covenant* sebagai berikut: (lanjutan)

- d. Memberikan penjaminan *corporate guarantee/cashflow guarantee* kepada pihak lain atau menurunkan porsi *security coverage ratio* agunan yang dijaminkan di Mandiri.
- e. Melunasi utang Perusahaan kepada pemilik/pemegang saham.
- f. Mengambil dividen atau modal untuk kepentingan di luar usaha dan kepentingan pribadi kecuali setelah penarikan dividen, Perusahaan tetap memenuhi *financial covenant* yang telah ditetapkan dan melaporkan kepada Mandiri paling lambat 15 hari kalender.

Berdasarkan Akta Notaris No. 34 tanggal 25 Agustus 2021 oleh Notaris Anwar, S.H., M.Kn. Notaris di Gresik mengenai Addendum XVII Perjanjian Kredit Modal Kerja No. RCO.SBY/200/PK-KMK/2008. Akta ini berisi pengesahan atas poin-poin dalam Addendum perjanjian No. CMB.CM6/CPH.2187/SPPK/2021 tanggal 5 Mei 2021 mengenai penghapusan *negative covenant* poin a dan f dan Surat Penawaran Pemberian Kredit No. CMB.CM6/CPH.2989/SPPK/2021 tanggal 29 Juni 2021 mengenai tambahan limit dan perpanjangan waktu fasilitas kredit modal kerja.

Perjanjian ini juga mensyaratkan Perusahaan untuk mempertahankan (i) *current ratio* minimal 100% (ii) *leverage ratio* maksimal 300% (iii) *debt service coverage ratio* minimal 1,2 kali. Pada tanggal 31 Desember 2021, Perusahaan telah memenuhi seluruh persyaratan perjanjian.

PT Bank DBS Indonesia

Pada tanggal 21 Juli 2021, Perusahaan menandatangani Perjanjian Fasilitas Perbankan No. 081/PFP-DBSI/ VII/1-2/2021 dengan PT Bank DBS Indonesia. Perusahaan setuju untuk menerima fasilitas perbankan dalam bentuk *uncommitted revolving credit facility* dengan jumlah pokok fasilitas yang tersedia maksimum hingga sebesar Rp800.000.000.000, dengan jangka waktu untuk setiap penarikan maksimum 3 (tiga) bulan tanpa periode *clean up*, dengan tujuan penggunaan untuk mendukung pembiayaan modal kerja.

34. BANK LOANS (continued)

The Company (continued)

PT Bank Mandiri (Persero) Tbk (continued)

The loan facilities are secured by a *negative covenant* as follows: (continued)

- d. Provide a *corporate guarantee/cashflow guarantee* to other parties or reduce the portion of the *security coverage ratio* of collateral guaranteed at Mandiri.
- e. Pay off Company debts to owners/shareholders.
- f. Taking dividends or capital for non-business interests and personal interests, except after the dividend withdrawal, the Company continues to meet the financial covenants that have been set and reports to Mandiri no later than 15 calendar days.

Based on Notarial Deed No. 34 dated August 25, 2021, by Notary Anwar, S.H., M.Kn. Notary in Gresik, regarding Addendum XVII Working Capital Facility Agreement No. RCO.SBY/200/PK-KMK/2008. This deed contains ratification of the points in the Addendum agreement No. CMB.CM6/CPH.2187/SPPK/2021 dated May 5, 2021 regarding the abolition of *negative covenants* points a and f and Letter of Credit Offering No. CMB.CM6/CPH.2989/SPPK/2021 dated June 29, 2021 regarding the additional limit and time extension of the working capital credit facility.

The loan agreements also require the Company to maintain (i) *current ratio* minimum 100% (ii) *leverage ratio* maximum 300% (iii) *debt service coverage ratio* minimum 1.2 times. On December 31, 2021, the Company has complied with all the requirements of the agreement.

PT Bank DBS Indonesia

On July 21, 2021, the Company entered into Banking Facility Agreement No. 081/PFP-DBSI/ VII/1-2/2021 with PT Bank DBS Indonesia. The Company agreed to accept banking facilities in the form of an *uncommitted revolving credit facility* with a maximum principal amount up to Rp800,000,000,000, with a term for each withdrawal of a maximum of 3 (three) months without a *clean up period*, which the purpose of use is for support the working capital financing.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

34. UTANG BANK (lanjutan)

Perusahaan (lanjutan)

PT Bank DBS Indonesia (lanjutan)

Perjanjian berlaku terhitung mulai tanggal 21 Juli 2021 sampai tanggal 21 Juli 2023 ("Tanggal Jatuh Tempo") dan akan diperpanjang secara otomatis untuk jangka waktu 3 (tiga) bulan sejak Tanggal Jatuh Tempo dengan pemberitahuan kepada Perusahaan. Suku bunga fasilitas ini sebesar JIBOR + 1,50% per tahun.

Sampai dengan tanggal 31 Desember 2021 seluruh pinjaman telah dilunasi oleh Perusahaan.

Entitas Anak

PT TKTW

Berdasarkan Perjanjian Perpanjangan Fasilitas Kredit Modal Kerja No. RCO.SBY/198/PK-KMK/2008 dengan PT Bank Mandiri (Persero) Tbk, PT TKTW memperoleh persetujuan atas permohonan perpanjangan jangka waktu kredit terhitung sejak tanggal 28 Agustus 2021 sampai dengan 27 Agustus 2022 dengan tingkat bunga sebesar 6,25% per tahun. *Limit* untuk KMK yang bergulir sebesar Rp550 miliar (2020: Rp380 miliar). Pinjaman ini dijamin dengan Akta Pemberian Hak Tanggungan atas tanah dan bangunan yang sudah dijual kepada PT Sarana Depo Kencana, serta jaminan berupa perikatan fidusia atas persediaan (Catatan 8) dan piutang (Catatan 5) masing-masing senilai Rp343 miliar (2020: Rp273 miliar) dan Rp203 miliar (2020: Rp133 miliar).

Fasilitas pinjaman ini dijamin dengan *negative covenant* sebagai berikut:

- a. Melakukan perubahan anggaran dasar PT TKTW yang terkait perubahan maksud dan tujuan perusahaan, pemegang saham, pengurus, permodalan dan nilai saham. Sepanjang perubahan anggaran dasar terkait permodalan tidak mengurangi modal dasar dan/atau modal disetor serta susunan pemegang saham, susunan pengurus masih dimiliki keluarga Tanoko dan/atau perusahaan yang dimiliki keluarga Tanoko sebagai *ultimate shareholder* termasuk kepengurusan masih mayoritas keluarga Tanoko dimana pengurus baru tidak memiliki catatan kredit bermasalah atau sedang dalam permasalahan hukum, maka PT TKTW cukup memberitahukan secara tertulis kepada Mandiri.

34. BANK LOANS (continued)

The Company (continued)

PT Bank DBS Indonesia (continued)

The agreement is effective from July 21, 2021 until July 21, 2023 ("Maturity Date") and will be automatically extended for a period of 3 (three) months from the Maturity Date with notification to the Company. The interest rate of this facility is JIBOR + 1.50% per annum.

As of December 31, 2021 all loans have been fully paid by the Company.

Subsidiaries

PT TKTW

Based on Agreement Extension of Banking Facility number RCO.SBY/198/PK-KMK/2008 with PT Bank Mandiri (Persero) Tbk, PT TKTW was granted approval for the credit's period extension started from August 28, 2021 until August 27, 2022 with interest rate of 6.25% per annum. Limit for WCL consists of Rp550 billion (2020: Rp380 billion). The loan is secured by land and building which has since been sold to PT Sarana Depo Kencana, also fiduciary agreement of inventories (Note 8) and trade receivables (Note 5) each amounting to Rp343 billion (2020: Rp273 billion) and Rp203 billion (2020: Rp133 billion).

The loan facilities are secured by a *negative covenant* as follows:

- a. Make changes to the articles of association of PT TKTW related to changes in the purposes and objectives of the Company, shareholders, management, capital and share value. As long as the amendment to the articles of association related to capital does not reduce the authorized capital and/or paid up capital as well as the composition of shareholders, the composition of the management is still owned by the Tanoko family and/or company owned by the Tanoko family as the *ultimate shareholder*, including management is still the majority of the Tanoko family where the new management has no record non-performing loans or are in legal issues, PT TKTW only needs to notify Mandiri in writing.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

34. UTANG BANK (lanjutan)

Entitas Anak (lanjutan)

PT TKTW (lanjutan)

Fasilitas pinjaman ini dijamin dengan *negative covenant* sebagai berikut: (lanjutan)

- b. Memindah tangankan barang agunan kecuali persediaan barang dagangan dalam rangka transaksi usaha yang wajar.
- c. Memperoleh fasilitas kredit atau pinjaman dari pihak lain kecuali setelah memperoleh fasilitas kredit atau pinjaman dari pihak lain PT TKTW tetap memenuhi *financial covenant* yang telah ditetapkan dan melaporkan kepada Mandiri paling lambat 15 hari kalender.
- d. Memberikan penjaminan *corporate guarantee/cashflow guarantee* kepada pihak lain atau menurunkan porsi *security coverage ratio* agunan yang dijamin di Mandiri.
- e. Melunasi utang PT TKTW kepada pemilik/pemegang saham.
- f. Mengambil dividen atau modal untuk kepentingan di luar usaha dan kepentingan pribadi kecuali setelah penarikan dividen, Perusahaan tetap memenuhi *financial covenant* yang telah ditetapkan dan melaporkan kepada Mandiri paling lambat 15 hari kalender.
- g. Menyewakan objek agunan kredit.

Pada tanggal 5 Mei 2021 PT TKTW memperoleh addendum perjanjian No. CMB.CM6/CPH.2188/SPPK/2021 dimana PT TKTW dan Mandiri menyetujui perubahan pada *negative covenant* sebagai berikut:

- a. Melakukan perubahan anggaran dasar PT TKTW yang terkait dengan perubahan pemegang saham, pengurus, permodalan dan nilai saham. Sepanjang perubahan anggaran dasar terkait permodalan tidak mengurangi modal dasar dan/atau modal disetor serta susunan/komposisi pemegang saham, susunan pengurus masih dimiliki keluarga keluarga Tanoko dan/atau perusahaan yang dimiliki keluarga Tanoko sebagai *ultimate shareholder* termasuk kepengurusan masih mayoritas keluarga Tanoko dimana pengurus baru tidak memiliki catatan kredit bermasalah atau sedang dalam permasalahan hukum, maka PT TKTW cukup memberitahukan secara tertulis kepada Mandiri.

34. BANK LOANS (continued)

Subsidiaries (continued)

PT TKTW (continued)

The loan facilities are secured by a *negative covenant* as follows: (continued)

- b. Transferring collateral items except for merchandise inventory in the context of ordinary business transactions.
- c. Obtain credit facilities or loans from other parties except after obtaining credit facilities or loans from other parties PT TKTW continues to meet the financial covenants that have been set and reports to Mandiri no later than 15 calendar days.
- d. Provide a corporate guarantee/cashflow guarantee to other parties or reduce the portion of the security coverage ratio of collateral guaranteed at Mandiri.
- e. Pay off PT TKTW's debts to owners/shareholders.
- f. Taking dividends or capital for non-business interests and personal interests, except after the dividend withdrawal, the Company continues to meet the financial covenants that have been set and reports to Mandiri no later than 15 calendar days.
- g. Rent out credit collateral objects.

On May 5, 2021, PT TKTW obtained an addendum agreement No. CMB.CM6/CPH.2188/SPPK/2021 wherein the Company and Mandiri agreed on the changes on the *negative covenant* as follows:

- a. Make changes to the articles of association of PT TKTW related to changes in shareholders, management, capital and share value. As long as the amendment to the articles of association related to capital does not reduce the authorized capital and/or paid up capital as well as the composition of shareholders, the composition of the management is still owned by the Tanoko family and/or company owned by the Tanoko family as the *ultimate shareholder*, including management is still the majority of the Tanoko family where the new management has no record non-performing loans or are in legal issues, PT TKTW only needs to notify Mandiri in writing.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

34. UTANG BANK (lanjutan)

Entitas Anak (lanjutan)

PT TKTW (lanjutan)

Pada tanggal 5 Mei 2021 PT TKTW memperoleh addendum perjanjian No. CMB.CM6/CPH.2188/SPPK/2021 dimana PT TKTW dan Mandiri menyetujui perubahan pada *negative covenant* sebagai berikut: (lanjutan)

b. Menghapus *negative covenant* poin f.

Berdasarkan Akta Notaris No. 11 tanggal 12 Agustus 2021 oleh Notaris Anwar, S.H., M.Kn. Notaris di Gresik mengenai Addendum XXI Perjanjian Kredit Modal Kerja No. RCO.SBY/198/PK-KMK/2008. Akta ini berisi pengesahan atas poin-poin dalam Addendum perjanjian No. CMB.CM6/CPH.2188/SPPK/2021 tanggal 5 Mei 2021 mengenai perubahan *negative covenant* dan Surat Penawaran Pemberian Kredit No. CMB.CM6/CPH.2990/SPPK/2021 tanggal 29 Juni 2021 mengenai tambahan limit dan perpanjangan waktu fasilitas kredit modal kerja.

Perjanjian ini juga mensyaratkan PT TKTW untuk mempertahankan (i) *current ratio* minimal 100% (ii) *leverage ratio* maksimal 300% (iii) *debt service coverage ratio* minimal 1,2 kali. Pada tanggal 31 Desember 2021 PT TKTW telah memenuhi seluruh persyaratan perjanjian.

PT MPI

PT MPI memperoleh fasilitas pinjaman dari PT Bank Central Asia Tbk berupa Fasilitas Kredit Lokal dengan jumlah tidak melebihi Rp7.000.000.000 dengan jangka waktu 1 tahun, dan telah diperpanjang sampai dengan 21 April 2022. Tingkat bunga atas fasilitas kredit lokal untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020 masing-masing adalah 10,5% dan 11,5%.

Saldo pinjaman PT MPI pada tanggal 31 Desember 2021 adalah sebesar Rp670.857.472.

Fasilitas kredit ini dijamin dengan tanah milik PT MPI.

34. BANK LOANS (continued)

Subsidiaries (continued)

PT TKTW (continued)

On May 5, 2021, PT TKTW obtained an addendum agreement No. CMB.CM6/CPH.2188/SPPK/2021 wherein the Company and Mandiri agreed on the changes on the *negative covenant* as follows: (continued)

b. Removing the *negative covenants* points f.

Based on Notarial Deed No. 11 dated August 12, 2021, by Notary Anwar, S.H., M.Kn. Notary in Gresik, regarding Addendum XXI Working Capital Facility Agreement No. RCO.SBY/198/PK-KMK/2008. This deed contains ratification of the points in the Addendum agreement No. CMB.CM6/CPH.2188/SPPK/2021 dated May 5, 2021 regarding the changes of *negative covenants* and Letter of Credit Offering No. CMB.CM6/CPH.2990/SPPK/2021 dated June 29, 2021 regarding the additional limit and time extension of the working capital credit facility.

The loan agreements also require PT TKTW to maintain (i) *current ratio* minimum 100% (ii) *leverage ratio* maximum 300% (iii) *debt service coverage ratio* minimum 1.2 times. On December 31, 2021 PT TKTW has complied with all the requirements of the agreement.

PT MPI

PT MPI obtained a loan facility from PT Bank Central Asia Tbk in the form of a Local Credit Facility for an amount not exceeding Rp7,000,000,000 with a term of 1 year, the latest has been extended until April 21, 2022. Interest rate on the credit local facility for the year ended December 31, 2021 and 2020 are 10.5% and 11.5%, respectively.

The outstanding balance of the loan of PT MPI as of December 31, 2021 amounted to Rp670,857,472.

This credit facilities are secured by land owned by PT MPI.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

35. INFORMASI SEGMENT

Kelompok Usaha menentukan segmen operasi menurut kelompok produk yang dijual.

Informasi segmen operasi Kelompok Usaha adalah sebagai berikut:

35. SEGMENT INFORMATION

The Group considers operating segment by group of products.

The Group's operating segment information is as follows:

31 Desember 2021/December 31, 2021						
	Solusi arsitektur/ Architectural solution	Barang dagangan/ Trading goods	Total sebelum eliminasi/ Total before elimination	Eliminasi/ Elimination	Total/ Total	
Penjualan neto						Net sales
Penjualan kepada pihak eksternal	5.305.745.206.241	1.473.898.142.702	6.779.643.348.943	-	6.779.643.348.943	Sales to external customers
Penjualan antar segmen	3.849.622.385.090	-	3.849.622.385.090	(3.849.622.385.090)	-	Inter-segment sales
Total penjualan neto	9.155.367.591.331	1.473.898.142.702	10.629.265.734.033	(3.849.622.385.090)	6.779.643.348.943	Total net sales
Beban pokok penjualan	(6.619.162.727.666)	(1.185.956.603.834)	(7.805.119.331.500)	3.851.008.961.606	(3.954.110.369.894)	Cost of goods sold
Laba Bruto	2.536.204.863.665	287.941.538.868	2.824.146.402.533	1.386.576.516	2.825.532.979.049	Gross profit
Beban operasi						Operating expenses
Beban Penjualan	-	-	(1.069.758.341.838)	180.693.717.506	(889.064.624.332)	Selling expenses
Beban umum dan administrasi	-	-	(184.752.451.142)	3.184.731.919	(181.567.719.223)	General and administrative expenses
Pendapatan operasi lainnya - neto	-	-	232.751.315.918	(185.265.025.942)	47.486.289.976	Other operating income - net
Laba usaha					1.802.386.925.470	Operating profit
Penghasilan keuangan	-	-	80.678.466.729	-	80.678.466.729	Finance income
Beban keuangan	-	-	(37.101.907.024)	-	(37.101.907.024)	Finance costs
Bagian atas kerugian ventura bersama	-	-	(1.258.742.464)	-	(1.258.742.464)	Share of loss of a joint venture
Laba sebelum pajak penghasilan					1.844.704.742.711	Profit before income tax expense
(Beban)/manfaat pajak penghasilan						Income tax (expense)/benefit
Kini	-	-	(398.106.683.260)	-	(398.106.683.260)	Current
Tangguhan	-	-	(12.046.836.755)	-	(12.046.836.755)	Deferred
Laba tahun berjalan					1.434.551.222.696	Profit for the year
Informasi segmen lainnya						Other segment information
Belanja modal yang tidak dapat dialokasikan	-	-	140.881.798.508	-	140.881.798.508	Unallocated capital expenditures
Beban depresiasi dan amortisasi yang tidak dapat dialokasikan	-	-	188.521.280.916	(1.115.118.524)	187.406.162.392	Unallocated depreciation and amortization expense
Aset dan Liabilitas						Assets and Liabilities
Aset yang tidak dapat dialokasikan	-	-	14.440.346.981.288	(3.566.586.744.708)	10.873.760.236.580	Unallocated assets
Aset Kelompok Usaha	-	-	14.440.346.981.288	(3.566.586.744.708)	10.873.760.236.580	The Group's Asset
Liabilitas yang tidak dapat dialokasikan	-	-	2.418.096.099.887	(959.955.795.249)	1.458.140.304.638	Unallocated liabilities
Liabilitas Kelompok usaha	-	-	2.418.096.099.887	(959.955.795.249)	1.458.140.304.638	The Group's Liabilities

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

35. INFORMASI SEGMENT (lanjutan)

Informasi segmen operasi Kelompok Usaha adalah sebagai berikut: (lanjutan)

35. SEGMENT INFORMATION (continued)

The Group's operating segment information is as follows: (continued)

31 Desember 2020/December 31, 2020					
	Solusi arsitektur/ Architectural solution	Barang dagangan/ Trading goods	Total sebelum eliminasi/ Total before elimination	Eliminasi/ Elimination	Total/ Total
Penjualan neto					Net sales
Penjualan kepada pihak eksternal	4.506.021.835.351	1.225.238.847.893	5.731.260.683.244	-	5.731.260.683.244
Penjualan antar segmen	3.167.124.310.705	-	3.167.124.310.705	(3.167.124.310.705)	-
Total penjualan neto	7.673.146.146.056	1.225.238.847.893	8.898.384.993.949	(3.167.124.310.705)	5.731.260.683.244
Beban pokok penjualan	(5.324.606.729.189)	(1.035.373.043.062)	(6.359.979.772.251)	3.147.385.999.284	(3.212.593.772.967)
Laba Bruto	2.348.539.416.867	189.865.804.831	2.538.405.221.698	(19.738.311.421)	2.518.666.910.277
Beban operasi					Operating expenses
Beban Penjualan	-	-	(786.653.851.412)	(131.331.014.702)	(917.984.866.114)
Beban umum dan administrasi	-	-	(165.162.196.786)	2.471.661.694	(162.690.535.092)
Pendapatan operasi lainnya - neto	-	-	6.111.918.333	3.656.358.147	9.768.276.480
Laba usaha					Operating profit
Penghasilan keuangan	-	-	53.019.361.838	-	53.019.361.838
Beban keuangan	-	-	(9.734.247.522)	-	(9.734.247.522)
Bagian atas kerugian ventura bersama	-	-	-	-	-
Laba sebelum pajak penghasilan					Profit before income tax expense
					1.491.044.899.867
(Beban)/manfaat pajak penghasilan					Income tax (expense)/benefit
Kini	-	-	(362.097.766.360)	-	(362.097.766.360)
Tangguhan	-	-	7.200.695.982	-	7.200.695.982
Laba tahun berjalan					Profit for the year
					1.136.147.829.489
Informasi segmen lainnya					Other segment information
Belanja modal yang tidak dapat dialokasikan	-	-	148.986.373.783	-	148.986.373.783
Beban depresiasi dan amortisasi yang tidak dapat dialokasikan	-	-	178.585.928.930	(2.067.325.515)	176.518.603.415
Aset dan Liabilitas					Assets and Liabilities
Aset yang tidak dapat dialokasikan	-	-	7.989.900.529.431	(2.119.015.994.453)	5.870.884.534.978
Aset Kelompok Usaha			7.989.900.529.431	(2.119.015.994.453)	5.870.884.534.978
Liabilitas yang tidak dapat dialokasikan	-	-	1.875.746.797.400	(689.496.651.501)	1.186.250.145.899
Liabilitas Kelompok usaha			1.875.746.797.400	(689.496.651.501)	1.186.250.145.899

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

35. INFORMASI SEGMENT (lanjutan)

SEGMENT GEOGRAFIS

	Tahun yang Berakhir pada Tanggal 31 Desember/ Years Ended December 31,	
	2021	2020
Penjualan neto		
Lokal	6.779.643.348.943	5.731.260.683.244
Ekspor	-	-
Total	6.779.643.348.943	5.731.260.683.244

Net sales
Local
Export

Total

35. SEGMENT INFORMATION (continued)

GEOGRAPHICAL SEGMENT

36. KEJADIAN SETELAH PERIODE PELAPORAN

Pernyataan Keputusan Para Pemegang Saham

Berdasarkan Akta Notaris No. 31 tanggal 27 Januari 2022 oleh Notaris Liestiani Wang, S.H., M.Kn. Notaris di Jakarta Selatan, Para Pemegang Saham Perusahaan memutuskan dan menyetujui hal - hal sebagai berikut:

- Pelaksanaan Penawaran Umum melalui pengeluaran saham baru dari dalam simpanan (portepel) Perusahaan sebanyak-banyaknya 6.200.000.000 saham dengan nilai nominal masing-masing saham sebesar Rp10 atau sebanyak-banyaknya 10,0075% dari total modal ditempatkan dan disetor penuh dalam Perusahaan setelah Penawaran Umum, untuk ditawarkan kepada masyarakat baik di wilayah Republik Indonesia dan/atau secara internasional, dan dicatatkan di Bursa Efek Indonesia, yang di dalamnya sudah termasuk program ESA, serta pendaftaran saham Perseroan dalam penitipan kolektif sesuai dengan peraturan-peraturan PT Kustodian Sentral Efek Indonesia (PT KSEI). Pemegang Saham Perusahaan dengan ini menyatakan dan mengesampingkan haknya untuk mengambil bagian atas saham yang baru dikeluarkan tersebut.
- Pelaksanaan program ESA dengan jumlah sebanyak-banyaknya sebesar 2% dari jumlah saham baru yang ditawarkan dalam Penawaran Umum, yang pelaksanaannya akan dilakukan bersamaan dan sehubungan dengan Penawaran Umum Perusahaan.

36. EVENTS AFTER THE REPORTING PERIOD

Statement of Shareholders' Decisions

Based on Notarial Deed No. 31 dated January 27, 2022, by Notary Liestiani Wang, S.H., M.Kn. Notary in South Jakarta, the Company's shareholders decided and approved on the followings:

- The execution of the Initial Public Offering/IPO of the Company through the issuance of new shares from the Company's portfolio at total maximum 6,200,000,000 shares with Rp10 price per shares or maximum 10.0075% from the Company's total issued and paid-up capital after the Initial Public Offering/IPO, to be offered to the public whether in the territory Republic of Indonesia and/or internationally and listed on the Indonesia Stock Exchange, which includes the ESA program, as well as registration of the Company's shares in collective custody in accordance with the regulations of the Indonesian Central Securities Depository (PT KSEI). The Company's Shareholders declare the waiver of preemptive rights of the Company's shareholders to subscribe the new shares issued.
- The execution of ESA Program at the maximum of 2% from total new shares offered through the Initial Public Offering, which the execution will be carried out simultaneously and in connection with the Company's Public Offering.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

36. KEJADIAN SETELAH PERIODE PELAPORAN
(lanjutan)

Pernyataan Keputusan Para Pemegang Saham
(lanjutan)

Berdasarkan Akta Notaris No. 31 tanggal 27 Januari 2022 oleh Notaris Liestiani Wang, S.H., M.Kn. Notaris di Jakarta Selatan, Para Pemegang Saham Perusahaan memutuskan dan menyetujui hal - hal sebagai berikut: (lanjutan)

- Pengeluaran saham-saham baru Perusahaan dalam jumlah sebanyak-banyaknya 12,5% dari jumlah saham yang ditawarkan dalam Penawaran Umum, tidak termasuk efek lain yang menyertainya, yang dikeluarkan dalam rangka pemenuhan kewajiban untuk mengalokasikan sejumlah saham pada penjatahan terpusat apabila terjadi kelebihan pemesanan pada penjatahan terpusat dalam rangka Penawaran Umum.
- Pemberian kewenangan kepada Dewan Komisaris Perusahaan untuk melakukan perubahan struktur permodalan Perusahaan setelah selesainya proses Penawaran Umum.
- Perubahan Pasal 4 ayat 2 Anggaran Dasar Perusahaan menjadi sebagai berikut: Dari modal dasar telah ditempatkan dan disetor penuh sebesar lebih dari 30,97% atau sebanyak 61.953.555.600 saham, dengan jumlah nilai nominal seluruhnya sebesar Rp619.535.556.000 oleh para pemegang saham.
- Menegaskan kembali susunan pemegang saham Perusahaan menjadi sebagai berikut:

Pemegang saham	Jumlah saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase kepemilikan/ Percentage of ownership	Total/ Total	Shareholders
PT Tancorp Surya Sentosa	22.674.971.000	36,60%	226.749.710.000	PT Tancorp Surya Sentosa
PT Wahana Lancar Rejeki	20.129.652.900	32,49%	201.296.529.000	PT Wahana Lancar Rejeki
Archipelago Investment Private Limited	3.902.748.900	6,30%	39.027.489.000	Archipelago Investment Private Limited
Robert Christian Tanoko	1.403.790.800	2,27%	14.037.908.000	Robert Christian Tanoko
Rony Tanoko	1.041.265.000	1,68%	10.412.650.000	Rony Tanoko
Rudi Tanoko	1.041.265.000	1,68%	10.412.650.000	Rudi Tanoko
Masyarakat (masing-masing kepemilikan di bawah 5%)	11.759.862.000	18,98%	117.598.620.000	Public (each below 5% ownership)
Total	61.953.555.600	100,00%	619.535.556.000	Total

36. EVENTS AFTER THE REPORTING PERIOD
(continued)

Statement of Shareholders' Decisions (continued)

Based on Notarial Deed No. 31 dated January 27, 2022, by Notary Liestiani Wang, S.H., M.Kn. Notary in South Jakarta, the Company's shareholders decided and approved on the followings: (continued)

- The issuance of the Company's new shares in total maximum 12.5% from total new shares which offered in the Initial Public Offering, excluding other accompanying securities therein, which are issued to comply with the obligation to allocate a number of shares at pooling allotment in the event of an oversubscription in the pooling allocation in the Public Offering.
- The grant of authority to the Company's Boards of Commissioners to make changes to the Company's capital structure after the completion of the Public Offering process.
- Amendment to Article 4 paragraph 2 of the Company's Articles of Association to be as follows: From the authorized capital, has been issued and fully paid, more than 30.97% or 61,953,555,600 shares, with a total nominal value of Rp. 619,535,556,000 by the shareholders.
- Reaffirming the composition of the Company's shareholders to be as follows:

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

36. KEJADIAN SETELAH PERIODE PELAPORAN
(lanjutan)

Surat Keputusan Dewan Komisaris

Berdasarkan Surat Keputusan Dewan Komisaris No. 001/AA/SK/KOM/II/2022 tentang Perubahan Susunan Anggota Komite *Good Corporate Governance* ("GCG") tanggal 23 Februari 2022, Dewan Komisaris Perusahaan telah memutuskan:

- a. Menghentikan dengan hormat Rio Henry Malinggi dari jabatannya selaku anggota Komite GCG dan mengangkat Iwan Sigit sebagai anggota Komite GCG, berlaku efektif sejak tanggal surat keputusan ini;
- b. Mengubah susunan anggota Komite GCG yang berlaku sejak tanggal surat keputusan ini sampai dengan tanggal 16 Agustus 2023, menjadi sebagai berikut:

Ketua	Robert Christian Tanoko
Anggota	Kurnia Hadi Sinanto
Anggota	Iwan Sigit

Surat Keputusan Direksi

Berdasarkan Surat Keputusan Direktur Utama No. 001/AA/SK/DIR/II/2022 tentang Penggantian Kepala Unit Audit Internal dan Perubahan Susunan Anggota Unit Audit Internal tanggal 23 Februari 2022, atas persetujuan Dewan Komisaris, maka Direktur Utama Perusahaan memutuskan hal-hal berikut ini:

- a. Memberhentikan dengan hormat Rio Henry Malinggi dari jabatannya selaku Kepala Unit Audit Internal;
- b. Mengangkat Devyka Oktima S. sebagai Kepala Unit Audit Internal menggantikan Rio Henry Malinggi;
- c. Mengubah susunan anggota Unit Audit Internal menjadi sebagai berikut:

Kepala unit audit internal	Devyka Optima S
Anggota	Sarwono

36. EVENTS AFTER THE REPORTING PERIOD
(continued)

Board of Commissioners' Decision Letter

Based on Board of Commissioners' Decision Letter No. 001/AA/SK/KOM/II/2022 concerning the changes to the composition of Good Corporate Governance ("GCG") committee dated February 23, 2022, Board of Commissioners has resolved:

- a. Dismiss with honourable Rio Henry Malinggi from his position as the member of the GCG Committee and appoint Iwan Sigit as the member of the GCG Committee, effective as of the date of this decision letter;
- b. Change the composition of the members of the GCG Committee effective as of the date of this decision letter until August 16, 2023, to be as follows:

	Chairperson
	Member
	Member

Board of Directors' Decision Letter

Based on President Director's Decision Letter No. 001/AA/SK/DIR/II/2022 concerning the Replacement of the Head of the Internal Audit Unit and Changes in the Composition of Members of the Internal Audit Unit dated February 23, 2022, upon the approval of the Board of Commissioners, the President Director of the Company resolves the following approval:

- a. Dismiss with honourable Mr. Rio Henry Malinggi from his position as Head of Internal Audit Unit;
- b. Appoint Devyka Oktima S. as the Head of Internal Audit Unit to replace Rio Henry Malinggi;
- c. Change the composition of the members of the Internal Audit Unit to be as follows:

	Head of internal audit unit
	Member

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

36. KEJADIAN SETELAH PERIODE PELAPORAN
(lanjutan)

Laporan Kepemilikan atau Setiap Perubahan
Kepemilikan Saham Perusahaan Terbuka

Berdasarkan Laporan Kepemilikan atau Setiap Perubahan Kepemilikan Saham Perusahaan Terbuka tanggal 9 Februari 2022 mengenai pembelian saham oleh Robert Christian Tanoko (Direktur PT Avia Avian Tbk.) sejumlah 4.000.000 lembar saham dengan harga Rp860 dan 8.000.000 lembar saham dengan harga Rp865 pada tanggal 8 Februari 2022. Tujuan pembelian ini sebagai investasi dengan status kepemilikan langsung.

Laporan Kepemilikan atau Setiap Perubahan
Kepemilikan Saham Perusahaan Terbuka

Berdasarkan Laporan Kepemilikan atau Setiap Perubahan Kepemilikan Saham Perusahaan Terbuka tanggal 15 Februari 2022 mengenai pembelian saham oleh Robert Christian Tanoko (Direktur PT Avia Avian Tbk.) sejumlah 103.000 lembar saham dengan harga Rp855, 4.000.000 lembar saham dengan harga Rp850 dan 2.000.000 lembar saham dengan harga Rp855 pada tanggal 9-10 Februari 2022. Tujuan pembelian ini sebagai investasi dengan status kepemilikan langsung.

37. STANDAR AKUNTANSI YANG TELAH
DITERBITKAN NAMUN BELUM BERLAKU
EFEKTIF

Standar akuntansi yang telah diterbitkan sampai tanggal penerbitan laporan keuangan konsolidasian Kelompok Usaha namun belum berlaku efektif diungkapkan berikut ini. Manajemen bermaksud untuk menerapkan standar yang dipertimbangkan relevan terhadap Kelompok Usaha pada saat standar tersebut berlaku efektif, dan dampak penerapan standar tersebut terhadap posisi dan kinerja keuangan konsolidasian Kelompok Usaha masih diestimasi sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini.

Kecuali disebutkan lain, Kelompok Usaha tidak mengharapkan adopsi pernyataan tersebut di masa depan memiliki dampak signifikan terhadap laporan keuangannya.

36. EVENTS AFTER THE REPORTING PERIOD
(continued)

The Report of Ownership or Every Change on
Shares Ownership of Public Company

Based on the Report of Ownership or Every Change on shares Ownership or Public Company on February 9, 2022 regarding with purchasing of shares by Robert Christian Tanoko (Director of PT Avia Avian Tbk.) totaling of 4,000,000 shares at a price of Rp860 and 8,000,000 shares at a price Rp865 on February 8, 2022. The purpose of this purchase as an investment with direct ownership status.

The Report of Ownership or Every Change on
Shares Ownership of Public Company

Based on the Report of Ownership or Every Change on shares Ownership or Public Company on February 15, 2022 regarding with purchasing of shares by Robert Christian Tanoko (Director of PT Avia Avian Tbk.) totaling of 103,000 shares at a price of Rp855, 4,000,000 shares at a price Rp850 and 2,000,000 shares at a price Rp855 on February 9-10, 2022. The purpose of this purchase as an investment with direct ownership status.

37. ACCOUNTING STANDARDS ISSUED BUT NOT
YET EFFECTIVE

The accounting standards that have been issued up to the date of issuance of the Group's consolidated financial statements, but not yet effective are disclosed below. The management intends to adopt these standards that are considered relevant to the Group when they become effective, and the impact to the consolidated financial position and performance of the Group is still being estimated at the date of completion of these consolidated financial statements.

Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

37. STANDAR AKUNTANSI YANG TELAH DITERBITKAN NAMUN BELUM BERLAKU EFEKTIF (lanjutan)

Efektif berlaku pada 1 Januari 2022 dengan penerapan dini diperkenankan

- Amendemen PSAK 22: Kombinasi Bisnis tentang Referensi ke Kerangka Konseptual. Amendemen PSAK 22 Kombinasi Bisnis tentang Referensi ke Kerangka Konseptual ini mengklarifikasi interaksi antara PSAK 22, PSAK 57, ISAK 30 dan Kerangka Konseptual Pelaporan Keuangan.
- Amendemen PSAK 57: Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak Memberatkan - Biaya Memenuhi Kontrak. Amendemen ini mengklarifikasi biaya untuk memenuhi suatu kontrak dalam kaitannya dalam menentukan apakah suatu kontrak merupakan kontrak memberatkan.
- Penyesuaian Tahunan 2020 - PSAK 71: Instrumen Keuangan - Imbalan dalam pengujian '10 persen' untuk penghentian pengakuan liabilitas keuangan. Amendemen ini mengklarifikasi biaya yang termasuk dalam entitas ketika menilai apakah persyaratan liabilitas keuangan baru atau yang dimodifikasi secara substansial berbeda dari persyaratan liabilitas keuangan asli. Biaya ini hanya mencakup yang dibayarkan atau diterima antara peminjam dan pemberi pinjaman, termasuk biaya yang dibayarkan atau diterima baik oleh peminjam atau pemberi pinjaman atas nama pihak lain. Entitas menerapkan amendemen atas liabilitas keuangan yang dimodifikasi atau dipertukarkan pada atau setelah awal periode pelaporan tahunan di mana entitas pertama kali menerapkan amendemen tersebut.

Efektif berlaku pada atau setelah 1 Januari 2023

- Amendemen PSAK 1: Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang. Amendemen menentukan persyaratan untuk mengklasifikasikan kewajiban sebagai lancar atau tidak lancar.

37. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Effective on or January 1, 2022 with earlier application permitted

- Amendments to PSAK 22: Business Combinations regarding Reference to Conceptual Frameworks. The amendments to PSAK 22 Business Combinations regarding Reference to Conceptual Frameworks clarify the interactions between PSAK 22, PSAK 57, ISAK 30 and the Conceptual Framework of Financial Reporting.
- Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract Fulfillment Costs. This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract.
- 2020 Annual Adjustments - PSAK 71: Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Effective on or after January 1, 2023

- Amendments to PSAK 1: Classification of Liabilities as Current or Non-current. The amendments specify the requirements for classifying liabilities as current or non-current.

PT AVIA AVIAN Tbk. DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN
KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2021 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED
THE FINANCIAL STATEMENTS
As of December 31, 2021 and
for the Year Then Ended
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37. STANDAR AKUNTANSI YANG TELAH DITERBITKAN NAMUN BELUM BERLAKU EFEKTIF (lanjutan)

Efektif berlaku pada atau setelah 1 Januari 2025

- PSAK 74: Kontrak Asuransi, yang diadopsi dari IFRS 17, berlaku efektif 1 Januari 2025, dengan penerapan ini diperkenankan. PSAK No. 74 memuat relaksasi beberapa ketentuan sebagaimana diatur dalam Amendemen IFRS 17 yang antara lain memberikan tambahan ruang lingkup pengecualian, penyesuaian penyajian laporan keuangan, penerapan opsi mitigasi risiko dan beberapa modifikasi pada ketentuan transisi.

38. KETIDAKPASTIAN MAKROEKONOMI

Operasi Kelompok Usaha telah dan mungkin terus dipengaruhi oleh pandemi Covid-19. Dampak pandemi Covid-19 terhadap ekonomi global dan Indonesia meliputi pertumbuhan ekonomi yang lebih rendah, penurunan pasar modal, peningkatan risiko kredit, depresiasi nilai tukar mata uang asing dan gangguan operasi bisnis. Dampak pandemi ini terhadap Kelompok Usaha belum memberikan pengaruh signifikan. Pengaruh lebih lanjut yang signifikan dari pandemi ini, bila ada, akan direfleksikan dalam pelaporan keuangan Kelompok Usaha di periode-periode berikutnya.

37. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Effective on or after January 1, 2025

- PSAK 74: Insurance contracts, effective January 1, 2025, and earlier application is permitted. PSAK 74 includes relaxation of several provisions as stipulated in the Amendments to IFRS 17 which among others provides additional scope exceptions, adjustments in the presentation of financial statements, application of risk mitigation options and some modifications to transitional provisions.

38. MACROECONOMIC UNCERTAINTY

The Group's operation has and may continue to be impacted by the outbreak of Covid-19 pandemic. The effects of Covid-19 pandemic to the global and Indonesian economy include lower economic growth, decline in capital markets, increase in credit risk, depreciation of foreign currency exchange rates and disruption of business operation. The effects of the pandemic to the Group are not significant. Further significant impact of the pandemic, if any, will be reflected in the Group's financial reporting in the subsequent periods.



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ANNUAL REPORT

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