Avian
BRANDS





Toward a Sustainable and Colorful Future

2024 Annual Report

Disclaimer and Limitation of Liability

Our 2024 Annual Report is prepared to comply with the requirement to report our performance for the period of January 1, 2024 to December 31, 2024 to the regulators and stakeholders. This Annual Report, among others, is prepared based on Financial Services Authority Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies with contents in accordance with Financial Services Authority Circular Letter No. 16/SEOJK.04/2021 concerning Forms and Contents of an 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 prepared based on accountable factual data. In addition, this Annual Report also presents information related to our forecasts for the following year that are prepared based on prospective statements and various assumptions regarding the future conditions of our Company, as well as the related business environment, thus the actual developments may materially differ from the report. Therefore, we urge the stakeholders to use the information contained in this report wisely when making decisions.



Towards a Sustainable and Colorful Future



PT Avia Avian Tbk (hereinafter referred to as "Avian Brands" or "AVIA" or "we") continuously integrates its achievements with its long-term aspiration to create innovative and sustainable products. By providing high-quality products that are certified environmentally friendly, Avian Brands solidifies its position as a paint industry leader committed to sustainability and environmental responsibility. This year, Avian Brands also managed to record a strategic achievement of securing new international patents, further reinforcing its competitive edge in the industry. This move reflects Avian Brands' focus on sustainable innovation that provides added value not only for customers, but also for the environment and society at large. These patents are tangible evidence of Avian Brands' dedication to developing products relevant to market needs while simultaneously contributing to its long-term sustainability objectives.

This commitment to sustainability is evident not only from product innovation but also from various strategic efforts to deliver sustainable positive impacts. With a holistic approach, Avian Brands is not only oriented towards achieving business targets, but also on making tangible contributions to the social and environmental ecosystem. Avian Brands believes that true success means providing long-term benefits to all stakeholders, including the community, customers, business partners, and the environment. Through these strategic initiatives, Avian Brands continues to move forward to realize its vision of becoming an industry player that gives color to people's lives and maintains harmony with nature and the future. By doing so, Avian Brands will always be part of the solution to create a more sustainable, innovative, and colorful world.

Theme Continuity

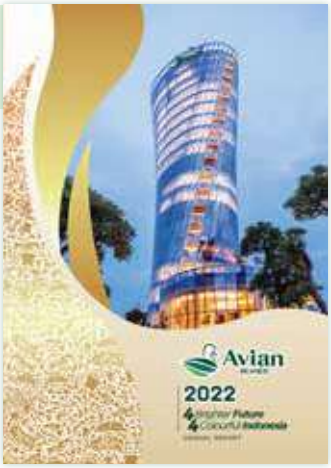
2023 Painting a Beautiful Picture of Indonesia



For over 4 decades, Avian Brands has been bringing beautiful colors to the lives of millions of families in Indonesia, by providing a diverse range of high-quality and eco-friendly paint products. As a pioneer in the paint manufacturing industry, we recognize the paramount importance of positively contributing to the environment and the community. Thus, since its inception, Avian Brands has not only brought colors through its products, but also through continuous commitment to responsible business practices.

As part of this ongoing commitment, we continue to conduct research and development to introduce more environmentally friendly paint solutions. By consistently exploring the potential for innovation in paint formulations that are both more efficient and ecological, we aspire to continue painting Indonesia with colors that are not only beautiful but also sustainable. Moreover, we steadfastly strengthen partnerships with local communities, support social initiatives, and invest in educational programs to shape a brighter and more colorful future for the next generation.

2022 4 Brighter Future 4 Colourful Indonesia

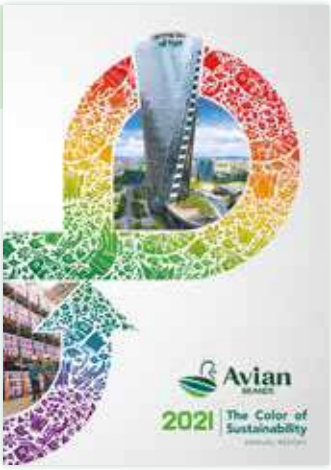


The business continuity of Avian Brands for more than 44 years has been achieved through prudent business management and continuous innovation. During our journey, Avian Brands continues to move forward in accordance with our Vision "to become an integrated, excellent, environmentally friendly, and leading paint company in Indonesia". Each of our policies and strategies is geared towards adding value to various groups of stakeholders. This commitment may be seen in product innovations that take into account environmental friendliness and customer health.

A total of 24 of our paint products have earned Singapore Green Label certifications. Most of our paints are made with water-based materials and environmentally friendly raw materials to support the green building concept. In addition, we manufacture paints with green active technology, which can lower the room temperature, as well as paints with protection against viruses and bacteria, so they do not stick to the walls. All these innovations aim to support a healthier and brighter future for Indonesia in the colorful array of our products.

Our innovations have earned positive appreciation from external parties. From the operational aspect, we obtained a Green Industry Certificate (*Sertifikat Industri Hijau*) for operational activities that prioritize efficiency and effectiveness in the utilization of resources in a sustainable manner to encourage environmental sustainability. Furthermore, we have also obtained Green PROPER (PROPER Hijau) for optimizing our environmental impact management beyond the necessary requirements. These achievements also make us the first paint company in Indonesia to achieve Green PROPER.

2021 The Color of Sustainability



For more than 43 years, Avian Brands has provided leading benefits and contributed to a colorful Indonesia. We continue to support the community in achieving better lives through a variety of product portfolios and business activities. We believe that a business operated with a 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, which aims to develop and provide the latest product innovations. We also own an extensive distribution network through a combination of wholly-owned distribution centers as well as independent 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.

Competitive Strengths

1. Leading paint producer in Indonesia with strong brand recognition.

2. Well-positioned to gain advantages of the favorable industry growth dynamics in Indonesia.

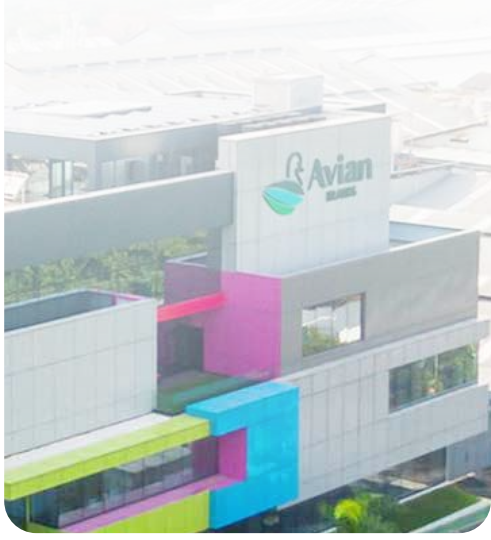
3. Extensive distribution network and access across Indonesia. Supported by 124 wholly-owned distribution centers and 15 wholly-owned mini-distribution centers, and 38 independent distribution centers.

4. Highly committed and visionary management team with a strong track record of success.

5. Ability to offer differentiated and innovative solutions supported by industry-leading research and development capabilities in decorative paints and coatings.

6. Production excellence, which is underpinned by Avian Brands' vertically integrated manufacturing capabilities and in-house raw material production, is supported by Avian Brands' long-term relationships with key suppliers.





Avian BRANDS

2024 Performance

"Amidst the growing external challenges throughout 2024, Avian Brands managed to maintain its edge as the leader in national paint industry, which resulted in excellent operational and financial performance."

Production Performance

Avian Brands' production performance in 2024 reached 197,339 metric tons, an increase of 9.30% compared to the previous year. These results were predominantly produced by Sidoarjo Plant, amounting to 137,950 metric tons or 69.91% of Avian Brands' total production, with Serang Plant producing 59,389 metric tons or 30.09% of Avian Brands' total production.

Research and Development Performance

Avian Brands' consistency in conducting continuous research and development on its products has delivered increasingly positive results. In 2024, Avian Brands succeeded in securing global patents for the "Magnetite Paint (Fe_3O_4)" applied to HomeDeco Magnetic product, and the "Additive for Accelerating the Hardening and Reinforcing of Enhanced Concrete" applied to No Drop Plaston product. Moreover, Avian Brands has successfully launched 15 new products into the market, further strengthening its product portfolio and competitive edge in the industry. These products are designed to respond to dynamic market needs, focusing on innovation, quality, and sustainability.

Profitability Performance

Avian Brands successfully recorded a net revenues of IDR7,471.36 billion, an increase of 6.48% compared to the previous year. This achievement drove Avian Brands' profit for the year, which was recorded at IDR1,663.70 billion, an increase of 1.25% compared to the previous year.

This robust profitability performance and financial strength enable Avian Brands to consistently deliver added value to stakeholders, particularly regarding dividend distribution to Shareholders. In 2024, Avian Brands distributed cash dividends of IDR11.- per share or a total of IDR676.16 billion and interim dividends of IDR11.- per share or a total of IDR671.98 billion.

Distribution Network Performance

Avian Brands continues to strengthen its distribution network in order to improve customer accessibility to Avian Brands' products. As of the end of 2024, its distribution network has reached 34 provinces and 98 cities in Indonesia, consisting of 124 wholly-owned distribution centers and 15 wholly-owned mini-distribution centers, as well as 38 independent distribution centers.

This extensive network allows Avian Brands to achieve 91% of its one-day delivery target that guarantees delivery of orders within 2 hours for new products, removing the need for customers to keep inventory. This strategy ensures timely and efficient product availability in various regions in Indonesia.

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Performance Highlights

Key Financial Data Overview

(in millions Rupiah, unless otherwise stated)

Description	2024	2023*	2022
Consolidated Statement of Financial Position			
Total Assets	**11,060,975**	**11,166,987**	**10,792,122**
Total Current Assets	**8,493,362**	8,910,802	8,716,715
Total Non-Current Assets	**2,567,613**	2,256,185	2,075,407
Total Liabilities	**1,429,095**	**1,245,498**	**1,217,237**
Total Current Liabilities	**1,351,585**	1,175,130	1,108,163
Total Non-Current Liabilities	**77,510**	70,368	109,074
Total Equity	**9,631,880**	**9,921,489**	**9,574,885**
Total Liabilities and Equity	**11,060,975**	**11,166,987**	**10,792,122**
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Net Revenues	**7,471,356**	7,016,882	6,694,171
Cost of Goods Sold	**(4,130,606)**	(3,833,546)	(3,976,771)
Gross Profit	**3,340,750**	3,183,336	2,717,400
Profit Before Income Tax Expense	**2,068,594**	1,992,143	1,745,247
Income Tax Expense	**(404,895)**	(349,047)	(344,882)
Profit for the Year	**1,663,699**	1,643,096	1,400,365
Other Comprehensive Income (Loss)	**(46,983)**	81,403	(127,454)
Total Comprehensive Income for the Year	**1,616,716**	1,724,499	1,272,911
Profit for the Year Attributable to:			
Equity Holders of the Parent Company	**1,664,341**	1,642,166	1,400,561
Non-Controlling Interests	**(642)**	930	(196)
Total Comprehensive Income for the Year Attributable to:			
Equity Holders of the Parent Company	**1,617,351**	1,723,608	1,273,081
Non-Controlling Interests	**(635)**	891	(170)
Basic and Diluted Earnings per Share Attributable to the Owners of the Parent (Full Rupiah)	**27.16**	26.51	22.61
Consolidated Statement of Cash Flows			
Net Cash Provided by Operating Activities	**1,766,128**	1,640,834	1,461,499
Net Cash Provided by (Used in) Investing Activities	**1,262,474**	(1,138,195)	559,932
Net Cash Used in Financing Activities	**(1,933,622)**	(1,440,808)	(1,146,154)
Consolidated Financial Ratio			
Profitability Ratio (%)			
Consolidated Profit for the Year to Consolidated Net Revenues	**22.27**	23.42	20.92
Consolidated Profit for the Year to Consolidated Total Assets	**15.04**	14.71	12.98
Consolidated Profit for the Year to Consolidated Total Equity	**17.27**	16.56	14.63
Liquidity Ratio (x)			
Consolidated Total Current Assets to Consolidated Total Current Liabilities	**6.28**	7.58	7.87
Solvency Ratio (x)			
Consolidated Total Liabilities to Consolidated Total Assets	**0.13**	0.11	0.11
Consolidated Total Liabilities to Consolidated Total Equity	**0.15**	0.13	0.13

* Data reclassified.

Total Assets
(in million Rupiah)



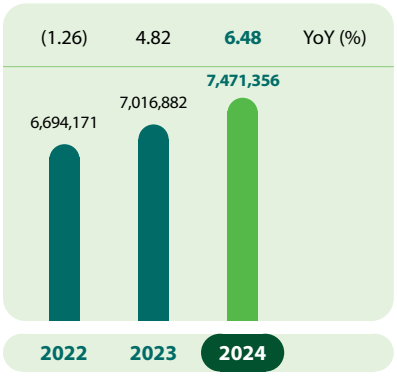
Total Liabilities
(in million Rupiah)



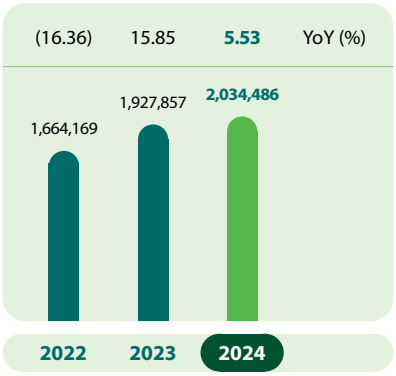
Total Equity
(in million Rupiah)



Net Revenues
(in million Rupiah)



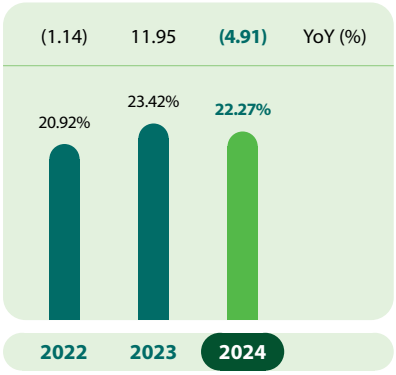
Profit Before Interest, Tax, Depreciation, and Amortization
(in million Rupiah)



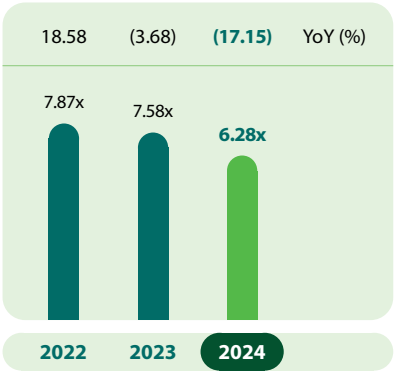
Profit for the Year
(in million Rupiah)



Consolidated Profit for the Year to Consolidated Net Revenues



Consolidated Total Current Assets to Consolidated Total Current Liabilities



Consolidated Total Liabilities to Consolidated Total Equity



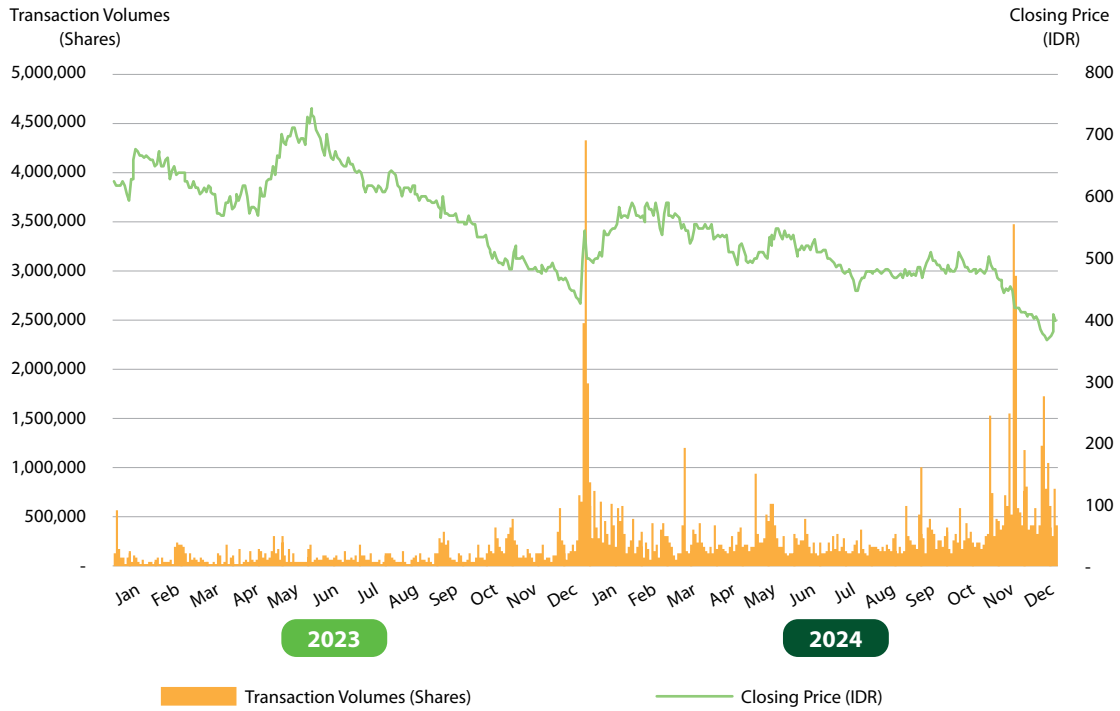
Operational Overview

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	2022
Architectural Solutions (Wall, Wood and Metal, Waterproofing, Wood Care, and Others)	**5,847,703**	5,618,025	5,384,019
Trading Goods (Pipes, Furniture, and Supporting Products)	**1,623,653**	1,398,857	1,310,152
Total Net Revenues	**7,471,356**	**7,016,882**	**6,694,171**

Share Overview

Period	Shares Price			Transaction Volumes (Shares)	Number of Outstanding Shares (Shares)	Market Capitalization (IDR)
	Lowest (IDR)	Highest (IDR)	Closing (IDR)			
2024						
Quarter 1	**488**	**610**	**550**	**1,814,180,700**	**61,556,537,600**	**34,074,455,580,000**
Quarter 2	**488**	**570**	**515**	**1,353,097,300**	**61,256,923,300**	**31,906,081,134,000**
Quarter 3	**444**	**535**	**498**	**1,469,498,600**	**61,195,158,500**	**30,852,870,688,800**
Quarter 4	**358**	**520**	**400**	**3,563,375,400**	**60,790,106,400**	**24,781,422,240,000**
2023						
Quarter 1	565	685	595	512,099,400	61,953,555,600	36,862,365,582,000
Quarter 2	565	760	665	492,363,100	61,953,555,600	41,199,114,474,000
Quarter 3	550	670	560	536,594,400	61,953,555,600	34,693,991,136,000
Quarter 4	422	575	500	1,911,509,200	61,918,936,800	30,976,777,800,000



Corporate Action



Throughout 2024, Avian Brands has conducted a buyback of Avian Brands' shares that had been issued and listed on the Indonesia Stock Exchange, in accordance with the resolutions of the Extraordinary General Meeting of Shareholders on December 7, 2023. As of December 31, 2024, the total number of repurchased shares amounted to 1,163,449,200 shares or approximately 1.88% of all shares listed on the Indonesia Stock Exchange, so the total number of outstanding shares is 60,790,106,400. This corporate action, scheduled to be carried out within 18 months at most, has absorbed funds totaling IDR574,834,813,406.- (including transaction costs, trading costs, and other costs). This corporate action does not affect the nominal value of shares listed on the stock exchange.

Apart from the share buyback, Avian Brands did not conduct any other corporate actions in 2024, including stock split, reverse stock split, distribution of stock dividends, distribution of bonus shares, change in nominal value of shares, issuance of convertible securities, or capital injection and reduction.

Share Trading Information

During 2024, we did not experience any temporary suspension of share trading or delisting.

Information regarding Bonds, Sukuk or Convertible Bonds

Until the end of 2024, we have never issued bonds, sukuk, or convertible bonds.

Significant Events

FEBRUARY 1, 2024



Launch of Avian Cling Water Based

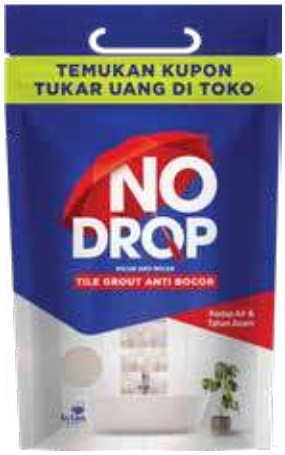
Avian Brands launched Avian Cling Water Based, a water-based synthetic paint product for application on metal, wood and walls. Using high-quality acrylic resin, it prevents yellowing and comes with a long-lasting glossy look. Its advantages include sticking directly to the metal without primer, being odorless, and being environmentally friendly. This product may be applied by various methods, including brush, spray, and roll, providing flexibility in its application. Available in various attractive colors, Avian Cling Water Based is the ideal solution for customers looking for beautiful and long-lasting finishes.



Launch of Boyo Politur Spray

Avian Brands launched Boyo Politur Spray, the first spray wood polish product in Indonesia. It contains modified urethane, designed for easy application by anyone, anywhere, anytime. It can reach tight areas of the wood surface, resulting in a smoother, more consistent finish. With its quick-drying and UV-resistant formula, Boyo Politur Spray is ideal for use on both interior and exterior wood. Other advantages include no pungent odor and no lead contents, ensuring a safe and convenient application. Available in four favorite wood colors, Boyo Politur Spray offers a no-fuss, high-quality solution for wood beauty and preservation. Simply Spray, No Hassle. (*Tinggal Semprot, Tanpa Repot*).

FEBRUARY 22, 2024



Launch of No Drop Tile Grout

Avian Brands launched No Drop Tile Grout, the first ceramic tile grout filler product in Indonesia, specifically designed with the main features of being leakproof and resistant to ceramic cleaning liquid. This innovative product provides maximum protection for ceramic tile grout, ensuring that floor and wall areas remain protected from dampness and leaks. Designed to meet customers' needs in various environments, No Drop Tile Grout provides a durable and resilient solution against exposure to water and cleaning chemicals. It is easy to apply, and its finishing result ensures a tighter and more durable grout, making it the best choice for maintaining a clean and beautiful ceramic tile surface. With No Drop Tile Grout, Avian Brands continues to deliver innovative solutions to support household comfort and protection.

MARCH 1, 2024





Launch of No Drop Dempul Instan

Avian Brands launched No Drop Dempul Instant, a practical solution to seal holes in the walls quickly and easily with zero hassle. This product is specifically designed to repair minor damage to walls, such as holes or cracks, with neat and smooth results. This easy-to-use product allows anyone to apply it without requiring any special skills. With its quick-drying formula, this product enables instant and efficient repairs, bringing walls back to their original condition in no time. This product is an ideal choice for those looking for a practical and effective wall repair solution with no complex tools or steps required.

Launch of No Drop Serat Fiber

Avian Brands launched No Drop Fiber, an innovative product specifically designed to reinforce the waterproofing layers of your house or building, ensuring longer prevention against leakage. This product uses high-quality fiber that effectively fills cracks, providing extra protection to walls and roofs from damage caused by water and weather changes. With its excellent durability, No Drop Serat Fiber helps preserve the building's integrity in the long run. It is easy to apply and provides strong and durable results, making it the ideal solution to protect surfaces against leaks and cracks.

MAY 13, 2024



Signing of Memorandum of Understanding between Avian Brands and PT Bank Tabungan Negara (Persero) Tbk ("BTN") on Cooperation in Banking Services Provision and Utilization

In an effort to strengthen its business network and improve customer service, Avian Brands has established a strategic partnership with BTN. This Memorandum of Understanding signing marks the start of a collaboration that aims to mutually benefit both parties through banking services provision and utilization. Under this cooperation, BTN will recommend Avian Brands' paint and building materials products to its customers, particularly those engaged in the contractor or developer sector. Meanwhile, Avian Brands will recommend BTN banking products and services to its customers and distributors.

This cooperation is intended to reinforce both companies' positions in their respective markets as well as open up new opportunities for product innovation and improved customer service. This synergy showcases the commitment of both Avian Brands and BTN to supporting economic growth by providing comprehensive and efficient solutions in their respective fields.

JUNE 1, 2024



Launch of GM 385 Perekat Bata Ringan Ekonomis

Avian Brands launched GM 385 Perekat Bata Ringan Ekonomis, a practical and efficient solution for lightweight brick wall installation. This product is designed as a ready-to-use adhesive that offers excellent quality and easy applicability. GM 385 Perekat Bata Ringan Ekonomis is an instant mortar made from the best quality cement, silica sand, filler, additives, and special polymer. All such materials are homogeneously mixed under the highest quality standards, resulting in a sturdy, durable, and economical adhesive. With this superior formulation, this product not only eases the construction process, but also improves time and cost efficiency, making it the right choice for construction professionals.

JUNE 1, 2024



Launch of Pro-X 208

Avian Brands launched Pro-X 208, the latest innovation in 2-component waterproofing solutions with cutting-edge technology. This product is designed as a 2-component waterproofing based on cement, filler, additives, and Acrylic Copolymer, specifically formulated with Prolastic Technology to offer various advantages such as elastic properties, UV resistance, water resistance, and ease of application. Pro-X 208 can be exposed or does not require a topcoat or an outer layer, making it more practical and efficient for various construction needs. This product is perfect for use on decks, balconies, terraces, bathrooms, and swimming pools on concrete, precast, and other cement-based surfaces. With a combination of advanced technology and outstanding performance, Pro-X 208 not only provides maximum waterproof protection, but also ensures optimal durability for various types of surfaces.

JUNE 3, 2024



Through inclusion in SRI-KEHATI and ESGSKEHATI Indexes, Avian Brands Proves its Sustainable Business Practices

Avian Brands' stock, with stock code AVIA, made history through its inclusion as a constituent of the SRI-KEHATI Index for the period of June 3, 2024, to November 29, 2024, as announced by the Indonesia Stock Exchange (IDX) on May 27, 2024. The SRI-KEHATI Index includes the 25 best stocks based on environmental, social, and governance / "ESG" performance assessment, as well as having good liquidity.

In addition to inclusion in the SRI-KEHATI Index, AVIA shares are also included in the ESGSKEHATI Index, which measures stock performance based on sustainability aspects with a deeper focus on ESG. Avian Brands' inclusion in these two indexes further confirms AVIA as the top choice for investors prioritizing sustainable investment principles. Avian Brands is hopeful that this achievement will encourage further innovation and sustainability, and continue to provide added value to stakeholders through responsible business practices.

JUNE 25, 2024

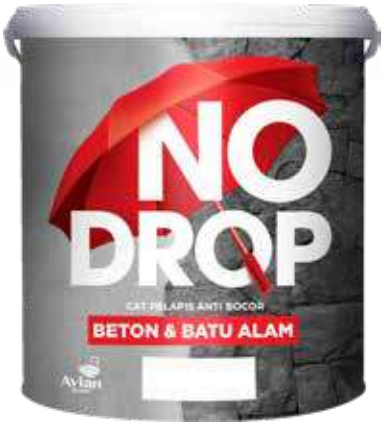


Avian Brands Securing Two More Global Product Patents

Avian Brands' commitment to product innovation is again evidenced by obtaining two new global patents. The first patent obtained was for "Magnetite Paint (Fe_3O_4)" applied to HomeDeco Magnetic product. HomeDeco Magnetic is a water-based paint, specifically formulated to produce a coating with magnetic attraction on the applied area. An environmentally friendly paint product with the Singapore Green Label certification, HomeDeco Magnetic is also capable of transforming any surface into a magnet-attracting medium.

The second patent was the "Additive for Accelerating the Hardening and Reinforcing of Enhanced Concrete" applied to No Drop Plaston product. No Drop Plaston is a concrete additive developed with the most advanced technology, which offers a more vivid color in concretes, protects structures against rust, and accelerates concrete hardening. This results from its composition, which reduces water usage in the cement mixture, giving it a better density, having a waterproofing effect, and making it easier to apply. Both patents reflect Avian Brands' determination and commitment to delivering innovative and high-quality products.

AUGUST 1, 2024





Launch of No Drop Beton dan Batu Alam

Avian Brands launched No Drop Beton dan Batu Alam, an innovative water-based coating formulated with Nano Particle technology. This product is specifically designed for concrete and natural stone, and it works by penetrating deeply into the material's pores without forming a layer that covers the surface, thus maintaining the natural look of concrete and natural stone. No Drop Beton dan Batu Alam is perfect for industrial-style concrete as well as various types of natural stone such as limestone and *palimanan*. In addition to providing optimal protection, this product is also water-resistant, weather-resistant, and able to prevent mold and mildew, making it the perfect solution for extending the life span of materials as well as maintaining building aesthetics.

Launch of Avian Non-Sag Epoxy Hemat

Avian Brands launched Avian Non-Sag Epoxy Hemat, an affordable two-component epoxy glue designed to bond various types of substrates such as wood, ceramics, glass, and metal. It has the advantage of being applicable to damp or wet surfaces, thus providing more flexibility. Avian Non-Sag Epoxy Hemat already contains filler, allowing it to be utilized as a putty to seal cracks or damage on the substrate. This product offers a practical and economical solution for customers needing strong and versatile adhesives. With its reliable performance, Avian Non-Sag Epoxy Hemat is the right choice for various repair applications.

AUGUST 2, 2024



Avian Brands Receiving the 2024 ESG Award as Best Issuer in the Capital Market Sector

Avian Brands was honored with the 2024 ESG Award, as the Best Issuer in the Capital Market Sector from Yayasan Keanekaragaman Hayati Indonesia (KEHATI). This accolade affirms Avian Brands' firm commitment to ESG principles in every aspect of its operations. This honor came after other notable achievements of Avian Brands, i.e., its inclusion in various ESG indexes in the capital market, such as ESG Quality 45 IDX KEHATI (ESGQKEHATI) for the December 2023 to May 2024 period, as well as SRI-KEHATI, ESGSKEHATI, and ESGQKEHATI indexes for the June 2024 to November 2024 period.

The judging process for this award considered various factors, such as a high ESG KEHATI score, an improved ESG score compared to the previous period, and Avian Brands' commitment to ESG-based products and managed funds. This recognition reflects Avian Brands' determination to implement sustainability initiatives that not only increase value for Shareholders, but also deliver long-term positive impacts for society and the environment.

AUGUST 7, 2024



Avian Brands Receiving the 2024 Katadata ESG Award in the Chemicals Sector for the Environment Category

Avian Brands was honored with the 2024 Katadata ESG Award in the Chemicals Sector for the Environment Category. This was awarded as a form of appreciation for Avian Brands' commitment to implementing sustainability programs and principles in all operational activities. Katadata's analysis and assessment involved industry experts utilizing various data sources of Avian Brands, such as the Sustainability Report, ISO certifications, and PROPER rating from the Ministry of Environment and Forestry (*Kementerian Lingkungan Hidup dan Kehutanan* or KLHK). This recognition further solidifies Avian Brands' position as a leader in the national paint industry that always actively implements sustainability principles.

Through this award, Avian Brands successfully proved that sustainability is not just a priority, but also an integral part of its business strategy. With a focus on improving operational efficiency that is environmentally friendly, Avian Brands continues to advance its commitment to environmental preservation and social welfare. This achievement is consistent with Avian Brands' commitment to being an environmentally and socially responsible company while promoting a national sustainability agenda.

SEPTEMBER 1, 2024



Launch of Supersilk Semi Kilap

Avian Brands launched Supersilk Semi Kilap, a premium interior wall paint that provides a semi-gloss finish, to create a smooth and luxurious glossy look on the house walls. This product offers exceptional durability, ensuring the walls look new and beautiful for a long time. Supersilk Semi Kilap also comes with an easy-to-clean feature, ensuring easy daily maintenance. This paint also boasts anti-bacterial, anti-mold, and anti-mildew properties, keeping a clean and healthy indoor environment. With a mix of superior performance and luxury aesthetics, Supersilk Semi Kilat is the perfect choice for a more luxurious and spacious-looking home.

OCTOBER 7, 2024



Avian Brands Receiving the 2023 Annual Report Award

Avian Brands successfully received the 2023 Annual Report Award, an achievement that highlighted its commitment to transparency and accountability in its Annual Report. This award recognized Avian Brands' dedication to presenting accurate and comprehensive information that is easily accessible and understandable by stakeholders. Underpinning this award was the consistent effort of the entire Avian Brands' team to implement the best standards for reporting and disclosing Avian Brands' performance, particularly disclosure of ESG, sustainability, and good corporate governance aspects. Having received the Annual Report Award 2023, Avian Brands is further encouraged to maintain and improve the standards of transparency it has already achieved. Avian Brands is committed to constantly strengthening integrity in every aspect of its operations, which in turn provides added value to all stakeholders.

NOVEMBER 1, 2024



Launch of No Drop Kolam Ikan

Avian Brands launched No Drop Kolam Ikan, a practical paint for fishponds designed to address customers' needs for easy-to-use, safe, and durable pond coatings. No Drop Kolam Ikan comes as a ready-to-use one-component solution, allowing for more practical and efficient use. With a special formulation that prevents leakage and contains no cement, this product protects the beauty of the fishpond without risk of leaking, ensuring maximum protection and safety for the aquatic ecosystem and the fish in it. No Drop Kolam Ikan is ideal for customers looking for an optimal finish with a simple application process. This product is designed to be highly water resistant, keeping the pool in excellent condition despite constant exposure to water. As a water-based paint that has been certified with the Singapore Green Label, No Drop Kolam Ikan is highly safe for all kinds of fish.

NOVEMBER 1, 2024



Launch of GM 265 Acian Abu-abu Ekonomis

Avian Brands launched GM 265 Acian Abu-Abu Ekonomis, a practical and efficient solution for leveling and polishing the surface of plastered or concrete walls. This product is designed as a ready-to-use, gray-colored instant skim coat for interior and exterior use, prior to painting or wallpaper installation stage. GM 265 Acian Abu-Abu Ekonomis is an instant cement based on cement, filler, additives, and special polymer, homogeneously mixed to produce a flat and smooth wall surface ready for finishing. With its high-quality formulation, this product not only speeds up the working process, but also provides a neat and durable finish.

NOVEMBER 1, 2024



Launch of GM 275 Acian Putih Ekonomis

Avian Brands launched GM 275 Acian Putih Ekonomis, a practical and efficient solution for leveling and polishing the surface of plastered or concrete walls. This product is designed as a ready-to-use, white-colored instant skim coat for interior and exterior use, prior to painting or wallpaper installation. GM 275 Acian Putih Ekonomis is an instant cement based on cement, filler, additives, and special polymer, homogeneously mixed to produce a flat and smooth surface ready for finishing. With its high-quality formulation, this product not only speeds up the working process, but also provides a neat and durable finish.

NOVEMBER 6, 2024

Forbes Asia
BEST UNDER A BILLION
2024

Avian Brands' Inclusion in Forbes "200 *Best Under A Billion* 2024" List

Avian Brands was included in the Forbes "200 Best Under A Billion 2024" list, a prestigious award that recognizes exceptional performance of small and medium-sized public companies in the Asia-Pacific region. With the award license valid for 12 months, from November 6, 2024, to November 6, 2025, this achievement is a true testament to Avian Brands' resilience amidst dynamic and uncertain global economic challenges. The Forbes "200 Best Under A Billion 2024" is awarded to companies having less than US$1 billion in revenues, but capable of showing impressive performance in terms of growth, profitability, and business potential. This award confirms Avian Brands' strong competitive edge in the international market as well as its commitment to continuously deliver outstanding performance that supports sustainable growth.

NOVEMBER 25, 2024



Avian Brands Receiving the Top 50 Big Capitalization Public Listed Company Award

Avian Brands was honored with the Top 50 Big Capitalization Public Listed Company award from the Indonesian Institute for Corporate Directorship ("IICD") as an appreciation for its large market capitalization and successful implementation of outstanding Good Corporate Governance ("GCG") practices. This achievement reflects a high level of investors' and stakeholders' trust in Avian Brands' performance, business prospects, and commitment to transparent and accountable governance.

This results from consistent implementation of business strategies and GCG principles to support sustainable growth. This award further motivates Avian Brands to maintain its position as a public company with a large market capitalization that has comprehensively implemented GCG to contribute to the national economy.

DECEMBER 1, 2024



Launch of Supersilk Basic

Avian Brands launched Supersilk Basic, a premium interior wall paint designed to meet the customers' needs for more affordable premium products. With the Super-Cover Technology innovation, Supersilk Basic presents a paint color solution that prevents streaks, providing the perfect finish with an ultra matt appearance. This ensures more elegant and durable interior walls while ensuring customer satisfaction by creating a comfortable and aesthetically pleasing space.



Launch of Avian Cat Lapangan

Avian Brands launched Avian Cat Lapangan, a multi-purpose floor paint product specifically designed to meet various needs of painting floor surfaces. This product can be applied to sports fields, parking lots, and various types of surfaces made from cement, asphalt, and concrete substrates. With its superior formulation, Avian Cat Lapangan provides a long-lasting and aesthetically pleasing finish, while also ensuring optimal durability under various usage conditions. This product is the ideal solution for creating a professional and functional surface appearance, certified by the International Tennis Federation making it the perfect choice for both commercial and personal use.

DECEMBER 3, 2024



Avian Brands Receiving the Green Industry Leader Award at the 2024 Green Future Summit

Avian Brands received the Green Industry Leader award from Sun Energy at the 2024 Green Future Summit. This was awarded in recognition of Avian Brands' success in adopting sustainability principles in every aspect of its operations. As part of its long-term commitment to sustainable development, Avian Brands has integrated environmentally friendly practices into its business processes, from energy efficiency, waste management, to green product development. These measures not only strengthen operational performance, but also bring about tangible positive impacts on the environment and society. This honor serves as a recognition of Avian Brands' dedication to consistently carrying out its environmental responsibilities.

DECEMBER 31, 2024



Avian Brands' Continued Expansion of Distribution Networks in Various Regions in Indonesia

Avian Brands expanded the reach of its national distribution networks by increasing the number of its wholly-owned distribution centers to 124, located in 34 provinces and 98 cities in Indonesia, as well as 15 mini-distribution centers located in several cities. The distribution centers are operated by two subsidiaries, namely PT Tirtakencana Tatawarna ("TKTW") and PT Tirtakencana Batamindo ("TKBI").

Awards and Certifications

AWARDS

1



2024 ESG Award as Best Issuer in the Capital Market Sector

Organizer:
Yayasan Keanekaragaman Hayati Indonesia ("KEHATI")

Recipient:
PT Avia Avian Tbk

Period:
2024

2



2024 Katadata *Environmental, Social, & Governance Award* ("KESGI")

ESG Award in the Chemicals Sector for the Environment Category

Organizer:
Katadata

Recipient:
PT Avia Avian Tbk

Period:
2024

3



Appreciation for Avian Brands' Initiatives in Promoting Blood Donation in 2023

Ninth (IX) Highest Blood Donation (308 Blood Bags)

Organizer:
Indonesia Red Cross of Sidoarjo Regency

Recipient:
PT Avia Avian Tbk

Period:
2024

4



2023 Annual Report Award

Organizer:
National Committee on Governance Policy (*Komite Nasional Kebijakan Governansi* or "KNKG")

Recipient:
PT Avia Avian Tbk

Period:
2024

5



Forbes "200 Best Under A Billion 2024"

Organizer:
Forbes

Recipient:
PT Avia Avian Tbk

Period:
2024

6



National PROPER Green Rating

Organizer:
Ministry of Environment and Forestry of the Republic of Indonesia

Recipient:
PT Avia Avian Tbk

Period:
2023 - 2024

7



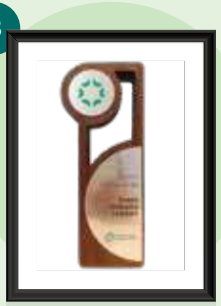
Top 50 Big Capitalization Public Listed Company

Organizer:
Indonesian Institute for Corporate Directorship ("IICD")

Recipient:
PT Avia Avian Tbk

Period:
2024

8



Green Industry Leader at the 2024 Green Future Summit

Organizer:
Sun Energy

Recipient:
PT Avia Avian Tbk

Period:
2024

CERTIFICATION

International Standardization Organization ("ISO")

The ISO certification is an international standard used to assess and recognize Avian Brands' management systems in various sectors. This certification reflects Avian Brands' commitment to operating with the principles of efficiency, quality, sustainability and safety. By obtaining the ISO certifications in several key areas, Avian Brands ensures implementation of best practices that comply with global standards, thus supporting Avian Brands' performance in creating a safe, efficient and sustainable work environment. By the end of 2024, Avian Brands had obtained 5 ISO certifications in several areas, as described below:

Name of Certification	Organizer	Validity Period
ISO 14001:2015 on Environmental Management System 1	PT Lloyd's Register Indonesia	**Until February 18, 2025**
ISO 50001:2018 on Energy Management System 2	PT Lloyd's Register Indonesia	**Until March 2, 2025**
ISO/IEC 27001:2013 on Information Security Management System 3	Intertek Certification Limited	**Until October 31, 2025**
ISO 9001:2015 on Quality Management System 4	LRQA Limited	**Until February 27, 2027**
ISO 45001:2018 on Occupational Health and Safety Management System 5	LRQA Limited	**Until October 26, 2027**

1



2



3



4



5



Indonesian National Standard ("SNI")

The SNI is a standard applied in Indonesia to ensure quality, safety and performance of manufactured products, in accordance with applicable requirements. The SNI certification reflects Avian Brands' commitment to delivering high-quality products that not only comply with national quality standards, but are also competitive in a wider market. With this certification, Avian Brands continues to solidify its position in the domestic market, while simultaneously promoting the achievement of better standards of quality in every product offered. By the end of 2024, Avian Brands had obtained 2 SNI standards for 7 products, as described below:

Name of Certification	Product	Type	Organizer	Validity Period
SNI 3564:2014 1	Sunguard	Exterior	Chempack Product Certification Institute of the Center for Standardization, and Servicesof Chemical, Pharmaceutical and Packaging Industry, Ministry of Industry of the Republic of Indonesia	Until November 3, 2026
SNI 3564:2014 2	Aquamatt, Aries Gold, Avitex, Everglo, Supersilk, and No Odor	Interior		

1



2



Singapore Green Label ("GLS")

The GLS certification is a recognition for environmentally friendly products that are assessed through strict processes in various aspects, from environmentally friendly requirements for end users, to consideration of the entire product life cycle by means of life cycle analysis. This certification is a testament to Avian Brands' commitment to manufacturing environmentally friendly products that are safe for customers. This widely recognized certification lends credibility through international accreditation and ensures that Avian Brands' products comply with stringent sustainability standards. In addition to opening up new market opportunities, this certification also brings competitive advantages, reduces environmental impact, and improves production efficiency, while simultaneously saving costs. Among Avian Brands' flagship products that have obtained GLS certification are those of the Avitex series, and by the end of 2024, a total of 34 Avian Brands' products are GLS-certified, as described below:

Product	Organizer	Validity Period
Avitex Alkali Resisting Primer 1	Singapore Environment Council	Until January 18, 2025
Avitex Wizz 2	Singapore Environment Council	Until March 22, 2025
Brilliant Exterior 3	Singapore Environment Council	Until June 13, 2025
No Drop Basic 4	Singapore Environment Council	Until June 13, 2025
Avitex Emulsion 5	Singapore Environment Council	Until June 13, 2025
Brilliant Cat Tembok Interior 6	Singapore Environment Council	Until July 18, 2025
Sunguard 7	Singapore Environment Council	Until November 24, 2025
Everglo 8	Singapore Environment Council	Until November 24, 2025
Supersilk 9	Singapore Environment Council	Until November 24, 2025
Avitex Dapur & Kamar Mandi 10	Singapore Environment Council	Until November 24, 2025
Aquamatt 11	Singapore Environment Council	Until November 24, 2025
Lenkote Alkali Resisting Primer 12	Singapore Environment Council	Until November 24, 2025
No Odor 13	Singapore Environment Council	Until November 24, 2025
Supersilk Semi Kilap 14	Singapore Environment Council	Until November 24, 2025
No Drop Anti Panas 15	Singapore Environment Council	Until December 22, 2025
Avitex Gold 16	Singapore Environment Council	Until December 22, 2025
Avitex 4 Kids 17	Singapore Environment Council	Until February 26, 2026
Everglo Kids Care 18	Singapore Environment Council	Until February 26, 2026
Avian Cat Lapangan Waterbase 19	Singapore Environment Council	Until March 19, 2026
No Drop Beton dan Batu Alam 20	Singapore Environment Council	Until March 19, 2026
No Drop Kolam Ikan 21	Singapore Environment Council	Until March 19, 2026
Supersilk Anti-Noda 22	Singapore Environment Council	Until May 29, 2026
Lenkote Home Deco Metallic Paint Gold 23	Singapore Environment Council	Until July 24, 2026
Sunguard All-In-One 24	Singapore Environment Council	Until August 7, 2026
Avitex Anti Viruz 25	Singapore Environment Council	Until August 19, 2026
Home Deco Glow In The Dark Interior Paint 26	Singapore Environment Council	Until August 19, 2026
Home Deco Magnetic Interior Paint 27	Singapore Environment Council	Until August 19, 2026
Supersilk Basic 28	Singapore Environment Council	Until September 2, 2026
Home Deco Glitz 29	Singapore Environment Council	Until September 9, 2026
Wood Eco Woodstain Water Based 30	Singapore Environment Council	Until November 9, 2026
Avitex Eksterior 31	Singapore Environment Council	Until November 9, 2026
Boyo Special Politur Vernis Water Based 32	Singapore Environment Council	Until November 9, 2026
No Lumut Water-Based 33	Singapore Environment Council	Until November 9, 2026
Avitex One Coat 34	Singapore Environment Council	Until December 21, 2026


GreenLabel
SINGAPORE
PT. Avia Avian
Jl. Raya Surabaya – Sidoarjo Km 19, Desa Wadung Asih,
Buduran, Sidoarjo 61252, Indonesia
AVITEX ALKALI RESISTING PRIMER
032-219-4089
Environmentally Preferred Paint
Validity: 19 January 2023 to 18 January 2025
Singapore
Environment
Council
IAF

Domestic Component Level (*Tingkat Komponen Dalam Negeri* or "TKDN")

The TKDN certification is a recognition of products that utilize domestic components and raw materials, helping to empower domestic industries and national economic independence. Avian Brands remains committed to obtaining this certification as part of its sustainability strategy and contribution to domestic economic development. Among its flagship products that have obtained TKDN certification is the Sunguard All-In-One, which prides itself on high quality with predominantly domestic components. In total, by the end of 2024, 36 Avian Brands' products have successfully obtained TKDN certification as described below:

Product	Organizer	Validity Period
Aries Gold 1	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avian Cat Aluminium 2	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avian Cat kayu dan Besi 3	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avitex Alkali Resisting Primer 4	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avitex Anti Viruz 5	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avitex Cat Genteng & Seng 6	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avitex Eksterior 7	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avitex Plamir Tembok 8	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avitex 9	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Boyo Politur Vernis Solvent Based 10	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Lenkote Wall Sealer 11	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
No Drop Anti Panas 12	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
No Drop 13	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
No Odor Medicare 14	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Supersilk Anti Noda 15	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Suzuka Cat Duco Otomotif 16	Ministry of Industry of the Republic of Indonesia	Until September 15, 2026
Avian Paving Paint 17	Ministry of Industry of the Republic of Indonesia	Until October 19, 2026
Avian Roadline Paint 18	Ministry of Industry of the Republic of Indonesia	Until October 19, 2026
Avitex Gold 19	Ministry of Industry of the Republic of Indonesia	Until October 19, 2026
Sunguard All-In-One 20	Ministry of Industry of the Republic of Indonesia	Until October 19, 2026
Sunguard 21	Ministry of Industry of the Republic of Indonesia	Until October 19, 2026
Supersilk 22	Ministry of Industry of the Republic of Indonesia	Until October 19, 2026
Cat Besi Anti Karat Avian 3 in 1 23	Ministry of Industry of the Republic of Indonesia	Until July 12, 2027
GM 420 Perekat Keramik Ekonomis 24	Ministry of Industry of the Republic of Indonesia	Until September 4, 2027
GM 510 Tile Grout 25	Ministry of Industry of the Republic of Indonesia	Until September 4, 2027
No Drop Mortar Anti Bocor 26	Ministry of Industry of the Republic of Indonesia	Until September 4, 2027
Avia Thinner Lacquer A Special 27	Ministry of Industry of the Republic of Indonesia	Until September 4, 2027
Avian Thinner B Asli 28	Ministry of Industry of the Republic of Indonesia	Until September 4, 2027
Pro-X 207 29	Ministry of Industry of the Republic of Indonesia	Until September 5, 2027
GM 270 Acian Putih 30	Ministry of Industry of the Republic of Indonesia	Until September 5, 2027
GM 380 Perekat Bata Ringan 31	Ministry of Industry of the Republic of Indonesia	Until September 5, 2027
Avian Cling Water Based 32	Ministry of Industry of the Republic of Indonesia	Until November 18, 2027
Avitex Wizz 33	Ministry of Industry of the Republic of Indonesia	Until November 18, 2027
Avian Cling Synthetic 34	Ministry of Industry of the Republic of Indonesia	Until November 18, 2027
Avian Cling Zinc Chromate 35	Ministry of Industry of the Republic of Indonesia	Until November 18, 2027
Avian Zinc Chromate 36	Ministry of Industry of the Republic of Indonesia	Until November 18, 2027


Kementerian
Perindustrian

Other Certifications

In addition to obtaining ISO, SNI, GLS, and TKDN certifications, Avian Brands has also obtained the Green Industry Certificate from the Green Industry Certification Institute of the Center for Standardization and Services of Chemical, Pharmaceutical, and Packaging Industry, Ministry of Industry of the Republic of Indonesia. This is given in recognition of Avian Brands' efforts in implementing sustainability principles in industrial processes, from energy efficiency to resource management and reduction of environmental impacts. This Green Industry Certificate is valid until September 7, 2026, confirming Avian Brands' commitment to continuously innovate and improve environmental performance in all operational activities, in line with the objective to support the development of environmentally friendly industries in Indonesia.




KEHATI
ESG
Award
2024





Management Report

The Board of Commissioners Report

"With immense pride, we appreciate the positive achievements made by Avian Brands in 2024. Amidst the constantly evolving challenges, the Board of Directors has successfully implemented various strategic initiatives that have not only boosted operational performance, but also strengthened Avian Brands' position in the market. The success in both the operational and financial results of Avian Brands is a testament to our commitment to sustainability and innovation. In addition, the accolades received throughout 2024 further reaffirm that Avian Brands is on the right track to achieve its long-term vision, and we are confident that the Board of Directors will continue to maintain this positive momentum to achieve a better and more sustainable future."

Dear Valued Shareholders and Stakeholders,

Praise and gratitude to God Almighty, for the accomplishments of Avian Brands throughout 2024. This year, we observed how global and national economic dynamics remained uncertain, due to geopolitical dynamics contributing to global economic slowdown. Despite these challenges, we appreciate the steps taken by the Board of Directors, that further consolidated Avian Brands' position as a pioneer in sustainable product innovation that positively impacts the environment and the communities. Under the visionary leadership of the Board of Directors, we saw how Avian Brands was able to overcome challenges with well-planned strategies, ensure sustainable growth, and solidify its position in the national paint industry. This success is a true testament to the collaboration and commitment of all elements of Avian Brands to keep pushing forward and deliver innovative solutions relevant to the needs of an ever-changing world.

Economic Conditions in 2024

The year 2024 was marked by challenging global economic dynamics, with projected global economic growth stagnant at 3.2%. Persisting geopolitical tensions, supply chain disruptions caused by regional conflicts, and the slowdown in China's property sector have been the most prominent factors that inhibited the global growth rate, while continued volatility in financial markets heightened uncertainty among investors and economic actors. On the other hand, the Asian region, particularly its emerging markets, demonstrated encouraging performance thanks to investments in the technology sector, particularly artificial intelligence, driving demand for semiconductors and electronic products.

On the national level, we observe that Indonesia's economy remained fairly resilient with economic growth reaching 5.03%. This was driven by strong domestic consumption, stable investment, and the completion of the National Strategic Projects (*Proyek Strategis Nasional* or "PSN"). Household consumption was also projected to grow thanks to maintained consumer confidence, whereas government consumption also contributed to higher spending at the end of the year. In terms of sectors, we believe that the manufacturing and trade sectors have been the main pillars of national economic growth.

Supervision on Formulation and Implementation of Strategies

In light of the unfolding economic and industry developments throughout the year, we continuously carry out rigorous supervision on the formulation and implementation of the strategies pursued by the Board of Directors. This is to ensure that the measures taken are in line with the Vision and Mission of Avian Brands, and contribute to achieving long-term goals. We also periodically evaluate the strategic plans formulated by the Board of Directors, taking into account market dynamics, industry trends, and economic conditions that may affect the performance of Avian Brands. In addition to financial aspects, this also includes supervision of sustainability and innovation implemented in products and services, which are integral to the development strategy of Avian Brands.



HERMANTO TANOKO

• President Commissioner of PT Avia Avian Tbk

We are fully supportive of the Board of Directors' move to increase the manufacturing capacity of Avian Brands through the construction of the Water-Based Plant in Cirebon, aimed at improving operational efficiency and promoting sustainable growth. We also appreciate the addition of Green Label products that aim to expand the portfolio of environmentally friendly products, which is in line with the increasing trend of sustainability-oriented market demand. Additionally, we support the launch of new products to complement our product portfolio and meet the needs of the communities. We view these strategies as highly excellent, in line with the Board of Directors' consistent efforts to expand the number of Distribution Centers (DCs), which will expand the distribution network and support more optimal growth in the domestic market. We believe that these strategies will strengthen Avian Brands' market position, ensure business sustainability, and deliver significant added value to all stakeholders.

Frequency and Method of Provision of Advice to the Board of Directors of Avian Brands

We continuously monitor the effectiveness of the Board of Directors' strategy implementation and actively provide input through various forums, one of which is the Joint Meeting of the Board of Commissioners and the Board of Directors. These meetings are held regularly, but input can be provided more intensively depending on situations that require deeper attention, such as market changes or strategic developments that demand swift and precise decision-making. Our input focuses on various aspects, including business strategy, risk management, Avian Brands' sustainability, as well as operational and financial performance improvements. This approach enables us to provide a broader perspective and assist the Board of Directors in formulating policies and making decisions that enhance the competitiveness and growth of Avian Brands. Every input we provide consistently prioritizes Avian Brands' long-term interests and business sustainability, grounded in the principles of integrity and professionalism.

Assessment of the Performance of the Board of Directors

Based on the results of the supervision that we have carried out, we appreciate the Board of Directors' performance throughout 2024 in pursuing various business targets that had been set. We observe that Avian Brands has managed to deliver positive results, despite the challenges. We assess that the manufacturing output of Avian Brands has met the target, with a major contribution from the Sidoarjo Plant, reflecting the Board of Directors' ability to lead the operation efficiently and effectively. In addition, the launch of 15 new products and the increase in the number of environmentally friendly products certified with Singapore Green Label further emphasized Avian Brands' commitment to innovation and sustainability, which is in line with industry trends and market expectations.

We also appreciate the solid financial achievements, with positive net revenues and profit for the year, driven by positive growth in the architectural solutions and trading goods segments. Prudent management of the cost of goods sold and operational efficiency implemented by the Board of Directors have contributed to the improved profit margin. Additionally, numerous awards received by Avian Brands throughout 2024 further emphasized recognition for its outstanding performance and constant dedication. As the Board of Commissioners, we completely support the steps taken by the Board of Directors and are confident that these achievements will form a solid foundation for sustainable growth in the future.

Outlook on Business Prospects

Considering the business prospects of Avian Brands going forward, we are optimistic that the strategic measures to be taken by the Board of Directors can optimally drive the growth and sustainability of Avian Brands. We fully support the Board of Directors' initiatives to continuously optimize the use of advanced technology for manufacturing efficiency in order to increase productivity and reduce operating expenses. We view this measure positively, as it is in line with the programs to develop modern laboratories and to increase the number of chemists to support product innovation and ensure that Avian Brands stays ahead in the market. In addition, we support the efforts to improve supply chain quality, which will strengthen operational stability and improve our response to market demand. We also applaud the consistency of Avian Brands in making ESG principles the basis of its operations. The integration of ESG in every aspect of Avian Brands' operations will continue to have a positive impact on environmental and social sustainability, while strengthening our reputation and stakeholder trust.

With the 2025 macroeconomic outlook showing a more moderate but stable growth trend, we believe these measures will ensure that Avian Brands remains competitive, adaptive to market changes, and able to achieve its long-term goals.

Views on the Implementation of Good Corporate Governance

We appreciate the Board of Directors' consistency in implementing Good Corporate Governance ("GCG") in all operational aspects of Avian Brands as an integral part of its long-term strategies. We believe that implementing GCG not only improves operational effectiveness and efficiency but also strengthens the trust of all stakeholders, including Shareholders, business partners, and customers.

This view is inseparable from the results of our meticulous supervision of the policies adopted by the Board of Directors, to ensure that every decision taken always considers the long-term interests of Avian Brands and its stakeholders. We also provide advice and recommendations on continuous improvement in implementing GCG principles, particularly in terms of risk management, legal compliance, and supervising the implementation of sustainability-related policies. We believe that by continuously improving GCG implementation, Avian Brands will be better prepared to overcome future challenges and maintain sustainability while generating maximum added value for all parties involved.

Views on the Implementation of Social and Environmental Responsibility

In line with the foregoing, we also appreciate the commitment of Avian Brands to implementing social and environmental responsibility in a consistent and sustainable manner. We observe how the Board of Directors not only focuses on achieving financial performance but also actively contributes to the welfare of the communities and the preservation of the environment. The implementation of sustainability programs by Avian Brands has led to various initiatives, such as environmental impact reduction, efforts to improve diversity and inclusion, and social assistance to the surrounding communities through the Avian Brands Peduli program. We see this as a positive step manifested by Avian Brands, which is in line with supporting the achievement of the Sustainable Development Goals ("SDGs").

As the Board of Commissioners, we continue to supervise and provide direction to ensure that all sustainability programs not only fulfill social obligations but also provide sustainable impacts on the communities and the environment. We believe well-implemented social and environmental responsibility will strengthen Avian Brands' relationship with stakeholders and build a positive image. By continuously integrating social and environmental aspects into every strategic decision, we believe that Avian Brands will be better equipped to create long-term value that is not only good for business but also for the wider community and environmental sustainability.

Changes in the Composition of the Board of Commissioners

As of 2024, there was no change to the composition of the Board of Commissioners of Avian Brands. The composition of the current Board of Commissioners is described as follows:

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

The current composition of the Board of Commissioners has a term of office until the 2026 Annual General Meeting of Shareholders.

Conclusion

In concluding this report, we would like to extend our highest appreciation and gratitude to all stakeholders for their continued support of Avian Brands' growth and achievements. We value the strong collaboration between the Board of Directors, employees, Shareholders, customers, suppliers, and other stakeholders who have worked tirelessly together to realize the Vision and Mission of Avian Brands. We also express our gratitude to the community and all related parties for their trust in Avian Brands, which has enabled us to continue growing and evolving despite various challenges.

We firmly believe that with shared commitment and a spirit of collaboration, Avian Brands will continue to move forward and achieve its long-term goals. We hope that the support given thus far will continue, fostering greater sustainability not only for Avian Brands but also for the wider community and environment.

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



Hermanto Tanoko
President Commissioner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#NODROP BERBAGI




Avian

The Board of Directors Report

"The year 2024 marks a significant milestone in Avian Brands' journey as we navigate the challenges in this dynamic industry while demonstrating resilience and adaptability as a leading player in the national paint industry. By focusing on sustainable innovation, operational efficiency, and strengthening the business ecosystem, we continue to move forward in creating a more sustainable and colorful future. The unwavering support from all stakeholders remains the key driving force behind every step we take, in order to meet market demands and achieve sustainable growth."

Dear Valued Shareholders and Stakeholders,

All praise and gratitude to God Almighty for His blessings and grace bestowed upon Avian Brands throughout 2024, a year marked by various challenges. However, these challenges did not discourage us, as we successfully led Avian Brands to record strong performance and demonstrate resilience in navigating the volatile market dynamics. The year 2024 also marks Avian Brands' continued commitment to move forward with a greater purpose, which is to create a sustainable and colorful future. Beyond developing more innovative and environmentally friendly products and services, we are also determined to strengthen our commitment to generating positive value for stakeholders, the communities, and the environment. We believe that a more sustainable future is the key to achieving balanced growth, not just for Avian Brands but also for everyone.

Avian Brands' journey in achieving these accomplishments is summarized as follows.

Economic and Industrial Conditions in 2024

The year 2024 was packed with complex economic dynamics, both at the global and the national level. Globally, the economy was projected to experience a slowdown with moderate growth of around 3.2%, lower than the pre-pandemic growth rate. Persistent geopolitical tensions, supply chain disruptions, and financial market uncertainty were the main challenges looming over the global economy. Moreover, tensions in several regions have heightened global market volatilities, causing more uncertainty for investors and industry players alike. On the other hand, while global inflation was predicted to fall to 5.2% in 2024, inflationary pressures remained high in certain sectors, such as services and energy, affecting consumer purchasing power and increasing operating expenses for many businesses. Despite stabilization efforts, the risks of surging commodity prices due to geopolitical tensions or natural disasters remained a threat to global economic resilience.

On the national level, Indonesia faced similar challenges, with global economic uncertainty affecting the domestic economy. Nevertheless, the national economy growth still demonstrated resilience, with a growth achievement of 5.03%. At 2.26%, inflation was relatively manageable in 2024, but it remained challenging, particularly for the consumer and distribution sectors. Changes in global policies also affected international trade and investment markets, necessitating greater domestic economic resilience. However, despite these challenges, various industry sectors continued to exhibit promising growth opportunities, giving grounds for long-term optimism.

In 2024, the manufacturing sector reasserted its role as the backbone of the national economy. Data revealed that this sector was the biggest contributor to the Gross Domestic Product ("GDP"). However, the dynamics of the manufacturing industry were not without their challenges. Fluctuating raw material availability, pressure on production costs due to energy price volatility, and the need to meet global sustainability standards were among the crucial issues. We are aware that these challenges demand precision in strategic planning and execution, but with a focus on innovation and efficiency, we believe that Avian Brands can continue to grow and adapt to the existing conditions.



WIJONO TANOKO

• President Director of PT Avia Avian Tbk

Challenges and Obstacles Faced and Main Strategies to Drive Business Growth

Global economic uncertainty and its impact on the domestic economy served as a backdrop that we had to face with utmost resilience and resourcefulness. Amidst dynamic market fluctuations and evolving market preferences, we believe adaptability and innovation are key to survival and growth. These challenges have motivated us to focus more on strategic measures that can lead to sustainable growth and generate positive impacts for all stakeholders.

One major step we have taken was the construction of the Water-Based Plant in Cirebon, an investment that we believe will be a significant milestone in Avian Brands' journey toward greater manufacturing efficiency and capacity. More than just increasing capacity, this plant also embodies our commitment to sustainability. With more environmentally friendly manufacturing technology, we aim to produce high-quality products with minimized environmental impacts, thus responding to market demands that increasingly emphasize the principles of green manufacturing.

We also recognize the need to continuously innovate in order to stay relevant in the market. Hence, we continue to expand our portfolio of products certified with Singapore Green Label, as part of the efforts to expand our environmentally friendly product portfolio. This initiative is more than just a strategic move, but a responsibility to meet the expectations of customers who are increasingly concerned with environmental sustainability. These Singapore Green Label-certified products are designed to offer more sustainable solutions while still emphasizing quality and functionality.

In addition, we saw tremendous opportunities to meet the increasingly diverse needs of the customers, realized through the launch of new products. We have thoughtfully crafted these products through extensive research to meet the evolving challenges and needs of the communities. Each new product launch is expected to generate positive impacts for the customers and give us a competitive edge in this increasingly fierce market. No less important is the ability to swiftly and efficiently reach the market, which we recognize as a key factor to successful distribution. Therefore, we have expanded our distribution networks by establishing new Distribution Centers ("DC"). The new distribution centers not only accelerate product distribution, but are also part of our efforts to enhance operational efficiency and ensure the best service for customers across Indonesia. With stronger infrastructure in place, we believe we are well-placed to deal with evolving challenges within the domestic market.

These strategic measures are part of our journey towards a more sustainable and colorful future. We believe that by continuously innovating, adapting, and giving our best to the communities and the environment, Avian Brands will be able to overcome every challenge and achieve stronger and more sustainable growth.

Roles of the Board of Directors in the Formulation and Implementation of Avian Brands' Strategies

As an integral part of Avian Brands' management, the Board of Directors plays a vital role in formulating and implementing strategies that steer Avian Brands toward its long-term goals. In formulating these strategies, the Board of Directors not only considers market and economic conditions but also upholds Avian Brands' Vision and Mission, which focus on sustainability and innovation. Every decision is based on a deep understanding of industry trends, market dynamics, and customer needs and expectations, all of which are aligned with the strategic objectives to create long-term value.

Moreover, in implementing the formulated strategies, the Board of Directors is responsible for ensuring that every operational step taken aligns with the GCG principles, maintains efficiency, and remains results-oriented. This process includes overseeing the execution of various strategic initiatives and continuously measuring performance, to ensure all initiatives proceed as planned and generate positive impacts. The Board of Directors also maintains continuous communication with the Board of Commissioners to seek input and guidance, enriching perspectives in formulating and evaluating strategic policies. The Board of Directors' role in ensuring the effective implementation of Avian Brands' strategies is highly crucial, as it not only influences short-term performance but also determines long-term success that contributes to the sustainability and stable growth of Avian Brands.

Achievements and Business Target

The year 2024 was a testament to the commitment and hard work of all elements of Avian Brands in responding to the global economy and industry dynamics. This year, the manufacturing output of Avian Brands reached 197,339 metric tons, equivalent to 95.00% of the established target, an increase compared to the 180,540 metric tons recorded in the previous year. Of such total output, the Sidoarjo Plant remained the key pillar with 69,91% contribution, while the remaining 30.09% came from the Serang Plant. This success was further complemented by the launch of 15 new products that strengthened Avian Brands' product portfolio in the market, affirming our position as a pioneer of innovation. In addition, the strategic move to expand the number of environmentally friendly products certified by Singapore Green Label has yielded tangible results, with a total of 34 certified products this year, up from 29 in the previous year. This achievement reflects our commitment to keep promoting sustainability through environmentally friendly product innovations.

On the financial side, Avian Brands managed to record net revenues of IDR7,471.36 billion, or 95.50% of the 2024 target, with a growth of 6.48% compared to the previous year's net revenues of IDR7,016.88 billion. This growth was fueled by the architectural solutions segment, which recorded a growth of 4.09%, and the trading goods segment, with a growth of 16.07%. Cost of goods sold was also recorded at IDR4,130.61 billion, an increase of 7.75% compared to IDR3,833.55 billion in 2023. The ongoing economic recovery has compelled us to adopt a more aggressive approach to marketing and sales efforts. While, maintaining our focus on efficiency measures. With this strategy, we successfully recorded a profit for the year 2024, reaching IDR 1,663.70 billion, equivalent to 95.84% of the target, marking a 1.25% increase compared to the previous year's net profit of IDR 1,643.10 billion.

This achievement was further complemented by the numerous awards we have received throughout the year, a testament to the positive recognition from various stakeholders for our constant dedication and innovation. Among the awards we have proudly received, were the 2024 ESG Award as the Best Issuer in the Capital Market Sector from Yayasan Keanekaragaman Hayati Indonesia ("KEHATI"), the 2024 ESG Award in the Chemicals Sector for the Environment Category from Katadata, the Recognition for Initiative in Organizing Blood Donation in 2023 from the Indonesian Red Cross of Sidoarjo Regency, the 2023 Annual Report Award from the KNKG, inclusion in Forbes' "200 Best Under A Billion 2024" list, PROPER National Green Rating from the Ministry of Environment and Forestry of the Republic of Indonesia, Top 50 Big Capitalization Public Listed Company from the Indonesian Institute for Corporate Directorship, as well as Green Industry Leader in the 2024 Green Future Summit from Sun Energy.

Business Prospects

As we step into 2025, we acknowledge that the world and the economy will continue to evolve. We believe there is an air of optimism amidst persisting global uncertainties, geopolitical tensions, and market volatility. A more moderate and steady economic projection poses a challenge that we must overcome with alertness and adaptability. However, within these challenges, we also see plenty of opportunities that we can tap into. In the domestic market, we are optimistic about gaining recovery momentum, further strengthening Avian Brands' position amidst the competitive national paint industry.

To maximize these opportunities, we have formulated a series of strategic initiatives that we believe will lead Avian Brands toward a brighter future. One of the key steps is to leverage the most advanced technology to enhance production efficiency. In a world increasingly driven by digitization and automation, we believe technology is the key to improving operational efficiency. By integrating cutting-edge technology, we not only aim to reduce production costs but also ensure that our products maintain a competitive edge in the market. However, technology alone is not enough. We are also committed to developing a modern laboratory and strengthening Avian Brands' existing team of expert chemists. We believe innovation remains the key to staying relevant in an ever-evolving market. With more sophisticated research and development facilities supported by highly skilled experts, Avian Brands will continue to create innovative new products that meet customer needs while maintaining the highest quality standards.

Supply chain quality also remains one of our top priorities. Quality improvement of the supply chain will serve as a key pillar in ensuring that Avian Brands' operations run smoothly and that our products reach customers on time. We strive to optimize every single node within Avian Brands' supply chain, foster strong relationships with suppliers, and ensure that all processes are carried out efficiently and transparently. But more than that, we believe that Avian Brands' success is not just about the numbers, but also about how responsibly we conduct our business. This belief drives us to integrate ESG principles as the foundation of Avian Brands' operations. With a firm commitment to environmental sustainability, social responsibility, and transparent governance, we aim to ensure that every step taken by Avian Brands has a positive impact on communities and the environment.

We are optimistic that these initiatives will serve as a solid foundation for success in 2025 and beyond. Together, with unwavering focus and determination, we will continue to innovate, grow, and deliver the best for all stakeholders.

Implementation of Good Corporate Governance

As a continuously growing company committed to delivering the best for all stakeholders, GCG implementation serves as a fundamental pillar guiding Avian Brands. We understand that in pursuit of sustainability and long-term growth, every step we take must adhere to the pillars of ethical conduct, accountability, transparency, and sustainability. We firmly believe that a comprehensive implementation of GCG not only enhances Avian Brands' performance but also ensures that every decision aligns with stakeholder expectations and applicable regulations.

In this implementation, we continuously strengthen our internal control system as the backbone for maintaining operational integrity and efficiency. This system ensures that all activities of Avian Brands adhere to established policies and procedures while identifying and mitigating potential irregularities. Through rigorous internal controls, we can minimize the risk of errors or fraud that could be detrimental to Avian Brands, while ensuring transparent and accountable Financial Reports.

No less important is the risk management system, as an integral part of our efforts to ensure business viability. We understand that risk is an inevitable part of every business aspect, whether it is general risk, business and industry specific risk, or financial risk. Therefore, we have established a holistic risk management system that enables us to identify, assess, and manage risks in a proactive manner. Through a structured, data-driven approach, we can ensure that existing risks are effectively managed and do not hinder Avian Brands in achieving its objectives.

The implementation of good governance, effective internal control systems, and sound risk management are important foundations and pillars we consider essential to maintaining the credibility and performance of Avian Brands. With this solid foundation, we are confident in our ability to achieve sustainable growth, meet stakeholder expectations, and adapt to the ever-evolving market and business environment.

Implementation of Social and Environmental Responsibility

In line with our commitment to GCG implementation, our commitment to being a responsible company is consistently manifested through initiatives that integrate social and environmental responsibility across all operational aspects. We recognize that Avian Brands' success is not solely measured by financial performance but also by the positive impacts we create for the communities and the environment. Therefore, social and environmental responsibility has become an integral part of our strategies that guide every decision we make.

In terms of social responsibility, we focus on improving employee welfare through competence development programs, ongoing training, and the provision of facilities that support the OHS. We believe that employees are the most valuable asset of Avian Brands, making it our priority to create a safe, healthy, and productive work environment. Additionally, we strengthen relationships with local suppliers through strategic collaborations aimed at ensuring supply chain sustainability, enhancing their capacity, and driving economic growth. In line with the foregoing, improving community welfare in our operational areas also remains a key social responsibility initiative for Avian Brands. We implement various CSR programs through Avian Brands Peduli, aimed at providing direct benefits to communities through education, environmental improvements, economic empowerment, and support for vulnerable groups.

We also remain firmly committed to environmental sustainability. Our sustainability initiatives not only enhance operational efficiency but also focus on reducing the environmental impact of Avian Brands' activities. We continuously improve the implementation of environmentally friendly principles in our manufacturing processes, including reducing the use of hazardous chemicals and replacing them with more environmentally friendly alternatives. In addition, we actively implement recycling programs, waste management, and carbon emission reduction to support better environmental management. We have also sustainably conducted tree-planting programs to reduce our carbon footprint and provide long-term benefits to local communities and ecosystems.

We believe that the fulfillment of sustainable social and environmental responsibility not only creates positive impacts on the communities and the environment but also strengthens the reputation and sustainability of Avian Brands. Through these initiatives, we are committed to contributing to the achievement of the Sustainable Development Goals and ensuring that every step we take supports the creation of a better and more sustainable future.

Changes in the Composition of the Board of Directors

As of 2024, there was no change to the composition of the Board of Directors of Avian Brands. The composition of the current Board of Directors is described as follows:

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

The current composition of the Board of Directors has a term of office until the 2026 Annual General Meeting of Shareholders.

Conclusion

As a closing remark, we would like to extend our deepest appreciation to all stakeholders who have accompanied Avian Brands on this journey thus far. Our gratitude goes to the Board of Commissioners for their strategic guidance, prudent oversight, and constructive insights in ensuring that Avian Brands remains on the right path to achieving its Vision and Mission. We also extend our appreciation to all employees whose dedication, hard work, and spirit of innovation drive every achievement we attain. To our Shareholders, we are grateful for their unwavering support, trust, and commitment, which continue to motivate us to continuously deliver long-term values.

To our loyal customers, thank you for your trust in Avian Brands' products and services, which motivates us to consistently deliver excellence. Our appreciation also goes to our business partners, suppliers, and other key stakeholders who play an essential role in supporting our supply chain and ensuring the smooth operations of Avian Brands. With the support and active contributions of all stakeholders, we are confident that Avian Brands will continue to grow, make a positive impact, and create a better future for all.

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



Wijono Tanoko
President Director


Avian
DROP



Company Profile

"As the national paint industry leader, Avian Brands is capable of offering a wide selection of high-quality products to meet diverse market needs with more than 2,500 products (SKU). These products are available in more than 58,400 number of retail outlets supplied across Indonesia. To support distribution efficiency, Avian Brands has 124 wholly-owned distribution centers, 15 mini-distribution centers, and 38 independent distribution centers. This extensive distribution infrastructure ensures that Avian Brands' products are widely available and easily accessible, guaranteeing fast and timely delivery to all parts of Indonesia."

Company Identity

PT Avia Avian Tbk

Headquarter

Jl. Raya Surabaya – Sidoarjo KM. 19
Desa Wadungasih, Kec. Buduran, Sidoarjo 61252
Jawa Timur, Indonesia

corsec@avianbrands.com
investor.relations@avianbrands.com

(62-31) 8968000

www.avianbrands.com

Social Media

Avian Brands

avian.brands

@avianbrands

Business Sector

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

Date of Establishment

March 1, 1983

Authorized Capital

IDR2,000,000,000,000.-

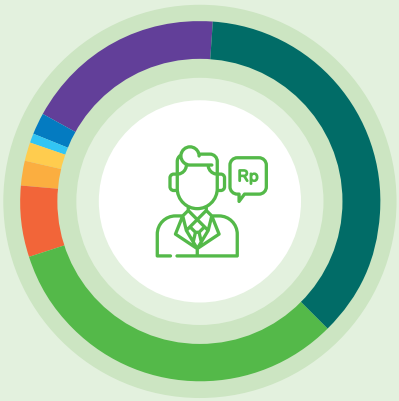
Issued and Paid-up Capital

IDR619,535,556,000.-

Legal Basis of Establishment

PT Avia Avian was established based on Deed of Establishment of Limited Liability Company No. 06 dated March 1, 1983, as amended by Deed No. 63 dated May 23, 1983, both drawn up before Indrawati Setiabudhi, S.H., a Notary in Malang. The deed has been approved by the Minister of Justice of the Republic of Indonesia by the Resolution of the Ministry of Justice of the Republic of Indonesia with Decree No. C2-4948.HT01.01 Th83 dated July 5, 1983 and has been registered with the Malang District Court No. 016/PP/PI/VIII/1983 dated August 8, 1983.

Shareholding



PT Tancorp Surya Sentosa	:	36.60%
PT Wahana Lancar Rejeki	:	32.49%
Archipelago Investment Pte Ltd	:	6.30%
Robert Christian Tanoko	:	2.30%
Rudi Tanoko	:	1.68%
Rony Tanoko	:	0.80%
Treasury Stock	:	1.88%
Public (each below 5%)	:	17.95%

Stock Code

AVIA

Listing of Shares on the Stock Exchange

December 8, 2021
on the Indonesia Stock Exchange

Total Employees

(Including Employees of Subsidiaries and Outsourced Employees)

Male:
7,263 Employees

Female:
2,124 Employees

Latest Deed Amendment

The latest amendment to Avian Brands' deed is Deed No. 4 dated April 13, 2023 drawn up before Dr. Susanti S.H., M.Kn., a Notary in Surabaya City regarding Amendment to the Articles of Association of PT Avia Avian Tbk. This change has been notified to the Ministry of Law and Human Rights of the Republic of Indonesia based on the Letter of Acceptance of Notification of Changes to Articles of Association No. AHU-AH.01.03-0054560 dated April 14, 2023.

Branch Office

Avian Brands Building

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

(62-31) 99850500/99850600

Address of Manufacturing Facilities

Sidoarjo

Jl. Raya Surabaya – Sidoarjo KM. 19
Desa Wadungasih, Kec. Buduran
Sidoarjo 61252
Jawa Timur, Indonesia

(62-31) 8968000

Serang

Jl. Raya Serang KM. 60
Kawasan Pancatama 5 Kav. 50
Leuwilimus, Leuwi Limus, Cikande
Kabupaten Serang 42186
Banten, Indonesia

(62-254) 402655



Milestones

1978

Avian Brands' business was initiated in 1978 by Mr. Soetikno Tanoko in Sidoarjo, East Java, focusing on the production of wood and metal paint products.

1981

Avian Brands launched its first venture into wall paint products under the "Avitex" brand.

1983

Avian Brands was established in 1983 as an integrated paint manufacturing company. The second generation of Mr. Soetikno Tanoko's family became involved in Avian Brands' business, and his eldest son, Mr. Wijono Tanoko, serving as President Director and his youngest son, Mr. Hermanto Tanoko, serving as President Commissioner joined Avian Brands in 1983.

1985

Avian Brands continued to expand its product range in the paint category to automotive refinish paint, including top coats, primers, and spray paints.

1986

Avian Brands strategically focused on vertical integration and commenced the manufacturing of resin as raw material following the purchase of three reactors from Korea.

1987

Avian Brands purchased 60,000m^2 of land near its manufacturing facility in Sidoarjo to expand the manufacturing facility and build additional warehouses..

1992

Avian Brands invested in a metal can factory located at the manufacturing facility in Sidoarjo to address the shortage of metal cans from suppliers.

1996

Avian Brands established a second manufacturing facility in Serang, West Java, Indonesia, to strengthen its product penetration and distribution capabilities to the western region of Indonesia.

1978 - 1996

2000

- The third generation of Mr. Soetikno Tanoko's family became involved in Avian Brands' business and Mr. Soetikno Tanoko's eldest grandson, Vice President Director of Avian Brands, Mr. Ruslan Tanoko, who is the son of Mr. Wijono Tanoko, President Director of Avian Brands, became involved in the sales and marketing department of Avian Brands; and
- Avian Brands established PT Tirtakencana Tatawarna, a Subsidiary, as a distribution company that focuses on setting up distribution centers across Indonesia.

2005

Avian Brands expanded its paint product offerings into waterproofing paint under the "No Drop" brand. By the end of 2005, Avian Brands had also successfully expanded its presence across 20 locations in Indonesia through its distribution company, PT Tirtakencana Tatawarna.

2006

Avian Brands was awarded the certification of ISO 9001:2000 on Quality Management System.

2009

- Mr. Robert Christian Tanoko, another third-generation family member of Mr. Soetikno Tanoko, became involved in Avian Brands' operations. Mr. Robert Christian Tanoko served as Avian Brands' Director and is the son of the President Commissioner, Mr. Hermanto Tanoko;
- Avian Brands successfully attained the certification of OHSAS 18001:2007 on Occupational Health and Safety Management System; and
- Through its Subsidiary, PT Tirtakencana Tatawarna, Avian Brands expanded its distribution reach to 48 distribution centers across Indonesia.

2010

- Avian Brands adopted a point-of-sale tinting model and deployed tinting machines for retail customers, providing thousands of color options;
- Avian Brands upgraded its quality management certification to ISO 9001:2008 on Quality Management System; and
- Avian Brands established PT Tirtakencana Batamindo, a Subsidiary, as a distribution company focused on establishing distribution centers in Batam.

2000 - 2010

2011

Avian Brands expanded its product offerings into the instant cement product category. Avian Brands completed the construction of an instant cement plant located at the manufacturing facility in Sidoarjo and commenced the sales of instant cement products in the market under its "Giant Mortar" brand.

2012

- Avian Brands was awarded the certification of ISO 14001:2005 on Environmental Management System, as part of its efforts to improve environmental performance and reduce waste; and
- Through a Subsidiary, PT Tirtakencana Tatawarna, Avian Brands continued to expand its distribution network to 55 distribution centers across Indonesia.

2014

Avian Brands increased production capacity for wall paints and waterproofings by 80,000 metric tons.

2016

Avian Brands continued to expand its distribution network to 62 distribution centers across Indonesia through a Subsidiary, PT Tirtakencana Tatawarna.

2017

- Avian Brands further increased its production capacity by 50,000 metric tons; and
- GIC (Ventures) Pte Ltd became a shareholder of 10.00% of Avian Brands' shares through its wholly-owned Subsidiary, Archipelago Pte Ltd. The proceeds from the cash injection from GIC (Ventures) Pte Ltd were used to repay all of Avian Brands' outstanding bank loans.

2018

- Avian Brands acquired land located in Cirebon, West Java, Indonesia, with a total land area of 110,211m^2, from its affiliate PT Bira Industri Rejeki Agung, which is reserved as the future site of the third manufacturing facility;
- Avian Brands further expanded its distribution network to 78 distribution centers across Indonesia through a Subsidiary, PT Tirtakencana Tatawarna; and

2011 - 2018

2018

- To commemorate its 40th anniversary, Avian Brands moved into the newly constructed twenty-story headquarters in Surabaya. As a testament to its passion for innovation, the new headquarters is uniquely designed with curves and twists, where each floor rotates and twists by 60 degrees from the ground floor to the top of the tower.

2019

- Avian Brands developed and launched "Avitex One Coat" paint and was awarded the first patent for Avitex's one coat paint technology, which requires only one coat of paint instead of the usual two coats;
- Avian Brands successfully increased its distribution network to 90 distribution centers across Indonesia through a Subsidiary, PT Tirtakencana Tatawarna; and
- Avian Brands entered into a non-exclusive license agreement with PT Walt Disney Indonesia to use certain Disney logos, characters, and trademarks for its wall paint products such as interior wall paint and special effects wall paint products in Indonesia.

2020

- Avian Brands built Avian Innovation Center dedicated to research, development, and innovation, with an approximate area of 5,000m^2;
- As a testament to its ongoing commitment to providing quality health and safety standards that are in line with international standards, Avian Brands implemented the ISO 45001:2018 on Occupational Health and Safety Management System Standard; and
- Avian Brands continued the expansion of its distribution network in Indonesia to 95 distribution centers through a Subsidiary, PT Tirtakencana Tatawarna.

2021

- Avian Brands established PT Bangun Bersama Solusindo as a joint venture entity, with 50.00% shareholding each by Avian Brands and PT Cipta Mortar Utama, a wholly-owned subsidiary of the Saint-Gobain Group, which is a leading player in the manufacturing of mortars for construction. The establishment of PT Bangun Bersama Solusindo was aimed at developing Avian Brands' business in entering the two-component cement-based waterproofing paint market in Indonesia;
- In October 2021, Avian Brands acquired a 67.00% shareholding in PT Multipro Paint Indonesia, which is engaged in the manufacture of protective paint and marine paint;

2018 - 2021

Milestones (continued)

2021

- Avian Brands listed its shares on the Indonesia Stock Exchange on December 8, 2021 with the stock code AVIA; and
- Avian Brands continued its expansion plan by increasing the number of wholly-owned distribution centers to 101 through a Subsidiary, PT Tirtakencana Tatawarna.

2022

- Avian Brands continued to expand its marketing reach by increasing the number of wholly-owned distribution centers to 109, and establishing 4 wholly-owned mini distribution centers through a Subsidiary, PT Tirtakencana Tatawarna;
- Avian Brands appointed a new member of the Board of Directors, Mrs. Angelica Tanisia Jozar, in order to increase the proportion of women in the top management and realize its commitment to gender equality;
- Avian Brands was successfully awarded the certification of ISO 50001:2018 on Energy Management System for the manufacturing facilities in Serang and Sidoarjo; and
- Avian Brands launched new products, i.e., Woodcare Series, Avitex Anti Viruz, No Drop Anti Panas, Avitex Gold, VIP Pengupas Cat Tembok (Water-Based), and several other products to meet market needs.

2023

- Avian Brands increased its total wholly-owned distribution centers to 118, and total wholly-owned mini-distribution centers to 14 through PT Tirtakencana Tatawarna, Avian Brands' Subsidiary;
- Avian Brands commenced construction of a new manufacturing facility in Cirebon with a land area of 11 hectares and an annual production capacity of up to 225,000 tons, as a strategy to increase Avian Brands' production capacity to respond to future market opportunities and potential;
- Avian Brands successfully earned ISO/IEC 27001:2013 certification on Information Security Management System;
- Avian Brands successfully received the Overall Winner award in the 2023 Katadata Corporate Sustainability Awards ("KCSA") for the Chemicals Sector category from Katadata, the Green Industry Pioneer in Accelerating Sustainable Development in East Java award from the Governor of East Java, Going Green is Good for Your Business award from Xurya Daya Indonesia, Prevention and Mitigation of Covid-19 in the Workplace award from the Minister of Manpower of the Republic of Indonesia, Zero Accident Award from the Governor of East Jawa, and Indonesia Architectural Paints and Coatings Market Leadership Award from Frost & Sullivan;

2021 - 2023

2023

- Avian Brands launched a range of new products, namely Admiral Thinner Serbaguna and Admiral Anti Fouling, Brilliant Cat Tembok Interior and Brilliant Cat Tembok Eksterior, Boyo Politur Melamine, Avian Cling Zinc Chromate, Admiral Wood Filler Epoxy, Admiral Cat Kapal, Aries Bling, Avitex Wizz, No Drop Plus 3 in 1, No Drop Basic, Avian Glue Epoxy Hemat, and Cat Besi Anti Karat Avian 3 in 1; and
- Avian Brands initiated a corporate action of shares buyback of its shares that have been issued and listed on the Indonesia Stock Exchange in a maximum amount of 1,425,000,000 shares or approximately 2.3% of the total issued and paid-up capital.

2024

- **Avian Brands increased its total wholly-owned distribution centers to 124, and total wholly-owned mini-distribution centers to 15 through PT Tirtakencana Tatawarna, Avian Brands' Subsidiary;**
- **Avian Brands secured two global patents, namely the Magnetite Paint (Fe_3O_4) applied to HomeDeco Magnetic product and the Additive for Accelerating the Hardening and Reinforcement of Enhanced Concrete, applied to No Drop Plaston product;**
- **Avian Brands received the ESG Award 2024 as the Best Issuer in the Capital Market Sector from Yayasan Keanekaragaman Hayati Indonesia ("KEHATI"), ESG Award 2024 in the Chemicals Sector for Environment Category from Katadata, Recognition for its Initiative in Organizing Blood Donation in 2023 from the Indonesian Red Cross of Sidoarjo Regency, Annual Report Award 2023 from the National Committee on Governance Policy (*Komite Nasional Kebijakan Governansi* or "KNKG"), inclusion in Forbes' "200 Best Under A Billion 2024" list, PROPER National Green Rating from the Ministry of Environment and Forestry of the Republic of Indonesia, Top 50 Big Capitalization Public Listed Company from the Indonesian Institute for Corporate Directorship ("IICD"), as well as Green Industry Leader in the Green Future Summit 2024 Ceremony from Sun Energy; and**
- **Avian Brands launched new products, namely Avian Cling Water Based, Boyo Politur Spray, No Drop Tile Grout, No Drop Dempul Instan, No Drop Serat Fiber, GM 385 Perekat Bata Ringan Ekonomis, Pro-X 208, No Drop Beton dan Batu Alam, Avian Non-Sag Epoxy Hemat, Supersilk Semi Kilap, No Drop Kolam Ikan, GM 265 Acian Abu-Abu Ekonomis, GM 275 Acian Putih Ekonomis, Supersilk Basic, as well as Avian Cat Lapangan.**

2023-2024

Brief History

Avian Brands has a long history in the national paint industry, which began in 1978 when it was founded by Mr. Soetikno Tanoko, father of the current President Director, Mr. Wijono Tanoko, and the current President Commissioner, Mr. Hermanto Tanoko. Mr. Soetikno Tanoko is also the grandfather of the Vice President Director, Mr. Ruslan Tanoko, and the Director, Mr. Robert Christian Tanoko. At the start of its establishment, Avian Brands focused on conducting business activities in the integrated paint manufacturing sector, and had the competitive advantage of combining the manufacturing of raw materials and paint packaging in one manufacturing facility located in Sidoarjo, East Java. Such an advantage was supported by Avian Brands' strategic move to invest in specialized machinery, showcasing Avian Brands' long-term vision to become a major player in the national paint industry.



Over time, not only did Avian Brands maintain its position amidst competition in the industry, but it also strived to grow continuously. In 1996, Avian Brands expanded by building a second facility in Serang, West Java. More than just a response to increasing market demand, the construction of this facility was also a manifestation of Avian Brands' commitment to increasing production capacity and reinforcing its competitive edge in the industry. This expansion was also part of Avian Brands' strategy to ensure that it can continue to meet customer needs with high-quality products.

Recognizing the importance of efficient distribution to reach a wider market, Avian Brands established PT Tirtakencana Tatawarna in 2000, as a subsidiary focusing on distribution and marketing networks. This move allowed Avian Brands to further optimize its distribution network and expand its product range across all regions in Indonesia. By establishing distribution centers in various areas, PT Tirtakencana Tatawarna is instrumental in ensuring easy access to Avian Brands' products for customers nationwide. Additionally, in 2010, Avian Brands established PT Tirtakencana Batamindo, located in Batam, to further strengthen the distribution chain in the region.

In 2018, Avian Brands expanded its business portfolio by establishing PT Solusi Rumah Praktis, which is almost entirely owned by Avian Brands, with 99.99% shareholding. This was subsequently followed by investment in the joint venture PT Bangun Bersama Solusindo with a 50.00% shareholding. In 2021, Avian Brands also acquired 67.00% shares of PT Multipro Paint Indonesia. The combination of the above measures highlights Avian Brands' dedication to cementing its position in the industry and optimizing synergies with its main business lines.

Another significant achievement was when Avian Brands went public in 2021 through an Initial Public Offering. This marks a historical milestone that signified Avian Brands' transformation into a more transparent and accountable public company. This corporate action further encouraged Avian Brands to keep improving its excellence, including through continuous research and development. Based on this commitment, Avian Brands has successfully introduced innovative paint products that are both high-quality and environmentally friendly. In fact, in 2024, Avian Brands managed to secure two global patents, namely the Magnetite Paint (Fe_3O_4) applied to HomeDeco Magnetic product and the Additive for Accelerating the Hardening and Reinforcement of Enhanced Concrete, applied to No Drop Plaston product, further cementing its position as an industry-leading innovator.

Avian Brands' commitment to Environmental, Social, and Governance ("ESG") principles is also demonstrated through various initiatives and certifications that have been achieved. Some of Avian Brands' paint products have obtained Singapore Green Labelling Scheme certification, which recognizes products with high standards related to Volatile Organic Compound ("VOC"), heavy metal-free products, and the use of bio-based or alternative raw materials. As of the end of 2024, 34 of Avian Brands' products have successfully earned the Singapore Green Label. Moreover, Avian Brands has also earned numerous awards, such as the ESG Award 2024 as the Best Issuer in the Capital Market Sector from Yayasan Keanekaragaman Hayati Indonesia ("KEHATI"), ESG Award 2024 in the Chemicals Sector for the Environment Category from Katadata, Recognition for its Initiative in Organizing Blood Donation in 2023 from the Indonesian Red Cross of Sidoarjo Regency, Annual Report Award 2023 from the KNKG, inclusion in Forbes' "200 Best Under A Billion 2024" list, PROPER National Green Rating from the Ministry of Environment and Forestry of the Republic of Indonesia, Top 50 Big Capitalization Public Listed Company from the Indonesian Institute for Corporate Directorship ("IICD"), as well as Green Industry Leader in the Green Future Summit 2024 Ceremony from Sun Energy, further reinforcing Avian Brands' reputation as a company with deep concern for the environment and sustainability.

Company Vision, Mission, and Values



VISION

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

MISSION

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



The Board of Commissioners and Board of Directors periodically review Avian Brands' Vision and Mission. This review is conducted to ensure that Avian Brands' strategic direction and objectives remain relevant and aligned with Avian Brands' development as well as market dynamics. Based on the review results for the year 2024, Avian Brands' Vision and Mission remain relevant to the purpose and objectives of Avian Brands' establishment, and in line with developments in the national paint industry. Such evaluation shows that Avian Brands' Vision to become an integrated, environmentally friendly, leading, and trusted paint company in Indonesia remains actual and can be realized through its Mission, i.e., to provide added value to stakeholders through the development of various quality paints. In addition, this review also confirms that the strategy and business direction adopted by Avian Brands so far, has successfully placed it in a strong position to face increasingly intense competition in the paint industry.



COMPANY VALUES

Customer Focus

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

Integrity

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

Teamwork

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

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.







Meaning of Avian Logo





3 Strands of Feathers



Duck Figure



Logotype

3 Strands of Feathers : The lines depicting "3 Strands of Feathers" symbolize the 3 generations of Avian Brands' management, namely the past, present, and future.

The 3 Strands of Feathers unite to form the body of a duck with a figure symbolizing Avian Brands that is managed professionally, transparently, and guided by Good Corporate Governance so that Avian Brands may continue to grow positively and remain strong, while providing added value to stakeholders, Shareholders, and investors.

Duck Figure : The head of the duck represents gentleness, kindness, honesty, and humanity.

The duck figure facing right, symbolizes Avian Brands' constant forward motion, strength, perseverance and ability to seize opportunities from any upcoming challenges to further its mission of sustainable corporate development.

Logotype : The logotype is divided into 2 hierarchical parts, namely:

- The word "Avian" uses a bold Serif font that symbolizes Avian Brands' identity; and
- The word "Brands" describes various types of decorative paint products, wood and metal paints, waterproofing, adhesives, instant cement, and other supporting building materials. It also uses a more straightforward Sans Serif font.

Philosophy of Avian Logo Color

The philosophy of the logo is further reinforced and represented by the following color selection:

- ***Emerald Green*** : Represents the PAST, protects its successors with vast discretion, experience, and maturity.
- ***Turquoise*** : Represents the PRESENT, bridges generational relationships, provides balance, stability, and knowledge accumulation.
- ***Lime Green*** : Represents the FUTURE, and brings fresh ideas and unrelenting passion, regeneration, and growth.

- The choice of the gradation of green also represents the harmonious relationship between the three generations.
- GREEN itself symbolizes the "sense of art".

Business Activities

Avian Brands is engaged in the manufacturing industry and trading, with paints constituting a majority of its products. This is stipulated under Article 3 of Avian Brands' Articles of Association, pursuant to Deed No. 3 dated August 4, 2021, made before Liestiani Wang, S.H., M.Kn., Notary in the South Jakarta Administrative City, regarding Amendments to the Articles of Association of PT Avia Avian Tbk. Based on the Articles of Association, the purpose and objective of Avian Brands is to engage in manufacturing industries and wholesale trading. To achieve this, Avian Brands may conduct the following business activities:

Paint and Printing Ink Industry

This group encompasses 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 preparatives, printing inks, and art paints.

Varnish Industry (Including Mastics)

This group encompasses the manufacture of various types of varnishes, such as organic composite solvents and thinners, as well as paint or varnish removers, including mastics.

Lacquer Industry

This group encompasses the manufacture of lacquer, including the industries of putty and plaster or putty compounds and non-refractory putty or similar surface-covering materials.

Adhesive/Glue Industry

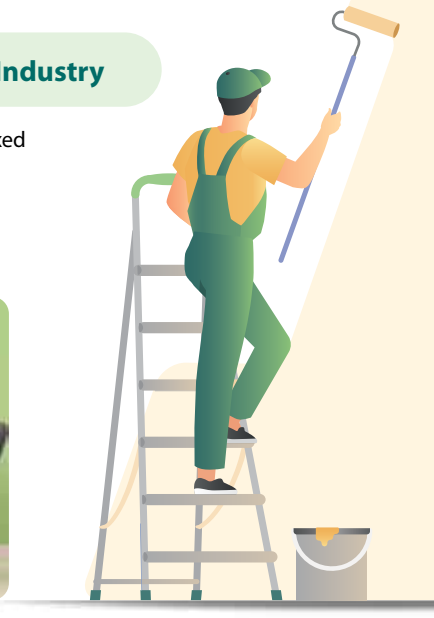
This group encompasses the manufacture of adhesives/glues for industrial or household purposes, derived from plants, animals, or plastics, such as starch, bone adhesives, cellulose esters and ethers, phenol formaldehyde, urea formaldehyde, melamine formaldehyde, and epoxy adhesives.

Ready-mixed and Dry-mixed Concrete and Mortar Industry

This group encompasses the manufacture of ready-mixed and dry-mixed concrete and mortar.







In addition to the main business activities in the manufacturing industry and wholesale trade, Avian Brands may also conduct supporting business activities as described below:

Industry of Artificial Resin (Synthetic Resin) and Plastic Raw Materials

This group encompasses 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 film sheets that are not yet sensitive to light are included in group 26800.

Industry of Organic-based Chemical for Raw Materials of Dyes and Pigments, Dyes, and Pigments

This group encompasses basic chemical industry businesses that produce organic chemicals, dyes, and pigments along with their cyclical intermediates, such as phenol intermediates and their derivatives, textile dyes, and dyes for food and medicine.

Industry of Buckets, Cans, Drums, and Other Metal Containers

This group encompasses the manufacture of metal or canned containers, such as food or beverage cans, paint or other chemical cans, barrels, drums, buckets, boxes, jerrycans, and others. Including the metallic closure industry.

Wholesale Trade of Paints

This group encompasses 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 Conducted in 2024

Business Activities based on Articles of Association	Has/Has Not Been Conducted
Main Business Activities	
Paint and Printing Ink Industry	✓
Varnish Industry (Including Mastics)	✓
Lacquer Industry	✓
Adhesive/Glue Industry	✓
Ready-mixed and Dry-mixed Concrete and Mortar Industry	✓
Supporting Business Activities	
Industry of Artificial Resin (Synthetic Resin) and Plastic Raw Materials	✓
Industry of Organic Basic Chemical Industry for Raw Materials of Dyes and Pigments, Dyes, and Pigments	✓
Industry of Buckets, Cans, Drums, and Other Metal Containers	✓
Wholesale Trade of Paints	✓

Products and Services

Avian Brands constantly strives to establish a reputation for dedication to providing high-quality products and services, as well as fulfilling various needs of customers. Avian Brands' products and services are generally classified into two main categories, offering comprehensive solutions for customers in various sectors. The first is the architectural solution category, which includes various products for property construction and renovation. The second is the trading goods category, in which Avian Brands provides supporting products for architectural solutions. More detailed information about Avian Brands' products and services, is described as follows:

Architectural Solutions

The architectural solutions products are the main products produced by Avian Brands, comprising wall paint, wood and metal paint, waterproofing paint, wood care, as well as other architectural solutions, including roof paint, instant cement, and automotive refinish paint. As of December 31, 2024, Avian Brands has a diversified portfolio of approximately more than 2,500 SKUs for architecture solution products that are marketed and distributed, reaching 105 brands. Some of Avian Brands' major household brands include Avian, Avitex, and No Drop.

Trading Goods

Avian Brands' trading goods are mainly the supporting products of architectural solutions comprising sales of pipes, furniture, and supporting products required in the painting processes, such as paint rollers, paint brushes, sealing tape, and sandpaper. Such trading goods are not manufactured by Avian Brands but are procured from its affiliates. Trading of these goods is performed by a Subsidiary, PT Tirtakencana Tatawarna.

Avian BRANDS

Architectural Solutions

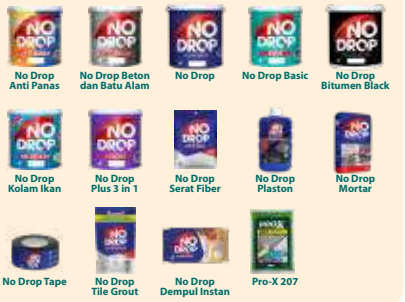
Wall



Wood and Metal



Waterproofing



Wood Care and Glue



Others



Trading Goods

Pipes



Furniture



Furniture



Category	Product Name		
Wall Paint	• Sunguard All-In-One; • Sunguard; • Supersilk Semi Kilap; • Supersilk Anti Noda; • Supersilk; • Supersilk Basic; • Brilliant Cat Tembok Interior; • Brilliant Cat Tembok Eksterior;	• Avitex Gold; • Avitex Anti Viruz; • Avitex Eksterior; • Avitex Cat Tembok; • Avitex Wizz; • Avitex 4kids; • Avitex One Coat; • Avitex Cat Tembok Dapur & Kamar Mandi;	• Aries Bling; • Aries Gold; • Aries Cat Tembok; • Aquamatt; • Everglo Kids Care; • No Odor Medicare; • No Odor; • Jasmine; and • Fres.
Special Effect Paint	• HomeDeco Glow In The Dark; • HomeDeco Magnetic;	• HomeDeco Glitz; and	• HomeDeco Metallic.
Waterproofing	• No Drop Anti Panas; • No Drop Beton dan Batu Alam; • No Drop; • No Drop Basic; • No Drop Bitumen; • No Drop Kolam Ikan;	• No Drop Membran; • No Drop Serat Fiber; • No Drop Mortar Anti Bocor; • No Drop Tape; • No Drop Tile Grout; • No Drop Dempul Instan;	• No Drop Plus 3in1; • No Drop 100; and • PRO-X 207.
Wood and Metal Paint	• Admiral Cat Kapal; • Avian Cling Synthetic; • Platinum;	• Avian Cat Kayu dan Besi; • Glovin Cat Kayu dan Besi; • Yoko Cat Kayu dan Besi;	• Avian Cat Alumunium; • Cat Besi Anti Karat Avian 3 in 1; and • Avian Cling Water Based.
Wood Care	• Wood-Eco Woodstain Water-Based; • Wood-Eco Woodstain Solvent-Based; • Wood-Eco Politur Eksterior P03; • Wood-Eco Politur Interior P01;	• Boyo Wood Stain Solvent-Based; • Boyo Politur Vernis Water-Based; • Boyo Politur Vernis Solvent-Based; • Boyo Wood Filler Solvent-Based; • Boyo Sanding Sealer NC Solvent-Based;	• Boyo Clear Coat NC Solvent-Based; • Boyo Politur Melamin; and • Boyo Politur Spray.
Primer	• Avian Cling Zinc Chromate; • Avian Zinc Chromate; • Avitex Alkali Resisting Primer;	• Lenkote Alkali Resisting Primer; • Lenkote Wall Sealer; • Yoko Cat Dasar Kayu dan Besi;	• Belmas Zinc Chromate; and • Suzuka Epoxy Filler.
Putty	• Lenkote Plamir Tembok (Wall Putty); • No Odor Wall Putty;	• Avitex Plamir Tembok; and • Aries Gold Wall Putty.	
Roof Paint	• Absolute Roof Coating;	• Avitex Cat Genteng & Seng; and	• Yoko Cat Genteng & Seng.
Instant Cement	• GM 220 Plamir Instan ; • GM 260 Acian Abu-Abu; • GM 265 Acian Abu-Abu Ekonomis; • GM 270 Acian Putih;	• GM 275 Acian Putih Ekonomis; • GM 380 Perekat Bata Ringan; • GM 385 Perekat Bata Ringan Ekonomis; • GM 420 Perekat Keramik Ekonomis;	• GM 480 Perekat Keramik Dinding & Lantai; • GM L500 Bonding Adhesive; and • GM 510 Tile Grout.
Glue	• Avian Lem Epoxy Super; • Avian Lem Epoxy Hemat; • Avian Non-Sag Epoxy Super;	• Avian Non-Sag Epoxy Hemat; • Lem Putih VIP PVAc; • Lem Putih MAX PVAc;	• Viplas; and • Admiral Wood Filler Epoxy.
Stone Coating	• No Lumut Solvent-Based; and	• No Lumut Water-Based.	
Autorefinish and Spray Paint	• Suzuka Spray; • Suzuka Cat Duco Otomotif;	• Suzuka 2:1 PU Clear Coat; and	• Suzuka 4:1 PU Clear Coat.
Floor Coating	• Avian Roadline Paint;	• Avian Cat Paving; and	• Avian Cat Lapangan.
Thinner	• Admiral Thinner Serbaguna; • Avian Thinner Enamel; • Avian Thinner B Asli; • Avia Thinner Lacquer A; • Avia Thinner Lacquer A Special;	• Avia Thinner Lacquer Super; • Aries Thinner Lacquer A; • Aries Thinner Lacquer A Special; • Thinner 16213; • Thinner 1660;	• Thinner 1633; • Thinner 1634; • Thinner 1601; and • Thinner 1602.
Cement Additive	• No Drop Plaston.		
Others	• VIP Pengupas Cat Tembok; • VIP Paint Remover; • Avitex Biocidal Wash;	• PRO-X 111; • Pro-X-208;	• Pro-X-110; and • Pro-X-222.
Supporting Products	• Basic Paint Roller; • Green Brush; • Yellow Brush; • Plastic Scrapper; • Mini Refill; • Mini Roller; • Paint Tray; • White Brush;	• Synthetic Brush; • Budget Paint Roller; • All Paints Paint Roller; • Budget Roller Cover; • Regular Roller Cover; • All Paints Roller Cover; • Abrasive Paper; • Abrasive Cloth Roll;	• Masking Tape; • Seal Tape; • Drywall Tape; • Fiberglass Tape; • Roof Drain; • Kran Air Taman; • Seal Tape Ekonomis; • Basic Paint Tray Set; and • Paint Tray Set.

Product Development in 2024

Product development has become Avian Brands' main focus in order to deliver the latest innovations and improve the product portfolio. With a commitment to in-depth research and development, Avian Brands constantly strives to proactively respond to evolving market trends and customer needs. Through a collaboration between technology optimization and excellent human resources in research and development, Avian Brands managed to deliver impressively reliable products that provide added value to end-users. Several products developed and marketed throughout the year of 2024 are described as follows:



Avian Cling Water Based

- Anti-rust Without Primer
- Non-yellowing
- Long-lasting gloss



Boyo Politur Spray

- Maximum Penetration into Wood Fiber
- For Exterior and Interior
- Quick Drying



No Drop Tile Grout

- Acid Fluid Resistant
- Waterproof
- Not Easily Cracked



No Drop Dempul Instan

- Flexible
- Seals Cracks
- Water Repellent



No Drop Serat Fiber

- Waterproof
- Elastic
- Seals Cracks



GM 385 Perekat Bata Ringan Ekonomis

- Economical
- Strong Adhesion
- Quicker Application



Pro-X 208

- Easy Mixing
- Easy Application
- Long lasting



No Drop Beton and Batu Alam

- Water Repellent
- Nano Particle
- Lotus Leaf Effect



Avian Non-Sag Epoxy Hemat

- Strong Adhesion
- Not Easily Dripping
- No Pungent Odor



Supersilk Semi Kilap

- Luxurious Gloss
- Anti-bacterial
- Easy to Clean with Water



No Drop Kolam Ikan

- Leakproof
- Non-toxic
- Aquatic Ecosystem



GM 265 Acian Abu-Abu Ekonomis

- Strong Adhesion
- Perfectly Seal Hair Cracks
- Without Plaster



GM 275 Acian Putih Ekonomis

- Strong Adhesion
- Perfectly Seal Hair Cracks
- Without Plaster



Supersilk Basic

- Super Cover Technology
- Good Touch Up
- Ultra Matte look



Avian Cat Lapangan

- Anti-slip
- Friction Resistant
- Better Bouncy Rate

Manufacturing Facilities

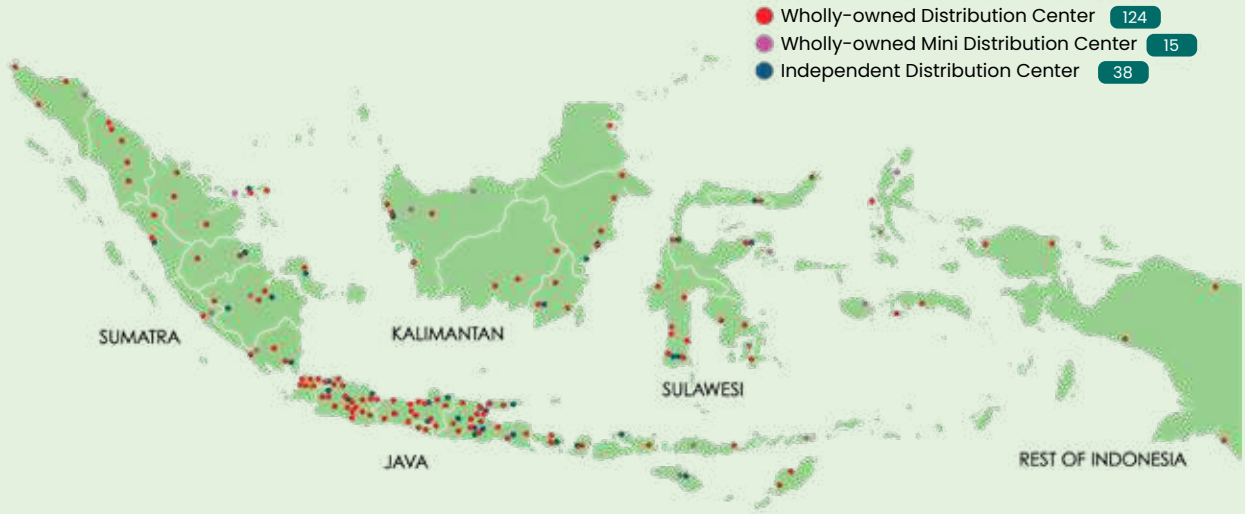
Avian Brands has two integrated manufacturing facilities, which are among the largest manufacturing facilities in the national paint industry. Avian Brands' manufacturing facilities have adopted Enterprise Resource Planning ("ERP") and Warehouse Management System ("WMS") to optimize operational efficiency. Avian Brands also utilizes other cutting-edge technologies, such as Automatic Weighing System ("AWS"), Distributed Control System ("DCS"), Computerized Monitoring Board ("CMB"), Yard Management System ("YMS"), and Computerized Maintenance Management System ("CMMS") to ensure proper control and monitoring in every stage of production, while simultaneously boosting productivity, effectiveness, data accuracy, as well as supporting environmentally friendly programs by minimizing paper usage.

In addition, Avian Brands' commitment to sustainability is also reflected in the use of environmentally friendly energy sources with solar panels and transparent factory roofs that reduce dependence on conventional electricity. Avian Brands' manufacturing facilities have also obtained certifications of ISO 9001 on Quality Management System, ISO 14001 on Environmental Management System, ISO 45001 on Occupational Health and Safety Management System, ISO 50001 on Energy Management System, and ISO/IEC 27001:2013 on Information Security Management System. This demonstrates Avian Brands' commitment to international standards in all operations.

In terms of HR, in addition to having a competent and excellent manufacturing team, Avian Brands has also established an Emergency Response Preparedness team trained and certified by the Ministry of Manpower of the Republic of Indonesia. This allows Avian Brands' manufacturing facilities to be more prepared to face emergencies with optimal speed and safety. With all these measures in place, Avian Brands strives to constantly improve its competitive edge in the industry, both in terms of product innovation and quality, as well as maintaining a safe and sustainable work environment. More detailed information about Avian Brands' manufacturing facilities, is described as follows:

No.	Owner	Location	Land Area (m^2)	Year	Main Products	Ownership	Production Shift	Production Capacity (in metric tons/year)
1.	Avian Brands	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 Avian Brands).	Operates 1 - 2 shifts per day, 5 days/week.	213,840
2.	Avian Brands	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 Avian Brands).	Operates 1 - 2 shifts per day, 5 days/week.	72,576
Total								**286,416**

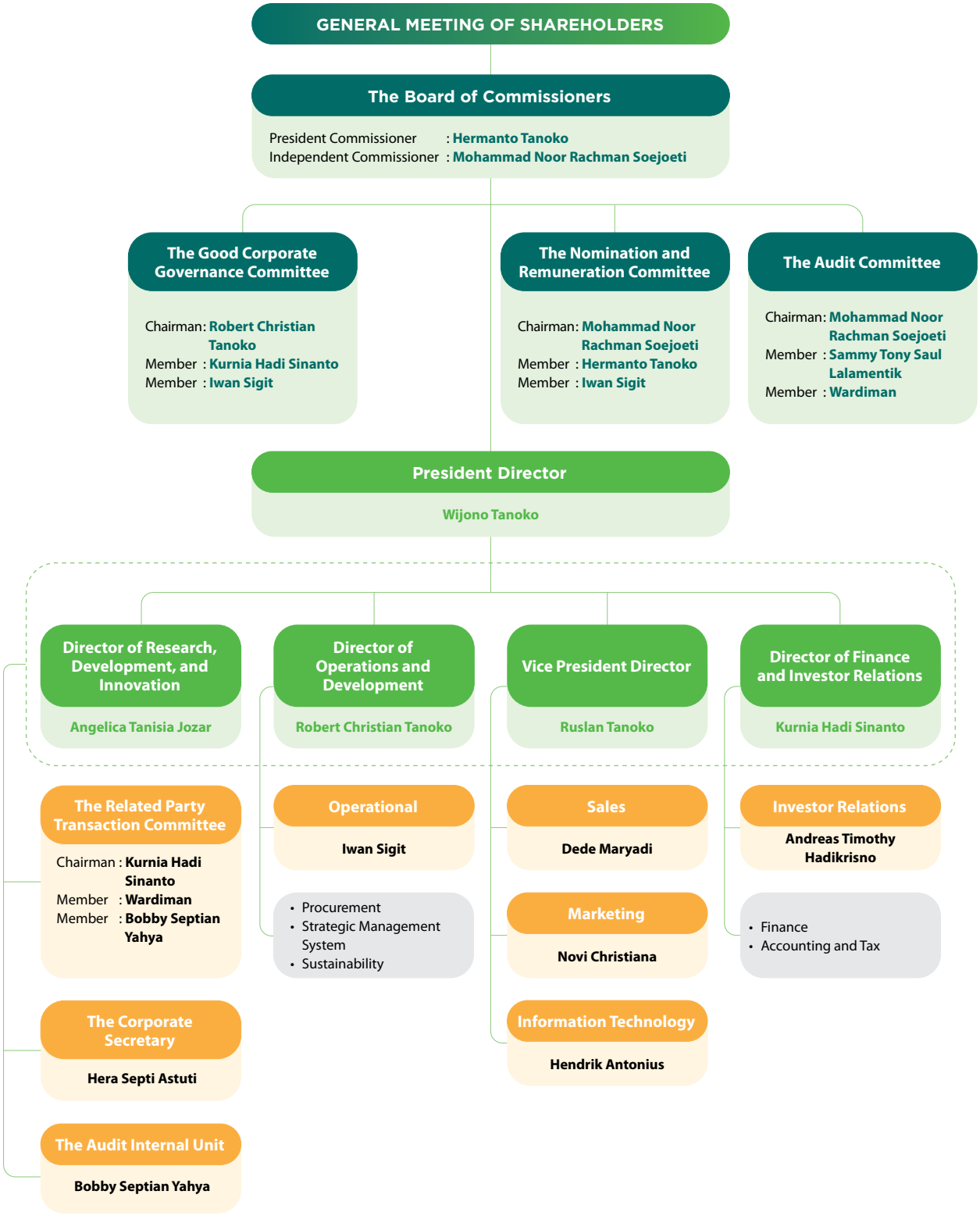
Operational Areas



Product Distribution Areas

Wholly-owned Distribution Center		Wholly-owned Mini Distribution Center		Independent Distribution Center		Number of Retail Outlets Supplied	
Sumatra	26	Sumatra	5	Sumatra	8	Sumatra	11,326
Java	54	Java	0	Java	17	Java	32,026
Kalimantan	15	Kalimantan	2	Kalimantan	4	Kalimantan	5,548
Sulawesi	14	Sulawesi	2	Sulawesi	5	Sulawesi	5,303
Other Areas in Indonesia	15	Other Areas in Indonesia	6	Other Areas in Indonesia	4	Other Areas in Indonesia	4,248
Total	124	**Total**	15	**Total**	38	**Total**	58,451

Organizational Structure



Membership in Associations

Avian Brands is a member of several industry associations and business groups. Avian Brands' membership in these forums not only expands its business network and collaboration, but also enables Avian Brands to keep abreast of the latest developments in the industry. Through active participation in these associations, Avian Brands can better understand industry policies, promote and adopt best practices, and raise the standards of professionalism in every aspect of operations. In addition, through membership in AEI, Avian Brands can also expand its knowledge and stay updated with the latest developments in capital market law and regulations, which is crucial for Avian Brands, as a public company, to ensure compliance with applicable regulations. As of the end of 2024, Avian Brands is a member of the following associations:



Indonesian Paint Producers Association

Scale : National
Status of Avian Brands : Member



Indonesian Public Listed Companies Association

Scale : National
Status of Avian Brands : Member



Indonesian Synthetic Resin Association

Scale : National
Status of Avian Brands : Member

Profile of the Board of Commissioners



BOARD OF COMMISSIONERS:

Hermanto Tanoko (President Commissioner), **Mohammad Noor Rachman Soejoeti** (Independent Commissioner).
* Notes: From left to right.



HERMANTO TANOKO

President Commissioner

Indonesian, 62 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 Shareholders of Avian Brands 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 in 2001.

Work Experiences

- Commissioner of PT Sariguna Primatirta (2001 – 2009); and
- Vice President Director of PT Solusi Rumah Praktis (2018 – 2024).

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 Surya Sentosa (2015 – present);
- President Commissioner of PT Caturkarda Depo Bangunan Tbk (2020 – present);
- President Commissioner of PT Multipro Paint Indonesia (2021 – present);
- Member of the Nomination and Remuneration Committee of Avian Brands (2021 – present);
- President Commissioner of PT Penta Valent Tbk (2022 – present); and
- President Commissioner of PT Solusi Rumah Praktis (2024 – present).

Education/Training in 2024

-

Affiliation

Mr. Hermanto Tanoko is Avian Brands' ultimate beneficial owner, who shares a familial and financial relationship with Mr. Wijono Tanoko as President Director, Mr. Ruslan Tanoko as Vice President Director, and Mr. Robert Christian Tanoko as Director. He is also affiliated with the Main and Controlling Shareholder of Avian Brands, namely PT Tancorp Surya Sentosa, where he serves as President Director. However, he has no familial or financial relationship with other members of the Board of Commissioners and Board of Directors.

MOHAMMAD NOOR RACHMAN SOEJOETI

Independent Commissioner



Indonesian, 67 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 Shareholders of Avian Brands 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 Economics from Gadjah Mada University, Yogyakarta in 1982; and
- Master of Arts in Economics from Colorado State University, Colorado, United States of America in 1991.

Work Experiences

- Head of Inspection and Investigation Bureau, Capital Market Supervisory Agency, Ministry of Finance of the Republic of Indonesia (1999 - 2000);
- Member of the Supervisory Board of the Republic of Indonesia Money Printing Corporation (2000 – 2007);
- Head of Service Sector Company Financial Assessment Bureau, Capital Market Supervisory Agency, Ministry of Finance of the Republic of Indonesia (2000 - 2011);
- Head of Securities Transactions and Institutions Bureau, Capital Market and Financial Institutions Supervisory Agency, Ministry of Finance of the Republic of Indonesia (2012 - 2013);
- Deputy Commissioner for Capital Market Supervision II of the Financial Services Authority (2013 – 2017);
- President Commissioner of PT Maybank Asset Management (2017 – 2020);
- President Commissioner of PT Ristia Bintang Mahkota Sejati Tbk (2018 – 2020); and
- Commissioner of PT Bursa Efek Indonesia (2018 – 2024).

Dual Appointments

- Chairman of the Audit Committee of PT Bursa Efek Indonesia (2018 – present);
- Chairman of the Audit Committee of Avian Brands (2021 – present);
- Chairman of the Nomination and Remuneration Committee of Avian Brands (2021 – present); and
- Independent Commissioner of PT Nusantara Sejahtera Raya Tbk (2023 – present).

Education/Training in 2024

- Capital Market Summit and Expo by the Financial Services Authority, PT Bursa Efek Indonesia, PT Kliring Penjaminan Efek Indonesia, and PT Kustodian Sentral Efek Indonesia;
- Sustainability Reporting Standards by PT Bursa Efek Indonesia; and
- Global Tax Reform by PT Bursa Efek Indonesia.

Affiliation

Mr. Mohammad Noor Rachman Soejoeti has no family or financial relationship with other members of the Board of Commissioners, members of the Board of Directors, as well as Main and Controlling Shareholders, either directly or indirectly, up to the Individual Owner.

Statement on Independence of Independent Commissioners

The currently appointed Independent Commissioner is serving his first term, and therefore, Avian Brands does not provide information regarding the statement on the independence of an Independent Commissioner having served for more than two terms.

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

In 2024, there was no change in the composition of Avian Brands' Board of Commissioners. The composition of the current Board of Commissioners is in accordance with the relevant regulations related to Avian Brands' business activities. This steady composition reflects the continuity of strong leadership as well as Avian Brands' commitment to maintaining stability and continuity in strategic decision-making.

Profile of the Board of Directors

BOARD OF DIRECTORS:

Robert Christian Tanoko (Director), **Ruslan Tanoko** (Vice President Director), **Wijono Tanoko** (President Director), **Angelica Tanisia Jozar** (Director), and **Kurnia Hadi Sinanto** (Director).

* Notes: From left to right.





WIJONO TANOKO

President Director

Indonesian, 72 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 Shareholders of Avian Brands 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 (2014 – 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 2024

- Local Macro Insights, What Indonesia's New Leadership Means by The Hongkong and Shanghai Banking Corporation Limited ("HSBC");
- Italy Meets Indonesia, Focus on Constructions and Building Machinery Sector by the Italian Trade Agency;
- The Forbes Asia Best Under A Billion Forum & Awards Dinner by Forbes; and
- The Future of Route to Market in Indonesia by Bizom.

Affiliation

Mr. Wijono Tanoko is Avian Brands' ultimate beneficial owner, who shares a familial and financial relationship with Mr. Hermanto Tanoko as President Commissioner, Mr. Ruslan Tanoko as Vice President Director, and Mr. Robert Christian Tanoko as Director. He is also affiliated with the Main and Controlling Shareholder of Avian Brands, namely PT Wahana Lancar Rejeki, in which he serves as Director. However, he has no familial or financial relationship with other members of the Board of Commissioners and the Board of Directors.



RUSLAN TANOKO

Vice President Director

Indonesian, 49 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 Shareholders of Avian Brands 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, United States of America in 1996; and
- Master of Engineering in Chemical Engineering from Cornell University, New York, United States of America in 1997.

Work Experiences

- Marketing Director of Avian Brands (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 (2014 – 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 2024

- Local Macro Insights, What Indonesia's New Leadership Means by the HSBC;
- Italy Meets Indonesia, Focus on Constructions and Building Machinery Sector by the Italian Trade Agency;
- The Forbes Asia Best Under A Billion Forum & Awards Dinner by Forbes; and
- The Future of Route to Market in Indonesia by Bizom.

Affiliation

Mr. Ruslan Tanoko is Avian Brands' ultimate beneficial owner, who shares a familial and financial relationship with Mr. Hermanto Tanoko as President Commissioner, Mr. Wijono Tanoko as President Director, and Mr. Robert Christian Tanoko as Director. He is also affiliated with the Main and Controlling Shareholder of Avian Brands, namely PT Wahana Lancar Rejeki, in which he serves as President Director. However, he has no familial or financial relationship with other members of the Board of Commissioners and Board of Directors.



ROBERT CHRISTIAN TANOKO

Director

Indonesian, 39 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 Shareholders of Avian Brands 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, Bentley, Australia, in 2006.

Work Experiences

- Vice Director of Operations of Avian Brands (2009 – 2015);
- Director of PT Tirtakencana Tatawarna (2014 – 2017); and
- President Commissioner of PT Solusi Rumah Praktis (2018 – 2024).

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);
- Director of PT Bangun Bersama Solusindo (2021 – present);
- Director of PT Multipro Paint Indonesia (2021 – present);
- Chairman of the Good Corporate Governance Committee of Avian Brands (2021 – present); and
- Vice President Director of PT Solusi Rumah Praktis (2024 – present).

Education/Training in 2024

Strategies for Achieving the Sustainable Development Goal Pillars by Paragon.

Affiliation

Mr. Robert Christian Tanoko Tanoko is Avian Brands' Shareholder, who shares a familial and financial relationship with Mr. Hermanto Tanoko as President Commissioner, Mr. Wijono Tanoko as President Director, and Mr. Ruslan Tanoko as Vice President Director. He is also affiliated with the Main and Controlling Shareholder of Avian Brands, namely PT Tancorp Surya Sentosa, where he serves as Director. However, he has no familial or financial relationship with other members of the Board of Commissioners and Board of Directors.



KURNIA HADI SINANTO

Director

Indonesian, 55 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 Shareholders of Avian Brands 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, Surabaya, in 1992.

Work Experiences

- Financial Accounting Manager of Avian Brands (2006 – 2010);
- Vice Director of Finance and Accounting of Avian Brands (2010 – 2016); and
- Corporate Secretary of Avian Brands (2021 – 2022).

Dual Appointments

- Director of PT Avia Avian Industri Pipa (2017 – present);
- Director of PT Multipro Paint Indonesia (2021 – present);
- Member of the Good Corporate Governance Committee of Avian Brands (2021 – present); and
- Chairman of the Related Party Transaction Committee of Avian Brands (2022 – present).

Education/Training in 2024

Value Creation in Action to Unleash Your Growth by PricewaterhouseCoopers ("PwC") Indonesia.

Affiliation

Mr. Kurnia Hadi Sinanto has no family or financial relationship with members of the Board of Commissioners, other members of the Board of Directors, as well as Main and Controlling Shareholders, either directly or indirectly, up to the Individual Owner.



ANGELICA TANISIA JOZAR

Director

Indonesian, 43 years old.

Term of Office and Basis of Appointment

2022 – 2026:

The Deed of Restatement of Avian Brands' Meeting Resolution No. 2 dated September 7, 2022, drawn up before Dr. Susanti, S.H., M.Kn., a Notary in Surabaya City.

Educational Background and Certifications

- Bachelor of Engineering from Parahyangan Catholic University, Bandung, in 2003; and
- Professional Engineer from Parahyangan Catholic University, Bandung in 2021.

Work Experiences

- Head of Production of PT Tiga Arga (2003 – 2010);
- Research & Development Manager, Trade Unit Division of PT Nipsea Paint & Chemicals (2010 – 2018); and
- Research, Development & Innovation Director of Avian Brands (2018 – 2022).

Dual Appointments

-

Education/Training in 2024

- Socialization of INDI 4.0 Assistance by Avian Brands;
- Adhesive Formulation by Minh Hieu Nguyen – BYK; and
- Rheology Modifier by Brenntag.

Affiliation

Mrs. Angelica Tanisia Jozar has no family or financial relationship with members of the Board of Commissioners, other members of the Board of Directors, as well as Main and Controlling Shareholders, either directly or indirectly, up to the Individual Owner.

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

In 2024, there was no change in the composition of Avian Brands' Board of Directors. The composition of the current Board of Directors is in accordance with the relevant regulations related to Avian Brands' business activities. This steady composition reflects the continuity of strong leadership as well as Avian Brands' commitment to maintaining stability and continuity in strategic decision-making.

Shareholder Information

Shareholder List

Description	December 31, 2024			January 1, 2024 (Initial Opening of Stock Trading)		
	Number of Shares (Shares)	Total Nominal Value (IDR)	Share Ownership (%)	Number of Shares (Shares)	Total Nominal Value (IDR)	Share Ownership (%)
5% or more						
PT Tancorp Surya Sentosa	22,674,971,000	226,749,710,000	36.60	22,674,971,000	226,749,710,000	36.60
PT Wahana Lancar Rejeki	20,129,652,900	201,296,529,000	32.49	20,129,652,900	201,296,529,000	32.49
Archipelago Investment Private Limited	3,902,748,900	39,027,489,000	6.30	3,902,748,900	39,027,489,000	6.30
Under 5%						
Robert Christian Tanoko	1,425,406,300	14,254,063,000	2.30	1,425,406,300	14,254,063,000	2.30
Rudi Tanoko	1,041,265,000	10,412,650,000	1.68	1,041,265,000	10,412,650,000	1.68
Rony Tanoko	497,829,300	4,978,293,000	0.80	1,041,265,000	10,412,650,000	1.68
Treasury Stock	1,163,449,200	11,634,492,000	1.88	34,618,800	346,188,000	0.06
Public *)	11,118,233,000	111,182,330,000	17.95	11,703,627,700	117,036,277,000	18.89
Total Issued and Paid-Up Capital	61,953,555,600	619,535,556,000	100.00	**61,953,555,600**	**619,535,556,000**	**100.00**

*) Including shares owned by Mr. Wijono Tanoko, Mr. Kurnia Hadi Sinanto, and Mrs. Angelica Tanisia Jozar,

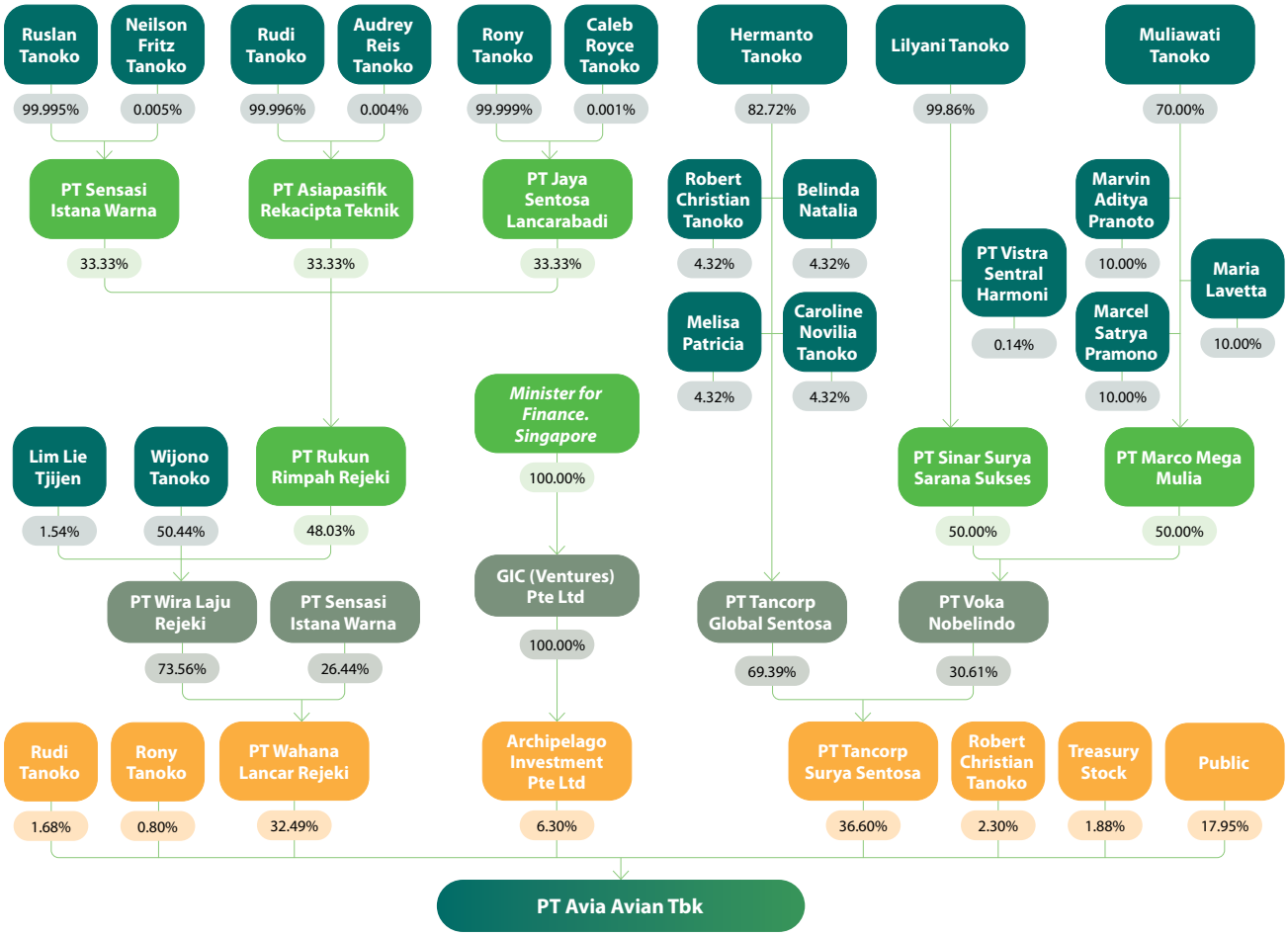
Composition of Share Ownership by Members of the Board of Commissioners and the Board of Directors

Name	Position	December 31, 2024		January 1, 2024 (Initial Opening of Stock Trading)		Ownership Status
		Number of Shares (Shares)	Share Ownership (%)	Number of Shares (Shares)	Share Ownership (%)	
The Board of Commissioners						
Hermanto Tanoko	President Commissioner	0	0	0	0	-
Mohammad Noor Rachman Soejoeti	Independent Commissioner	0	0	0	0	-
The Board of Directors						
Wijono Tanoko	President Director	2,504,200	0.00	2,504,200	0.00	Direct
Ruslan Tanoko	Vice President Director	37,724,500	0.06	20,959,300	0.03	Indirectly through PT Sensasi Istana Warna
Robert Christian Tanoko	Director	1,425,406,300	2.30	1,425,406,300	2.30	Direct
Kurnia Hadi Sinanto	Director	651,600	0.00	556,600	0.00	Direct
Angelica Tanisia Jozar	Director	222,400	0.00	169,300	0.00	Direct

Share Ownership by Classifications

Description	December 31, 2024			January 1, 2024 (Initial Opening of Stock Trading)		
	Total Investor	Number of Shares (Shares)	Share Ownership (%)	Total Investor	Number of Shares (Shares)	Share Ownership (%)
National Investor						
Indonesian Individual	15,371	4,115,116,372	6.64	12,579	4,215,758,172	6.80
Pension Fund Foundation	11	53,999,000	0.09	9	29,480,700	0.05
Insurance	12	120,484,900	0.20	6	26,154,700	0.04
Limited Company	83	45,640,469,594	73.67	60	43,982,864,110	71.00
Others	1	353,100	0.00	1	337,100	0.00
Foreign Investor						
Foreign Individual	12	2,879,200	0.00	9	244,100	0.00
Limited Company	149	12,020,253,434	19.40	166	13,698,716,718	22.11
Total	15,639	61,953,555,600	100.00	**12,830**	**61,953,555,600**	**100.00**

Main and Controlling Shareholders



Based on the aforementioned structure, the Main and Controlling Shareholders of Avian Brands are PT Wahana Lancar Rejeki and PT Tancorp Surya Sentosa. Meanwhile, the ultimate beneficial owners of Avian Brands are Wijono Tanoko, Hermanto Tanoko, and Ruslan Tanoko.

Chronology of Share Listing

On December 8, 2021, Avian Brands conducted an Initial Public Offering on the Indonesia Stock Exchange with stock code AVIA 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. In this Public Offering, Avian Brands successfully issued a total of 6,200,000,000 shares or equivalent to 10.0075% of the issued and paid-up capital with a nominal value of IDR10 per share, at an offer price of IDR930 per share. A total of 3,099,300 shares or equivalent to 0.05% of the total offer shares, were allocated for the Employee Stock Allocation ("ESA") program, demonstrating Avian Brands' commitment to extending shareholding opportunities to its employees.

In addition to the Initial Public Offering, Avian Brands also conducted a Private Placement by the Selling Shareholders who are Shareholders of Avian Brands. This offering comprised 5,575,355,600 registered common shares or equivalent to 10.00% of Avian Brands' total issued and paid-up capital. This offer was made on the date of listing on the Indonesia Stock Exchange at the same offer price as the Initial Public Offering. Accordingly, Avian Brands' total shares listed on the Indonesia Stock Exchange is 61,953,555,600 shares with a nominal value of IDR10.- per share. In addition to increasing the liquidity of Avian Brands' shares, these transactions also consolidate Avian Brands' position in the Indonesian capital market with strong support from Avian Brands' Shareholders and new investors.

On December 7, 2023, Avian Brands conducted a buyback of Avian Brands' shares that have been issued and listed on the Indonesia Stock Exchange in the maximum amount of 1,425,000,000 shares or approximately 2.3% of the entire issued and fully paid-up capital. This corporate action is executed in stages within a maximum period of 18 months from the date of execution. As of December 31, 2024, Avian Brands has repurchased 1,163,449,200 ordinary shares of Avian Brands through the Indonesia Stock Exchange. This corporate action changed the number of outstanding shares of Avian Brands at the end of 2024 to 60,790,106,400 shares from the initial 61,953,555,600 shares.

Sharia Securities

As of the end of 2021, all traded shares of Avian Brands in the Indonesian Stock Exchange, have been designated as sharia equity securities pursuant to a decision issued by the Financial Services Authority (*Otoritas Jasa Keuangan* or "OJK"). This has resulted in Avian Brands' shares being listed on the List of Sharia Securities (*Daftar Efek Syariah* or "DES"), which represents group of securities that do not conflict with sharia principles in the capital market. This achievement underscores Avian Brands' commitment to conducting operations that do not conflict with sharia principles, making it a viable investment option for investors who emphasize sharia aspects in their portfolios.

The determination of Avian Brands' shares to be registered in the DES as stipulated by the OJK, namely being included in the category of securities in the form of shares issued by Avian Brands that does not state the activities and types of business, know-how, and/or the services it provides based on Sharia Principles in the Capital Market, as long as Avian Brands:

1. does not conduct any activities and types of business that are contrary to Sharia Principles in the Capital Market including:
   a. gambling and games considered as gambling;
   b. ribawi financial services;
   c. buying and selling of risks that involve speculation (gharar) and/or gambling (maisir);
   d. producing, distributing, trading, and/or providing:
      - products or services that are forbidden because of its contents (haram li-dzatihi);
      - products or services that are forbidden not because of its contents (haram li-ghairi), determined by the National Sharia Board – Indonesian Ulema Council;
      - products or services that can deprave one's moral and are harmful (mudarat); and/or
      - other products or services that conflict with sharia principles based on the stipulation of the National Sharia Board – Indonesian Ulema Council; and
   e. conducting other activities that are contrary to sharia principles based on the stipulation of the National Sharia Board – Indonesian Ulema Council;
2. does not conduct any transactions that are contrary to Sharia Principles in the Capital Market; and
3. fulfils the following financial ratios:
   a. the ratio of interest-based liabilities to total assets is not more than 45%; and
   b. the ratio of interest income and other non-islamic income to total operating income and other income is not more than 10%.

The inclusion of Avian Brands' shares into the DES provides ease to investors as the investments made can be guaranteed halal and free from riba. In addition, investors are also given the freedom to conduct transactions of Avian Brands' shares as it may be undertaken on conventional exchanges and sharia exchanges.

Company's Stock Index

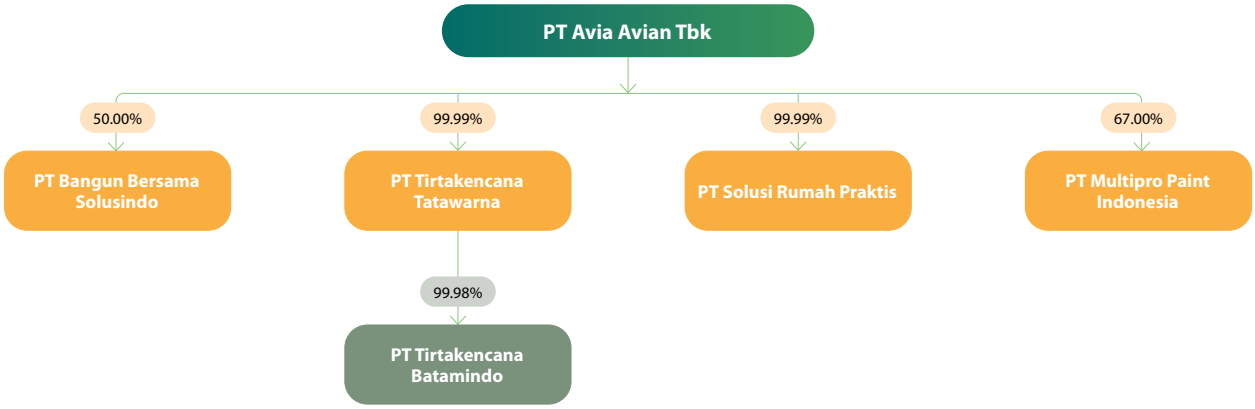
A stock index is a statistical measure used to reflect the price movements of a selected group of stocks in the capital market. This index may include stocks from different economic sectors or with certain characteristics, such as size of market capitalization or liquidity. Its main purpose is to give an overview of the stock market's performanceas a whole or of a particular sector within a country. As of the end of 2024, Avian Brands' shares are included in several prestigious indexes on the Indonesia Stock Exchange, such as IDX Composite, ESGQKEHATI, SRI-KEHATI, ESGSKEHATI, JII70, IDX80, KOMPAS100, IDXQ30, IDXSMC–LIQ, ISSI, MNC36, IDXSMC–COM, IDXBASIC, MBX, PEFINDO25, serta IDXESGL. In addition to the Indonesia Stock Exchange indexes, Avian Brands is also listed on the MSCI Small Cap Index.

Being an ESGQKEHATI, SRI-KEHATI, and ESGSKEHATI index constituent shows that Avian Brands is committed to sustainable management efforts that prioritize environmental, social, and good corporate governance concerns. As a JII70 index constituent, Avian Brands' shares are among the most liquid Sharia-compliant stocks listed on the IDX. Constituents of the IDX80 and KOMPAS100 indexes illustrate that Avian Brands' shares possess high liquidity and significant market capitalization, supported by strong company fundamentals. IDXQ30 index constituent indicates that Avian Brands exhibits relatively high profitability, good solvency, and stable profit growth, with transaction liquidity as well as strong financial performance. Meanwhile, the IDXSMC-LIQ index portrays that Avian Brands' shares have high liquidity and market capitalization in the small and medium range.

Chronology of Other Securities Listing

Until the end of 2024, Avian Brands has 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 Joint-Ventures

As of the end of 2024, Avian Brands owns 3 direct subsidiaries, 1 indirect subsidiary, and 1 joint venture. The existence of these subsidiaries reflects Avian Brands' strategy in expanding its presence and operational diversity, accommodating various market needs, and optimizing synergies between entities within the group. In addition, through its joint ventures, Avian Brands participates in collaborative investments that promote growth and exploration of new opportunities in relevant markets. Information related to the Subsidiaries and the joint-venture 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 estate.	Operating
Address	**Share Ownership**	**Total Assets Before Elimination**
Jl. Raya Surabaya - Sidoarjo KM. 19, Desa Wadungasih, Kec. Buduran, Kab. Sidoarjo, Jawa Timur, Indonesia.	99.99%	IDR4,176,481 million

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	**Share Ownership**	**Total Assets Before Elimination**
Avian Brands Building Jl. Ahmad Yani No. 317, Kel. Dukuh Menanggal, Kec. Gayungan, Kota Surabaya, Jawa Timur, Indonesia.	99.99%	IDR1,066 million

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 industry (including mastics), wholesale trade of paints, and wholesale trade of various building materials.	Operating
Address	**Share Ownership**	**Total Assets Before Elimination**
Menara Satu Sentra Kelapa Gading 7th 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%	IDR33,043 million

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, and retail trade of furniture.	Operating
Address	**Share Ownership**	**Total Assets Before Elimination**
Komplek Executive Industrial Park Blok D2 No. 8, Kel. Belian, Kec. Batam Kota, Kota Batam, Kepulauan Riau, Indonesia.	99.98%	Rp34,708 million

Joint-Venture

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	**Share Ownership**	**Total Assets Before Elimination**
Sequis Tower Level 15, Jl. Jenderal Sudirman Kav. 71, Kel. Senayan, Kec. Kebayoran Baru, Kota Adm. Jakarta Selatan, DKI Jakarta, Indonesia.	50.00%	IDR53,536 million

Capital Market Supporting Institutions and Professions

Public Accounting Firm

Public Accounting Firm	**Services Provided**	**:**
Teramihardja, Pradhono & Chandra	Audit Services	: Performed audit of Avian Brands' Consolidated Annual Financial Statements for the financial year ended December 31, 2024, based on auditing standards established by the Indonesian Institute of Certified Public Accountants.
(a member firm of Crowe Global)		
AXA Tower 27th Floor, Suite 03	Non-Audit Services	: None
Jl. Prof. Dr. Satrio Kav. 18	**Assignment Period**	**:** 2024
Jakarta, 12940, Indonesia	**Cost (IDR):**	
T: (62-21) 3005 6267	Audit Services	: Rp700,000,000.-
F: (62-21) 3005 6269	Non-Audit Services	: None

Notary

Dr. Susanti, S.H., M.Kn.	**Services Provided:**
Ruko Office Park 1	Prepared the deed of Minutes of the Annual General Meeting of Shareholders ("GMS") for the financial year of 2024.
Jl. Bukit Darmo Golf Blok B1 No. 19	**Assignment Period:** 2024
Kel. Pradahkalikendal,	
Kec. Dukuh Pakis	
Surabaya 60226, Indonesia	
T : (62-31) 9914 6264	

Securities Administration Bureau

PT Bima Registra	**Services Provided:**
Satrio Tower, 9 A2 Floor	1. Performed data maintenance, prepared presentation of the Shareholders List (*Daftar Pemegang Saham* or "DPS") and monthly reports;
Jl. Prof. DR. Satrio Blok C4	2. Assisted in the organization of the Annual GMS in the context of the presentation of DPS per recording date, attendance list, and assisted in the vote count at the GMS; and
Kuningan, Setiabudi	3. Assisted in the implementation of interim dividend and final dividend payments in the context of the presentation of DPS per recording date, as well as calculating the amounts of dividends and taxes for each Shareholder.
Jakarta Selatan, Indonesia	
T : (62-21) 2598 4818	**Assignment Period:** 2024
F : (62-21) 2598 4819	

Information Access

Avian Brands affirms its commitment to providing transparent and regular access to information for Shareholders and other stakeholders. Information access management is headed and periodically updated by the Corporate Secretary and the Investor Relations Department in accordance with the needs and applicable regulations. This ensures timely access to relevant information by all parties involved, thereby fostering a transparent and responsive relationship between Avian Brands and its stakeholders. The provision of information to Shareholders and stakeholders may be further accessed through:

Avian Brands Building
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Jawa Timur, Indonesia

(62-31)
99850500/99850600

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corsec@avianbrands.com
investor.relations@avianbrands.com

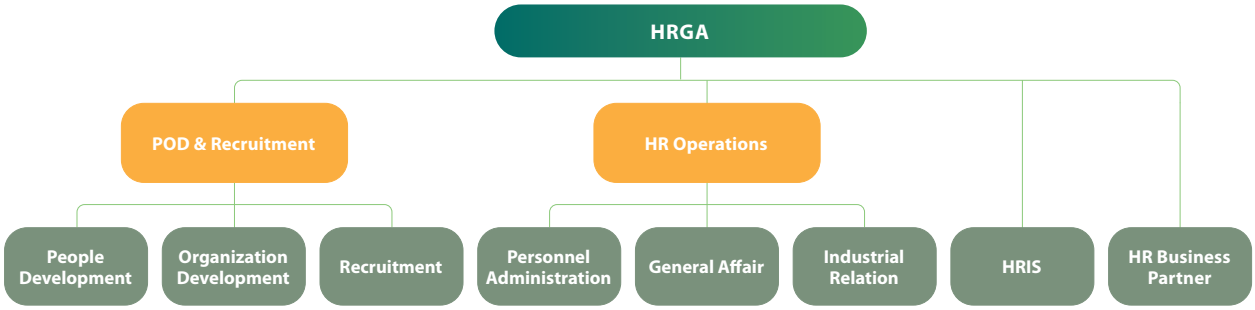
Human Resources

Human Resources ("HR") serves as the main foundation for Avian Brands in driving sustainable target achievement and performance. Avian Brands recognizes that successful achievement of strategic objectives is highly dependent on the quality and contribution of each individual in the organization. Therefore, its HR management is carried out prudently, adhering to applicable regulations and best practice in similar industries. Avian Brands is committed to creating a productive and comfortable working environment for all employees. This is achieved through various initiatives, including ongoing training and skills development, employee welfare programs, and policies that promote work-life balance. These programs are designed to encourage employees to reach their full potential and make maximum contributions to Avian Brands' goals.

Furthermore, Avian Brands emphasizes its commitment to non-discrimination by ensuring fair and equal treatment of every employee regardless of background, gender or other status. Avian Brands believes that diversity and inclusion are key to realizing innovation and creativity. Therefore, Avian Brands encourages a work culture that respects differences and promotes collaboration. By cultivating an inclusive and supportive work environment, not only does Avian Brands seek to improve overall performance, but also to build a positive and sustainable work culture, where each individual feels valued and motivated to contribute to the best of their abilities. Avian Brands believes that with a strong focus on HR management, it will continuously grow and develop to confidently navigate future challenges.

Organizational Structure of HR Management

Leading the organizational structure responsible for managing Avian Brands' HR, is the Human Resources and General Affairs ("HRGA"). This unit is responsible for ensuring effective and efficient HR management in all aspects, in line with Avian Brands' Vision and Mission. Within the HRGA, there are several subunits with roles and responsibilities to support HR management, such as units in charge of People Development, Organization Development, Recruitment, Personnel Administration, General Affair, Industrial Relation, Human Resource Information System ("HRIS"), and Human Resource Business Partner. Further details on organizational structure of Avian Brands' HR management are described as follows:



HR Development

Avian Brands consistently allocates resources for HR development as an integral part of its competitive advantage and development strategy. This commitment encompasses investment in training and professional development, as well as a focus on improving technical and leadership skills across the organization. With a firm commitment, Avian Brands continuously strives to achieve the objective of building a stronger and more responsive team, that is well-prepared to face the challenges and opportunities in today's dynamic market.

In general, HR development realized by Avian Brands for 2024 is described as follows:

HR Development Strategy in 2024

1 Core Competency Training

Mandatory training for all employees, including trainings on Company Values (CInTA), GCG, Code of Conduct, etc.

2 Technical Competency Training

Training aimed to improve employees' technical skills, in order to boost their capabilities and performance in line with Avian Brands' needs.

3 Generic Competency Training

Training aimed to improve employees' non-technical skills, such as effective communication, creative and critical thinking, team building, and other abilities related to individual personality development.

4 Leadership Competency Program

A program aimed to prepare employees to become leaders through a leadership ladder program.

5 Certification and Standardization Training

Training aimed to ensure that employees' technical and specialized skills are standardized according to their job functions.

HR Recruitment

HR recruitment is a crucial first step in ensuring organizational regeneration and sustainability. This process aims to seek out the best candidates that fit the specific needs and values upheld by Avian Brands. With prudent and strategic selection, Avian Brands can ensure that every recruit has the potential to contribute continuously to Avian Brands' growth and success.

In its implementation, Avian Brands has established manpower planning at the end of each year. In compliance with Manpower Planning, Avian Brands' recruitment methods include 2 approaches, i.e., internal and external recruitment. Internal recruitment encompasses promotions, transfers, and rotations of existing employees in the organization. With internal recruitment, Avian Brands provides opportunities for employees to grow and rise to higher positions. This not only enhances employee motivation and loyalty, but also ensures that promoted or transferred employees gain a deep understanding of Avian Brands' culture and operations, essential to maintaining Avian Brands' continuity and stability.

External recruitment, on the other hand, involves open selection for qualified prospective employees. Avian Brands may also collaborate with various external parties, such as organizing job fairs, campus recruitment, and through job portal platforms to attract external potential candidates. This external recruitment allows Avian Brands to acquire new perspectives, fresh skills, and specific expertise that may not be available internally, therefore enriching and strengthening the workforce.

To facilitate a more efficient and integrated recruitment process, Avian Brands also optimizes the use of digital technology. Avian Brands has established a recruitment database on its website that supports various stages of the recruitment process, from vacancy advertisement, candidate database storage, candidate selection, online test result storage, to job interviews that can be conducted online. This allows for a faster and more efficient recruitment process that can reach potential candidates from various locations without any geographical limitations.

It is important to note that the entire recruitment process in Avian Brands is conducted free of charge and in a transparent manner, without any ethnic, religious, racial, gender, or political discrimination. This commitment is part of Avian Brands' efforts to ensure fair and transparent opportunities for each candidate in the selection process. Throughout 2024, Avian Brands and its Subsidiaries recruited a total of 171 new employees placed in various positions within Avian Brands and its Subsidiaries. Of these figures, Avian Brands recruited 90 employees, TKTW recruited 80 employees, and BBS recruited 1 employee.



HR Composition

By the end of 2024, the number of employees of Avian Brands and its Subsidiaries (including outsourced employees) totaled 9,387 individuals, an increase of 9.61% compared to 8,564 individuals in 2023. Detailed composition of employees of Avian Brands and the Subsidiaries is presented below:

Category	2024						2023*					
	Avian Brands	Subsidiary					Avian Brands	Subsidiary				
		TKTW	TKBI	SRP	BBS	MPI		TKTW	TKBI	SRP	BBS	MPI
Number of Employees by Gender												
Male	1,583	5,593	37	1	5	44	1,458	5,269	32	3	4	56
Female	239	1,860	10	0	4	11	228	1,488	8	0	5	13
Total	1,822	7,453	47	1	9	55	**1,686**	**6,757**	**40**	**3**	**9**	**69**
Number of Employees by Position												
Board of Directors**	5	1	0	1	1	1	5	1	0	2	1	1
Deputy Director	5	12	0	0	1	1	5	12	0	0	1	1
Manager	68	188	1	0	5	6	66	176	1	1	5	7
Supervisor	131	588	3	0	1	5	75	576	4	0	0	6
Staff	424	237	0	0	1	32	464	230	0	0	2	35
Outsourcing	1,189	6,427	43	0	0	10	1,071	5,762	35	0	0	19
Total	1,822	7,453	47	1	9	55	**1,686**	**6,757**	**40**	**3**	**9**	**69**
Number of Employees by Age												
18 – 24 Years Old	348	1,246	8	0	0	2	355	1,111	6	0	0	2
25 – 34 Years Old	943	3,884	22	0	1	30	828	3,505	17	0	2	49
35 – 44 Years Old	301	1,933	12	1	2	8	302	1,784	14	2	2	6
45 – 54 Years Old	198	355	5	0	5	12	179	327	3	0	4	9
>55 Years Old	32	35	0	0	1	3	22	30	0	1	1	3
Total	1,822	7,453	47	1	9	55	**1,686**	**6,757**	**40**	**3**	**9**	**69**
Number of Employees by Education												
Master Degree	20	13	0	0	2	0	19	14	0	1	2	0
Bachelor Degree	329	1,595	6	1	6	25	315	1,508	6	2	6	27
Diploma (D3)	22	300	0	0	0	6	19	282	0	0	0	4
≤High School and Equivalent	1,451	5,545	41	0	1	24	1,333	4,953	34	0	1	38
Total	1,822	7,453	47	1	9	55	**1,686**	**6,757**	**40**	**3**	**9**	**69**
Number of Employees by Employment Status												
Permanent Employee	537	842	4	1	8	33	527	862	5	3	8	25
Non-Permanent Employee	96	184	0	0	1	12	88	133	0	0	1	25
Outsourcing	1,189	6,427	43	0	0	10	1,071	5,762	35	0	0	19
Total	1,822	7,453	47	1	9	55	**1,686**	**6,757**	**40**	**3**	**9**	**69**

* Data restated.

** Calculation on the number of members of the Board of Directors of the Subsidiaries is not done separately, in order to avoid double counting. Members of the Board of Directors serving in Avian Brands are not double counted for their dual positions in the Subsidiaries, therefore, this table contains members of the Board of Directors of the Subsidiaries that are recorded as "0" or "1". This reflects the existence of the members of the Board of Directors in the Subsidiaries, but administratively the calculation is being done at Avian Brands as the Parent Entity.

Notes :

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

Competence Development

Competence development is one of the main pillars of Avian Brands' HR management strategy. In line with Avian Brands' growth, employee competence development becomes increasingly crucial to ensure that each individual can make maximum contribution to achieving of Avian Brands' objectives. Therefore, Avian Brands and its Subsidiaries have continuously implemented competence development programs, which consist of basic and technical competence improvement programs designed to meet specific needs in various fields of work. With these comprehensive and sustainable competence development programs in place, employees are able to not only improve their productivity, but also adapt quickly to industry changes and innovations. This will ultimately boost overall performance and ensure that Avian Brands remains competitive and capable of achieving sustainable growth.

To achieve optimal results, Avian Brands does not only rely on internal resources in implementing competence development programs. Program implementation also engages qualified external parties with expertise in their respective fields. Cooperation with reliable external partners enables Avian Brands to provide more comprehensive and up-to-date training and education to employees. These programs are designed to equip employees with the latest knowledge and skills, so that they can face increasingly complex and dynamic business challenges. In addition, every employee is given equal opportunity to participate in competence development programs in their respective fields.

Throughout 2024, Avian Brands and its Subsidiaries organized and enrolled a total of 42,345 participants in 482 competence development programs. Further details are described as follows:

Type of Competence Development Program	Target of Competence Development	Appointment of Participants	Number of Participants *)	Number of Competence Development (Program)	Number of Competence Development Hours (Hour)
Basic Competence	To polish skills and teach norms to support employees in implementing of their duties and responsibilities.	Staff – Deputy Director	10,090	214	22,637.5
Technical Competence	To certify and improve skills that can support the work of employees.	Staff – Deputy Director	32,255	268	53,652

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

Standardization of HR Management

Avian Brands is committed to devoting full attention to HR management, which is not only limited to employee competence development, but also entails continuous efforts to improve the overall HR management system. By conducting in-depth analysis and periodic reviews of the implemented standards, Avian Brands ensures that its HR management system remains relevant and adaptive to industry changes and developments. This measure ensures that all aspects of HR management are aligned with Avian Brands' strategic plans, thus supporting the achievement of predetermined long-term goals. In 2024, Avian Brands evaluated the effectiveness of the Standard Operating Procedures ("SOP") for the entire organization, consisting of 23 SOPs, 12 standard, and 123 forms. Of these figures, 17 SOPs, 8 standards, and 42 forms are new standards formulated in 2024 within the MPI scope, while 4 SOPs, 2 standards, and 8 forms are reviews of existing standards within Avian Brands. Meanwhile, TKTW has reviewed 2 SOPs, 2 standards, and 43 forms, and issued 30 new forms.

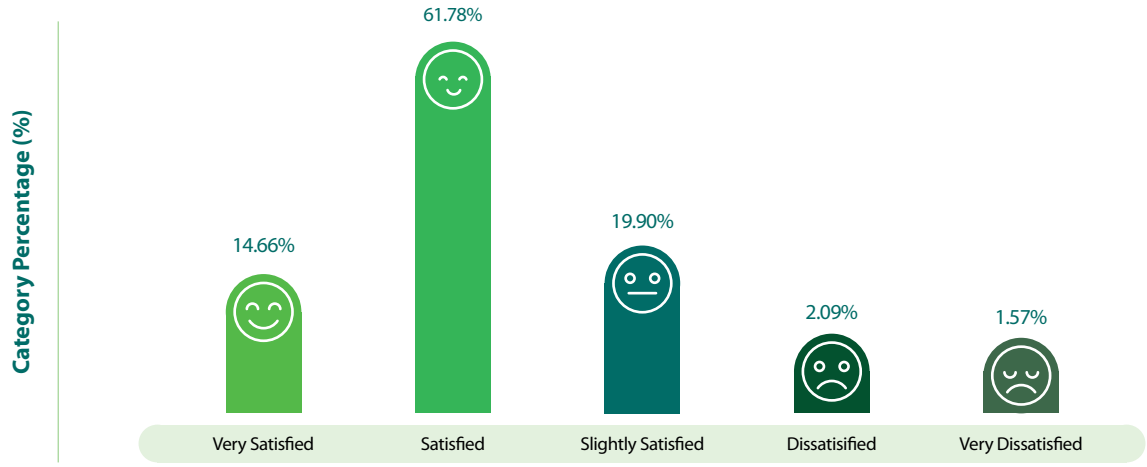
Complaint Management

Avian Brands is committed to maintaining and fostering healthy and harmonious working relationships, both between Avian Brands and employees as well as among the employees themselves. To achieve this conducive working environment, Avian Brands has designed and implemented a complaint management system, representing a systematic and transparent procedure to handle various employee complaints. This system allows each employee to submit their complaints through 2 methods, adjusted to their needs and convenience, i.e. through direct verbal discussions with their superiors, or by filling out survey forms, that are accessible online or offline through suggestion boxes placed in various strategic locations.

Each complaint submitted shall be fully addressed and followed up, either internally by the immediate superiors jointly with the relevant employee, or by a dedicated Complaint Team specifically established to handle more complex issues. If at this stage the complaint is yet to be resolved, Avian Brands will escalate the complaint by involving the Bipartite Cooperation Institution and Top Management, to sit together to negotiate and seek the best solution. This process ensures that any issues employees face are dealt with seriously and appropriately, to maintain a harmonious and productive working relationship. It also reflects Avian Brands' commitment to employee well-being and the significance of creating a comfortable working atmosphere, in which every voice and complaint is heard and followed up with concrete measures.

In 2024, Avian Brands conducted 2 employee complaint survey, with a total of 191 respondents participating. In addition to the complaint survey, in 2024 Avian Brands also conducted 64 employee satisfaction survey regarding the services of the Human Resources Department, with the following results:

Total Percentage of Service Satisfaction Score (Complaint Management)



Employee Turnover

Avian Brands is committed to creating a work environment that promotes employee development and well-being, as a key strategy to reduce employee turnover. Avian Brands understands that investing in employee development is not simply about enhancing individual satisfaction, but also about building solid relationships between employees and Avian Brands. By providing access to career development opportunities, continuous training programs relevant to the needs of the industry, and promoting an inclusive and collaborative work culture, Avian Brands aims to cultivate conditions where every employee feels valued, supported, and afforded the opportunities to grow.

These measures help Avian Brands retain committed and experienced employees, and boost motivation within the entire organization. Avian Brands believes that providing appropriate support and facilitating the development of each individual's potentialcan build a strong and productive team. This constitutes a part of Avian Brands' commitment to build a solid foundation for its sustainable growth, by reducing employee turnover and optimizing service quality and overall performance. Information on the employee turnover rate for Avian Brands and its Subsidiaries is described as follows:

Source	2024*)		2023*)	
	Total	Percentage (%)	Total	Percentage (%)
Retirement	5	2.25	9	6.77
Resignation	97	43.69	73	54.88
Termination of Employment	82	36.94	42	31.58
Employment Status Change	38	17.12	6	4.51
Deceased	0	0	3	2.26
Total Employee Turnover	222	100.00	**133**	**100.00**

*) The measurement of the employee turnover rate above includes permanent employees of Avian Brands and its Subsidiaries. Avian Brands does not measure the turnover rate for outsourced employees, given the high fluctuation of outsourced employees depending on the increase or decrease in total production.

Employee Performance Evaluation

Employee performance evaluation is a process designed by Avian Brands to ensure that each team member carries out their duties and responsibilities with high professionalism. Avian Brands assesses employee performance based on their ability to achieve the predetermined targets in accordance with their respective skills and positions. In addition to quantitative work output, this approach also takes into account employees' quality of work, contribution to the team, and competence in performing daily tasks.

Performance evaluation processes are conducted on a periodic and structured basis in order to evaluate achievements and discuss further opportunities for development. The feedback provided in these evaluations not only aims to identify strengths and development areas, but also to provide the necessary support for employees to reach their full potential. Avian Brands believes that this approach not only ensures optimal service quality and achievement of corporate goals, but also creates a supportive and fair work environment oriented towards employee development. This is consistent with Avian Brands' commitment to creating a workplace that promotes growth, where every individual can thrive and contribute to achieving Avian Brands' vision and mission.

The indicators used for performance evaluation are described as follows:

COMPETENCE MATRIX

The process of measuring technical competence fulfillment and development plans to support technical job functions.

PERFORMANCE APPRAISAL

The process of measuring competence fulfillment to support job functions, including performance achievements, work culture (CInTA), general competencies, work discipline, and leadership.

ASSESSMENT

The process of measuring potential and performance is conducted periodically using assessment tools as a consideration for granting promotion and talent mapping.

HR Development Strategy in 2025

Heading into 2025, Avian Brands intends to maintain its commitment to HR development as a priority in its growth strategy. Avian Brands has planned several initiatives to strengthen team capacity by developing industry-relevant technical skills, improving leadership capabilities, and providing sustainable career opportunities. This strategy will solidify Avian Brands' foundation to navigate the changes and complexities of the ever-changing market, as well as maintain a competitive edge in the market.

In general, HR development realized by Avian Brands for 2025 is described as follows:

1. **Talent Management and Planning System**
   A process designed by Avian Brands to manage, develop, and maximize HR potential, both for present and future needs. With a carefully planned approach, this system ensures optimal contribution from each employee while preparing for upcoming challenges, thereby contributing to the sustainable achievement of Avian Brands' objectives.
2. **Corporate Culture Infiltration and Campaigns**
   Corporate culture infiltration and campaigns are designed to reinforce the implementation of core values and shared practices across operations. A solid corporate culture lays the foundation for employees' mindset and behavior, while simultaneously solidifying Avian Brands' image in the eyes of the public. Through a systematic approach and continuous campaigns, these values are integrated into every aspect of operations, creating harmony between Avian Brands' Vision, employee conduct, and external perceptions.
3. **Employer Branding Program**
   A strategy to build and maintain Avian Brands' reputation as an excellent employer. This program aims to attract potential job seekers, retain the loyalty of existing employees, and reinforce positive perceptions among key stakeholders. Through a well-planned and sustainable approach, Avian Brands is able to showcase its values, work culture, and competitive advantages, thereby strengthening its image as an ideal and reliable workplace.



Information Technology

Avian Brands views Information Technology ("IT") as essential in supporting all business and operational activities. For Avian Brands, IT is more than just an instrument, but also acts as a key pillar in achieving Avian Brands' strategic targets. The availability of IT enables Avian Brands to conduct business processes more efficiently and effectively, as well as to facilitate more accurate decision-making based on valid and structured data. Through optimal IT implementation, Avian Brands can improve operational efficiency throughout the entire production chain, particularly in the large-scale manufacturing industry, which requires high speed and precision at every stage.

Furthermore, Avian Brands continuously strives to improve its IT quality and performance in terms of speed, accuracy, reliability, and stability of the flow of information and communication. This is a continuous effort to support automation of various internal processes, enabling smoother and more coordinated Avian Brands' operations. By integrating more advanced IT, Avian Brands is not only able to respond quickly to market changes, but also improve its overall competitiveness. Avian Brands' commitment to IT development and utilization reflects its long-term vision to constantly innovate and maintain its position as a leading player in the national paint industry.

IT Governance

Avian Brands consistently implements IT governance based on the ISO 27001 standard of the Information Security Management System, to ensure comprehensive information protection and security. The IT Department annually conducts an annual management review involving all parties related to Avian Brands' IT management, with Top Management and Representative Managers participating in the evaluations. In this management review the desired objectives related to IT management are presented, such as Key Performance Indicators ("KPIs"), as well as the realization and sustainability of its future implementation. One of the targets related to Avian Brands' IT management is the security aspect, focusing on preventing operational disruptions and protection from virus and malware attacks.

As an anticipatory measure against security threats, Avian Brands has formulated detailed mitigation procedures in accordance with the requirements of ISO 27001. Some of the strategic measures implemented by Avian Brands are described as follows:

1. **Access Control Management**, where Avian Brands ensures IT access security by implementing encryption standardization, conducting annual user access reviews, and managing super user access to maintain data confidentiality and integrity;





2. **Annual IT Internal Audit**, where this regular audit works to identify potential risks and ensure the conformity of security procedures with established standards;
3. **Business Continuity**, where Avian Brands ensures operational continuity through device redundancy, maintenance, periodic monitoring of data centers, and implementing technology that supports business continuity;
4. **Disaster Recovery Plan ("DRP")**, which serves as an anticipatory measure for disasters or major disruptions, prepared by Avian Brands by establishing a disaster recovery center at Avian Innovation Center and preparing a recovery plan to ensure that operations can return to normal as soon as possible;
5. **Backup and Data Restore**, which becomes Avian Brands' regular daily agenda to maintain data availability, followed by a restore simulation to ensure data integrity and reliability; and
6. **Annual Disaster Simulation**, where Avian Brands conducts simulations of natural disasters and failover scenarios annually to test system preparedness in emergencies.

These measures are part of the various mitigation procedures that Avian Brands has in place, in accordance with the ISO 27001 standard, designed to minimize the risk of disruption and ensure safe and reliable business continuity.

Information Security Management System

Avian Brands understands that information security is more than just a necessity, but also an essential foundation for maintaining business sustainability and stakeholders' confidence. Avian Brands realizes this commitment by implementing the PT Avia Avian Tbk Information Security Management System Policy, which has been effective since July 1, 2024. Based on this policy, Avian Brands constantly carries out a continuous improvement process of the information security management system, by:

1. Maintaining data confidentiality, integrity, and availability by responsibly managing all information assets (including personal data) and taking all precautions against unauthorized disclosure, loss, and corruption of data;
2. Taking corrective actions to handle and prevent information security incidents and ensuring continuous improvement of the information security management system;
3. Improving employee competence by providing information security training, providing infrastructure, and raising awareness of the value of responsible information asset management; and
4. Complying with applicable local, regional, and national laws and regulations related to information security.

Avian Brands constantly integrates this policy into its day-to-day business processes, ensuring that every operational activity is underpinned by a reliable, transparent and secure system. In addition, this policy has also been communicated to all levels of management to ensure that all employees are aware of in documenting, maintaining, implementing, periodically reviewing, and providing information on the information security management system to related parties. These efforts not only aim to protect Avian Brands' information assets, but also to promote customer satisfaction, ensure excellent service quality, and create added value for all stakeholders.

IT Development in 2024

Ahead of the year 2024, Avian Brands was committed to further enhancing the role and contribution of IT in supporting all operational and strategic aspects of Avian Brands. Amid increasingly fast and complex industry dynamics, IT development becomes a key priority to ensure more efficient, accurate, and integrated business processes. Avian Brands believes that by leveraging the latest IT innovations, Avian Brands can optimize data-driven decision-making, accelerate process automation, and strengthen the reliability of its internal communication system. The IT development that Avian Brands successfully realized throughout 2024 is described as follows:

1. **Implementation of Warehouse Management System for Raw Materials ("WMS-RM")**
   A warehouse management system that enables Avian Brands to effectively manage raw material stocks in the warehouse, with advantages as described as follows:
   a. Facilitating placement of raw materials in the warehouse using a racking system, allowing proper placement of items;
   b. Facilitating retrieval of raw materials for production, eliminating errors in retrieval of items in shipments and allowing fifo to be carried out properly; and
   c. Improving employee performance and productivity, particularly those working in the warehouse. Items placed on shelves and those to be retrieved from shelves can be efficiently accessed, thereby optimizing the processing time as the system already provides suggested layouts for those items.
2. **Regeneration of Warehouse and Plant Factory Infrastructure Installation**
   Modernizing through the incorporation of the latest IT solution with several advantages:
   a. Utilizing data lines, telephones, and fiber optics to facilitate seamless communication and data flow. Using routers to preemptively counteract virus spread and firewalls to regulate security, which ensures more accurate data communication and well-maintained data security;
   b. Centralizing CCTV systems which allows for centralized monitoring and maintenance. In case of disruptions, swift and efficient solutions can be implemented, enhancing the security of goods and facilitating supervision; and
   c. Minimizing downtime during maintenance activities and facilitating reconstruction in the event of location expansion or development to increase storage capacity in the Warehouse or production capacity in the Plant.
3. **Improvements to Sales Force Automation ("SFA") Application**
   Improvements to the SFA application, a system supporting the sales team's tasks, with several advantages:
   a. Developing the application to effectively accommodate the latest technologies. Additionally, ensuring proper compatibility with the latest hardware;
   b. Accelerating incoming order processing speed;
   c. Simplifying supervision and device control, as devices cannot be turned off during business hours; and
   d. Implementing preventive measures to minimize or avoid fraud, such as log files or audit trails used for analysis and monitoring of events.



4. **Development of HR Management System ("HRMS") Application**
   Continuously innovating in human resource management is a crucial step for Avian Brands, as it aims to remain competitive and efficient in the digital era. In this context, we have developed the Human Resource Management System ("HRMS") - a revolution in how we support and manage our team, with several advantages:
   a. Paperless Operation, Improved Service Quality: HRMS enables our employees to handle all their administrative needs on a digital and paperless basis, saving us from piles of physical documents, and improving the quality of service we provide to our team;
   b. Real-Time Reporting: We can access real-time reports of all ongoing processes, thus giving us a clearer view of what happens in our team and allowing us to make more timely decisions;
   c. Documentation Efficiency: Documentation processes become easier and more efficient, allowing us to save valuable time and allocate more resources to strategic activities;
   d. Fast Data Processing: HRMS helps us quickly process and present data in easily understandable report formats, thus helping us make decisions based on accurate data;
   e. Better Information Distribution: We can easily distribute information to other departments or directly to relevant employees, ensuring that everyone has access to the information they need;
   f. Improving Team Performance: HRMS assists leaders and managers in monitoring and evaluating team performance, providing insights into individual and collective achievements and areas for improvement.
   g. Improving Discipline: Integrating employee attendance data with automatic notifications improves employee attendance, positively affecting operational productivity and efficiency.

IT Development in 2025

Looking ahead to 2025, Avian Brands continues reinforcing its commitment to IT development as a key foundation for fostering innovation and growth. With the ever-increasing pace of changes in the digital world, Avian Brands sees this year as a strategic opportunity to expand and deepen IT use in all operations. Avian Brands' main focus is on implementing technology that not only improves efficiency and productivity, but also paves the way for a more comprehensive digital transformation. Through sustainable IT development, Avian Brands is determined to cement its position as an industry leader, while creating significant added value for all stakeholders. Several IT development plans that will be realized by Avian Brands in 2025, are described as follows:

1. **Vulnerability Management**
   Vulnerability Management is a process carried out by Avian Brands to analyze, identify, and classify the levels of risks of system vulnerabilities, which allows Avian Brands to minimize the risks associated with information system vulnerabilities. Avian Brands will implement the following measures related to Vulnerability Management:
   a. Identifying all existing information assets, such as hardware, software, data, and networks, allowing Avian Brands to assess and identify weaknesses in the system;
   b. Categorizing vulnerabilities based on risk levels to determine response priorities;
   c. Formulating a clear policy for vulnerability management, including procedures to report and address identified vulnerabilities;
   d. Conducting ongoing monitoring to detect new vulnerabilities, as well as reviewing and updating policies and procedures as necessary;
   e. Recording all findings, corrective actions, and policies for future reference; and
   f. Conducting periodic penetration testing to test the system's resistance to attacks.

2. **Backup System Management**

   In order to effectively manage all backup system activities within Avian Brands, Avian Brands deems it necessary to conduct strict monitoring of the backup schedule, as well as continuous maintenance to ensure that each backup process runs smoothly and successfully. A good Backup System Management not only serves as a data protection tool, but is also a critical element in maintaining Avian Brands' operational continuity. The benefits of implementing Backup System Management are described as follows:

   a. Maintaining backup data properly, to ensure complete data recovery in the event of data corruption or loss;
   b. Faster recovery of damaged or lost data by minimizing factors of data loss; and
   c. Maintaining a smooth process of Avian Brands' operations to support the availability of the required data.

3. **User Awareness of Cyber Threats**

   Avian Brands is committed to raising user awareness as a vital part of information system security in order to respond to the increasing cyber threats. The program will focus on continuous education and implementation of stricter safety procedures. By raising awareness among all employees, Avian Brands aims to build a strong cybersecurity culture to minimize the risk of attacks and protect the integrity of Avian Brands' data. The benefits related to increasing employees' user awareness are described as follows:

   a. Employees are more aware of cyber threats, such as phishing, malware, and ransomware, and are more cautious in their online activities, thereby reducing their chances of falling victim to a cyberattack;
   b. Trained employees can recognize and report threats faster, enabling a more effective response to mitigate the impact of an attack;
   c. Companies with effective cybersecurity awareness programs can build confidence among their customers and business partners, thereby reinforcing their reputation as security-conscious entities; and
   d. Raising employee awareness will help create a strong security culture within Avian Brands, where every employee feels responsible for protecting Avian Brands' assets and data.







Management Discussion and Analysis

"Amidst the economic and business dynamics unfolding throughout 2024, Avian Brands has successfully maintained its position in the national paint industry through effective implementation of various strategic measures. More extensive marketing and strengthening of brand image helped improve operational and financial performance. This achievement not only reinforces Avian Brands' market position, but also enables Avian Brands to continue delivering added value to stakeholders, including through continuous distribution of dividends to Shareholders."

Economic Overview

The year 2024 was a challenging time for the global economy. Following a solid growth in 2023, the global economy witnessed certain dynamics, caused by tightening monetary policies in many countries, financial market volatility, and persistent geopolitical tensions. The International Monetary Fund ("IMF") in its World Economic Outlook has noted that the global economy was projected to grow by 3.2% in 2024, lower than the 3.3% growth in 2023. This downturn was attributed to continued restrictive monetary policies in advanced economies as well as the increasing fragmentation of global trade which triggered economic uncertainty.

In the trade sector, the growing global economic fragmentation, protectionism, and geopolitical tensions have further impeded trade flows and disrupted international supply chains, particularly for Emerging Market Economies ("EMEs"). The shift from multilateral trading systems towards more limited bilateral agreements, along with potentially heavy tariffs imposed by the United States, has only heightened uncertainty in the global economy. Nonetheless, global inflation was projected to show a downward trend from 6.2% in 2023 to 5.2% in 2024, due to lessening of pressures on global supply chains as well as more disciplined monetary policy.

Meanwhile, Indonesia continued to exhibit favorable economic resilience. Based on a report by the Statistics Indonesia (*Badan Pusat Statistik*), the Indonesian economy grew by 5.03% in 2024, slightly lower than the 5.05% in 2023. In terms of business sectors, the construction sector recorded the highest growth at 7.02%, followed by the other sectors at 6.30%, and the mining and quarrying sector at 4.90%. In terms of expenditure, the highest growth was recorded by consumption of Non-Profit Institutions Serving Households (*Lembaga Non-Profit yang Melayani Rumah Tangga* or "LNPRT") at 12.48%, government consumption at 6.61%, and household consumption at 4.94%. Meanwhile, exports of goods and services grew by 6.51% in 2024. In terms of financial sector, Rupiah exchange rate remained stable despite external pressures, with sufficient foreign exchange reserves to sustain economic stability.

Source:
- World Economic Outlook October 2024 edition, International Monetary Fund;
- The 2024 Indonesian Economic Report, Bank Indonesia; and
- Official Statistics News (*Berita Resmi Statistik*), Statistics Indonesia (*Badan Pusat Statistik*).

Industry Overview

In parallel with the national economic resilience, domestic paint industry continued to demonstrate steady growth in 2024, backed by strong demand from the construction, property, and manufacturing sectors. Data from the Indonesian Paint Manufacturers Association (*Asosiasi Produsen Cat Indonesia* or "APCI") revealed that total paint consumption in Indonesia reached 1.3 million metric tons, with per capita consumption averaging approximately 4.5 kg. While this suggests a vast market potential, Indonesia's per capita consumption is still lower than that of its neighbors, such as Thailand and Malaysia at 8 kg and 12 kg per capita, respectively. Moreover, the trend of opting for environmentally friendly paints with low-emission, water-based technologies is becoming increasingly popular, in line with the growing awareness of sustainability.

Despite positive outlook for the paint and chemical industry, the main challenges lie in the fluctuation of raw material prices, particularly resin, pigments, and solvents, which are largely imported. Additionally, global trade fragmentation and protectionist policies from several raw material-supplying countries may impact supply chain stability. However, growth opportunities remain open with innovations in water-based paint technology, heat-resistant coatings, and anti-pollution paints, which are increasingly in demand. Furthermore, government regulations promoting the use of environmentally friendly chemicals and products with higher domestic content offer advantages for manufacturers to innovate.

Source:
- The 2024 Indonesian Economic Report, Bank Indonesia; and
- Data from Indonesian Paint Manufacturers Association (*Asosiasi Produsen Cat Indonesia* or "APCI") cited by Kompas.com.



Operational Overview

Operational Overview by Operating Segments

Avian Brands classifies its operating segments with reference to the Statements of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan* or "PSAK") 5 on Operating Segments as stated in the Consolidated Financial Statements of PT Avia Avian Tbk and its Subsidiaries for the financial years ended December 31, 2024 and 2023 audited by Public Accounting Firm Teramihardja, Pradhono & Chandra (a member firm of Crowe global) in Note No. 35 on Segment Information. Based on the above, Avian Brands' operating segments are divided into 2 segments, namely the architectural solutions segment and the trading goods segment.

In the Consolidated Financial Statements of PT Avia Avian Tbk and its Subsidiaries, operating segment reporting is used by the management to evaluate operating performance and make strategic decisions. Each segment is reported separately to provide clear and transparent information about each segment's contribution to the overall financial performance of Avian Brands. Information regarding the performance of both operating segments is described as follows:

Architectural Solutions Segment

Architectural Solutions Segment is our operating segment that focuses on manufacturing, distributing, and trading wall paints, wood and metal paints, waterproofing, wood treatments, glues, roofing paints, and instant cement products. Most products in this operating segment are also commonly referred to as decorative paints. In the architectural solutions segment, we play a role as a manufacturer that produces various product variants. Meanwhile, the distribution process of these products to retail stores is performed by PT Tirtakencana Tatawarna and third-party distributors.

Profitability and Contribution of Architectural Solutions Segments

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Net Revenues	**5,847,703**	5,618,025	229,678	4.09
Cost of Goods Sold	**(2,852,891)**	(2,686,054)	(166,837)	6.21
Gross Profit	**2,994,812**	2,931,971	62,841	2.14

The net revenues of architecture solution segment in 2024 reached IDR5,847.70 billion, an increase of 4.09% compared to IDR5,618.03 billion in 2023. Meanwhile, the cost of goods sold recorded by the architectural solutions segment in 2024 reached IDR2,852.89 billion, an increase of 6.21% compared to IDR2,686.05 billion in 2023. Thus, the gross profit of the architectural solutions segment in 2024 increased by 2.14% to IDR2,994.81 billion from IDR2,931.97 billion in 2023.

Trading Goods Segment

Trading Goods Segment is our operating segment that focuses on distributing and selling pipes, furniture, and supporting products that are required in painting processes, such as paint rollers, paint brushes, tapes, and sandpapers. In the trading goods segment, the manufacturing process is performed by other companies outside Avian Brands. However, the sales and distribution process of these products are conducted by PT Tirtakencana Tatawarna and third-party distributors. This segment proved to share strong synergies with the architectural solutions segment, as 84.27% of our architectural solutions segment customers also sell our trading goods products.

Profitability and Contribution of Trading Goods Segments

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Net Revenues	**1,623,653**	1,398,857	224,796	16.07
Cost of Goods Sold	**(1,277,715)**	(1,147,492)	130,223	11.35
Gross Profit	**345,938**	251,365	94,573	37.62

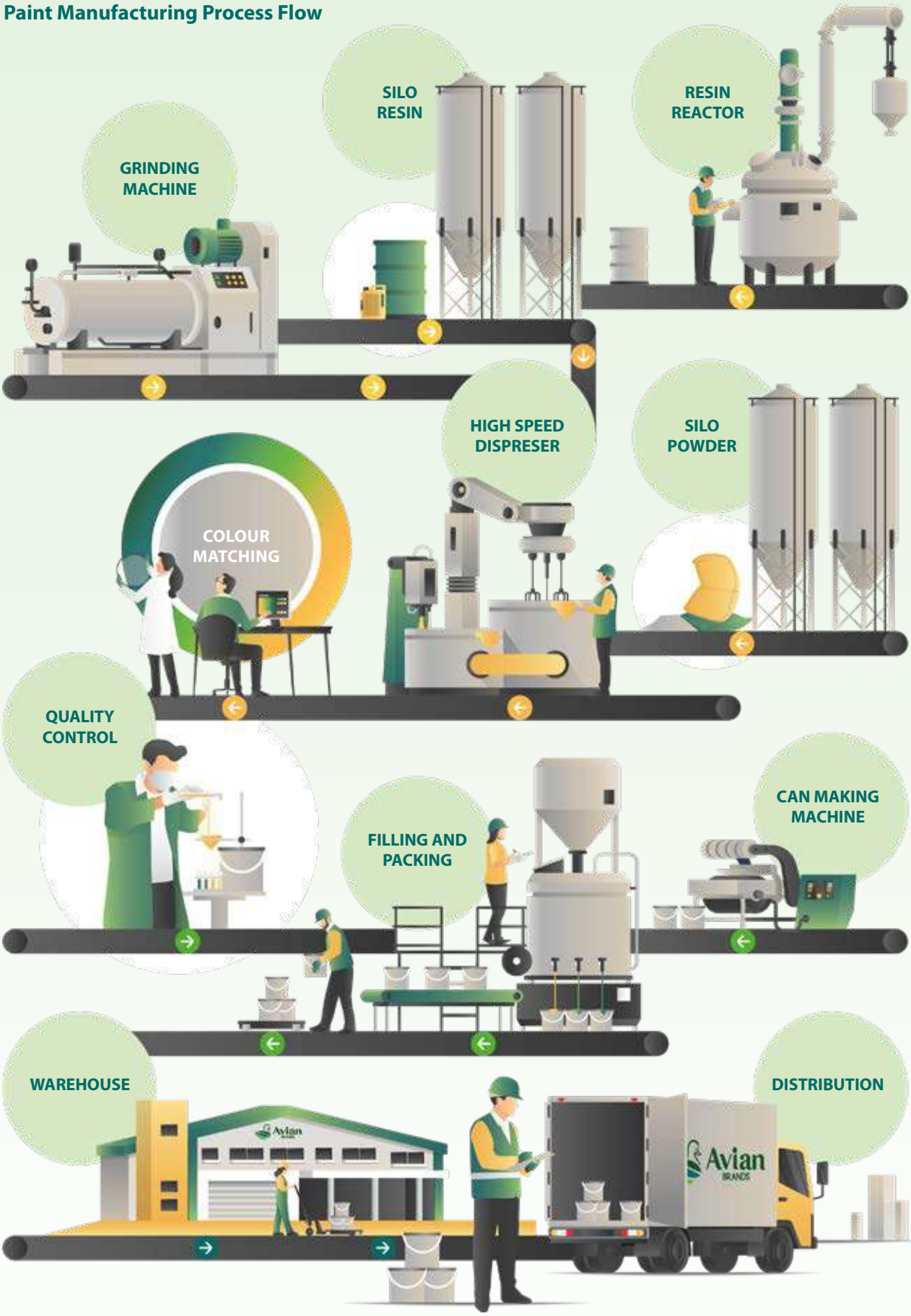
The net revenues of trading goods segment in 2024 reached IDR1,623.65 billion, an increase of 16.07% compared to IDR1,398.86 billion in 2023. Meanwhile, the cost of goods sold recorded by the trading goods segment in 2024 reached IDR1,277.72 billion, an increase of 11.35% compared to IDR1,147.49 billion in 2023. Thus, the gross profit of trading goods segment in 2024 increased by 37.62% to IDR345.94 billion from IDR251.37 billion in 2023.

Paint Manufacture Performance

Paint is Avian Brands' primary product, produced in its two manufacturing facilities. Avian Brands remains committed to consistently delivering the highest quality paint as part of its dedication to customer satisfaction. Moreover, the presence of skilled workers, supported by advanced machinery and technology, enables Avian Brands to continuously innovate in developing sustainable and cutting-edge paint products. This enables Avian Brands to not only meet the growing market demand, but also maintain high standards of quality and consistency expected by customers.

Through its innovations, Avian Brands brand continues to deliver excellent, industry-leading products. Investments in research and development have resulted in improved paint formulas that are more environmentally friendly and last longer, all of which have been well received by the market. With focused strategies and rigorous execution, Avian Brands is confident in maintaining and even improving its paint manufacturing performance in the future and strengthening its position as the leader in the national paint industry.

Paint Manufacturing Process Flow



Avian Brands' paint manufacturing process involves using raw materials purchased from external parties and raw materials produced in-house by Avian Brands. Among the raw materials produced in-house by Avian Brands are resins and pigments. Avian Brands also produces calcium raw materials, through its sister company, PT Panca Kalsiumindo Perkasa.

Avian Brands' paint manufacturing process begins with the processing of the base material in the resin reactor, in which resin is processed into the main components of paint. The processed resin is then stored in resin silos, while other powdered materials are stored in powder silos. The next process involves mixing the resin and powder using a high-speed dispenser machine ("HSD") to produce a homogeneous mixture of based paint in accordance with the specified paint formula. Meanwhile, the pigments are processed using grinding machines to achieve smooth and uniform texture, which results in paste. Next comes the mixing of primer and paste through the mixing process to achieve the desired paint and color specifications. The mixed product then undergoes testing in the quality control laboratory to ensure that all standards and quality parameters are met. This is followed by a color-matching process to ensure that the paint color aligns with the predetermined specifications.

Once all quality and color criteria are fulfilled, the paint is packaged using can-making machines. At this stage, Avian Brands also ensures that the packaging is always neat and secure, in line with the specifications. Each can is labeled with product information, including the paint code, color, and batch number. Additionally, details regarding product health and safety, as well as its environmental impacts, are also provided. Once the filling and packaging processes are complete, the products are sealed and prepared for storage in the warehouse. Finished products are then stored before distribution.

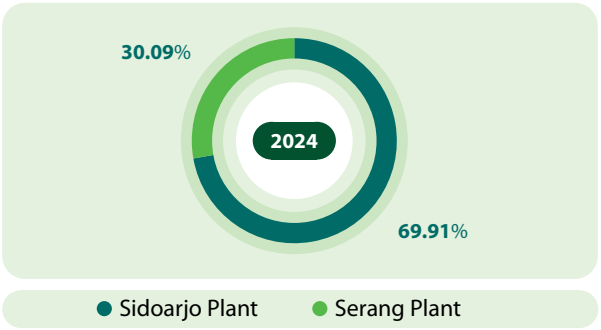
The distribution process is carried out using Avian Brands' fleet of vehicles, ensuring that high-quality paint products reach various sales points safely and on time. With a structured and integrated production flow, Avian Brands ensures that every paint product meets the needs and expectations of its customers.

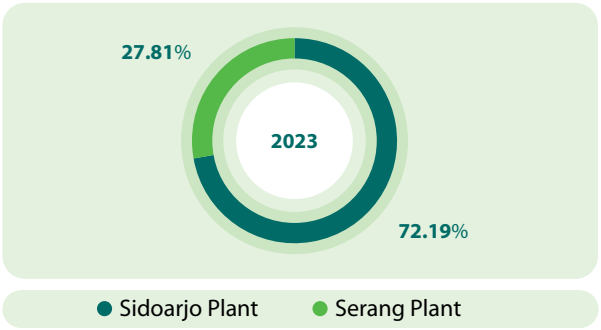
With a skilled and experienced production team, Avian Brands has been able to optimize every stage of production, from the selection of quality raw materials to meticulous final packaging. In addition, effective implementation of efficiency programs successfully lowered production costs without compromising on quality, which consequently improves the profitability and competitiveness of Avian Brands' paint products in the market.

Paint Manufacturing Realization

We have 2 manufacturing facilities located in Sidoarjo and Serang with respective production capacity of 213,840 and 72,576 metric tons per year. Information regarding the total paint production from both manufacturing facilities over the past 2 years is described as follows:

Description	2024		2023		Increase (Decrease)	
	Metric Tons	Contribution (%)	Metric Tons	Contribution (%)	Metric Tons	%
Sidoarjo Plant	**137,950**	**69.91**	130,325	72.19	7,625	5.85
Serang Plant	**59,389**	**30.09**	50,215	27.81	9,174	18.27
Total Production	**197,339**	**100.00**	**180,540**	**100.00**	**16,799**	**9.30**





Throughout 2024, Avian Brands successfully realized paint production of 197,339 metric tons, an increase of 9.30% compared to 180,540 metric tons in 2023. This was mainly due to the increase in production at Sidoarjo Plant by 7,625 metric tons or 5.85%, and at Serang Plant by 9,174 metric tons or 18.27%.

Innovation and Development of Paint Production Process

In 2024, Avian Brands' innovations and advancements in production processes focused on sustainability, aiming to enhance efficiency that significantly reduces energy consumption.

In paint manufacturing, Avian Brands expanded its production capacity by establishing a new facility equipped with cutting-edge technology, enabling energy savings of up to 50%. Avian Brands has optimized its mixer operations by adjusting the HSD for mill base production, resulting in shorter cycle time per batch and increased paint output per shift. In resin production, Avian Brands successfully reduced the production cycle from the previous 12 hours per batch to just 8–10 hours. This is made possible through optimization of processes and machinery, shortening the cycles in cooling, treatment, and other stages.

Additionally, efficiency enhancements in can packaging production have led to a productivity increase of 11.55%, from 741 Pcs/Manhours to 826 Pcs/Manhours. Other improvements that have been made to the manufacturing process include:

1. Automating the rubbing process of component materials;
2. Reducing the downtime setup of moulding machines through the methods of setting and spare of the moulding machines (with increased machine availability from 80.87% to 83.93% in 2024); and
3. Automating the process of adding latex sidestep in the manual assembly line.

The can packaging manufacturing also managed to optimize the use of gas energy in the printing process from 14.10 m^3/ton to 9.70 m^3/ton. Furthermore, in terms of energy saving, Avian Brands has succeeded in reducing the ratio of electrical energy consumption for compressors from 9.23 KWH/ton to 4.53 KWH/ton through zoning and looping systems.

Profitability

Profitability ratio is one of the indicators used to measure the financial performance of Avian Brands. This ratio indicates Avian Brands' ability to generate profit from operating activities as well as the effectiveness of management in managing available resources. A higher profitability ratio value indicates a better ability of Avian Brands to generate profit. Information regarding Avian Brands' profitability level for the last 2 years is described as follows:

(in %)

Description	2024	2023
Consolidated Profit Before Income Tax Expense to Consolidated Net Revenues	**27.69**	28.39
Consolidated Profit Before Income Tax Expense to Consolidated Total Assets	**18.70**	17.84
Consolidated Profit Before Income Tax Expense to Consolidated Total Equity	**21.48**	20.08
Consolidated Profit for the Year to Consolidated Net Revenues	**22.27**	23.42
Consolidated Profit for the Year to Consolidated Total Assets	**15.04**	14.71
Consolidated Profit for the Year to Consolidated Total Equity	**17.27**	16.56

Avian Brands measures its profitability ratio by comparing profit before income tax expense and profit for the year with net revenues, total assets, and total equity. In 2024, Avian Brands profitability ratio mostly showed a decrease compared to 2023. This was influenced by the decrease in gross profit margin due to the increase in contribution of trading goods segment and the increase in the use of promotional goods or below-the-line marketing expenses ("BTL"). This increase in promotion is part of the Company's growth strategy, particularly in the midst of challenging market conditions and intense competition. The Company remains committed to ensuring a balance between market expansion and sustainable profitability.

Marketing and Distribution Aspect

The marketing aspect is a crucial element in Avian Brands' business strategy to achieve growth and boost competitiveness amidst increasingly intense industry competition. Through an integrated and innovative marketing approach, Avian Brands seeks to better understand customer needs and preferences as well as to create products and services with added value. Beyond increasing sales, Avian Brands' marketing strategy also focuses on establishing and maintaining long-term relationships with customers.

In pursuit of this objective, Avian Brands implements a marketing strategy that is broadly categorized into 2 approaches, namely marketing with loyalty programs (below-the-line marketing or "BTL") and marketing via advertising media (above-the-line marketing or "ATL") that focuses on the use of mass media to reach a wider target audience. Information on the two strategies is further described as follows:

BTL Marketing Strategy

1. Targeting retail shops, i.e. traditional building material stores and modern outlet to distribute Avian Brands' products to end customers, through offering reward schemes such as gold coins, loyalty points that are redeemable into vouchers, retail shop discounts, and other forms of rewards;
2. Convening retailer in-store events for new product launches;
3. Implementing loyalty programs for handymen, in which the handymen or buyers may redeem coupons inside the paint cans with e-money, such as OVO, Gopay, etc. by scanning the barcode on the coupons using their mobile device. In doing so, Avian Brands collaborates with retail stores, where the handymen or customer can ask the store for help to scan the coupons and receive the money in cash. In return, stores will be given incentives in the form of digital currency;
4. Increasing customer loyalty through Avian Brands Priority Customers program, through which stores that prioritize the sale of a certain amount of Avian Brands' products receive additional incentives and better service;
5. Providing additional incentives to store employees, particularly to those who manage to sell previously unsold products, including tinting products. This measure aims to motivate the sales force to expand product distribution; and
6. Organizing employee gathering programs for store employees as the front liners of the sales force. The program includes product training, proper product application, and introduction to related programs. At the gathering event, store employees can also give testimonials about the success or incentives they have received for implementing the programs in points 4 and 5, in order to motivate other colleagues.

ATL Marketing Strategy

1. Advertising on television, print, and radio;
2. Implementing in-store programs consisting of display and signage, store decoration, product categorization, and appointing product consultants to act as brand ambassadors;
3. Implementing out-of-store programs consisting of brand launches and product trainings to specific customer groups; and
4. Building partnerships with famous artists as brand ambassadors, especially for premium products.

Avian Brands also leverages digital technology and social media to reach a broader market and enhance customer engagement, through platforms such as Google, YouTube, LinkedIn, Facebook, Instagram, TikTok, and Avian Brands official website. By optimizing search engines on Google and sharing informative video content on YouTube, Avian Brands enhances brand visibility and awareness. LinkedIn is utilized to establish professional connections, while Facebook and Instagram target a wider audience with visually engaging and interactive campaigns. TikTok, with its younger demographic, enables creative marketing messaging. Meanwhile, the official website serves as a comprehensive information hub, providing product details, the latest news, and responsive customer service to ensure customer needs and expectations are met.

This strategy is further strengthened by the presence of product consultants appointed and stationed by Avian Brands at retail outlets. The consultants actively promote products and address inquiries regarding Avian Brands' offerings from customers visiting the outlets. As of the end of 2024, Avian Brands has had more than 1,600 product consultants in Avian Brands' sales team.

Furthermore, Avian Brands is committed to steadily expanding its distribution network to support the one day delivery and express delivery services. By the end of 2024, Avian Brands' distribution networks had expanded to cover the entire Indonesian territory, spanning 34 provinces and 98 cities, consisting of 124 distribution centers and 15 wholly-owned mini-distribution centers, as well as cooperation with 38 third-party distribution centers located in several cities. With this expanded distribution network, 91% of one day delivery target was achieved in 2024. Meanwhile, Avian Brands also continues to improve its express delivery service that has been introduced, guaranteeing delivery of customer orders within 2 hours, particularly for newly launched products, which eliminates the need for customers to store inventory in their warehouses.

This strategy allows Avian Brands to reach customers more efficiently and quickly while ensuring that products reach customers in a timely manner. This not only increase customer satisfaction but also strengthen Avian Brands' competitive edge in the market.



Market Share

Market share is an indicator that measures the percentage of Avian Brands' total product sales within the national paint industry. Assessing and understanding market share provides an objective overview of Avian Brands' competitive position, as well as its ability to attract customers compared to competitors. As of the end of 2024, based on internal management estimation Avian Brands has secured a 24% share of the national paint market, reaffirming its position as the industry leader. This success is made possible by an extensive and solid distribution network, reaching over 58,400 building material stores across Indonesia. Through strategic partnerships with these retailers, Avian Brands ensures that high-quality paint products are available in various regions, catering to customer needs from Sabang to Merauke.

Moreover, Avian Brands is also a trusted paint supplier for numerous contractors involved in various projects, from residential to commercial and industrial developments. This trust reflects the quality and consistency of Avian Brands' products, as well as its commitment to supporting sustainable infrastructure development in Indonesia. With a strong market share and an expansive distribution network, Avian Brands continues to innovate and enhance market penetration, ensuring that its products remain the top choice for customers and professionals in the construction industry.

Financial Overview

This financial overview is prepared based on information derived from PT Avia Avian Tbk and Subsidiaries' Consolidated Financial Statements for the financial year ended December 31, 2024 and 2023 audited by Public Accounting Firm of Teramihardja, Pradhono & Chandra (a member firm of Crowe global).

Consolidated Statement of Financial Position

Assets

(in millions Rupiah, unless otherwise stated)

Description	2024	2023*	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Current Assets				
Cash and Cash Equivalents	**2,329,491**	1,230,544	1,098,947	89.31
Restricted Cash in Bank and Time Deposits	**3,000**	2,100	900	42.86
Investments	**2,952,900**	4,754,087	(1,801,187)	(37.89)
Trade Receivables				
Related Parties	**16,319**	14,018	2,301	16.41
Third Parties	**1,445,418**	1,229,025	216,393	17.61
Other Receivables				
Related Parties	**83,283**	56,538	26,745	47.30
Third Parties	**45,420**	49,331	(3,911)	(7.93)
Inventories	**1,558,203**	1,519,549	38,654	2.54
Right of Return Assets	**19,333**	16,426	2,907	17.70
Advance to Suppliers	**5,791**	7,734	(1,943)	(25.12)
Prepaid Expenses	**14,456**	11,381	3,075	27.02

(in millions Rupiah, unless otherwise stated)

Description	2024	2023*	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Prepaid Taxes	19,748	20,069	(321)	(1.60)
Total Current Assets	**8,493,362**	**8,910,802**	**(417,440)**	**(4.68)**
Non-Current Assets				
Investment Properties	290,510	290,113	397	0.14
Fixed Assets – Net	1,930,297	1,659,163	271,134	16.34
Right-of-Use Assets	180,949	150,551	30,398	20.19
Intangible Assets	28,734	25,808	2,926	11.34
Investment in Joint Venture	19,976	17,298	2,678	15.48
Deferred Tax Assets	36,144	43,878	(7,734)	(17.63)
Estimated Claims for Income Tax Refund	29,432	29,432	0	0
Other Non-Current Assets	51,571	39,942	11,629	29.11
Total Non-Current Assets	**2,567,613**	**2,256,185**	**311,428**	**13.80**
Total Assets	**11,060,975**	**11,166,987**	**(106,012)**	**(0.95)**

* Data reclassified.

Total Assets

Avian Brands' total assets in 2024 reached IDR11,060.97 billion, a decrease of 0.95% compared to IDR11,166.99 billion in 2023. This was mainly influenced by the decrease in total current assets.

Total Current Assets

Avian Brands' total current assets in 2024 reached IDR8,493.36 billion, a decrease of 4.68% compared to IDR8,910.80 billion in 2023. This was mainly influenced by the decrease in short-term investments and investments in government bonds.

Total Non-Current Assets

Avian Brands' total non-current assets in 2024 reached IDR2,567.61 billion, an increase of 13.80% compared to IDR2,256.19 billion in 2023. This was mainly influenced by increase in fixed assets, net, right-of-use assets, and other non-current assets.

Liabilities

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Current Liabilities				
Short-term Bank Loans	9,189	5,222	3,967	75.97
Trade Payables				
Related Parties	362,941	279,321	83,620	29.94
Third Parties	424,760	371,337	53,423	14.39
Other Payables				
Related Parties	487	121	366	302.48
Third Parties	24,136	30,450	(6,314)	(20.74)
Unearned Revenue				
Related Parties	1,611	1,802	(191)	(10.60)

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Third Parties	**599**	362	237	65.47
Accrued Expenses	**252,661**	301,835	(49,174)	(16.29)
Short-term Employee Benefits	**108,618**	97,052	11,566	11.92
Taxes Payables	**72,123**	52,584	19,539	37.16
Customer Guarantee	**3,000**	2,100	900	42.86
Provision for Sales Return	**26,683**	21,979	4,704	21.40
Lease Liabilities – Current Portion	**64,777**	10,965	53,812	490.76
Total Current Liabilities	**1,351,585**	**1,175,130**	**176,455**	**15.02**
Non-Current Liabilities				
Lease Liabilities – Non-Current Portion	**19,416**	15,725	3,691	23.47
Employee Benefit Liabilities	**58,094**	54,643	3,451	6.32
Total Non-Current Liabilities	**77,510**	**70,368**	**7,142**	**10.15**
Total Liabilities	**1,429,095**	**1,245,498**	**183,597**	**14.74**

Total Liabilities

Avian Brands' total liabilities in 2024 reached IDR1,429.10 billion, an increase of 14.74% compared to IDR1,245.50 billion in 2023. This was mainly influenced by the increase in total current liabilities and total non-current liabilities.

Total Current Liabilities

Avian Brands' total current liabilities in 2024 reached IDR1,351.59 billion, an increase of 15.02% compared to IDR1,175.13 billion in 2023. This was mainly influenced by increase in trade payables, both of related parties and third parties, as well as lease liabilities current portion, and taxes payables.

Total Non-Current Liabilities

Avian Brands' total non-current liabilities in 2024 reached IDR77.51 billion, an increase of 10.15% compared to IDR70.37 billion in 2023. This was mainly influenced by increase in employee benefit liabilities, as well as in lease liabilities, non-current portion.

Equity

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Equity Attributable to the Owners of the Parent				
Share Capital	**619,536**	619,536	0	0
Additional Paid-in Capital	**7,793,218**	7,793,218	0	0
Treasury Shares	**(574,552)**	(16,369)	558,183	3,410.00
Revaluation Surplus of Fixed Assets	**229,406**	229,406	0	0
Share of Other Comprehensive Income of Joint Venture	**85**	85	0	0
Changes in Fair Value of Investment in Government Bonds	**(103,357)**	(56,408)	46,949	83.23
Remeasurement Gain on Employee Benefit Liabilities	**9,880**	9,921	(41)	(0.41)

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Retained Earnings				
Appropriated	**124,000**	124,000	0	0
Unappropriated	**1,527,177**	1,210,978	316,199	26.11
Sub-Total	**9,625,393**	**9,914,367**	**(288,974)**	**(2.91)**
Non-Controlling Interests	**6,487**	7,122	(635)	(8.92)
Total Equity	**9,631,880**	**9,921,489**	**(289,609)**	**(2.92)**

Avian Brands' total equity in 2024 reached IDR9,631.88 billion, a decrease of 2.92% compared to IDR9,921.49 billion in 2023. This was mainly influenced by increase in the treasury shares.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Net Revenues	**7,471,356**	**7,016,882**	**454,474**	**6.48**
Cost of Goods Sold	**(4,130,606)**	**(3,833,546)**	**297,060**	**7.75**
Gross Profit	**3,340,750**	**3,183,336**	**157,414**	**4.94**
Operating Expenses				
Selling Expenses	**(1,318,417)**	(1,240,237)	78,180	6.30
General and Administrative Expenses	**(253,243)**	(226,090)	27,153	12.01
Total Operating Expenses	**(1,571,660)**	(1,466,327)	105,333	7.18
Operating Profit	**1,769,090**	1,717,009	52,081	3.03
Other Income (Expenses)				
Finance Income	**285,105**	286,259	(1,154)	(0.40)
Finance Charges	**(2,539)**	(4,077)	(1,538)	(37.72)
Share of Net Profit of a Joint Venture	**2,678**	898	1,780	198.22
Other Income (Expenses) – Net	**14,260**	(7,946)	22,206	279.46
Profit Before Income Tax Expense	**2,068,594**	**1,992,143**	**76,451**	**3.84**
Income Tax Expense	**(404,895)**	(349,047)	55,848	16.00
Profit for the Year	**1,663,699**	**1,643,096**	**20,603**	**1.25**
Other Comprehensive Income (Loss)	**(46,983)**	**81,403**	**(128,386)**	**(157.72)**
Total Comprehensive Income for the Year	**1,616,716**	**1,724,499**	**(107,783)**	**(6.25)**
Profit for the Year Attributable to:				
Equity Holders of the Parent Company	**1,664,341**	1,642,166	22,175	1.35
Non-Controlling Interests	**(642)**	930	(1,572)	(169.03)
Total Comprehensive Income for the Year Attributable to:				
Equity Holders of the Parent Company	**1,617,351**	1,723,608	(106,257)	(6.16)
Non-Controlling Interests	**(635)**	891	(1,526)	(171.27)
Basic and Diluted Earnings per Share Attributable to the Equity Holders of the Parent Company (Full Rupiah)	**27.16**	26.51	0.65	2.45

Net Revenues
Avian Brands' net revenues in 2024 reached IDR7,471.36 billion, an increase of 6.48% compared to IDR7,016.88 billion in 2023. This was mainly influenced by the increase in net revenues, both in the architectural solutions segment and in the trading goods segment.

Cost of Goods Sold
Avian Brands' cost of goods sold in 2024 reached IDR4,130.61 billion, an increase of 7.75% compared to IDR3,833.55 billion in 2023. This was mainly influenced by the increase in purchases of finished goods for the trading goods segment, as well as the increase in promotional expenses in line with the increase in promotional activities in response to economic challenges.

Gross Profit
Avian Brands' gross profit in 2024 reached IDR3,340.75 billion, an increase of 4.94% compared to IDR3,183.34 billion in 2023. This was mainly influenced by the increase in net revenues.

Profit Before Income Tax Expense
Avian Brands' profit before income tax expense in 2024 reached IDR2,068.59 billion, an increase of 3.84% compared to IDR1,992.14 billion in 2023. This was mainly influenced by the increase in gross profit.

Profit for the Year
Avian Brands' profit for the year in 2024 reached IDR1,663.70 billion, an increase of 1.25% compared to IDR1,643.10 billion in 2023. This was mainly influenced by the increase in business profit and other income.

Other Comprehensive Income (Loss)
Avian Brands' total other comprehensive loss in 2024 reached IDR46.98 billion, a decrease of 157.72% compared to 2023 which recorded other comprehensive income of IDR81.40 billion. This was mainly influenced by the decrease in changes in fair value of investment in government bonds.

Total Comprehensive Income for the Year
Avian Brands' total comprehensive income for the year in 2024 reached IDR1,616.72 billion, a decrease of 6.25% compared to IDR1,724.50 billion in 2023. This was mainly influenced by the decrease in other comprehensive income net of tax

Consolidated Statement of Cash Flows

(in millions Rupiah, unless otherwise stated)

Description	2024	2023*	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Net Cash Provided by Operating Activities	**1,766,128**	1,640,834	125,294	7.64
Net Cash Provided by (Used in) Investing Activities	**1,262,474**	(1,138,195)	(2,400,669)	(210.92)
Net Cash Used in Financing Activities	**(1,933,622)**	(1,440,808)	492,814	34.20
Net Increase (Decrease) in Cash and Cash Equivalents	**1,094,980**	(938,169)	2,033,149	216.71
Cash and Cash Equivalents and Bank Overdraft at the Beginning of the Year	**1,225,322**	2,163,491	(938,169)	(43.36)
Cash and Cash Equivalents and Bank Overdraft at End of Year	**2,320,302**	1,225,322	1,094,980	89.36

* Data reclassified.

Net Cash Generated from Operating Activities
Net cash generated by Avian Brands from operations in 2024 reached IDR1,766.13 billion, an increase of 7.64% compared to IDR1,640.83 billion in 2023. This was mainly influenced by the increase in cash received from customers.

Net Cash Provided from/(Used for) Investing Activities

Net cash generated by Avian Brands from investments in 2024 reached IDR1,262.47 billion, an increase of 210.92% compared to in 2023 which used net cash for investment activities of IDR1.138,20 billion. This was mainly influenced by the increase in receipts from short-term investments.

Net Cash Used in Financing Activities

Net cash used by Avian Brands in financing activities in 2024 reached IDR1,933.62 billion, an increase of 34.20% compared to IDR1,440.81 billion in 2023. This was mainly influenced by the increase in the payments of cash dividends and acquisition of treasury shares.

Solvency

Avian Brands always emphasizes the fulfillment of obligations to creditors and suppliers through timely repayment of maturing debts, in order to maintain good relations. In addition, solvency of Avian Brands also reflects its financial health and operational stability. Avian Brands employs a strategic approach in measuring its ability to repay its debts by measuring its liquidity ratios and solvency ratios. These ratios provide a comprehensive view of Avian Brands' liquidity and solvency position and indicate whether it has sufficient assets to cover its current and non-current liabilities.

Information regarding the performance of these ratios for the last 2 years is described below:

(in X)

Description	2024	2023
Liquidity Ratio		
Consolidated Total Current Assets to Consolidated Total Current Liabilities	**6.28**	7.58
Solvency Ratio		
Consolidated Total Non-Current Liabilities to Consolidated Total Equity	**0.01**	0.01
Consolidated Total Liabilities to Consolidated Total Equity	**0.15**	0.13
Consolidated Total Liabilities to Consolidated Total Assets	**0.13**	0.11

Liquidity Ratio

The liquidity ratio is used to measure Avian Brands' ability to meet its current liabilities. This ratio gives an idea of how swiftly current assets can be converted into cash to meet these liabilities. Higher liquidity ratios indicate that Avian Brands has a strong financial position and is able to meet its maturing current liabilities without experiencing difficulties in liquidity. Avian Brands uses the indicator of current ratio by comparing current assets to current liabilities to measure the liquidity ratio.

In 2024, Avian Brands' current ratio increased to 6.28X compared to 7.58X in 2023. This was mainly influenced by the decrease in current assets.

Solvency Ratio

The solvency ratio is used to measure Avian Brands' ability to meet all liabilities, both current and non-current. This ratio indicates the overall financial health of Avian Brands and its ability to meet all financial liabilities. High solvency ratio indicates that Avian Brands has sufficient assets to cover all debts, reflecting financial stability.

In 2024, Avian Brands' solvency ratios, measured through comparison of total non-current liabilities to total equity, total liabilities to total equity, and total liabilities to total assets, showed relatively stable result in each comparison. However, there was an increase in the ratio of total liabilities to total equity and total liabilities to total assets, bringing the ratios to 0.01X, 0.15X, and 0.13X compared to 0.01X, 0.13X, and 0.11X in 2023. This was mainly influenced by increase in total liabilities.

Collectability of Account Receivables

The collectability of account receivables is a key indicator in evaluating the effectiveness and efficiency of Avian Brands' financial management. This indicator provides an overview of Avian Brands' ability to manage and optimize net revenues into actual cash receipts. By adopting approaches such as accounts receivable turnover ratio and average collection period, Avian Brands is able to systematically monitor and analyze how receivables are managed and converted into cash, which ultimately affects overall liquidity and financial stability.

The accounts receivable turnover ratio is measured by dividing net revenues by the balance of accounts receivable. This approach illustrates how frequently trade receivables turn over in a given year and reflects the liquidity and effectiveness of Avian Brands' receivables management. Meanwhile, Avian Brands' average collection period is measured by calculating the average time it takes to collect payments from customers after a sale, by dividing trade receivables by net revenues per day, calculated from total net revenues in a year divided by 365 days. This method helps identify effective collection patterns and enables Avian Brands to promptly respond to changes in customer payments.

Information regarding the collectability of account receivables of Avian Brands for the last 2 years is described as follows:

Description	2024	2023*
Receivables Turnover Ratio (X)	**5.52**	6.06
Average Collection Period (days)	**66**	60

* Data restated.

In 2024, the collectability of accounts receivable of Avian Brands, based on the accounts receivable turnover ratio was recorded at 5.52X, a decrease compared to 6.06X in 2023. Meanwhile, the average collection period of Avian Brands' receivables increased to 66 days, compared to 60 days in 2023. This was mainly influenced by increase in trade receivables.

Capital Structure

Policy and Basis for Determining Capital Structure

The policy and basis for determining Avian Brands' capital structure aims to ensure that Avian Brands maintains healthy and optimal capital ratios to support sustainable business growth and operations. To this end, Avian Brands management actively manages and adjusts its capital structure based on changing economic conditions and market dynamics.

Capital structure management involves various strategic measures, including adjusting dividend payments to Shareholders to maintain a balance between profit distribution and internal capital requirements. Moreover, Avian Brands also takes into consideration the establishment of reserve funds to mitigate potential risks in the future as well as to support strategic investments that can enhance the company's value. Adjustments to the capital structure may also be made through issuing new shares to increase equity and strengthen the capital base, or by seeking funding through loans to capitalize on investment opportunities more quickly. In making these decisions, Avian Brands management constantly considers the cost of capital and associated risks with the primary objective of maintaining an optimal balance between debt and equity.

By implementing comprehensive capital structure policies and basis, Avian Brands is committed to maintaining financial stability, enhancing investor confidence, and ensuring the ability to overcome economic challenges and capitalize on future growth opportunities.

Capital Structure

Information regarding our capital structure over the past 2 years is described below:

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Total Liabilities	**1,429,095**	1,245,498	183,597	14.74
Less: Cash and Cash Equivalents	**2,329,491**	1,230,544	1,098,947	89.31
Net Payables	**(900,396)**	14,954	(915,350)	(6,121.10)
Total Equity	**9,631,880**	9,921,489	(289,609)	(2.92)
Net Debt to Equity Ratio (%)	**N/A***	**0.15**	-	-

* Not relevant due to cash and cash equivalents surplus position.

Capital Goods Investment

Avian Brands consistently realizes capital goods investment every year as part of its steadfast commitment to strengthening the foundation of its business. Capital goods investment includes the expenditure of funds used to purchase strategic assets or investments expected to generate value in the future. This entails the procurement of various types of fixed assets that support the operations and growth of Avian Brands.

Capital Goods Investment Strategy and Objectives

Avian Brands realizes capital goods investment as part of the effort to improve operational efficiency, encourage product innovation, and strengthen its competitive edge. With the right investment strategy, Avian Brands can continuously strengthen its market position, ensure sustainable growth, and create value for its stakeholders. It also allows Avian Brands to gain an edge in navigating future challenges and opportunities with more confidence and solidity.

Investment Type and Value

Avian Brands' capital goods investment includes development of manufacturing facilities, purchase of fixed assets, and development of technology infrastructure. The value of capital goods investment realized in 2024 reached IDR406.55 billion, an increase of 88.46% compared to IDR215.72 billion in 2023. Details of Avian Brands' capital goods investment in the last 2 years are described below:

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	Increase (Decrease)	
			Nominal (Million IDR)	Percentage (%)
Direct Acquisition				
Building and Improvements	**2,586**	2,029	557	27.45
Machinery and Equipment	**8,448**	7,420	1,028	13.85
Installations	**420**	516	(96)	(18.60)
Vehicles	**62,388**	62,221	167	0.27
Office Equipment	**39,684**	37,228	2,456	6.60
Assets Under Construction	**293,025**	106,309	186,716	175.64
Total	**406,551**	**215,723**	**190,828**	**88.46**

Material Commitments related to Capital Goods Investment

Throughout 2024, we did not have any material commitments related to capital goods investment, so we have not presented information on the name of the counterparty, the purpose of the commitments, the expected source of funds to fulfill the commitments, the currency in which the commitment is denominated, and the measures we plan to hedge the risk of the related foreign currency position.

Realization on Use of Proceeds from Public Offering

Proceeds from the public offering will be allocated by Avian Brands in a prudent and transparent manner in accordance with predetermined plans. This approach not only strengthens Avian Brands' financial position but also supports the implementation of strategic initiatives aimed at enhancing value for stakeholders. Reports on the realization of the use of proceeds from Avian Brands' public offering as of December 31, 2024, is described below:

(in millions Rupiah, unless otherwise stated)

Description	Effective Date	Realized Value of Public Offering			Proposed Use of Proceeds as per the Prospectus					Realization of Use of Proceeds as per the Prospectus				Remaining Proceeds from Public Offering
		Total Proceeds from Public Offering	Costs of Public Offering	Net Value of Public Offering		Working Capital	Capital Expenditures	Principal Payment of Bank Debt	Total	Working Capital	Capital Expenditures	Principal Payment of Bank Debt	Total	
Initial Public Offering	November 30, 2021	5,766,000	119,356	5,646,644	Avian Brands	2,980,000	702,000	550,000	4,232,000	**2,410,734**	**76,938**	**550,000**	**3,037,672**	1,193,972
					PT Tirtakencana Tatawarna	950,000	85,000	380,000	1,415,000	**950,000**	**85,000**	**380,000**	**1,415,000**	0

Dividend Policy and Distribution

Dividend Policy

Our dividend policy is determined based on the provisions contained in Avian Brands' Articles of Association and approved by the Shareholders through the General Meeting of Shareholders ("GMS"). The amount of dividends to be paid is at least 50.00% of our distributable net revenue and is subject to our cash flow and investment plans, Indonesian laws and regulations, and other requirements. The determination of the amount and distribution of dividends is adopted by considering recommendations from the Board of Directors as well as other factors, including income, operational and financial results, liquidity conditions, capital expenditure plans, acquisition opportunities, future business prospects, compliance with the applicable laws and regulations, and other factors that are deemed relevant.

We may announce final dividends (in Rupiah) in years in which we have positive retained earnings balance. A portion of our net revenue, as determined by the Annual General Meeting of Shareholders ("Annual GMS"), net of corporate income tax, shall be allocated to a reserve fund until the amount of such reserve fund reaches at least 20.00% of our fully paid-up capital, unless otherwise determined by the Annual GMS. Avian Brands' articles of association also permit distribution of interim dividends prior to the end of a financial year provided that the interim dividends do not result in our net assets becoming less than the amount of our issued and paid-up capital and the required reserve fund.

Dividend Announcement and Distribution

Pursuant to the resolution of the Annual GMS dated April 4, 2024, the Shareholders approved the distribution of cash dividend for the financial year of 2023 in the amount of IDR22.- per share or in the amount of IDR1,357,652,577,600.-, with the condition that such cash dividend shall be set off with the interim dividend for the financial year of 2023 in the amount of IDR11.- per share or in the amount of IDR681,489,111,600.- which had been paid by Avian Brands to the Shareholders on October 31, 2023, such that the remaining cash dividend for the financial year 2023 payable on April 30, 2024, by Avian Brands was IDR11.- per share or in the amount of IDR676,163,466,000.-. Information regarding Avian Brands' dividend distribution for the last 2 years is described below:

(in millions Rupiah, unless otherwise stated)

Description	2024	2023
Declared Dividend		
Final Dividend	**N/A*)**	676,163
Interim Dividends	**671,979**	681,489
Total	**671,979**	**1,357,653**
Dividend per Share (Full Rupiah)	**11.00**	**22.00**
Dividend Payout Ratio (%)	**N/A*)**	**82.63**

(in millions Rupiah, unless otherwise stated)

Description	2024	2023
Total Dividend Paid per Financial Year		
Final Dividend	**676,163**	681,489
Interim Dividends	**671,979**	681,489
Total	**1,348,142**	**1,362,978**

*) The value of Final dividends and dividend payout ratio for 2024 is not yet available pending the resolution of the Annual GMS for the financial year of 2024 which will be convened in 2025.

Material Information Concerning Investment, Expansion, Divestment, Merger/Consolidation, Acquisition, and/or Debt/Capital Restructuring

In 2024, neither Avian Brands nor its Subsidiaries conducted any investment, expansion, divestment, merger, acquisition, and/or debt/capital restructuring.

Material Transactions Containing Conflicts of Interest or Transactions with Related Parties

Information on Material Transactions Containing Conflict of Interest

Throughout 2024, we did not conduct any transactions with conflicts of interest.

Information on Related Party Transactions

Avian Brands, Subsidiaries, and Affiliated Companies conducted material transactions with related parties in accordance with the PSAK. All transactions with related parties are aimed to develop our business. Further information on transactions with related parties conducted by us throughout 2024 is described below:

Related Parties	Nature of Relationship	Type of Transaction
PT Avia Avian Industri Pipa	Have the same key management personnel and under common control entity	Sales of goods, purchase of tools and building materials, office building rent income, and expense reimbursement.
PT Mitra Mulia Makmur	Have the same key management personnel and under common control entity.	Sales of goods, purchase of supplies and building materials, and factory building rent income.
PT Sarana Depo Kencana	Have the same key management personnel and under common control entity.	Sales of goods and building rent.
PT Wahana Lentera Raya	Have the same key management personnel and under common control entity.	Sales of goods, purchase of tools and building materials, office building rent income, and expense reimbursement.
PT Kencana Lintasindo Internasional	Have the same key management personnel and under common control entity.	Sales of goods, purchase of tools and building materials, and expense reimbursement.
PT Panca Kalsiumindo Perkasa	Have the same key management personnel and under common control entity.	Sales of goods and purchases of tools and building materials.
PT Megadepo Indonesia	Have the same key management personnel and under common control entity.	Sales of goods and purchases of tools and building materials.
PT Caturkarda Depo Bangunan Tbk	Have the same key management personnel and under common control entity.	Sales of goods.
PT Bangun Bersama Solusindo	Under common control entity.	Sales of goods, office building rental income, and purchases of building materials.
The Board of Commissioners and The Board of Directors	Key management personnel.	Salaries and other short-term compensation benefits.

Realization of Related Party Transactions and Balances

The realization of related party transactions and balances on our financial performance is described as follows:

(in millions Rupiah, unless otherwise stated)

Related Party Balance in Assets	2024	2023	Percentage of Total Assets (%)	
			2024	2023
Trade Receivables	**16,319**	14,018	**0.15**	0.13
Other Receivables	**83,283**	56,538	**0.75**	0.51
Right of Use Assets	**52,622**	51,460	**0.48**	0.46
Total	**152,224**	**122,016**	**1.38**	**1.10**

(in millions Rupiah, unless otherwise stated)

Related Party Balance in Liabilities	2024	2023	Percentage of Total Liabilities (%)	
			2024	2023
Trade Payables	**362,941**	279,321	**25.40**	22.43
Other Payables	**487**	121	**0.03**	0.01
Unearned Revenue	**1,611**	1,802	**0.11**	0.14
Lease Liabilities	**52,622**	4,186	**3.68**	0.34
Total	**417,661**	**285,430**	**29.22**	**22.92**

(in millions Rupiah, unless otherwise stated)

Related Party Balance in Net Revenues	2024	2023	Percentage of Net Revenues (%)	
			2024	2023
Revenue	**60,083**	53,153	**0.80**	0.76

(in millions Rupiah, unless otherwise stated)

Related Party Balance in Cost of Goods Sold	2024	2023	Percentage of Cost of Goods Sold (%)	
			2024	2023
Purchase of Inventories	**1,825,367**	1,539,938	**44.19**	40.17

(in millions Rupiah, unless otherwise stated)

Related Party Balance in Other Income (Expenses) – Net	2024	2023	Percentage to Total Other Income (Expenses) – Net (%)	
			2024	2023
Factory and Office Building Rental Income	**3,936**	3,993	**27.60**	50.25

Fairness of Transactions

In the transactions, we do not have any special purpose that potentially violates the applicable regulations, including not resulting in conflicts of interest for us or the majority or minority Shareholders.

Compliance with Related Rules and Regulations

We have complied with the relevant rules and regulations:

1. Financial Services Authority Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions; and
2. Financial Services Authority Regulation No. 17/POJK.04/2020 concerning Material Transaction and Change of Business Activities.

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

Through the mechanism of transaction and disclosure of reports, the Board of Directors declares that related party transactions conducted by us have undergone adequate procedures and are conducted in accordance with generally accepted business practices with arms-length principles. In addition, the Board of Commissioners, assisted by the Audit Committee, has reviewed and approved the related party transactions above, and has ensured that the transactions were conducted in accordance with generally accepted business practices with arms-length principles.

Related Party Transactions that Generate Business Income and are Routinely, Repeatedly, and/or Continuously Performed

Disclosure of related party transactions that are business activities performed in order to generate business income and performed routinely, repeatedly, and/or continuously, we have disclosed them as descriptions on realization of balances and related party transactions above in line with the information contained in Note No. 7 of the PT Avia Avian Tbk and Subsidiaries' Consolidated Financial Statements for the financial year ended December 31, 2024 and 2023.

Related Party Transactions Requiring Approval from Independent Shareholders

There were no related party transactions conducted by us that required the approval of Independent Shareholders.

Comparison of Target and Realization in 2024

Information related to the business growth target and realization that we aimed to achieve in 2024 is described below:

Description	Unit	2024 Target	2024 Realization	Achievement (%)
Total Production	Metric Tons	207,725	**197,339**	95.00
Net Revenues	Million Rupiah	7,823,000	**7,471,356**	95.50
Profit for the Year	Million Rupiah	1,736,000	**1,663,699**	95.84
Capital Structure				
Net Debt to Equity Ratio	%	< 10.00	**N/A***	100.00

* Not relevant due to cash and cash equivalents surplus position.

Business Prospects

Heading into 2025, the Indonesian economy is projected to grow in the range of 4.7% - 5.5%, driven by strong domestic consumption, investment, and continued infrastructure projects. The government continues to encourage industrial downstreaming and adoption of technology to improve competitiveness, with responsive fiscal and monetary policies playing a role in maintaining economic stability. However, external challenges such as trade protectionism, weakening global demand, and geopolitical uncertainty may affect the flows of investment and exports. Therefore, adaptive strategies are necessary to strengthen potential sectors such as technology, renewable energy, and digital industry to ensure sustainable growth and resilience of the national economy.

In line with the foregoing, the Indonesian paint industry in 2025 is projected to keep growing, supported by the development of infrastructure and residential housing, as well as the rapid growth of the property and manufacturing sectors. The government's program to build three million houses annually is expected to be a major catalyst in increasing national paint demand, particularly in the decorative paint and protective coatings segments. Additionally, the trend of innovation in environmentally friendly products continues to grow, along with increasing public awareness of products with low Volatile Organic Compound ("VOC") content and energy-efficient technologies.

However, challenges remain, most notably in improving domestic market penetration, given that Indonesia's per capita paint consumption is still lower compared to several countries in the Southeast Asian region. In addition, the paint industry is faced with fluctuating prices of raw materials, such as resins and pigments, most of which are still imported, as well as regional competition with foreign products with larger scales of production. Therefore, adaptive strategies are essential, such as product diversification, strengthening supply chain of domestic raw materials, and improving distribution network. With the support of government policies that encourage industrialization and technological innovation, the national paint industry has positive prospects and potential to experience significant growth in 2025.

Source:
- The 2024 Indonesian Economic Report, Bank Indonesia; and
- Data from Indonesian Paint Manufacturers Association (*Asosiasi Produsen Cat Indonesia* or "APCI")" cited by Kompas.com.

Target Achievement Strategy

In facing the challenges and capitalizing on the opportunities in 2025, Avian Brands has formulated comprehensive and proactive strategies to achieve its targets. These strategies are designed to ensure sustainable growth, improve competitiveness, and realize the projections set for 2025. Information on the target achievement strategies of Avian Brands is described as follows:

1. Increasing the number of distribution centers in accordance with market developments;
2. Completing product portfolios in each category and price point to meet market needs;
3. Increasing brand awareness through various marketing programs;
4. Improving customer service with new approaches, such as express delivery;
5. Increasing customer loyalty with various programs, such as Avian Brands Priority Customer;
6. Expanding the market by reaching out to segments outside retail and modern shops, such as project, new build, and business to business;
7. Strengthening innovation and development, both for existing products (cost saving) and new products; and
8. Constantly upgrading manufacturing facilities and other supporting facilities, including the Enterprise Resource Planning ("ERP") System in use with appropriate new technology to improve efficiency.

2025 Projection

Going into 2025, Avian Brands has formulated projections as a reference to achieve sustainable growth and performance improvements in various aspects. These projections are based on an in-depth analysis of market trends, economic conditions, and strengths and opportunities. Avian Brands has targeted double-digit sales growth, primarily driven by growth in the architectural solutions segment. Focusing on this segment is expected to maintain positive momentum and to capitalize on the growing demand in the architecture and construction industry.

In addition to targeting sales growth, Avian Brands also directs its efforts to increase production to double-digit growth compared to the previous year. This measure is undertaken to meet the needs of a growing market and to maintain a competitive standing in an increasingly cut-throat market. In terms of profitability, Avian Brands is determined to maintain a healthy margin level. This will be supported by the implementation of efficiency programs in various operational areas designed to optimize costs and improve overall efficiency.

In terms of capital structure, Avian Brands currently relies on its own capital without involving loan capital. This approach not only aims to maintain financial independence and flexibility, but also to reduce debt-related risks and maintain long-term financial stability. Nevertheless, Avian Brands does not rule out the possibility of using loan capital in the future. However, the use of loan capital will be carried out prudently, ensuring that each decision is based on reasonable financial ratios and supports the operational sustainability of Avian Brands. Moreover, Avian Brands will maintain a consistent dividend policy by planning to distribute 50% of net profit to Shareholders as dividends. This policy reflects Avian Brands' commitment to delivering equitable returns to Shareholders while maintaining sufficient capital to support future growth.

Avian Brands' Strategic Plans

In facing the evolving industry dynamics and increasingly complex global challenges, Avian Brands is steadfastly committed to formulating and implementing holistic and sustainable strategic plans. In this regard, Avian Brands has formulated integrated strategies that include both short-term and long-term concrete measures. These strategies are designed to ensure the survival of Avian Brands, as well as to ensure sustainable growth and delivery of maximum added value to all stakeholders. Avian Brands' strategic plans are further described as follows:

Short-term Strategic Plans

Avian Brands remains committed to improving operational performance and expanding market reach by implementing structured strategic plans. Its main focuses include product innovation, infrastructure development, operational efficiency improvement, and sustainability. Avian Brands' short-term strategic plans are further described as follows:

1. Construction of Water-Based Plan in Cirebon
   As part of the drive to increase manufacturing capacity and efficiency, Avian Brands is building a new water-based plant in Cirebon. This plant is designed with cutting-edge technology and integrated systems, which allows for reduced waste and increased productivity. This is consistent with Avian Brands' commitment to offering environmentally friendly products In support of sustainability.
2. Addition of Green Label Products
   Avian Brands continues to expand its portfolio of environmentally friendly products. In 2024, Avian Brands has added 6 new Singapore Green Label-certified products, including:
   a. No Drop Beton dan Batu Alam;
   b. Avian Cat Lapangan;
   c. No Drop Kolam Ikan;
   d. Supersilk Semi Kilap;
   e. Supersilk Basic; and
   f. Avitex Emulsion.
   Nevertheless, there is one Singapore Green Label product, namely No Odor Medicare, which certification was not renewed due to Avian Brands' strategic considerations. This move reflects Avian Brands' dedication to meet the needs of the market while emphasizing continuous innovation.
3. Launch of New Products
   To complement its product portfolio and address the needs of the communities, Avian Brands launched several new products in 2024. These products are designed to expand Avian Brands market segmentation. The new products successfully launched by Avian Brands throughout 2024 are:
   a. Avian Cling Water Based;
   b. Boyo Politur Spray;
   c. No Drop Tile Grout;
   d. No Drop Dempul Instan;
   e. No Drop Serat Fiber;
   f. GM 385 Perekat Bata Ringan Ekonomis;
   g. Pro-X 208;
   h. No Drop Beton dan Batu Alam;
   i. Avian Non-Sag Epoxy Hemat;
   j. Supersilk Semi Kilap;
   k. No Drop Kolam Ikan;
   l. GM 265 Acian Abu-Abu Ekonomis;
   m. GM 27a5 Acian Putih Ekonomis;
   n. Supersilk Basic; and
   o. Avian Cat Lapangan.
4. Addition of Distribution Center ("DC")
   Avian Brands continues to expand its distribution network to support growth in the domestic market. In 2024, Avian Brands has opened new distribution centers, including:
   a. Mini DC in Sumba;
   b. DC in Masohi;
   c. DC in Wonosobo;
   d. DC in Mamuju;
   e. DC in Banjar; and
   f. DC in South Makassar.
   This expansion of distribution network is expected to improve distribution efficiency and expand product reach to potential new areas.
5. Plant Development
   Avian Brands continues to develop the manufacturing infrastructure at its existing plants to support operational efficiency and sustainability. This development includes upgrading manufacturing technology, strengthening operational systems, and taking concrete steps to maintain product quality while minimizing environmental impact. Some of Avian Brands' strategic steps related to the development of manufacturing facilities are described below:
   a. Emissions and Energy Efficiency
      - Modifying cooling tower pumps to optimize energy use, resulting in more efficient energy consumption; and
      - Installing solar-powered street lighting in the plant area as part of the initiative to reduce carbon emissions and use renewable energy.

   b. Manufacturing
      - Construction of Melati Plant to increase manufacturing capacity of No Drop and Avitex products by implementing more efficient technology, resulting in energy savings of up to 50%; and
      - Conducting an upgrade of the mixer at BME Plant to increase the manufacturing capacity of Avitex Wizz products, with the latest technology that delivers 50% energy savings.

   c. Water Usage and Waste Management
      - Adopting a cooling system designed to significantly reduce water consumption; and
      - Implementing rainwater harvesting programs to support operational needs and reduce dependence on conventional sources of clean water.

   These measures not only improve plant efficiency and productivity, but also reflect Avian Brands' commitment to environmentally friendly and sustainable industry practices.

Short-term Strategic Plans

6. Employee Development
   HR development remains a top priority that Avian Brands implements in its short-term strategic plan. Avian Brands implements a range of structured employee training and development programs, among others:
   a. Core Competency Training;
   b. Technical Competency Training;
   c. Generic Competency Training;
   d. Leadership Competency Program; and
   e. Certification and Standardization Training
   In addition to improving employee quality, HR development also seeks to improve their skills to face the challenges of a dynamic market.
7. IT System Development
   Avian Brands continuously improves its IT system implementation to support more efficient and integrated operations. This includes the implementation of Warehouse Management System to improve warehouse management efficiency, modernization of warehouse and plant infrastructure to strengthen communication and data security, enhancement of Sales Force Automation application to support sales team productivity, and development of Human Resource Management System to improve digital HR management efficiency, employee productivity, and data-based decision making.
8. ESG Development
   To further strengthen its sustainability commitment, Avian Brands continues to add more sustainability-related product certifications and consistently improve its ESG score assessments that are recognized by various parties. In this regard, 34 of Avian Brands' products are certified with the Singapore Green Label. Avian Brands has also managed to achieve various ESG-related awards from various parties. In addition, improved ESG scores from international rating agencies, such as EcoVadis and Sustainalytics, further solidify Avian Brands' position as a standout performer in sustainability governance. This strategy is a critical foundation to support sustainable growth that adds value to all stakeholders.

By implementing these strategic plans, Avian Brands is committed to delivering added value to its stakeholders and strengthening its position as an innovative and sustainable market leader.

Long-term Strategic Plans

Avian Brands' long-term vision is to become an integrated, environmentally friendly, leading, and trusted paint company in Indonesia. In pursuit of realizing this Vision, Avian Brands is committed to its Mission of providing added value to stakeholders through the development of various high-quality paints. In realizing the Vision and Mission, Avian Brands has formulated long-term strategies that are oriented toward sustainability, innovation, efficiency, and resource development. The key pillars of Avian Brands' long-term strategic plan are described as follows:

1. Utilization of Advanced Technology for Production Efficiency
   Avian Brands will continue to utilize the most advanced technology by upgrading manufacturing machinery and equipment to improve operational efficiency. This includes:
   a. Reduction of raw material consumption by utilizing more precise technology;
   b. Energy saving with more energy-efficient engines;
   c. Waste reduction to support more environmentally friendly operations;
   d. Improving machine utilization to optimize manufacturing capacity; and
   e. Utilizing reuse and recycling to maximize the value of production waste.
   This not only reduces operational costs but also increases product competitiveness in the market, with maintained quality at a more competitive price.
2. Development of Modern Laboratories and Expert Chemists for Product Innovation
   Continuous investment in the development of modern laboratories is a priority to support RDI activities, allowing Avian Brands to stay updated with the latest technology and innovation requirements related to its products. With its facilities that are equipped with the latest technology and competent chemists, Avian Brands will be able to:
   a. Develop innovative new products according to market needs;
   b. Ensure product quality remains consistent and in line with international standards; and
   c. Accelerate the timing of product launches to the market to outpace competitors.
3. Improving Supply Chain Quality
   Strengthening of supply chain is a key pillar to support operational resilience. The efforts that will be undertaken include:
   a. Establishing strategic partnerships with suppliers of high-quality raw materials to maintain a stable supply;
   b. Optimizing cooperation with freight forwarding vendors to ensure efficient product delivery; and
   c. Implementing a digital-based supply chain management system to improve visibility and operational efficiency.
4. Integrating the ESG as the Foundation of Avian Brands' Operations
   Avian Brands will ensure that ESG principles become the foundation of all business activities. Some of the main steps that will be realized include:
   a. Expanding the variety of environmentally friendly products and processes, thereby opening up opportunities for access to green finance, such as green bond issuance, as well as improving appeal to sustainability-focused investors;
   b. Ensuring regulatory compliance, including information disclosure and implementation of business ethics; and
   c. Improving Avian Brands' reputation in the international market by taking part in sustainability certifications and ESG assessments.
5. Human Resources Development
   Avian Brands realizes that HR is a key asset that serves as the foundation and driving force for its business development and sustainability going forward. Therefore, Avian Brands will implement various strategies for HR development, including:
   a. Increasing employee engagement through programs that encourage employee participation;
   b. Improving productivity through skills training and development; and
   c. Attracting and retaining top talents to support the future growth of Avian Brands.

Long-term Strategic Plans
6. Inorganic Business Development Avian Brands will adopt business development strategies through inorganic measures, among others: a. Adding new business lines that complement Avian Brands' ecosystem as a paint manufacturer; and b. Acquiring or collaborating with other companies with strategic value to strengthen core business. 7. Integrated IT System Development of IT systems will serve as the backbone for more integrated operations. Therefore, Avian Brands has set several focuses that will be realized in the framework of IT development, among others: a. IT system upgrade to support *seamless* and digital-based business; b. Improvement of customer data security and personal data protection in accordance with applicable regulations; and c. Implementation of data analytics for faster and more accurate decision-making. 8. Distribution Network Expansion To reach all parts of Indonesia, Avian Brands will continue to expand its distribution network. This strategy includes opening new DCs in strategic locations, allowing products to reach customers more quickly and efficiently. 9. Support from Company Value: CInTA The strategic initiatives undertaken by Avian Brands will be supported by the implementation of its core values, namely the CinTA.

All initiatives undertaken by Avian Brands are part of the effort to achieve sustainable growth, both in terms of top line (increased sales) and bottom line (increased profits), to provide optimal returns for all stakeholders. This strategy is materialized through optimization of financial performance, such as revenue growth that is coupled with cost optimization, and better management of balance sheet optimization through the strategies of working capital optimization, debt management, and equity.

As a key source of revenue growth, Avian Brands will leverage the strengths of RDI to create innovative products that are relevant to market needs. In addition, it is also actively exploring strategic opportunities for partnership and expanding its reach to new customer groups, such as the project segment which has great potential, after previously focusing more on the retail market. With this comprehensive approach, not only does Avian Brands strengthen its competitive edge but also creates long-term value for its stakeholders.

Changes in Accounting Policies

The Consolidated Financial Statements of PT Avia Avian Tbk and its Subsidiaries have been prepared in accordance with the Financial Accounting Standards (*Standar Akuntansi Keuangan* or "SAK") issued by the Indonesian Institute of Accountants (*Ikatan Akuntan Indonesia* or "IAI"). Over time, IAI continues to publish new standards, amendments, revisions, and interpretations to update and improve accounting guidance relevant to the latest market and regulatory conditions. Information regarding changes in accounting policies that are effective for financial years commencing on or after January 1, 2024 is described below:

ISAK/Amendments to PSAK	Impacts on Avian Brands
PSAK 201 (Amendment), "Presentation of Financial Statements": Classification of Liabilities as Current or Non-Current.	Does not result in substantial changes to the Company's accounting policies and no material effects on the amounts reported for the current or prior financial years.
PSAK 201 (Amendment), "Presentation of Financial Statements": Non-current Liabilities with Covenants.	
PSAK 207 (Amendment), "Statement of Cash Flows" and PSAK 107 (Amendment), "Financial Instruments: Disclosure": Supplier Financing Arrangements.	

Reason for Change in Accounting Policy

Changes in accounting policies in the Consolidated Financial Statements of PT Avia Avian Tbk and its Subsidiaries for the financial years ended December 31, 2024 and 2023 are made to ensure that Avian Brands follow the accounting practices that are in accordance with the applicable standards in the current year.

Changes in Laws and Regulations with Significant Impacts on Avian Brands

In carrying out its operations, Avian Brands constantly reviews any changes in laws and regulations that could potentially affect Avian Brands. This approach not only ensures timely compliance with applicable regulations, but also enables Avian Brands to respond quickly to changes in the dynamic legal environment. Laws and regulations that were amended and/or recently enacted by regulators throughout 2024 that significantly affect Avian Brands are described below:

Regulations	Impacts on Avian Brands	Adjustments Made
Regulation of the Minister of Public Works and Public Housing of the Republic of Indonesia Number 12 Year 2024 regarding Building Construction Ownership Certificate (*Surat Bukti Kepemilikan Bangunan Gedung* or "SBKBG").	All buildings of Avian Brands that already have a Certificate of Occupancy (*Sertifikat Laik Fungsi* or "SLF") are required to have SBKBG.	Starting October 2025, all buildings of Avian Brands that already have the SLF, must commence the processing of SBKBG.
Circular Letter of the Minister of Industry No. 1 of 2025 concerning Submission of Industrial Data and Industrial Estate Data.	Mandatory reporting of industrial activities, which was previously done every semester, has now changed to every quarter.	Starting July 2024, Avian Brands has adjusted to a quarterly industrial activity reporting schedule, with reporting implementation managed by the Legal team.

Material Information After the Financial Statements Date

There is no material information that occurred in Avian Brands following the publication date of the PT Avia Avian Tbk and Subsidiaries' Consolidated Financial Statements for the financial year ended December 31, 2024 and 2023.

Business Continuity Information

Matters That Have a Significant Influence on Business Continuity

Throughout 2024, there were no negative events that had major impacts on our operational activities, both internal and external. This is inseparable from the better risk management that has been performed by us.

Management Assessment to Manage Potentially Significant Influences

Supported by the business plan that has been presented in the business development strategy for 2024, the management has assessed our ability to continue business activities in the future. The management believes that there are no material uncertainties that may affect our ability to continue business activities.

Assumptions Used by Management in Assessment

In conducting the assessment, the management uses a number of assumptions, including:

1. Financial performance;
2. Operational performance;
3. Capital structure;
4. Regulation; and
5. Various risks, such as:
    a. Business risk;
    b. Operational risk;
    c. Resource risk;
    d. Compliance/legal risk;
    e. Financial risk; and
    f. Other risks caused by external factors.

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Good Corporate Governance

"Avian Brands is committed to thoroughly and consistently implementing GCG principles in all aspects of its operations. This commitment is manifested through implementing various guidelines and policies designed to ensure transparency, accountability, and compliance in conducting business. Through these measures, Avian Brands strives to create an environment that fosters integrity and maintains the confidence of all stakeholders, both internal and external. This effort reflects Avian Brands' dedication to achieving sustainable growth while upholding good governance principles."

Commitment to Implementing Good Corporate Governance

Avian Brands' commitment to implementing Good Corporate Governance ("GCG") principles is constantly realized in a consistent and comprehensive manner in all its operational activities, in order to improve Avian Brands' performance and value. The GCG implementation is not merely an obligation, but also a key strategy in creating a transparent, accountable, and sustainable Avian Brands' management. Through GCG implementation, Avian Brands also strives to improve the quality of its decision-making and to conduct business activities in a healthy and ethical manner. This is inseparable from the importance of GCG for Avian Brands, as it helps manage operations effectively, minimize risks, and maintain stakeholders' confidence.

Avian Brands recognizes that the quality of its GCG implementation must be continuously upgraded in line with Avian Brands' business development and the risks faced. Therefore, Avian Brands conducts continuous evaluation and adjustment to its GCG practices to ensure that each aspect remains relevant and effective in facing dynamic business challenges. With this commitment, Avian Brands strives to achieve sustainable growth and provide optimal added value to all stakeholders.

In this regard, Avian Brands has implemented 4 GCG pillars which represent an expansion of the basic values of TARIF (Transparency, Accountability, Responsibility, Independence, and Fairness). Further information is described as follows:

Ethical Conduct

In carrying out each business activity, Avian Brands always emphasizes honesty, respects all partiest, fulfills commitments, and consistently builds and maintains moral values and trust. Furthermore, Avian Brands at all times takes into account the interests of Shareholders and other stakeholders on the basis of fairness and equality, as well as ensuring independence in management to ensure that no organ of Avian Brands dominates each other and that no other party can intervene.

Transparency

In maintaining objectivity in business management, Avian Brands consistently provides material and relevant information in an easily accessible and understandable manner for Shareholders and other stakeholders. Avian Brands has taken the initiative to disclose not only information required by regulations but also other crucial information that supports the decision-making processes of Shareholders, creditors, and other stakeholders.

Accountability

Avian Brands can be held accountable for its performance transparently and reasonably. Therefore, Avian Brands' management is always carried out in a correct and calculated manner, in accordance with Avian Brands' interests while taking into account the Shareholders' and other stakeholders' interests. Accountability is one of the pillars that forms the main foundation for achieving sustainable performance.

Sustainability

Avian Brands remains compliant with all applicable laws and regulations and is committed to carrying out its responsibilities towards the community and the environment in order to contribute to the Sustainable Development Goals through cooperation with all relevant stakeholders. This represents Avian Brands' strategic initiative to improve our quality of life in a way that is aligned with Avian Brands' business interests and the sustainable development agenda.

Integrated Good Corporate Governance Implementation Policy

As a holding company, Avian Brands is committed to implementing GCG principles in an integrated manner across its Subsidiaries as reflected in the GCG Guidelines. With an integrated policy in place, Avian Brands strives to implement GCG principles consistently across all group companies. This includes transparency in reporting, accountability in decision-making, and compliance with regulations and business ethics. Avian Brands also conducts regular evaluation and monitoring to ensure that GCG practices are appropriately implemented and provide optimal added value for all stakeholders. Through this policy, Avian Brands further reinforces its firm foundation of governance to support sustainable growth within Avian Brands group.

Basis of Good Corporate Governance Implementation

The implementation of GCG in Avian Brands refers to the provisions as described as follows:

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 Limited Liability Companies;
4. Financial Services Authority (*Otoritas Jasa Keuangan* or "OJK") Regulations;
5. Indonesian Stock Exchange Regulations;
6. OJK Circular Letter No. 32/SEOJK.04/2015 concerning Guidelines for Corporate 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. Avian Brands' Articles of Association; and
9. Avian Brands' other guidelines and policies.

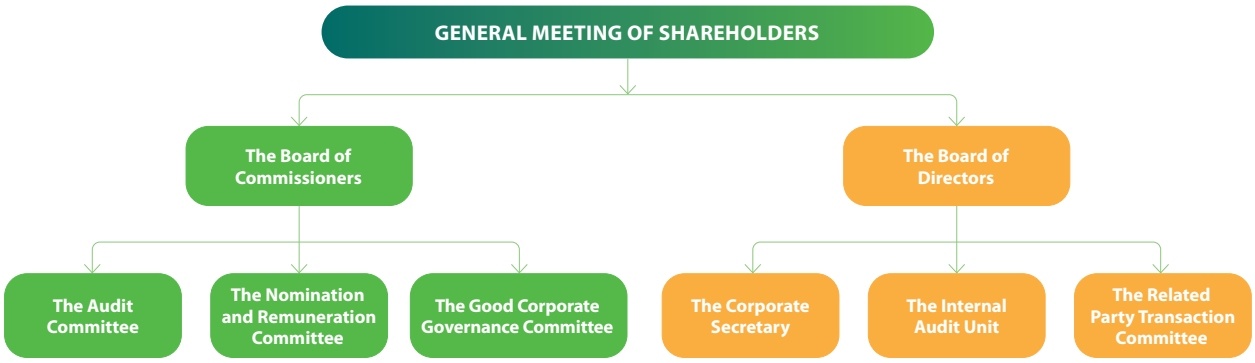
Avian Brands also has GCG Guidelines in place, which were stipulated on June 25, 2021 and last updated on March 24, 2022. The GCG guidelines are a set of rules guiding the process of good corporate management and supervision. The guidelines encompass the division of duties, authorities, and responsibilities, particularly for Shareholders, the Board of Commissioners, and the Board of Directors, which are based on the principles of GCG.



Structure of Good Corporate Governance

The GCG structure constitutes governance organs designed to ensure Avian Brands' compliance with laws and regulations, as well as address Avian Brands' internal needs in sustainably improving the quality of GCG implementation. As a Limited Liability Company, the GCG structure is formulated in accordance with the provisions of Law No. 40 of 2007 on Limited Liability Companies, which stipulates the establishment of the General Meeting of Shareholders ("GMS"), the Board of Commissioners, and the Board of Directors. In terms of the GCG model, Avian Brands adopts a two-tier system, where the Board of Commissioners and the Board of Directors have separate but complementary authorities and responsibilities.

The Board of Commissioners is tasked with supervising Avian Brands' management and providing strategic advice to the Board of Directors, which is responsible for the day-to-day operational management of Avian Brands. This division of duties is detailed in the laws and regulations as well as Avian Brands' Articles of Association to ensure that each Avian Brands' organ performs its functions optimally and in accordance with the GCG principles. With a clear and defined governance structure, Avian Brands is committed to conducting its operations in a transparent, accountable, and efficient manner. This not only encourages compliance with applicable regulations but also promotes a healthy and sustainable business environment.





Mechanism of Good Corporate Governance

The GCG mechanism is designed to ensure that the established GCG structure operates effectively with a clear division of duties for each Avian Brands' organ. The GMS plays a key role as the highest authority in Avian Brands' GCG structure, where strategic decisions regarding Avian Brands' future are carefully assessed, formulated and resolved. The Board of Directors then implements such resolutions under the Board of Commissioners' supervision.

In performing its supervisory duties, the Board of Commissioners is supported by a number of dedicated committees, namely the Audit Committee, the Nomination and Remuneration Committee, and the Good Corporate Governance Committee. Each committee serves a specific role in ensuring proper implementation of various supervisory aspects, from regulatory compliance, performance evaluation, to implementation of fair and transparent remuneration policies. As for operational management, the Board of Directors is in charge of the day-to-day implementation of Avian Brands' activities, supported by the Related Party Transaction Committee, the Corporate Secretary, and the Internal Audit Unit. In this regard, Avian Brands also engages an independent external auditor to audit the Financial Statements and provide additional assurance that the financial information presented by Avian Brands is accurate and reliable.

General Meeting of Shareholders

The GMS is the key pillar in Avian Brands' GCG structure, with certain authorities that are not granted to the Board of Commissioners or the Board of Directors, within the boundaries stipulated in the Limited Liability Company Law and Avian Brands' Articles of Association. As the highest organ, the GMS has the authority to determine long-term strategic directions, formulate key policies, and assess the performance of the Board of Commissioners and Board of Directors. These resolutions not only affect Avian Brands' financial and operational performance, but also Avian Brands' reputation and stakeholders' confidence. The Board of Directors is responsible for implementing the GMS resolutions by ensuring that the adopted strategies and policies consistently serve Avian Brands' vision and mission. Meanwhile, the Board of Commissioners' meticulous supervision ensures that implementation is aligned with mandated GCG principles, while maintaining integrity, transparency, and ethical values in all aspects of Avian Brands' operations.

Rights of Shareholders

Avian Brands' Shareholders are entitled to the following rights:

1. Attend the GMS and cast 1 vote per 1 share owned;
2. Authorize other parties in the event that the Shareholder is unable to attend the GMS;
3. Receive and examine the GMS materials at the latest 21 days prior to the GMS convention in order to allow Shareholders to vote during the proposed decision on the GMS agenda;
4. Have the opportunity to raise questions in each discussion and decision of the GMS agenda;
5. Have the opportunity to vote for, against, or abstain on each proposed decision of the GMS agenda;
6. Receive equal treatment from Avian Brands; and
7. Other rights based on the Articles of Association and other applicable regulations.

Type of General Meeting of Shareholders

Based on the OJK Regulation No. 15/POJK.04/2020 concerning the Plan and Implementation of the General Meeting of Shareholders of Public Companies and/or Avian Brands' Articles of Association, the implementation of the GMS is divided into two types, as described below

1. Annual GMS
   The annual GMS is a General Meeting of Shareholders convened every year. In accordance with the prevailing regulations, the Annual GMS must be convened no later than six months after the end of Avian Brands' financial year. The Annual GMS includes the following agendas:
   a. Ratification of the Annual Report, descriptions of state and affairs of Avian Brands, including Annual Financial Statements;
   b. Determination of the use of net profit;
   c. Appointment of an external auditor registered with the OJK; and
   d. Other agendas proposed by the Board of Directors in the interest of Avian Brands or proposed by one or more Shareholders in accordance with the provisions of the Law and Avian Brands' Articles of Association.
2. Extraordinary GMS
   The extraordinary GMS is a General Meeting of Shareholders that is convened at any time based on urgent matters in the interest of Avian Brands. Unlike the regularly scheduled Annual GMS, an Extraordinary GMS may be convened at any time in case of urgent resolutions that must be decided immediately and may not wait until the next Annual GMS.

Authority of the General Meeting of Shareholders

The GMS holds a pivotal role in the GCG structure, primarily as the highest authority in strategic decision-making, which influences Avian Brands' direction and sustainability. In carrying out this role, the GMS holds several authorities as described below:

1. Exercise its rights to express opinions and obtain information relating to Avian Brands from the Board of Directors and the Board of Commissioners to the extent that it concerns the agenda of the meeting and does not conflict with the interests of Avian Brands;
2. Hold the Board of Commissioners and the Board of Directors accountable for the management of Avian Brands;
3. Amend the Articles of Association; and
4. Appoint and dismiss the Board of Commissioners and the Board of Directors.

Procedures for Convening General Meeting of Shareholders

The procedure for convening Avian Brands' GMS complies with applicable laws and regulations, including Law No. 40 of 2007 on Limited Liability Companies, OJK Regulation No. 15/POJK.04/2020 on the Plan and Implementation of the General Meeting of Shareholders of Public Companies, OJK Regulation No. 16/POJK.04/2020 on Implementation of the Electronic General Meeting of Shareholders of Public Companies, as well as Avian Brands' Articles of Association. Compliance with the procedures outlined in the prevailing laws and regulations, allows Avian Brands to ensure that the GMS proceeds in an orderly, transparent, and accountable manner, thereby facilitating strategic decision-making essential to Avian Brands' growth and sustainability.

Voting Mechanism

The GMS voting mechanism is designed to ensure active participation and transparency in the decision-making process. In any agenda of the GMS, the Chairman of the Meeting will provide an opportunity for the Shareholders to ask questions and/or give opinions before voting takes place. This allows for open discussion and thorough consideration of any proposals or resolutions to be adopted.

Pursuant to Article 12 paragraph (13) of Avian Brands' Articles of Association, all resolutions of the GMS shall be made by way of deliberation for consensus. This mechanism emphasizes the significance of consensus and mutual agreement among Shareholders, reflecting of solidarity and democracy in Avian Brands' decision-making. However, in the event that deliberation for consensus fails to reach an agreement, resolutions shall be adopted through a voting mechanism. The voting process shall

be conducted fairly and transparently, with each Shareholder entitled to vote in accordance with the number of shares they hold. Voting results shall be publicly tallied and announced, ensuring that the resolutions adopted truly reflect the will of the majority of Shareholders.

Conventions of General Meeting of Shareholders in 2024

Throughout 2024, Avian Brands convened 1 Annual GMS and did not convene any Extraordinary GMS. Further information regarding the GMS convention is described as follows:

2024 Annual GMS

Convention Stages of the 2024 Annual GMS

Notification	Announcement	Invitation	Implementation	GMS Resolutions
Notified the Financial Services Authority on February 20, 2024 through Letter No. 014/AA/CORSEC/II/2024.	Announced on February 27, 2024 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Announced on March 13, 2024 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Convened on April 4, 2024 at 09.49 – 11.20 (GMT+7) in Avian Brands Building Meeting Room, Jl. Ahmad Yani No. 317, Surabaya, 60234, Jawa Timur, Indonesia.	The Meeting Summary was published on April 5, 2024 on the websites of Avian Brands, Indonesia Stock Exchange, and on April 6, 2024 on the website of Indonesia Central Securities Depository.

Participants of the 2024 Annual GMS

The Shareholders	The 2024 Annual GMS was attended by 59,595,151,446 shares with valid voting rights or 96.6710% of 61,647,392,400,000 where these shares do not include treasury stock totaling 306,163,200 shares, by considering the List of Shareholders as of March 8, 2024.	
The Board of Commissioners	President Commissioner	Hermanto Tanoko
	Independent Commissioner	Mohammad Noor Rachman Soejoeti
The Board of Directors	Vice President Director	Ruslan Tanoko
	Director	Robert Christian Tanoko
	Director	Kurnia Hadi Sinanto
	Director	Angelica Tanisia Jozar
Independent Parties in the Convention of the 2024 Annual GMS	Avian Brands appointed PT Bima Registra, as the Securities Administration Bureau, to count the votes and/or validate the votes and appointed Dr. Susanti, S.H., M.Kn., a Notary in Surabaya City as the Public Notary, to verify the vote count in the 2024 Annual GMS.	



Resolutions of the 2024 Annual GMS

Agenda 1

Agenda

Approval on Avian Brands' Annual Report, including Avian Brands' Audited Consolidated Financial Statements and the Board of Commissioners' Supervisory Duty Report for the financial year ended on December 31, 2023 and grant of release and discharge of liability (acquit et de charge) to all members of Avian Brands' Board of Directors for their management actions and to all members of Avian Brands' Board of Commissioners for their supervisory actions during the financial year ended on December 31, 2023.

Resolutions

1. Accepted and approved the Annual Report of Avian Brands for the financial year ended on December 31, 2023 and ratified the Audited Consolidated Financial Statements of Avian Brands and the Subsidiaries for financial year ended on December 31, 2023 which has been audited by Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) with an unmodified opinion as stated in its report No. 00202/2.1025/AU.1/04/1737-2/1/II/2024 tertanggal February 27, 2024; and
2. Accepted and approved the Report of Supervisory Duties of the Board of Commissioners for the financial year ended on December 31, 2023, and grant of full release and discharge of liability (acquit et de charge) to all members of the Board of Directors and the Board of Commissioners of Avian Brands, for the management and supervisory actions during the 2023 financial year provided that those actions are reflected in the Annual Report, and the Financial Statements of Avian Brands for financial year ended on December 31, 2023, except for fraudulent, embezzlement, or other criminal acts.

Voting Results			Realization
Agree	:	59,595,151,046	Fully realized. Avian Brands' Financial Statements and Annual Report for the financial year ended December 31, 2023 have been submitted to the regulator on February 28, 2024 and March 12, 2024 and have been posted on the website, and have not been amended following the GMS.
Abstain	:	300	
Disagree	:	100	

Agenda 2

Agenda

Determination of the use of Avian Brands' net profit for the financial year ended on December 31, 2023.

Resolutions

1. Determining that according to Avian Brands' Audited Consolidated Financial Statements as of December 31, 2023, Avian Brands' net profit is amounted to IDR1,643,095,450,420.- ("2023 Net Profit");
2. Appropriating Avian Brands' 2023 Net Profit as follows:
   a. an amount of IDR22.- per share will be distributed as cash dividends for the financial year ended on December 31, 2023 to the shareholders entitled to receive cash dividends, where the amount of cash dividends includes the interim dividends, with the following explanation:
      1) to ratify the distribution of interim dividends for the 2023 financial year from the 2023 Net Profit of IDR11.- per share or IDR681,489,111,600.- and the payment has been made on October 31, 2023 to the holders/owners of 61,953,555,600 shares of Avian Brands; and
      2) to distribute cash dividends for the 2023 financial year from 2023 Net Profit of IDR11.- per share to holders/owners of Avian Brands' shares who are entitled to dividend distribution, whereas treasury stock is not entitled to dividend distribution;

      with due observance of the prevailing laws and regulations, including the applicable tax regulations;

      As regards such dividend payments, the following terms and conditions shall apply:
      a) the remaining dividends for the 2023 financial year will be paid out for each share issued by Avian Brands as recorded in Avian Brands' Register of Shareholders as at the record date, which will be determined by the Board of Directors;
      b) as regards the payments of the remaining dividends for the 2023 financial year, the Board of Directors shall withhold tax on such dividends in accordance with the tax regulations in force; and
      c) the Board of Directors is granted the power and attorney to stipulate any matters concerning the payment of the remaining dividends for the 2023 financial year, including (but not limited to):
         (1) stipulating the record date as referred to in letter a to determine the shareholders of Avian Brands eligible to receive payments on the remaining dividends for the 2023 financial year; and
         (2) stipulating the date of payment of the remaining dividends for the 2023 financial year and any other technical matters with due observance of the regulations of the Stock Exchange where Avian Brands' shares are listed;
   b. the remaining of 2023 Net Profit is recorded as retained earnings that have not yet been determined.
3. Approved to give full authority and power to the Board of Directors of Avian Brands with the right of substitution to take all necessary actions in connection with the resolution, one and another thing, without any exceptions.

Voting Results			Realization
Agree	:	59,595,151,046	Fully realized. The cash dividend was distributed on April 30, 2024 to the Shareholders of Avian Brands whose names are recorded in Avian Brands' Shareholder List on April 24, 2024.
Abstain	:	300	
Disagree	:	100	

Resolutions of the 2024 Annual GMS

Agenda 3

Agenda

Appointment of the Registered Public Accountant and/or Registered Public Accounting Firm that will Audit Avian Brands' Consolidated Financial Statements for the financial year ended on December 31, 2024.

Resolutions

1. To delegate authority to Avian Brands' Board of Commissioners to appoint a Registered Public Accountant and/or Registered Public Accounting Firm in Indonesia that will conduct an audit of Avian Brands' Consolidated Financial Statements for the financial year ending December 31, 2024, by taking into account the recommendation of the Audit Committee, provided that the Public Accountant and/or the Public Accounting Firm is registered in the Financial Services Authority, has a good reputation and has no conflict of interest with Avian Brands and its affiliates; and
2. To grant authority to Avian Brands' Board of Directors to determine the honorarium of the Registered Public Accountant and/or Registered Public Accounting Firm and its appointment terms.

Voting Results			Realization
Agree	:	58,886,680,431	Fully realized. The Board of Commissioners has appointed Public Accounting Firm Teramihardja, Pradhono & Chandra (a member firm of Crowe global) to audit Avian Brands' Consolidated Financial Statements for the financial year ended December 31, 2024 based on the Minutes of the Board of Commissioners Meeting No. 006/AA/BAR/KOM/X/2024 dated October 24, 2024.
Abstain	:	300	
Disagree	:	708,470,715	

Agenda 4

Agenda

Determination of the salary/honorarium and other allowances for members of Avian Brands' Board of Commissioners and the Board of Directors for the year 2024.

Resolutions

To grant power and authority to Avian Brands' Board of Commissioners:
1. to determine the salary/honorarium and other allowances for members of the Board of Commissioners and Board of Directors of Avian Brands for the year 2024 through the Meeting of the Board of Commissioners; and
2. to determine the amount of distribution among members of the Board of Commissioners and members of the Board of Directors;

by taking into account the recommendations from the Nomination and Remuneration Committee, the provisions of the Articles of Association, and the prevailing rules and regulations.

Voting Results			Realization
Agree	:	59,420,098,946	Fully realized. The Board of Commissioners has determined the salary/honorarium and other allowances for members of the Board of Commissioners and members of the Board of Directors for the year 2024 through the Board of Commissioners Meeting based on the Minutes of the Board of Commissioners Meeting No. 002/AA/BAR/KOM/IV/2024 dated April 29, 2024.
Abstain	:	2,800	
Disagree	:	175,049,700	

Agenda 5

Agenda

Submission of an Accountability Report on the Realization of the Use of Proceeds from the Initial Public Offering.

Resolutions

The Fifth Agenda is only a Report in connection with the Realization of the Use of Proceeds from the Initial Public Offering, then there is no voting/approval from the Meeting is conducted.

Voting Results		Realization
Agree	: -	-
Abstain	: -	
Disagree	: -	

Conventions of General Meeting of Shareholders in 2023

Throughout 2023, Avian Brands convened 1 Annual GMS and 2 Extraordinary GMS. More information concerning the GMS convention is described as follows:

2023 Annual GMS

Convention Stages of the 2023 Annual GMS

Notification	Announcement	Invitation	Implementation	GMS Resolutions
Notified the Financial Services Authority on February 27, 2023 through Letter No. 014/AA/CORSEC/II/2023.	Announced on March 6, 2023 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Announced on March 21, 2023 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Convened on April 13, 2023 at 10:00 – 11:45 (GMT+7) in Avian Brands Building Meeting Room, Jl. Ahmad Yani No. 317, Surabaya, 60234, Jawa Timur, Indonesia.	The Meeting Summary was published on April 14, 2023 on the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.

Participants of the 2023 Annual GMS

The Shareholders	The 2023 Annual GMS was attended by 60,387,654,078 shares with valid voting rights or 97.4725% of 61,953,555,600 shares which constitute all of the shares issued by Avian Brands.	
The Board of Commissioners	President Commissioner	Hermanto Tanoko
	Independent Commissioner	Mohammad Noor Rachman Soejoeti
The Board of Directors	Vice President Director	Ruslan Tanoko
	Director	Robert Christian Tanoko
	Director	Kurnia Hadi Sinanto
	Director	Angelica Tanisia Jozar
Independent Parties in the Convention of the 2023 Annual GMS	Avian Brands appointed PT Bima Registra, as the Securities Administration Bureau, to count the votes and/or validate the votes and appointed Dr. Susanti, S.H., M.Kn., a Notary in Surabaya City as the Public Notary, to verify the vote count in the 2023 Annual GMS.	

Resolutions of the 2023 Annual GMS

Agenda 1

Agenda

Approval of the Annual Report including Audited Consolidated Financial Statements of Avian Brands and Supervisory Report of the Board of Commissioners for the financial year ended on December 31, 2022, and the granting of full release and discharge (acquit et de charge) to all members of the Board of Directors for the management actions and to all members of the Board of Commissioners for the supervisory actions performed during the financial year ended on December 31, 2022.

Resolutions

1. To receive and approve the Annual Report for the financial year ended December 31, 2022 and ratify Avian Brands and the Subsidiaries' Audited Consolidated Financial Statements for the financial year ended December 31, 2022 audited by the Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan ("a member firm of PwC global network") with an unmodified opinion as set out in its report No. 00208/2.1025/AU.1/04/1737-1/1/II/2023 dated February 28, 2023; and
2. To receive and approve the Report on the Supervisory Function of the Board of Commissioners for the financial year ended December 31, 2022 and grant full release and discharge (acquit et de charge) to all members of the Board of Directors and the Board of Commissioners for their management and supervisory actions during the financial year 2022 to the extent that such actions are reflected in Avian Brands' Annual Report and Financial Statements for the financial year ended December 31, 2022, with the exceptions of fraud, embezzlement, or other criminal acts.

Resolutions of the 2023 Annual GMS

Voting Results			Realization
Agree	:	60,385,375,978	Fully realized. Avian Brands' Financial Statements and Annual Report for the financial year ended December 31, 2022 have been submitted to the regulator on March 2, 2023 and March 20, 2023 and have been posted on the website, and have not been amended following the GMS.
Abstain	:	2,277,600	
Disagree	:	500	

Agenda 2

Agenda

The determination of the use of Avian Brands' net profit for the financial year ended December 31, 2022.

Resolutions

1. To determine that based on Avian Brands' Audited Consolidated Financial Statements as of December 31, 2022, the total net profit of Avian Brands is IDR1,400,365,580,530.- ("2022 Net Profit");
2. To determine the use of 2022 Net Profit as follows:
   a. IDR1,301,024,667,600.- or IDR21.- per share to be distributed as cash dividends for the financial year ended December 31, 2022 to Shareholders who have the right to receive cash dividends, in which the amount of cash dividends includes interim dividends, with the following explanation:
      1) Authorize the distribution of interim dividends for the financial year 2022 from the 2022 Net Profit in the amount of IDR10.- per share or a total of IDR619,535,556,000.- and the payment has been made on December 6, 2022; and
      2) Distribute cash dividends for the financial year 2022 from the 2022 Net Profit in the amount of IDR11.- per share or a total of IDR681,489,111,600.-;

      to the holders/owners of 61,953,555,600 of Avian Brands' shares, with due observance of the prevailing laws and regulations including the prevailing tax regulations;

      The following terms and conditions apply to the dividend payment:
      a) the remaining dividends for the financial year 2022 shall be paid for any share issued by Avian Brands that is registered in Avian Brands' Shareholders List on the recording date determined by the Board of Directors;
      b) for the payment of the remaining dividends for the financial year 2022, the Board of Directors shall withhold dividend tax in accordance with applicable tax regulations; and
      c) the Board of Directors is authorized to determine matters relating to the payment of the remaining dividends for the financial year 2022, including (but not limited to):
         (1) to determine the record date as referred to in letter a in determining Avian Brands' shareholders who are entitled to receive payment of the remaining dividends for the financial year 2022; and
         (2) to determine the payment date of the remaining dividends for the financial year 2022 and other technical matters without prejudice to the regulations of the Stock Exchange where Avian Brands' shares are listed;
   b. the remaining portion of 2022 Net Profit is recorded as unappropriated retained earnings.
3. To approve the granting of full authority and power to the Board of Directors with substitution rights to take all necessary actions in connection with the resolutions, one and another without any exception.

Voting Results			Realization
Agree	:	60,169,648,401	Fully realized. The cash dividend was distributed on May 9, 2023 to the Shareholders of Avian Brands whose names are recorded in Avian Brands' Shareholder List on May 3, 2023.
Abstain	:	2,277,600	
Disagree	:	215,728,077	

Agenda 3

Agenda

The appointment of a Registered Public Accountant and/or Registered Public Accounting Firm to audit Avian Brands' Consolidated Financial Statements for the financial year ended December 31, 2023.

Resolutions

1. To delegate the authority to the Board of Commissioners to appoint a Public Accountant and/or Registered Public Accounting Firm in Indonesia to conduct an Audit on Avian Brands' Consolidated Financial Statements for the financial year ended December 31, 2023, taking into account the recommendations of the Audit Committee, provided that such Public Accountant and/or Public Accounting Firm is registered with the Financial Services Authority, has a good reputation, and has no conflict of interest with Avian Brands and its affiliates; and
2. To grant the authority to the Board of Directors to determine the honorarium of the Public Accountant and/or Registered Public Accounting Firm and other requirements concerning the appointment.

Voting Results			Realization
Agree	:	59,105,046,971	Fully realized. The Board of Commissioners has appointed Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network) to audit Avian Brands' Consolidated Financial Statements for the financial year ended December 31, 2023 based on the Minutes of the Board of Commissioners Meeting No. 005/AA/BAR/KOM/VIII/2023 dated August 30, 2023.
Abstain	:	2,277,600	
Disagree	:	1,280,329,507	

Resolutions of the 2023 Annual GMS		
Agenda 4		
Agenda		
The determination of salary/honorarium and other allowances for members of the Board of Commissioners and the Board of Directors for the year 2023.		
Resolutions		
To grant power and authority to the Board of Commissioners: 1. to determine the salary/honorarium and other allowances for members of the Board of Commissioners and the Board of Directors for the year 2023 through the Board of Commissioners Meeting; and 2. to determine the distribution amount among members of the Board of Commissioners and members of the Board of Directors; by taking into account the recommendations from the Nomination and Remuneration Committee, the provisions of the Articles of Association, and the prevailing rules and regulations.		
Voting Results		**Realization**
Agree : 60,117,202,701 Abstain : 2,277,600 Disagree : 268,173,777		Fully realized. The Board of Commissioners has determined the salary/honorarium and other allowances for members of the Board of Commissioners and the Board of Directors for the year 2023 through the Board of Commissioners Meeting based on the Minutes of the Board of Commissioners Meeting No. 003/AA/BAR/KOM/VII/2023 dated July 3, 2023.
Agenda 5		
Agenda		
The submission of Accountability Report on the Realization of the Use of Proceeds from the Initial Public Offering.		
Resolutions		
The Fifth Agenda only constitutes a Report in connection with the Realization of the Use of Proceeds from the Initial Public Offering, therefore no vote/approval from the Meeting is required.		
Voting Results		**Realization**
Agree : - Abstain : - Disagree : -		-

Extraordinary GMS on April 13, 2023

Convention Stages of the Extraordinary GMS on April 13, 2023

Notification	Announcement	Invitation	Implementation	GMS Resolutions
Notified the Financial Services Authority on February 27, 2023 through Letter No. 014/AA/CORSEC/II/2023.	Announced on March 6, 2023 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Announced on March 21, 2023 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Convened on April 13, 2023 at 12:01 – 12:15 (GMT+7) in Avian Brands Building Meeting Room, Jl. Ahmad Yani No. 317, Surabaya, 60234, Jawa Timur, Indonesia.	The Meeting Summary was published on April 14, 2023 on the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.

Participants of the Extraordinary GMS on April 13, 2023		
The Shareholders	The Extraordinary GMS on April 13, 2023 was attended by 60,387,604,478 shares with valid voting rights or 97.4724% of 61,953,555,600 shares which constitute all of the shares issued by Avian Brands.	
The Board of Commissioners	President Commissioner	Hermanto Tanoko
	Independent Commissioner	Mohammad Noor Rachman Soejoeti
The Board of Directors	Vice President Director	Ruslan Tanoko
	Director	Robert Christian Tanoko
	Director	Kurnia Hadi Sinanto
	Director	Angelica Tanisia Jozar
Independent Parties in the Convention of the Extraordinary GMS on April 13, 2023	Avian Brands appointed PT Bima Registra, as the Securities Administration Bureau, to count the votes and/or validate the votes and appointed Dr. Susanti, S.H., M.Kn., a Notary in Surabaya City as the Public Notary, to verify the vote count in the Extraordinary GMS on April 13, 2023.	

Resolutions of the Extraordinary GMS on April 13, 2023		
Agenda		
Agenda		
Approval on Amendment to Article 19 paragraph (4) of Avian Brands' Articles of Association concerning Work Plan, Fiscal Year, and Annual Report.		
Resolutions		
1. Approved the Amendment to Article 19 paragraph (4) of Avian Brands' Articles of Association concerning the Work Plan, Fiscal Year, and Annual Report, to be read as follows: **Article 19** 4. The Board of Directors shall prepare an Annual Report and provide it in Avian Brands' office to be examined by Shareholders as of the date of the invitation of the Annual GMS, and announce the balance sheet and profit or loss statement that has been audited by a public accountant registered with the OJK through the Stock Exchange website, Avian Brands' website, and/or other media in accordance with laws and regulations in the field of Capital Market. 2. Approved to give Power of Attorney to the Board of Directors of Avian Brands with the right to transfer power (right of substitution) to declare the change in a separate deed before a Notary, including to submit notification to the Minister of Law and Human Rights of the Republic of Indonesia and report to other competent authorities, register and announce it and do everything needed and required by the applicable laws and regulations.		
Voting Results		**Realization**
Agree : 60,387,603,978 Abstain : - Disagree : 500		Fully realized through amendments to the Articles of Association based on the deed of Minutes of the Extraordinary General Meeting of Shareholders No. 3 dated April 13, 2023, drawn up by Dr. Susanti, S.H., M.Kn., a Notary in Surabaya City.

Extraordinary GMS on December 7, 2023

Convention Stages of the Extraordinary GMS on December 7, 2023

Notification	Announcement	Disclosure of Information	Invitation	Implementation	GMS Resolutions
Notified the Financial Services Authority on October 24, 2023 through Letter No. 089/AA/CORSEC/X/2023.	Announced on October 31, 2023 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Announced on October 31, 2023 through the websites of Avian Brands and Indonesia Stock Exchange.	Announced on November 15, 2023 through the websites of Avian Brands, Indonesia Stock Exchange, and Indonesia Central Securities Depository.	Convened on December 7, 2023 at 09:50 – 10:26 (GMT+7) in Avian Brands Building Meeting Room, Jl. Ahmad Yani No. 317, Surabaya, 60234, Jawa Timur, Indonesia.	The Meeting Summary was published on December 8, 2023 on the websites of Avian Brands and Indonesia Stock Exchange, and on December 9, 2023 on the website of Indonesia Central Securities Depository.

Participants of the Extraordinary GMS on December 7, 2023		
The Shareholders	The Extraordinary GMS on December 7, 2023 was attended by 60,028,324,812 shares with valid voting rights or 96.8925% of 61,953,555,600 shares which constitute all the shares issued by Avian Brands.	
The Board of Commissioners	President Commissioner	Hermanto Tanoko
	Independent Commissioner	Mohammad Noor Rachman Soejoeti
The Board of Directors	President Director	Wijono Tanoko
	Vice President Director	Ruslan Tanoko
	Director	Robert Christian Tanoko
	Director	Kurnia Hadi Sinanto
	Director	Angelica Tanisia Jozar
Independent Parties in the Convention of the Extraordinary GMS on December 7, 2023	Avian Brands appointed PT Bima Registra, as the Securities Administration Bureau, to count the votes and/or validate the votes and appointed Dr. Susanti, S.H., M.Kn., a Notary in Surabaya City as the Public Notary, to verify the vote count in the Extraordinary GMS on December 7, 2023.	

Resolutions of the Extraordinary GMS on December 7, 2023

Agenda

Agenda

Approval for Avian Brands' Share Buyback.

Resolutions

1. Approving share buyback of Avian Brands' shares that have been issued and listed on the Indonesia Stock Exchange of up to 1,425,000,000 shares of Avian Brands or approximately 2.3% of the entire issued and paid-up capital of Avian Brands, with funds allocation of up to IDR1,000,000,000,000.- including transaction costs, trading costs, and other costs in connection with the buyback of Avian Brands' shares, to be conducted in stages within a maximum period of 18 months since the share buyback is approved by the Meeting. The share buyback will be conducted in accordance with applicable regulations; and
2. Approving to grant authority and/or power of attorney to the Board of Directors of Avian Brands to take all necessary actions in connection with the implementation of the resolution of the Meeting as referred to in point 1 above, including but not limited to determining the terms and conditions on the implementation of the buyback of Avian Brands' shares and/or stating a separate resolution in a separate deed before a Notary, with due observance of the prevailing laws and regulations.

Voting Results			Realization
Agree	:	60,028,322,412	The resolutions of the Extraordinary GMS agenda could not be fully realized in 2024, considering that the share buyback period is still ongoing and shall be completed at the latest on June 7, 2025.
Abstain	:	400	
Disagree	:	2,000	



The Board of Commissioners

The Board of Commissioners is an organ of Avian Brands that has the collective duties and responsibilities to supervise and advise the Board of Directors regarding Avian Brands management, and to ensure that GCG principles are implemented at all levels of the organization. The Board of Commissioners constantly carries out its duties and responsibilities in an independent manner to maintain integrity and objectivity in every decision. Such independence also allows decision-making to be conducted in a manner that avoids conflicts of interest that could interfere with the Board of Commissioners' ability to independently and critically carry out its duties and responsibilities. The Board of Commissioners also ensures consistent implementation of GCG policies and practices, thereby creating a transparent, accountable and ethical corporate culture, and thus contributing to Avian Brands' sustainable performance.

The Board of Commissioners Charter

Avian Brands has the 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 Avian Brands and the Board of Directors based on GCG principles in realizing the Vision, Mission, and Values of Avian Brands, based on, in particular, Avian Brands' Articles of Association and, in general, the prevailing laws and regulations.

Composition of the Board of Commissioners

The composition of the Board of Commissioners, as stipulated in Article 16 paragraph (1) of Avian Brands' Articles of Association, consists of at least 2 members, one of whom serves as President Commissioner and the other as Independent Commissioner. This composition is selected by taking into account the diversity in terms of educational background, professional experience, age, and expertise to ensure that the Board of Commissioners possesses wide-ranging capabilities and perspectives in carrying out its supervisory and advisory functions to the Board of Directors. Such diversity is also expected to contribute to achieving Avian Brands' strategic and operational objectives and ensure effective and consistent GCG implementation. The Board of Commissioners' appointment and dismissal process falls under the prerogative of the GMS, with the Board of Commissioners having 5-year term of office. In 2024, the composition of the Board of Commissioners consists of 2 members, namely:

Name	Position
Hermanto Tanoko	**President Commissioner**
Mohammad Noor Rachman Soejoeti	**Independent Commissioner**

Dual Appointment of the Board of Commissioners

The Board of Commissioners Charter regulates the terms regarding the dual appointment of Avian Brands' Board of Commissioners, as described as follows:

1. The Board of Commissioners members may hold dual appointments as:
   a. The Board of Directors member in a maximum of 2 other Issuers or Public Companies; and
   b. The Board of Commissioners member in a maximum of 3 other Issuers or Public Companies;
2. If a Board of Commissioners member does not hold dual appointments as a Board of Directors member, he/she may hold dual appointments as a Board of Commissioners member in a maximum of 4 other Issuers or Public Companies;
3. A Board of Commissioners member may serve as a member of at most 5 committees in Avian Brands and other Public Companies in which he/she also serves as a member of the Board of Directors or Board of Commissioners; and
4. The dual appointment mentioned in point 3 above may only be carried out provided that it does not conflict with other laws and regulations.

Independent Commissioner

An Independent Commissioner is a Board of Commissioners member selected according to certain criteria that ensure he has no financial, management, shareholding, and/or familial relationships with other Board of Commissioners members, Board of Directors members, and/or Controlling Shareholders. These criteria aim to maintain the Independent Commissioner's independence, enabling him to act independently in accordance with GCG principles. Independent Commissioner's presence is intended to foster a climate of objective and fair decision-making, maintain fairness in every Avian Brands policy, and ensure that all actions are taken transparently and free from conflicts of interest that could adversely impact Avian Brands. Further, the Independent Commissioner is also expected to bring balance between the interests of majority and minority shareholders, including public shareholders and other stakeholders.

Avian Brands has appointed 1 member of the Board of Commissioners as an Independent Commissioner, representing 50% of the total members of the Board of Commissioners. This measure not only meets, but also exceeds the minimum requirements stipulated in OJK Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies ("POJK 33/2014"), which stipulates that at least 30% of the members of the Board of Commissioners must be Independent Commissioners. In line with the foregoing, the appointment of Mr. Mohammad Noor Rachman Soejoeti as Independent Commissioner has also satisfied all the criteria required under POJK 33/2014 as described below:

Description of Criteria	Mohammad Noor Rachman Soejoeti
Not a person who works or has the authority and responsibility to plan, lead, control, or supervise activities of Avian Brands within the last 6 months, except for reappointment as Independent Commissioner for the next period.	✓
Not holding any shares, either directly or indirectly, in Avian Brands.	✓
Not having any affiliation with Avian Brands, members of the Board of Commissioners, members of the Board of Directors, Main Shareholders, or Controlling Shareholders of Avian Brands.	✓
Not having any business relationship, either directly or indirectly, related to Avian Brands'business activities.	✓

Duties and Responsibilities of the Board of Commissioners

The Board of Commissioners Charter regulates the duties and responsibilities of the Board of Commissioners, as one of the main organs in Avian Brands' GCG structure. The Board of Commissioners is collectively responsible for supervising the Board of Directors' policies and performance as well as providing strategic advice to ensure that Avian Brands operates efficiently, transparently and in accordance with GCG principles. Further information on the duties and responsibilities of the Board of Commissioners is described as follows:

1. Supervising the management of Avian Brands by the Board of Directors, both in regards to Avian Brands 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 regulators, and/or based on the resolutions of the GMS;
3. Performing duties, responsibilities, and authorities in accordance with the provisions of Avian Brands' 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 Avian Brands' Financial Statements;
4. Directing, monitoring, and evaluating the implementation of Avian Brands' strategic policies;
5. Implementing and ensuring the implementation of risk management and GCG principles in each of Avian Brands' business activities, at all organizational levels or stages;
6. Evaluating and approving Avian Brands' work plan;
7. Assisting and encouraging efforts in fostering and developing Avian Brands;
8. Forming the Audit Committee as well as other committees in accordance with the prevailing laws and regulations;
9. Ensuring that the supporting committees of the Board of Commissioners have effectively performed their duties and responsibilities;
10. Evaluating the performance of the committees assisting the Board of Commissioners in performing 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.

Division of Duties of the Board of Commissioners

Avian Brands has also established a division of duties among Board of Commissioners members to facilitate the effective and efficient performance of the Board of Commissioners' collective duties and responsibilities. This division of duties was stipulated under the Minutes of the Meeting of the Board of Commissioners No. 006/AA/BAR/KOM/IX/2023 dated September 19, 2023. This measure aims to ensure that each Board of Commissioners member performs their responsibilities in an optimal and efficient manner. With this division of duties, each Board of Commissioners member can focus on specific areas according to their respective expertise and experience, thus allowing for more rigorous supervision of various operational and strategic aspects of Avian Brands. The duties and responsibilities of each member of the Board of Commissioners are described as follows:

Name	Position	Duties and Responsibilities
Hermanto Tanoko	President Commissioner	**Mr. Hermanto is responsible to:** • coordinate the activities of the Board Commissioners and ensure that each member of the Board of Commissioners could express his opinion based on sufficient information; • supervise and provide advice to the Board of Directors in carrying out the management of Avian Brands; • provide opinion and approval of Avian Brands' Annual Work Plan and Budget as well as other work plans prepared by the Board of Directors, in accordance with the provisions of Avian Brands' Articles of Association; and • provide a report on the supervisory duties that have been carried out during the last financial year to the GMS.
Mohammad Noor Rachman Soejoeti	Independent Commissioner	**Mr. Noor is responsible for:** • as Chairman of the Audit Committee; • as Chairman of the Nomination and Remuneration Committee; • carry out supervision in the field of capital market legal compliance; • examine and review periodic reports and Annual Report prepared by the Board of Directors; and • carry out other obligations within the framework of supervisory duties and providing advice, as long as they do not conflict with statutory regulations, Articles of Association, and/or GMS decisions.

Decisions Requiring the Board of Commissioners' Approval

Avian Brands has determined that certain decisions affecting Avian Brands' long-term direction and sustainability, must be approved by the Board of Commissioners prior to implementation thereof, as stipulated in Avian Brands' Articles of Association. The Board of Commissioners has the authority to review and approve such strategic decisions to ensure they align with Avian Brands' Vision, Mission, and Values. In addition, the Board of Commissioners also ensures that these decisions support Avian Brands' stability and sustainable growth. Decisions that require the Board of Commissioners' approval are described as follows:

1. Selling, pledging, or otherwise disposing of rights to immovable property belonging to Avian Brands;
2. Binding Avian Brands as guarantor;
3. Establishing a new business or investing;
4. Transferring investment in other companies, both domestic and overseas;
5. Receiving loans from any party;
6. Giving loans to any party save for loans in business activities and loans to Avian Brands' employees and Subsidiaries; and
7. Opening branches or representative offices, both inside and outside the territory of the Republic of Indonesia.

The Board of Commissioners Meeting

Meeting Policy

The Board of Commissioners implements its meeting policy in accordance with the provisions stipulated in POJK No. 33/2014 and Avian Brands' Articles of Association. Under this policy, internal meetings must be convened at least once every two months. Meanwhile, joint meetings between the Board of Commissioners and the Board of Directors are scheduled to convene no fewer than once every four months. These two types of meetings are essential to ensure that all decisions and measures taken by Avian Brands are aligned with Avian Brands' Vision, Mission, and Values.

Meeting Convention

Throughout 2024, the Board of Commissioners has convened 6 internal meetings and 12 joint meetings with the Board of Directors. Information on the number of meetings and meeting attendance by members of the Board of Commissioners is as follows:

Name	Position	Internal Meetings of the Board of Commissioners			Joint meetings with the Board of Directors			GMS
		Number of Meeting	Number of Meeting	Attendance (%)	Number of Meeting	Number of Meeting	Attendance (%)	2024 Annual GMS
Hermanto Tanoko	President Commissioner	6	6	100.00	12	11	91.67	✓
Mohammad Noor Rachman Soejoeti	Independent Commissioner	6	6	100.00	12	11	91.67	✓

Competence Development of the Board of Commissioners

Policy on Competence Development of the Board of Commissioners

Avian Brands has adopted a policy that regulates the implementation of the Board of Commissioners' competence development program in order to improve the quality of supervision and direction to the Board of Directors. In accordance with the Board of Commissioners Charter, members of the Board of Commissioners are required to consistently upgrade their knowledge and competence, concerning the latest developments in economy, finance, related industries, regulations, and other matters related to Avian Brands. This development program includes various activities, such as training and education programs, seminars, visits, benchmarking, and brainstorming sessions.

Information concerning the competence development programs participated by members of the Board of Commissioners throughout 2024 has been disclosed in the Company Profile Chapter, particularly in the Profile section of each member of the Board of Commissioners.

Orientation Program for New Members of the Board of Commissioners

Avian Brands has implemented a policy that regulates the orientation program for newly appointed members of the Board of Commissioners. The program is designed to provide new members of the Board of Commissioners with a thorough understanding of Avian Brands' complete profile, including its unique characteristics, core values, and the business processes that underpin its operations. By obtaining an in-depth understanding of Avian Brands' dynamics in a short amount of time, the new members of the Board of Commissioners can effectively take on their roles and responsibilities in supporting Avian Brands' long-term vision and strategy. The orientation program for the newly appointed Board of Commissioners includes, among others:

1. Knowledge of Avian Brands, among others:
   a. Avian Brands' Vision, Mission, purposes, and objectives;
   b. Avian Brands' strategy;
   c. Avian Brands' medium and long-term plans;
   d. Avian Brands' operational performance;
   e. Avian Brands' financial performance; and
   f. Avian Brands' 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.

Considering that the composition of Avian Brands' Board of Commissioners in 2024 remains the same as the previous year, this year, Avian Brands did not conduct any orientation programs for the new members of the Board of Commissioners.

Performance Assessment of the Board of Commissioners

Policy, Procedure, and Implementation of Performance Assessment

Policy concerning performance assessment of the Board of Commissioners is based on the Performance Assessment Policy of the Board of Commissioners and the Board of Directors of Avian Brands, which was stipulated on December 27, 2021, as well as other relevant regulations. With this policy, each member of the Board of Commissioners assesses the performance of the Board of Commissioners collegially, rather than individually. This assessment is designed to evaluate the effectiveness and cooperation of all members of the Board of Commissioners in carrying out their supervisory and advisory duties to the Board of Directors.

Assessor

The performance assessment of the Board of Commissioners is conducted periodically once a year by each member. This assessment process takes into consideration the achievement of the agreed assessment aspects.

Aspects of Performance Assessment

The Board of Commissioners' performance assessment involves various essential aspects. These aspects are designed to present a comprehensive picture of the Board of Commissioners' collegial contribution to achieving of Avian Brands' strategic objectives. The Board of Commissioners' performance assessment aspects are described as follows:

1. Supervising the management of Avian Brands performed by the Board of Directors;
2. Reviewing, examining, and approving Avian Brands' annual work plan;
3. Performing tasks specifically assigned to the Board of Commissioners in accordance with Avian Brands' Articles of Association, applicable laws and regulations, and/or GMS resolutions;
4. Performing duties and responsibilities in accordance with the provisions of Avian Brands' Articles of Association and the resolutions of the GMS;
5. Conforming to Avian Brands' Articles of Association as well as applicable laws and regulations, and the obligations to perform 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;
6. Evaluating performance during the financial year, assessed based on the effectiveness of supervision and contribution to achieving Avian Brands' strategic targets.
7. Measuring the Board of Commissioners' competence in carrying out its duties and responsibilities, including knowledge and expertise relevant to Avian Brands' industry; and
8. Measuring level of attendance at Board of Commissioners meetings, both internal and joint meetings with the Board of Directors.

Assessment Results

Based on the 2024 performance assessment procedures and criteria, each Board of Commissioners member is assessed to have optimally performed their duties and responsibilities. This assessment result reflects the Board of Commissioners' competence and dedication in supervising Avian Brands' operations. Avian Brands' robust performance in 2024 is a testament to effective supervision and strategic direction from the Board of Commissioners. This success reflects the Board of Commissioners' firm commitment to supporting Avian Brands' stability and growth, as well as strengthening stakeholders' confidence in the Board of Commissioners' capacity to safeguard Avian Brands' sustainability and future success. In addition, throughout 2024, the Board of Commissioners has convened 6 internal meetings and 12 joint meetings with the Board of Directors with topics in accordance with the 2024 work plan and matters of concern to the Board of Commissioners and the Board of Directors.

Performance Assessment of Committees Under the Board of Commissioners

Policy, Procedure, and Implementation of Performance Assessment

The performance assessment policy of committees under the Board of Commissioners aims to ensure that each committee has carried out its duties and responsibilities effectively and efficiently. This assessment also aims to identify areas that require improvement and development. Results of the assessment are subsequently factored into the reappointment process of committee members, ensuring that only the most accomplished individuals may remain to support the Board of Commissioners in carrying out its supervisory and advisory functions towards the Board of Directors.

Assessor

Performance assessment of committees under the Board of Commissioners is conducted by the Board of Commissioners periodically at the end of each financial year.

Aspects of Performance Assessment

The performance assessment process for committees under the Board of Commissioners involves a careful evaluation of the assignment reports and annual reports on the performance of each committee's activities. Performance assessment aspects for committees under the Board of Commissioners are described as follows:

1. Realization of work plan;
2. Attendance in committee meetings;
3. Quality of supervision; and
4. Recommendations provided.

Results of Performance Assessment	
The Audit Committee	Based on the procedure and criteria for performance assessment conducted in 2024, the Audit Committee has demonstrated effective performance in carrying out its duties and responsibilities, related to overseeing and evaluating audits on the Financial Statements as well as on Avian Brands' internal control system over all aspects of Avian Brands' operations. The Audit Committee is also assessed to have actively contributed to ensuring compliance with applicable audit standards, as well as strengthening resilience and transparency in Avian Brands' risk management process. In addition, throughout 2024, the Audit Committee has convened 5 internal meetings with topics in accordance with the 2024 work plan and matters of concern to the Audit Committee.
The Nomination and Remuneration Committee	Based on the procedure and criteria for performance assessment conducted in 2024, the Nomination and Remuneration Committee has demonstrated effective performance in supporting the functions of the Board of Commissioners in terms of providing appropriate proposals regarding remuneration and nomination systems and policies for the Board of Commissioners and the Board of Directors. In addition, throughout 2024, the Nomination and Remuneration Committee has convened 3 internal meetings with topics in accordance with the 2024 work plan and matters of concern to the Nomination and Remuneration Committee.
The Good Corporate Governance Committee	Based on the procedure and criteria for performance assessment conducted in 2024, the Good Corporate Governance Committee has demonstrated effective performance in supporting the functions of the Board of Commissioners, through addressing any reports of violations of the Business Ethics and Code of Conduct with utmost rigor and professionalism. The Good Corporate Governance Committee also offers effective recommendations for resolving violations, including appropriate sanctions for the parties involved. The Good Corporate Governance Committee has also assisted the Board of Commissioners in periodically reviewing Avian Brands' ESG data. The Good Corporate Governance Committee's commitment to maintaining integrity, transparency, and compliance with applicable rules, has contributed to strengthening Avian Brands' GCG implementation. These positive results reflect the Good Corporate Governance Committee's dedication to constantly improving ethical standards, compliance and ESG performance across all aspects of Avian Brands' operations. In addition, throughout 2024, the Good Corporate Committee has convened 4 internal meetings with topics in accordance with the 2024 work plan and matters of concern to the Good Corporate Governance Committee.



The Board of Directors

The Board of Directors is an organ of Avian Brands that plays a role in managing Avian Brands' operations in accordance with the established Vision and Mission. The Board of Directors is fully responsible for making strategic decisions and managing all aspects related to Avian Brands' operations. The Board of Directors is also responsible for representing Avian Brands, both inside and outside the court, in accordance with Avian Brands' Articles of Association and prevailing laws and regulations. As Avian Brands' main representative, not only does the Board of Directors actively carry out its legal role in various forums, but it also collaborates together to optimize the use of Avian Brands' resources. This includes establishing general policies, setting long-term goals, and ensuring Avian Brands' sustainability and continued growth.

Each member of the Board of Directors has specific roles and responsibilities based on their division of duties and authority. Nevertheless, the Board of Directors works within a collaborative framework to ensure that all strategic measures and resolutions are aligned with Avian Brands' Vision and deliver maximum benefits to all Avian Brands' stakeholders. With this approach, not only does the Board of Directors contribute to the effective achievement of Avian Brands' business objectives, but it also ensures transparency, accountability and responsibility in Avian Brands management.

The Board of Directors Charter

Avian Brands has the 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 their work effectively, efficiently, and transparently and based on the principles of GCG in realizing the Vision, Mission, and Values of Avian Brands, based on, in particular, Avian Brands' Articles of Association and, in general, the prevailing laws and regulations.

Composition of the Board of Directors

The composition of the Board of Directors, as stipulated in Article 13 paragraph (1) of Avian Brands' Articles of Association, consists of at least 3 members. This composition is selected by taking into account the diversity in terms of educational background, professional experience, age, gender, and expertise to ensure that the Board of Directors possesses wide-ranging capabilities and perspectives in carrying out Avian Brands management functions. Such diversity is also expected to contribute to achieving Avian Brands' strategic and operational objectives and ensure effective and consistent GCG implementation. The Board of Directors' appointment and dismissal process falls under the prerogative of the GMS, with the Board of Directors having a 5-year term of office. In 2024, the composition of the Board of Directors consists of 5 members, namely:

Name	Position
Wijono Tanoko	**President Director**
Ruslan Tanoko	**Vice President Director**
Robert Christian Tanoko	**Director**
Kurnia Hadi Sinanto	**Director**
Angelica Tanisia Jozar	**Director**

Dual Appointment of the Board of Directors

The Board of Directors Charter regulates the terms regarding dual appointments that the members of the Board of Directors may hold. This aims to ensure that each member of the Board of Directors focuses on their duties and responsibilities in Avian Brands, without any potential conflict of interest or overlap in decision-making. This arrangement supports transparency, integrity, and effectiveness in Avian Brands management, so that adopted policies are consistent with GCG principles. Information regarding the dual appointment of the Board of Directors is described as follows:

1. The Board of Directors members may hold dual appointments as:
   a. The Board of Directors member in 1 other Issuer or Public Company;
   b. The Board of Commissioners member in a maximum of 3 other Issuers or Public Companies; and
   c. Committee member in a maximum of 5 committees in Avian Brands or other Public Company in which he/she is a Board of Directors member or a Board of Commissioners member; and
2. Dual appointments mentioned in the points above may only be carried out provided that it does not conflict with other laws and regulations.

Independence

The Board of Directors always carries out its duties and responsibilities by prioritizing independence and without bias towards any other party's interests. Each member of the Board of Directors works with high of professionalism and prioritizes the interests of Avian Brands and all parties involved. The Board of Directors' independence assures that every decision is made based on objective analysis, free from any party's pressure or influence. This ensures that the implemented policies not only support Avian Brands' long-term growth, but also fulfill stakeholders' expectations and needs in a fair and transparent manner.

Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board of Directors are based on the Board of Directors Charter, which regulates the authority in managing Avian Brands' daily and strategic operations. The Board of Directors is fully responsible for taking strategic decisions to achieve Avian Brands' Vision and Mission. The Board of Directors plays a key role in designing and executing business strategies, managing risks, overseeing finances, and ensuring compliance with applicable regulations. The Board of Directors is also tasked with maintaining high ethical standards, ensuring transparency in reporting, and maintaining good relationships with all stakeholders. Further information on the duties and responsibilities of the Board of Directors is described as follows:

1. Executing, and bearing the responsibilities for, the management of Avian Brands for Avian Brands' interests in accordance with the purposes and objectives of Avian Brands which have been stipulated in the Articles of Association;
2. Managing Avian Brands in accordance with the authorities and responsibilities as stipulated in the Articles of Association and the prevailing laws and regulations;
3. Managing Avian Brands' assets in accordance with the prevailing laws and regulations;
4. Implementing risk management system and GCG principles in each of Avian Brands' business activities at all organizational levels or stages;
5. Establishing Avian Brands' organizational structure and working procedures;
6. Convening Annual GMS and other GMS in accordance with the Articles of Association as well as the laws and regulations; and
7. Forming supporting committees in accordance with the prevailing laws and regulations, and evaluating the performance of such committees at the end of each financial year.

Division of Duties of the Board of Directors

The Board of Directors also has a division of duties among each member as stipulated in the Circular Decree of the Board of Directors No. 013/AA/SK/DIR/IX/2023 dated September 20, 2023. This division is aimed to ensure that each member of the Board of Directors can carry out their duties and responsibilities effectively and efficiently. Therefore, each individual on the Board of Directors has a clear role in managing various operational and strategic aspects of Avian Brands, ensuring timely decision-making, and directing the achievement of Avian Brands' short-term and long-term goals. The duties and responsibilities of each member of the Board of Directors are described as follows:

Name	Position	Duties and Responsibilities
Wijono Tanoko	President Director	Mr. Wijono is responsible for the operation of Avian Brands as a whole. The President Director oversees the other four Directors.
Ruslan Tanoko	Vice President Director	Mr. Ruslan holds the responsibility as the Vice President Director and has the duties and functions concerning Avian Brands' business development including sales and marketing, as well as overseeing Avian Brands' Information Technology Division, Sales Division, and Marketing Division.
Robert Christian Tanoko	Director	Mr. Robert is responsible for and has the duties and functions concerning Avian Brands' operational activities and overseeing the Operations Division, including the Department of Procurement, Strategic Management System, and Sustainability.
Kurnia Hadi Sinanto	Director	Mr. Hadi is responsible for and has the duties and functions concerning the management of Avian Brands' finances, accounting, taxes, and investor relations.
Angelica Tanisia Jozar	Director	Mrs. Angel is responsible for and has the duties and functions for developing Avian Brands' business in the Research, Development & Innovation sector.

The Board of Directors Meeting

Meeting Policy

The Board of Directors implements its meeting policy in accordance with the provisions stipulated in POJK No. 33/2014 and Avian Brands' Articles of Association. Under this policy, internal meetings must be convened at least once every month. Meanwhile, joint meetings between the Board of Commissioners and the Board of Directors are scheduled to convene no fewer than once every four months. These two types of meetings are essential to ensure that all decisions and steps taken, are aligned with Avian Brands' Vision, Mission and Values.

Meeting Convention

Throughout 2024, the Board of Directors has convened 12 internal meetings and 12 joint meetings with the Board of Commissioners. Information regarding the number of meetings and meeting attendance by members of the Board of Directors is as follows:

Name	Position	Internal Meetings of the Board of Directors			Joint meetings with the Board of Commissioners			GMS
		Number of Meeting	Number of Meeting	Attendance (%)	Number of Meeting	Number of Meeting	Attendance (%)	2024 Annual GMS
Wijono Tanoko	President Director	12	12	100.00	12	9	75.00	✗
Ruslan Tanoko	Vice President Director	12	12	100.00	12	12	100.00	✓
Robert Christian Tanoko	Director	12	11	91.67	12	11	91.67	✓
Kurnia Hadi Sinanto	Director	12	11	91.67	12	12	100.00	✓
Angelica Tanisia Jozar	Director	12	11	91.67	12	11	91.67	✓

Competence Development of the Board of Directors

Policy on the Competence Development of the Board of Directors

Avian Brands has adopted a policy that regulates the implementation of the Board of Directors' competence development program in order to improve the quality of Avian Brands management. In accordance with the Board of Directors Charter, members of the Board of Directors are required to consistently upgrade their knowledge and competence, concerning the latest developments in economy, finance, related industries, regulations, and other matters related to Avian Brands. This development program includes various activities, such as training and education programs, seminars, visits, benchmarking, and brainstorming sessions.

Information related to the competence development programs participated by members of Avian Brands' Board of Directors throughout 2024 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

Avian Brands has implemented a policy that regulates the orientation program for newly appointed members of the Board of Directors. The program is designed to provide new members of the Board of Directors with a thorough understanding of Avian Brands' complete profile, including its unique characteristics, core values, and the business processes that underpin its operations. By obtaining an in-depth understanding of Avian Brands' dynamics in a short amount of time, the new members of the Board of Directors can effectively take on their roles and responsibilities in supporting Avian Brands' long-term vision and strategy. The orientation program for newly appointed Board of Directors includes, among others:

1. Knowledge of Avian Brands, among others:
   a. Avian Brands' Vision, Mission, purposes, and objectives;
   b. Avian Brands' strategy;
   c. Avian Brands' medium and long-term plans;
   d. Avian Brands' operational performance;
   e. Avian Brands' financial performance; and
   f. Avian Brands' 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.

Considering that the composition of Avian Brands' Board of Directors in 2024 remains the same as the previous year, this year, Avian Brands did not conduct any orientation programs for the new members of the Board of Directors.

Performance Assessment of the Board of Directors

Policy, Procedure, and Implementation of Performance Assessment
Policy concerning performance assessment of the Board of Directors is based on the Performance Assessment Policy of the Board of Commissioners and the Board of Directors of Avian Brands which was stipulated on December 27, 2021, as well as other relevant regulations. With this policy, each member of the Board of Commissioners and the Board of Directors assesses the performance of the Board of Directors collegially, rather than individually. This assessment is designed to assess the effectiveness and cooperation of all members of the Board of Directors in carrying out Avian Brands management.
Assessor
The performance assessment of the Board of Directors is conducted periodically once a year by each member of the Board of Commissioners. In this regard, each member of the Board of Directors submits a collegial assessment of the Board of Directors to evaluate the implementation of duties and achievement of targets throughout the financial year. This assessment process takes into consideration the achievement of the agreed assessment aspects.
Aspects of Performance Assessment
The Board of Directors' performance assessment involves various essential aspects. These aspects are designed to present a comprehensive picture of the Board of Directors' collegial contribution to achieving Avian Brands' strategic objectives. The Board of Directors' performance assessment aspects are described as follows: 1. Leading, managing, and controlling Avian Brands in accordance with Avian Brands' objectives; 2. Making efforts to improve the efficiency and effectiveness of Avian Brands; 3. Controlling, maintaining, and managing Avian Brands' assets; 4. Formulating an annual work plan that contains Avian Brands' annual budget and submitting the plan to the Board of Commissioners for approval before the start of the next financial year; 5. Performing their duties and responsibilities in accordance with the provisions of Avian Brands' Articles of Association and the resolutions of the GMS; 6. Conforming to Avian Brands' Articles of Association as well as prevailing laws and regulations, and the obligations to perform 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; 7. Evaluating performance during the financial year, assessed based on the achievement of Avian Brands' operational and financial targets; 8. Measuring the Board of Directors' competence in carrying out its duties and responsibilities, including knowledge and expertise relevant to Avian Brands' industry; and 9. Measuring level of attendance at Board of Directors meetings, both internal and joint meetings with the Board of Commissioners.
Results of Performance Assessment
Based on the 2024 performance assessment procedures and criteria, the Board of Directors are assessed to have demonstrated proper performance of their duties and responsibilities. The Board of Directors is deemed to have successfully implemented business strategies that are aligned with the work plan and budget set by Avian Brands. This success reflects the Board of Directors' commitment and competence in effectively managing Avian Brands' resources and ensuring that all strategic initiatives are optimally executed to achieve Avian Brands' objectives. This evaluation also confirms that the Board of Directors has played a key role in addressing business challenges and driving Avian Brands' performance towards a better direction. In addition, throughout 2024, the Board of Directors has convened 12 internal meetings and 12 joint meetings with the Board of Commissioners with topics in accordance with the 2024 work plan and matters of concern to the Board of Commissioners and the Board of Directors.

Performance Assessment of Organs Under the Board of Directors

Policy, Procedure, and Implementation of Performance Assessment

The performance assessment policy of organs under the Board of Directors aims to ensure that each organ has carried out its duties and responsibilities effectively and efficiently. This assessment also aims to identify areas that require improvement and development. Results of the assessment are subsequently factored into the reappointment process of members of organs supporting the Board of Directors, ensuring that only the most accomplished individuals may remain to support the Board of Directors in carrying out Avian Brands management functions.

Assessor

Performance assessment of organs under the Board of Directors is conducted by the Board of Directors periodically at the end of each financial year.

Aspects of Performance Assessment

The performance assessment process for organs under the Board of Directors involves a careful evaluation of the assignment reports and annual reports on the performance of each organ's activities. The performance assessment aspects for organs under the Board of Directors are described as follows:

1. Realization of the implementation of duties and responsibilities;
2. Competence possessed;
3. Meeting attendance; and
4. Recommendations provided.

Results of Performance Assessment

The Related Party Transaction Committee	Based on the 2024 performance assessment procedures and criteria, the Related Party Transaction Committee has effectively supported the Board of Directors in providing constructive input and advice on affiliated party transactions conducted by Avian Brands and its Subsidiaries. The Related Party Transactions Committee is also assessed to have ensured that all affiliated party transactions are carried out in accordance with customary business practices, comply with applicable laws and regulations, and fulfill the arm's length transaction principles. In addition, throughout 2024, the Related Party Transactions Committee has convened 3 internal meetings with topics in accordance with the 2024 work plan and matters of concern to the Related Party Transactions Committee.
The Corporate Secretary	Based on the 2024 performance assessment procedures and criteria, the Corporate Secretary is assessed to have demonstrated good performance. The Corporate Secretary is assessed to have actively followed the latest developments in the capital market and ensured Avian Brands' compliance with prevailing laws and regulations. In addition, the Corporate Secretary has also provided recommendations and inputs to the Board of Directors and the Board of Commissioners, thus ensuring that all policies and actions taken by Avian Brands are in accordance with existing regulations. The Corporate Secretary also plays an active role in attending and taking minutes at Board of Commissioners and Board of Directors meetings, both internal and joint meetings, as well as at the committee meetings.
The Internal Audit Unit	Based on the 2024 performance assessment procedures and criteria, the Internal Audit Unit is assessed to have demonstrated good performance. The Internal Audit Unit has successfully assisted the Board of Directors in implementing an internal control system, risk management, and GCG implementation in all aspects of Avian Brands' business. The Internal Audit Unit has also demonstrated a strong commitment to ensuring that every process and operation runs in accordance with established standards, thereby increasing organizational effectiveness and efficiency. In addition, throughout 2024, the Internal Audit Unit has convened 12 meetings with the members of the Board of Directors, 3 meetings with the Audit Committee, and 2 meetings with the Public Accounting Firm, with topics in accordance with the 2024 work plan and matters of concern to the Internal Audit Unit.



The Board of Commissioners and the Board of Directors Diversity Policy

Avian Brands has a policy concerning the diversity of the Board of Commissioners and the Board of Directors, as outlined in the Board of Commissioners Charter and the Board of Directors Charter. Referring to the Charters, the composition of the incumbent members of the Board of Commissioners and Board of Directors is required to have a fairly diverse composition, in terms of age, educational background, expertise, and experience, which are needed to implement their duties and responsibilities. This diversity commitment is not only to comply with applicable regulations, but is also part of Avian Brands' strategy to enrich the perspective and quality of decision-making at the upper management level.

Avian Brands recognizes that diversity at all levels, including upper management, is critical to promoting effectiveness and innovation. By emphasizing equality, Avian Brands strives to create an inclusive work environment, where various perspectives and backgrounds are allowed to provide maximum contribution. Therefore, the Board of Commissioners and Board of Directors are able to view problems and opportunities from various perspectives which will in turn support the performance and sustainability of Avian Brands. The diversity of composition of Avian Brands' Board of Commissioners and the Board of Directors as of December 31, 2024 is described as follows:

Name	Position	Citizenship	Gender	Age	Educational Background and Skills
Hermanto Tanoko	President Commissioner	Indonesian	Male	62 Years Old	Management
Mohammad Noor Rachman Soejoeti	Independent Commissioner	Indonesian	Male	67 Years Old	Economy
Wijono Tanoko	President Director	Indonesian	Male	72 Years Old	Sales and Marketing
Ruslan Tanoko	Vice President Director	Indonesian	Male	49 Years Old	Chemical Engineering
Robert Christian Tanoko	Director	Indonesian	Male	39 Years Old	Business and Trading
Kurnia Hadi Sinanto	Director	Indonesian	Male	55 Years Old	Accounting
Angelica Tanisia Jozar	Director	Indonesian	Female	43 Years Old	Engineering



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

The nomination policies and procedures for Avian Brands' Board of Commissioners and Board of Directors, are meticulously administered to ensure selection of suitable, competent candidates who are suited to Avian Brands' needs and long-term strategy. The nomination process begins with the identification of needs based on an analysis of the competence and expertise required to fill the positions on the Board of Commissioners and the Board of Directors. This involves an in-depth evaluation of the qualifications, experience and professional track record of potential candidates.

The nomination procedure is also assisted by the Nomination and Remuneration Committee, which is responsible for overseeing and recommending the best candidates to the Board of Commissioners. The Nomination and Remuneration Committee conducts preliminary selection by considering various factors, such as integrity, leadership, industry expertise, and ability to advance the interests of Avian Brands and stakeholders. Further information on Avian Brands' Board of Commissioners and Board of Directors nomination procedure is described as follows:

1. The Nomination and Remuneration Committee ("Committee") receives 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 in accordance with the relevant proposals; and
    c. Requirements in accordance with Avian Brands' 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 the Board of Directors to the chairman of the GMS. The resolution 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 Avian Brands. The resolution of the GMS is stated in the Minutes of the GMS.

Transparency and accountability are the guiding principles at every stage of the nomination process. Avian Brands strictly upholds the principles of independence and objectivity in the selection process, ensuring that the selected candidates are the most qualified and best suited to Avian Brands' Vision and Mission. With these structured nomination policies and procedures, Avian Brands is committed to building a competent and professional Board of Commissioners and Board of Directors with high integrity, capable of leading Avian Brands toward long-term growth and sustainability.

Remuneration of the Board of Commissioners and the Board of Directors

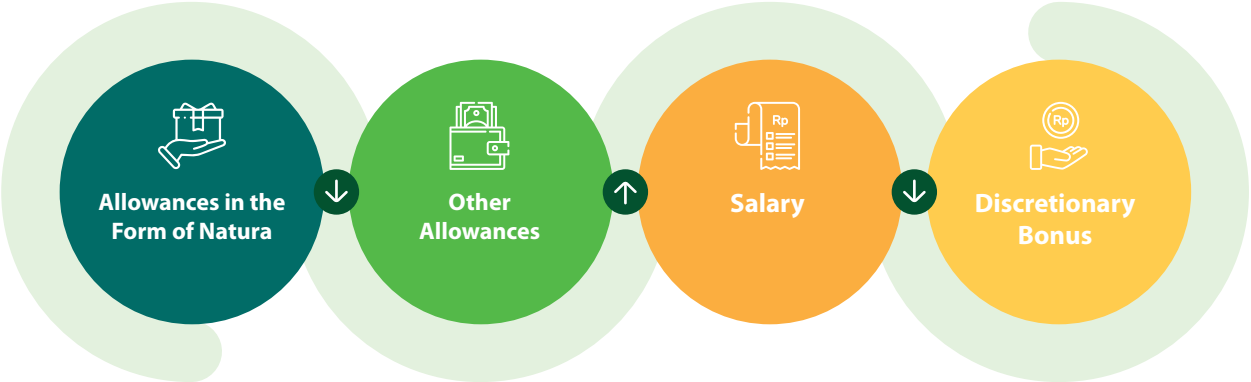
Procedure and Basis of Remuneration Determination of the Board of Commissioners and the Board of Directors

The procedure and basis for determining remuneration for Avian Brands' Board of Commissioners and Board of Directors, are carefully regulated to ensure fairness, transparency, and consistency with each member's performance and responsibilities. This procedure is subject to GMS resolution, which authority may be delegated to the Board of Commissioners by taking into account the Nomination and Remuneration Committee's opinion and recommendation. Points of consideration in determining the remuneration amount for the Board of Commissioners and Board of Directors are described as follows:

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

Remuneration Structure and Amount

The remuneration structure received by Avian Brands'Board of Commissioners and the Board of Directors consists of:



Information concerning the amount of remuneration received by Avian Brands' Board of Commissioners and the Board of Directors in 2024 is disclosed as follows:

(in millions of Rupiah)

Recipient	Total Remuneration*
The Board of Commissioners	32,249
The Board of Directors	60,661
Total	92,910

* Other than remuneration received by the Board of Commissioners and the Board of Directors of Avian Brands' Subsidiaries.

Sharia Supervisory Board

Until the end of 2024, Avian Brands does not have a Sharia Supervisory Board under the consideration that the products and services produced, the management system, fund management, and investment policies carried out by Avian Brands have not fully implemented sharia principles.

Committees Under the Board of Commissioners

The Board of Commissioners has 3 committees supporting its supervisory and advisory functions to the Board of Directors, namely the Audit Committee, Nomination and Remuneration Committee, and Good Corporate Governance Committee.

The Audit Committee

The Audit Committee is a supporting committee of the Board of Commissioners, established to support and strengthen the supervisory and evaluation function of Avian Brands' internal control system. The Audit Committee is also tasked with ensuring that all internal control mechanisms run properly to prevent and detect potential irregularities and errors in Avian Brands' operations. Furthermore, the Audit Committee is responsible for assessing the quality of disclosure and accuracy of financial reporting to ensure that the financial information presented by Avian Brands is accurate and reliable. In carrying out its duties, the Audit Committee also closely reviews the scope, accuracy, independence, and objectivity of the appointed public accountants to ensure they work free from pressure or influence from any party.

The Audit Committee Charter

Avian Brands 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 perform its duties and responsibilities efficiently, effectively, transparently and independently, accountably, and acceptable to all stakeholders.

Composition of the Audit Committee

The composition of Avian Brands' Audit Committee is regulated in the Audit Committee Charter, under which the Audit Committee must consist of at least 3 members, with an Independent Commissioner acting as Chairman and other members from independent parties. One member of the Audit Committee shall have expertise and experience in accounting and/or finance, while the other members shall have expertise in law or capital markets as well as a strong understanding of GCG. All members of the Audit Committee must meet the competence and independence requirements as stipulated in OJK Regulation No. 55/POJK.04/2015 concerning the Establishment and Working Guidelines of Audit Committees.

The appointment and dismissal of the Audit Committee members is carried out by the Board of Commissioners by virtue of its decree. Members of the Audit Committee may be dismissed if they no longer meet the established performance standards or are deemed incompetent in carrying out their duties. Dismissal may also occur if the Board of Commissioners determines that such member no longer acts independently or has violated the applicable regulations. In 2024, the composition of the Audit Committee consisted of 3 members, namely:

Name	Position
Mohammad Noor Rachman Soejoeti	**Chairman of the Audit Committee**
Sammy Tony Saul Lalamentik	**Member of the Audit Committee**
Wardiman*	**Member of the Audit Committee**

*) Term of office as Member of the Audit Committee commenced on September 17, 2024 replacing Mr. Fitradewata Teramihardja.

With this clear structure and mechanism in place, the Audit Committee is expected to effectively carry out its supervisory and evaluation functions, to ensure the quality of financial disclosure and reporting, to review the scope, accuracy, independence, and objectivity of the public accountant, and to monitor compliance with applicable laws and regulations.

Profile of the Audit Committee

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

MOHAMMAD NOOR RACHMAN SOEJOETI

Chairman of the Audit Committee

Term of Office and Basis of Appointment

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

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

SAMMY TONY SAUL LALAMENTIK

Member of the Audit Committee



Indonesian, 62 years old.

Term of Office and Basis of Appointment

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

Educational Background

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

Certifications

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

Work Experiences

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

Dual Appointments

- Commissioner of PT Kredit Rating Indonesia (2020 - present);
- Independent Commissioner of PT Super Energy Tbk (2020 - present);
- Independent Commissioner and Chairman of the Audit Committee of PT Perdana Karya Perkasa Tbk (2021 - present);
- Member of the Audit Committee of PT Nusantara Sejahtera Raya Tbk (2023 – present);
- Independent Commissioner of PT Surya Fajar Urun Dana (2024 – present);
- Independent Commissioner of PT OSO Sekuritas Indonesia (2024 – present); and
- Independent Commissioner of PT Arsy Buana Travelindo Tbk (2024 – present).

Education/Training in 2024

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Affiliation

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



WARDIMAN*

Member of the Audit Committee

Indonesian, 52 years old.

Term of Office and Basis of Appointment

2024 – 2026:
Minutes of the Meeting of the Board of Commissioners of Avian Brands No. 004/AA/BAR/KOM/IX/2024 dated September 17, 2024.

Educational Background

- Diploma III in Accounting from Polytechnic of Sriwijaya University, Palembang in 1994; and
- Bachelor of Economics majoring in Accounting from the University of Indonesia Extension Program, Depok in 1998.

Certifications

- Chartered Accountant ("CA") certification; and
- Level B Tax Consultant Practicing License.

Work Experiences

- Accounting Staff of PT Eka Sinar Abadi (1995 – 1997);
- Accounts Payable Supervisor of PT Carti Satria Megaswalayan (Carrefour) (1998 – 1999);
- Senior Auditor of KAP Hans Tuanakkota & Mustofa (Deloitte Touche) (1999 – 2001);
- Accounting Manager of Ristia Group (2001 – 2003);
- Manager of Internal Control and Corporate Finance of Yuwono Group (2003 – 2006);
- Financial Controller of Vision Group (2006 – 2013); and
- Senior Manager of PT Mitra Konsultan (2014 – 2019).

Dual Appointments

- Director of Finzone Group (2019 – present);
- Member of Audit Committee of PT Victoria Care Indonesia Tbk (2020 - present);
- Member of Audit Committee of PT Superior Prima Sukses Tbk Tbk (2024 - present); and
- Member of Related Party Transaction Committee of Avian Brands (2024 - present).

Education/Training in 2024

- In-depth Discussion on the Policy and Technicalities of Filing Annual Corporate Income Tax Returns, by the Indonesian Institute of Accountants (Ikatan Akuntan Indonesia or "IAI");
- Taxation Aspects in Insolvency and Suspension of Debt Payment Obligations, by the Indonesian Tax Consultants Association (Ikatan Konsultan Pajak Indonesia or "IKPI");
- Beyond Core Tax System: IT-based Monitoring and Services, by IKPI;
- Implementation of Tax Management and Creative Accounting, by IAI;
- Latest Regulatory Updates on Taxation Aspects in Investment, by IKPI;
- Understanding Taxation Aspects in Business, Investment, and Operational Cooperation, by IAI; and
- In-depth Discussion on Drafting Tax Consultant Service Contract with Client and Legal Protection of Tax Consultant, by IKPI.

Affiliation

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

*) Term of office as Member of the Audit Committee commenced on September 17, 2024 replacing Mr. Fitradewata Teramihardja.

Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee are based on the Audit Committee Charter as well as other relevant regulations, which stipulate its crucial role in ensuring effective supervision of Avian Brands' internal control system. The Audit Committee is responsible for evaluating and monitoring the implementation of internal controls, assessing the quality of financial reporting, and ensuring that all accounting and auditing practices comply with applicable standards. The Audit Committee also reviews the scope and independence of the public accountants carrying out the audit, as well as oversees compliance with relevant laws and regulations. Further information on the duties and responsibilities of the Audit Committee based on the Audit Committee Charter and other relevant regulations, is described as follows:

1. Reviewing the financial information to be issued by Avian Brands to the public and/or authorities, including financial statements, projections, and other reports related to Avian Brands' financial information;
2. Reviewing compliance with internal regulations as well as laws and regulations related to Avian Brands' activities, and submitting the reviews to the Board of Commissioners;
3. Providing independent opinions in the event of differing opinions 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 adequacy of the audit by considering all significant risks;
7. Reviewing the planning, implementation, and supervising the execution of follow-ups by the Board of Directors on the findings of both internal and external auditors;
8. Reviewing and reporting, to the Board of Commissioners, complaints related to Avian Brands' accounting and financial reporting processes, including allegations of errors in the resolutions of the Board of Directors meeting or deviations in the implementation of the resolutions 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 Avian Brands;
11. Assisting the Board of Commissioners in carrying out active supervision on the compliance function by:
    a. evaluating the implementation of Avian Brands' compliance function with internal regulations as well as laws and regulations relating to Avian Brands' activities at least twice in a year; and
    b. providing suggestions to improve the quality of Avian Brands' 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. Maintaining the confidentiality of Avian Brands' documents, data, and information;
14. Reviewing the implementation of risk management performed by the Board of Directors; and
15. Providing recommendations on the dismissal of external auditors.

Statement of Independence of the Audit Committee

Each Audit Committee member consistently upholds the principles of independence and prudence in carrying out their duties and responsibilities. Commitment to independence is reflected in the membership structure of the Audit Committee, in which the Chairman of the Audit Committee is an Independent Commissioner. Moreover, the other 2 members are independent external parties, ensuring that all Audit Committee activities are conducted free of conflicts of interest and with high objectivity. Each member of the Audit Committee has satisfied the independence requirements in accordance with the regulations and rules of GCG practice, namely that the members of the Audit Committee:

1. Are not parties who work or have the authority and responsibility to plan, lead, control, or supervise Avian Brands' activities within the last 6 months;
2. Do not hold Avian Brands' shares either directly or indirectly in Avian Brands;
3. Have no affiliation with the Board of Commissioners, the Board of Directors, or Main and Controlling Shareholders of Avian Brands; and
4. Have no business relationship, either directly or indirectly, related to Avian Brands' business activities.

The Audit Committee Meeting

Meeting Policy

Policy regarding the convening of Audit Committee meetings is stipulated in the Audit Committee Charter, under which meetings must be convened at least once every 3 months. For a meeting to be deemed valid, it must be attended by at least 51% of the total members, including the attendance of at least one Independent Commissioner. This ensures that each Audit Committee meeting is conducted with adequate participation and representation to ensure effective and accountable decision-making.

Meeting Convention

Throughout 2024, the Audit Committee has convened 5 meetings. Information regarding the number of meetings and meeting attendance by members of the Audit Committee is as follows:

Name	Position	Number of Meeting	Total Attendance	Attendance (%)
Mohammad Noor Rachman Soejoeti	Chairman of the Audit Committee	5	5	100.00
Sammy Tony Saul Lalamentik	Member of the Audit Committee	5	5	100.00
Wardiman*	Member of the Audit Committee	5	2	40.00

*) Term of office as Member of the Audit Committee commenced on September 17, 2024 replacing Mr. Fitradewata Teramihardja.

Competence Development of the Audit Committee

Avian Brands is consistently committed to improving the knowledge and competence of Audit Committee members through continuous development programs. Each year, Audit Committee members participate in various training and development programs designed to upgrade their knowledge and improve their ability to effectively carry out their duties and responsibilities. This ensures that the Audit Committee remains alert to challenges and changes in the business and regulatory environment. Information related to competence development programs attended by Audit Committee members throughout 2024 has been disclosed in the profile section of each Audit Committee member.

Performance of the Audit Committee's Duties

The Audit Committee carries out its duties and responsibilities with utmost dedication and prudence in accordance with applicable regulations and guidelines. Information regarding the performance of the Audit Committee's duties carried out throughout 2024, is described as follows:

1. Discussing the year-end audit results of the Consolidated Financial Statements of Avian Brands and its Subsidiaries for the financial year ended December 31, 2023, by the Independent Auditor, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the global PwC network);
2. Reviewing the Consolidated Financial Statements of Avian Brands and its Subsidiaries for the March 31, 2024, June 30, 2024, and September 30, 2024 period;
3. Evaluating the implementation of the provision of audit services on annual historical financial information by Public Accountant and/or Public Accounting Firm for the 2023 financial year;
4. Providing recommendations for the appointment of a Public Accounting Firm that will audit the Financial Statements for the 2024 financial year;
5. Reviewing the independence and objectivity of the Public Accounting Firm in conducting the audit for the 2024 financial year;
6. Reviewing the implementation of the Internal Audit Unit's work program and providing input to improve the efficiency and effectiveness of the Internal Audit Unit;
7. Reviewing audit findings, both from internal and external auditors, and monitoring follow-up actions on audit findings; and
8. Reviewing the effectiveness of the internal control system and providing input to encourage the creation of an effective internal control system.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a supporting committee of the Board of Commissioners established to ensure that Avian Brands' nomination and remuneration process complies with the prevailing laws and regulations. It also assists the implementation of supervisory functions to ensure objective, effective and efficient nomination and remuneration. Further, the Nomination and Remuneration Committee focuses on improving the quality, competence, and responsibilities of the Board of Commissioners and Board of Directors, allowing them to perform their duties optimally, in line with Avian Brands' Vision and Mission. By having a Nomination and Remuneration Committee, Avian Brands is expected to achieve its strategic objectives through transparent and accountable management, and to ensure that each decision concerning nomination and remuneration contributes significantly to business growth and sustainability.

The Nomination and Remuneration Committee Charter

Avian Brands 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 perform its duties and responsibilities efficiently, effectively, transparently and independently, accountably, and acceptable by all stakeholders.

The Composition of Nomination and Remuneration Committee

The composition of Avian Brands' Nomination and Remuneration Committee is regulated in the Nomination and Remuneration Charter, under which the Nomination and Remuneration Committee must consist of at least 3 members, with an Independent Commissioner acting as Chairman. The appointment and dismissal of the Nomination and Remuneration Committee members is carried out by the Board of Commissioners by virtue of its decree. Dismissal process of Nomination and Remuneration Committee members is also clearly regulated, in which members may be dismissed upon expiration of their term of office or if, as assessed by the Board of Commissioners, such members fail to meet predetermined performance standards or are deemed incompetent in carrying out their duties. These arrangements are designed to ensure that the committee operates with a high level of efficiency and effectiveness, and is capable of performing its supervisory function over the nomination and remuneration process with a high degree of objectivity. In 2024, the composition of the Nomination and Remuneration Committee consisted of 3 members, namely:

Name	Position
Mohammad Noor Rachman Soejoeti	**Chairman of the Nomination and Remuneration Committee**
Hermanto Tanoko	**Member of the Nomination and Remuneration Committee**
Iwan Sigit	**Member of the Nomination and Remuneration Committee**

Profile of the Nomination and Remuneration Committee

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

MOHAMMAD NOOR RACHMAN SOEJOETI

Chairman of the Nomination and Remuneration Committee

Term of Office and Basis of Appointment

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

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

HERMANTO TANOKO

Member of the Nomination and Remuneration Committee

Term of Office and Basis of Appointment

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

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



IWAN SIGIT

Member of the Nomination and Remuneration Committee

Indonesian, 52 years old.

Term of Office and Basis of Appointment

2021 – 2026:

The Board of Commissioners Decree of Avian Brands No. 033/AA/DIR/VIII/2021 dated August 31, 2021.

Educational Background

Bachelor of Industrial Statistics from Brawijaya University, Malang in 1997.

Certifications

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Work Experiences

Operational General Manager of Avian Brands (2017 – 2021).

Dual Appointments

- Vice Director of Operations of Avian Brands (2021 - present); and
- Member of the Good Corporate Governance Committee of Avian Brands (2022 – present).

Education/Training in 2024

- Strategies for Achieving the Sustainable Development Goal Pillars by Paragon;
- Factory Visit by PT Theris Fire Protection;
- Socialization of INDI 4.0 Assistance by Avian Brands; and
- Safety Tank by PT BASF Indonesia.

Affiliation

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

Duties and Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee are based on the Nomination and Remuneration Committee Charter, which sets forth its critical role to support the Board of Commissioners in various aspects related to nomination and remuneration. One of the primary duties of the Nomination and Remuneration Committee is to ensure an objective and transparent nomination process for members of the Board of Commissioners and Board of Directors, taking into account the predetermined criteria to ensure that the selected candidates possess high competence and integrity. The Nomination and Remuneration Committee is also responsible for formulating fair and competitive remuneration policies, both for the Board of Commissioners and the Board of Directors, to ensure that the remuneration structure can stimulate optimal

performance and is aligned with Avian Brands' strategic objectives. Further information on the duties and responsibilities of the Nomination and Remuneration Committee based on the Nomination and Remuneration Committee Charter, is described as follows:

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 a part of the Board of Commissioners' Report to be submitted to and then stipulated in the GMS;
2. Assisting the Board of Commissioners in performance assessment in relation to the 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 regarding:
   a. designation composition of the Board of Commissioners and the Board of Directors;
   b. policy and criteria required in the nomination process of 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 programs for members of the Board of Commissioners and the Board of Directors;
6. Providing proposals of qualified candidates 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 the aforementioned, given by the Board of Commissioners in accordance with their functions and duties from time to time as necessary; and
8. In carrying out its duties, the Nomination and Remuneration Committee is responsible to the Board of Commissioners and must act independently.

Statement of Independence of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consistently upholds the principle of independence in carrying out its duties and responsibilities. This independence is reflected in the Nomination and Remuneration Committee structure, in which the Chairman is an Independent Commissioner with no affiliation with other members of the Board of Commissioners or the Board of Directors. This ensures that evaluations and recommendations are made objectively and without influence from any personal or group interests. The Nomination and Remuneration Committee is committed to conducting the entire nomination and remuneration process transparently, fairly and in accordance with the GCG principles. This aims to maintain integrity and trust in the supervisory and decision-making processes carried out by the Board of Commissioners and the Board of Directors, and to ensure that all policies are implemented in line with the best interests of Avian Brands and its stakeholders.

The Nomination and Remuneration Committee Meeting

Meeting Policy

Policy regarding the convening of Nomination and Remuneration Committee meetings is stipulated in the Nomination and Remuneration Committee Charter, under which meetings must be convened regularly with a minimum frequency of 1 time in 4 months. To ensure the validity and effectiveness of meetings, the attendance of a majority of Nomination and Remuneration Committee members is required. This provision is formulated to ensure that each resolution adopted at the meeting is well-founded and supported by the opinions of the majority of members, thus improving the quality of supervision and decision-making process regarding nomination and remuneration.

Meeting Convention

Throughout 2024, the Nomination and Remuneration Committee has convened 3 meetings. Information regarding the number of meetings and meeting attendance by members of the Nomination and Remuneration Committee is described as follows:

Name	Position	Number of Meeting	Total Attendance	Attendance (%)
Mohammad Noor Rachman Soejoeti	Chairman of the Nomination and Remuneration Committee	3	3	100.00
Hermanto Tanoko	Member of the Nomination and Remuneration Committee	3	3	100.00
Iwan Sigit	Member of the Nomination and Remuneration Committee	3	3	100.00

Competence Development of the Nomination and Remuneration Committee

Avian Brands is consistently committed to improving the knowledge and competence of Nomination and Remuneration Committee members through continuous development programs. Each year, Nomination and Remuneration Committee members participate in various training and development programs designed to upgrade their knowledge and improve their ability to effectively carry out their duties and responsibilities. This ensures that the Nomination and Remuneration Committee remains alert to challenges and changes in the business and regulatory environment.

Information related to competence development programs attended by Nomination and Remuneration Committee members throughout 2024 has been disclosed in the profile section of each Nomination and Remuneration Committee member.

Performance of the Nomination and Remuneration Committee's Duties

Performance of the duties of the Nomination and Remuneration Committee is carried out with a focus on improving the effectiveness and objectivity of supervisory functions over the nomination and remuneration process. Such duties are carried out at all times with utmost dedication and prudence, in accordance with applicable regulations and guidelines. Information regarding the performance of the Nomination and Remuneration Committee's duties carried out throughout 2024 is described as follows:

1. Reviewing the remuneration of the members of Avian Brands' Board of Commissioners and Board of Directors for 2024;
2. Discussing the review of self-assessment results by each Board of Commissioners member regarding the collective performance of the Board of Commissioners and the Board of Directors for the 2023 financial year;
3. Assisting the Board of Commissioners in performance assessment of the Board of Commissioners and the Board of Directors for 2024;
4. Provide recommendations to the Board of Commissioners on competence development programs for members of the Board of Commissioners and the Board of Directorsand
5. Performing other duties assigned by Avian Brands' Board of Commissioners.

The Good Corporate Governance Committee

The Good Corporate Governance Committee is a supporting committee of the Board of Commissioners established to ensure that Avian Brands' Business Ethics and Code of Conduct have been implemented in every aspect of Avian Brands' operations. The Good Corporate Governance Committee also has the duties and responsibilities to receive and follow up reports of any complaints of violations of Business Ethics and Code of Conduct committed by Avian Brands' personnel. Accordingly, the Good Corporate Governance Committee ensures that any violations are dealt with seriously, in accordance with established procedures to maintain integrity and ethics in conducting business. The Good Corporate Governance Committee also plays a role in overseeing implementation of Environmental, Social, and Governance ("ESG") aspects, to ensure alignment with Avian Brands' sustainability principles. The Good Corporate Governance Committee is instrumental in supporting the Board of Commissioners to maintain transparency, accountability and high standards of ethics in every aspect of Avian Brands management, which in turn contributes to the achievement of Avian Brands' Vision and Mission.

The Good Corporate Governance Committee Charter

In performing its duties and responsibilities, the Good Corporate Governance Committee is guided by Avian Brands' Business Ethics and Code of Conduct which have been stipulated on June 25, 2021, as last amended on March 24, 2022.

Composition of the Good Corporate Governance Committee

The Good Corporate Governance Committee consists of members appointed for a 3-year term of office, with members' appointment and dismissal based on resolution of the Board of Commissioners. The Good Corporate Governance Committee is chaired by the Operational Director, with permanent members comprising the Financial Director and Deputy Operational Director. In addition to the permanent members, the Good Corporate Governance Committee also comprises Ad Hoc members, i.e., division leaders in Avian Brands' organization. Having these Ad Hoc members ensures that the committee includes representatives from various divisions within Avian Brands, which assists in addressing specific issues and carrying out specific tasks relating to governance. In 2024, the composition of the Good Corporate Governance Committee consisted of 3 members, namely:

Name	Position
Robert Christian Tanoko	**Chairman of the Good Corporate Governance**
Kurnia Hadi Sinanto	**Member of the Good Corporate Governance**
Iwan Sigit	**Member of the Good Corporate Governance**

Profile of the Good Corporate Governance Committee

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

ROBERT CHRISTIAN TANOKO

Chairman of the Good Corporate Governance

Term of Office and Basis of Appointment

2023 – 2026: Minutes of Meeting of the Board of Commissioners of Avian Brands No. 004/AA/BAR/KOM/VIII/2023 dated August 16, 2023.

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

KURNIA HADI SINANTO

Member of the Good Corporate Governance

Term of Office and Basis of Appointment

2023 – 2026: Minutes of Meeting of the Board of Commissioners of Avian Brands No. 004/AA/BAR/KOM/VIII/2023 dated August 16, 2023.

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

IWAN SIGIT

Member of the Good Corporate Governance

Term of Office and Basis of Appointment

2023 – 2026: Minutes of Meeting of the Board of Commissioners of Avian Brands No. 004/AA/BAR/KOM/VIII/2023 dated August 16, 2023

The complete profile of the Member of the Good Corporate Governance Committee can be found in the Profile of Member of the Nomination and Remuneration Committee section in this Annual Report.

Duties and Responsibilities of the Good Corporate Governance Committee

The duties and responsibilities of the Good Corporate Governance Committee are based on the Business Ethics and Code of Conduct as well as other relevant regulations that stipulate various essential aspects to ensure good and sustainable corporate governance. One of the primary duties of the Good Corporate Governance Committee is to assist the Board of Commissioners in carrying out its supervisory function over the enforcement of Avian Brands' Business Ethics and Code of Conduct. The Good Corporate Governance Committee is also responsible for receiving and following up on reports of any complaints of violations of Business Ethics and Code of Conduct committed by Avian Brands' personnel. Further information on the duties and responsibilities of the Good Corporate Governance Committee, based on the Business Ethics and Code of Conduct and other relevant regulations, is described as follows:

1. Conducting socialization activities to enforce Avian Brands' Business Ethics and Code of Conduct to all Avian Brands' Personnel as a form of prevention of violations of Avian Brands' Business Ethics and Code of Conduct;
2. Receiving questions that arise from Avian Brands' Personnel regarding the contents of Avian Brands' Business Ethics and Code of Conduct;
3. Receiving reports of any complaints against violations of Avian Brands' Business Ethics and Code of Conduct by Avian Brands' Personnel;
4. Following up on any reports of violations of Avian Brands'Business Ethics and Code of Conduct;
5. Providing recommendations on resolutions of violations of Avian Brands' Business Ethics and Code of Conduct to the Board of Directors, including sanctions that will be imposed; and
6. Supervising the implementation of Environmental, Social, and Governance ("ESG") aspects in Avian Brands' operations, including ensuring compliance with sustainability principles, supporting social and environmental initiatives, and promoting good governance to increase value for stakeholders.

Statement of Independence of the Good Corporate Governance Committee

The Good Corporate Governance Committee consistently upholds the principle of independence in carrying out its duties and responsibilities. This is reflected in its membership composition which includes the Operations Director as chairman, as well as permanent members consisting of the Finance Director and Deputy Operations Director, along with Ad Hoc members consisting of division leaders within Avian Brands' organization. The Good Corporate Governance Committee's independence ensures that each decision and recommendation is free from external influence or pressure, in order to prioritize Avian Brands' best interests. The Good Corporate Governance Committee is also committed to complying with all applicable regulations and governance standards as well as maintaining integrity in every aspect of Avian Brands' operations.

The Good Corporate Governance Committee Meeting

Meeting Policy

Policy on convening Good Corporate Governance Committee meetings stipulates that meetings are convened periodically as necessary, to ensure the enforcement of the Business Ethics and Code of Conduct. Meeting discussions also include an update on Avian Brands' ESG data for each quarter. The frequency of meetings is determined based on the urgency and complexity of emerging issues related to compliance and corporate governance.

Meeting Convention

Throughout 2024, the Good Corporate Governance Committee has convened 4 meetings. Information regarding the number of meetings and meeting attendance by members of the Good Corporate Governance Committee is described as follows:

Name	Position	Number of Meeting	Total Attendance	Attendance (%)
Robert Christian Tanoko	Chairman of the Good Corporate Governance	4	4	100.00
Kurnia Hadi Sinanto	Member Good Corporate Governance	4	4	100.00
Iwan Sigit	Member Good Corporate Governance	4	4	100.00

Competence Development of the Good Corporate Governance Committee

Avian Brands is consistently committed to improving the knowledge and competence of Good Corporate Governance Committee members through continuous development programs. Each year, Good Corporate Governance Committee members participate in various training and development programs designed to upgrade their knowledge and improve their ability to effectively carry out their duties and responsibilities. This ensures that the Good Corporate Governance Committee remains alert to challenges and changes in the business and regulatory environment.

Information related to competence development programs attended by Good Corporate Governance Committee members throughout 2024 has been disclosed in the profile section of each Good Corporate Governance Committee member.

Implementation of Duties of the Good Corporate Governance Committee

Implementation of the Good Corporate Governance Committee's duties involves various aspects critical to ensure compliance with the Business Ethics and Code of Conduct at all levels of the organization. The Good Corporate Governance Committee receives and follows up on any reports or complaints related to ethical violations, conducts in-depth investigations, and provides recommendations for settlement. Furthermore, the Good Corporate Governance Committee also prepares periodic reports to the Board of Commissioners to deliver strategic inputs concerning continuous improvements that Avian Brands needs to implement. Further information regarding the implementation of the Good Corporate Governance Committee's duties carried out throughout 2024, is described as follows:

1. Ensuring that every complaint of violation of Business Ethics and Code of Conduct received, is followed up with a thorough investigation process based on the established facts, while ensuring full confidentiality protection of the whistleblower's identity to prevent possible retaliation or invasion of privacy;
2. Discussing summary of ESG data of Avian Brands and its Subsidiaries, for the period ended December 31, 2023, March 31, 2024, June 30, 2024, and September 30, 2024 in relation to Avian Brands' commitment to responsible business conducts of sustainability;
3. Discussing results of assessment by EcoVadis, an international certification body, on Avian Brands' sustainability performance across environmental, labor and human rights, ethics, and procurement practices; and
4. Discussing the awards received by Avian Brands, namely ESG Award 2024 in the category of Best Issuer in the capital market sector, organized by Yayasan Keanekaragaman Hayati Indonesia ("KEHATI"), ESG Award 2024 from Katadata, and Annual Report Award 2023 from KNKG.

Committees Under the Board of Directors

The Board of Directors has 1 supporting committee to assist in the implementation of Avian Brands management duties, namely the Related Party Transaction Committee

The Related Party Transaction Committee

The Related Party Transaction Committee is a supporting committee of the Board of Directors established to assist the Board of Directors in ensuring that any affiliated party transactions conducted by Avian Brands complies with generally accepted business practices and prevailing laws and regulations. The Related Party Transaction Committee actively assesses and supervises any affiliated party transactions, to ensure that they not only meet the standards of fairness and transparency, but also adhere to the principles that ensure the interests of Avian Brands and its stakeholders. By upholding these principles, the Related Party Transaction Committee promotes the creation of an ethical and accountable business environment, while reducing risks that may arise from transactions that are inconsistent with applicable policies or regulations.

The Related Party Transaction Committee Charter

In performing its duties and responsibilities, the Related Party Transaction Committee is guided by the Financial Services Authority Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions and the Affiliated Transaction Guidelines established by Avian Brands on November 16, 2022.

Composition of the Related Party Transaction Committee

The composition of the Related Party Transaction Committee consists of 3 members, with 1 Chairman and 2 Members. Appointment and dismissal of Related Party Transaction Committee Members is carried out directly by the Board of Directors, acting as the main authority in determining the continuity of the Related Party Transaction Committee. Resolution to dismiss a member may be taken upon expiry of his term of office or if the member does not meet the predetermined performance standards. The Board of Directors ensures that each committee member possesses the necessary competence and demonstrates satisfactory performance in carrying out their duties and responsibilities. In 2024, the composition of the Related Party Transaction Committee consisted of 3 members, namely:

Name	Position
Kurnia Hadi Sinanto	**Chairman of the Related Party Transaction Committee**
Wardiman*	**Member of the Related Party Transaction Committee**
Bobby Septian Yahya	**Member of the Related Party Transaction Committee**

*) Term of office as Member of the Related Party Transaction Committee commenced on September 17, 2024 replacing Mr. Fitradewata Teramihardja.

Profile of the Related Party Transaction Committee

The profile of each member of the Related Party Transaction Committee is described as follows:



KURNIA HADI SINANTO

Chairman of the Related Party Transaction Committee



Term of Office and Basis of Appointment

2022 – 2025: The Board of Directors Decree of Avian Brands No. 008/AA/SK/DIR/V/2022 dated May 19, 2022.

The complete profile of the Chairman of the Related Party Transaction Committee can be found in the Profile of the Board of Directors section of this Annual Report.

WARDIMAN*

Member of the Related Party Transaction Committee

Term of Office and Basis of Appointment

2024 – 2025: Minutes of Meeting of the Board of Directors of Avian Brands No. 009/AA/BAR/DIR/IX/2024 dated September 17, 2024.

The complete profile of the Member of the Related Party Transaction Committee can be found in the Profile of the Audit Committee section of this Annual Report.

*) Term of office as Member of the Related Party Transaction Committee commenced on September 17, 2024 replacing Mr. Fitradewata Teramihardja.

BOBBY SEPTIAN YAHYA

Member of the Related Party Transaction Committee



Indonesian, 32 years old.

Term of Office and Basis of Appointment

2023 – 2025:

The Board of Directors Decree of Avian Brands No. 008/AA/SK/DIR/VI/2022 dated June 14, 2023.

Educational Background

Bachelor of Accounting from Bina Nusantara University, Jakarta in 2014.

Certifications

- Practical Implementation of Operational Audit from Yayasan Pendidikan Internal Audit; and
- Risk Based Internal Audit from Yayasan Pendidikan Internal Audit.

Work Experiences

- Internal Audit of PT Combiphar (2015 – 2018);
- Internal Audit Senior of PT Sayap Mas Utama (Wings Corp) (2018 – 2022); and
- Assistant Manager of Special Investigations and Forensic Audit of PT Sinarmas Agro Resources and Technology Tbk (2022).

Dual Appointments

Head of Internal Audit Unit of Avian Brands (2023 – present).

Education/Training in 2024

This information is presented in the Competence Development of the Internal Audit Unit section of this Annual Report.

Affiliation

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

Duties and Responsibilities of the Related Party Transaction Committee

The Related Party Transaction Committee is responsible for ensuring that all related party transactions conducted by Avian Brands comply with applicable standards and fair transaction principles. Related Party Transaction Committee's primary duties include a comprehensive assessment of all related party transactions to ensure compliance with laws and regulations as well as customary business practices. Further information on the duties and responsibilities of the Related Party Transaction Committee, is described as follows:

1. Providing recommendations to the Board of Directors regarding affiliated transactions conducted by Avian Brands, such that they are in accordance with the generally accepted business practices, applicable laws and regulations, and meet the principles of fair transactions;
2. Assisting the Board of Directors to ensure that transactions conducted with related parties are not detrimental to the interests of Avian Brands and Avian Brands' Independent Shareholders;
3. Cooperating with the Corporate Secretary, Finance Team, and Legal Team of Avian Brands in discussing and deliberating affiliated transaction plans to be undertaken by Avian Brands; and
4. Conducting special inspections related to affiliated transactions, if necessary.

Independence Statement of the Related Party Transaction Committee

The Related Party Transaction Committee is firmly committed to complying with the principle of independence in every aspect of performing its duties and responsibilities. The committee structure consists of independent members with no affiliation with any parties involved in the transactions, to ensure that all decisions and recommendations are made free from any influence or conflict of interest. In performing this function, the Related Party Transaction Committee maintains objectivity and transparency as well as actively avoids situations that may affect the integrity of the assessment process. Accordingly, the Related Party Transaction Committee functions as the primary guard in ensuring that all affiliated party transactions are carried out in accordance with principles of fairness and compliance with applicable regulations, thus improving stakeholders' trust in Avian Brands' business processes.

The Related Party Transaction Committee Meeting

Meeting Policy

Policy concerning the convening of Related Party Transaction Committee meetings establishes that meetings should be regularly convened, at least once every four months. To ensure the effectiveness and validity of adopted resolutions, meetings may only be convened if attended by a majority of the total members. This policy aims to ensure that all members have the opportunity to participate in the decision-making process and that all related party transactions are thoroughly reviewed in accordance with established principles.

Meeting Convention

Throughout 2024, the Related Party Transaction Committee has convened 3 meetings. Information regarding the number of meetings and meeting attendance by members of the Related Party Transaction Committee is described as follows:

Name	Position	Number of Meeting	Total Attendance	Attendance (%)
Kurnia Hadi Sinanto	Chairman of the Related Party Transaction Committee	3	3	**100.00**
Wardiman*	Member of the Related Party Transaction Committee	3	1	**33.33**
Bobby Septian Yahya	Member of the Related Party Transaction Committee	3	3	**100.00**

*) Term of office as Member of the Related Party Transaction Committee commenced on September 17, 2024 replacing Mr. Fitradewata Teramihardja.

Competence Development of the Related Party Transaction Committee

Avian Brands is consistently committed to improving knowledge and competence of Related Party Transaction Committee members through continuous development programs. Each year, Related Party Transaction Committee members participate in various training and development programs designed to upgrade their knowledge and improve their ability to effectively carry out their duties and responsibilities. This ensures that the Related Party Transaction Committee remains alert to challenges and changes in the business and regulatory environment.

Information related to competence development programs attended by Related Party Transaction Committee members throughout 2024 has been disclosed in the profile section of each Related Party Transaction Committee member.

Implementation of Duties and Responsibilities of the Related Party Transaction Committee

The implementation of the Related Party Transaction Committee's duties is focused on ensuring that every related party transaction conducted by Avian Brands complies with fair business principles and in accordance with applicable regulations. The Related Party Transaction Committee is responsible for assessing and providing recommendations related to affiliated party transactions' conformity with common market practices, as well as their compliance with relevant regulations. Further information regarding the implementation of the Related Party Transaction Committee's duties carried out throughout 2024, is described as follows:

1. Periodically discussing, on a quarterly basis, related party transactions, among others:
   a. Purchase of PVC pipe products by PT Tirtakencana Tatawarna (distributor) from PT Avia Avian Industri Pipa (manufacturer);
   b. Purchase of plastic packaging goods for finished goods products by Avian Brands from PT Mitra Mulia Makmur;
   c. Purchase of ancillary building material products by PT Tirtakencana Tatawarna (distributor) from PT Kencana Lintasindo Internasional (manufacturer);
   d. Leasing of warehouse/depot for distribution activities by PT Tirtakencana Tatawarna from PT Sarana Depo Kencana; and
   e. Purchase of calcium carbonate by Avian Brands from PT Panca Kalsiumindo Perkasa.
2. Discussing the affiliated transactions planned to be carried out by Avian Brands with the affiliated parties that must be reported to the OJK, among others space or building rental agreements, and sales of Avian Brands assets.

The Corporate Secretary

The Corporate Secretary is a Avian Brands' organ responsible for supporting the Board of Directors in internal and external communication aspects. This role encompasses managing communication among Avian Brands' organs, as well as the relationship between Avian Brands and Shareholders, regulators, and various other stakeholders. The Corporate Secretary also ensures that Avian Brands complies with all applicable laws and regulations in the capital market. Moreover, the Corporate Secretary is responsible for providing public information accessible to stakeholders based on reasonable needs. Through these duties, the Corporate Secretary ensures transparency and disclosure of information that are essential in maintaining Avian Brands' integrity and accountability.

The Corporate Secretary Charter

Avian Brands 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 in order that they may be carried out in an efficient, transparent, accountable, and independent manner in accordance with the prevailing laws and regulations.

Party Appointing and Dismissing the Corporate Secretary

The Corporate Secretary is directly responsible to the Board of Directors and is appointed and dismissed by virtue of a Board of Directors Resolution. Each appointment, replacement, or dismissal of the Corporate Secretary shall be notifed to the Financial Services Authority, to ensure transparency and compliance with applicable regulations. Thus, the Corporate Secretary appointment and dismissal process is carried out by taking into account regulatory compliance, as well as the appointed individual's integrity and capability to carry out the duties and responsibilities of the Corporate Secretary.

Profile of the Corporate Secretary



HERA SEPTI ASTUTI

The Corporate Secretary

Indonesian, 39 years old, domicile in Jakarta.

Basis of Appointment

The Board of Directors Decree of Avian Brands No. 012/AA/SK/DIR/VIII/2022 dated August 31, 2022.

Educational Background

- Bachelor of Law from Atma Jaya University, Jakarta in 2007; and
- Master of Notarial from Pelita Harapan University, Jakarta in 2019.

Certifications

- The Advocate Professional Exam ("UPA") – The Indonesian Advocates Association ("PERADI"); and
- Basic 1 Course of Capital Market Legal Consultant Professional Education - Capital Market Legal Consultant Association ("HKHPM") and FHP Education of Law ("FHP").

Work Experiences

- Legal Staff of Notary Office of Dr. Misahardi Wilamarta, S.H., M.Kn. (2008 – 2010);
- Senior Legal of PT Profesional Telekomunikasi Indonesia (2010 – 2017);
- Corporate Secretary Manager of PT Graha Layar Prima Tbk (2018 – 2020); and
- Corporate Secretary Manager of Avian Brands (2021 – 2022).

Dual Appointments

-

Duties and Responsibilities of the Corporate Secretary

The Corporate Secretary's duties and responsibilities are based on the Corporate Secretary Charter which stipulates its critical role in supporting effective communication among Avian Brands' organs, maintaining relationships with stakeholders, ensuring compliance with capital market regulations, and providing accurate and accessible public information. Further information on the duties and responsibilities of the Corporate Secretary is described as follows:

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 Avian Brands' 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. Coordinating preparation and submission processes of the Annual Report and Sustainability Report;
8. Acting as the liaison between Avian Brands and the Shareholders, the Financial Services Authority, and other stakeholders;
9. Representing Avian Brands in correspondence with capital market authorities in accordance with the authority granted by Avian Brands; and
10. Submitting periodic reports, no fewer than once a year, regarding the implementation of the Corporate Secretary functions to the Board of Directors, copied to the Board of Commissioners.

The Corporate Secretary Competence Development

Avian Brands is consistently committed to improving the knowledge and competence of the Corporate Secretary through continuous development programs. Each year, the Corporate Secretary participates in various training and development programs designed to upgrade her knowledge and improve her ability to effectively carry out her duties and responsibilities. This ensures that the Corporate Secretary Committee remains alert to challenges and changes in the business and regulatory environment. Information related to competence development programs attended by the Corporate Secretary throughout 2024 is described as follows:

Date	Description	Organizer
January 16, 2024	Dissemination of Financial Services Authority (Otoritas Jasa Keuangan or "OJK") Regulation No 18 of 2023 concerning Issuance and Requirements of Sustainability-Based Bonds and Sukuk	OJK and Indonesian Public Listed Companies Association (Asosiasi Emiten Indonesia or "AEI")
March 7, 2024	In-depth discussion of OJK Regulation No. 14/POJK.04/2022 concerning Submission of Periodic Financial Reports of Issuers or Public Companies.	Indonesia Corporate Secretary Association ("ICSA")
April 25, 2024	ESG Investing: What is it and why investors care about it?	Indonesia Stock Exchange ("IDX") & Sustainable Finance Indonesia
April 26, 2024	Dissemination of IDX Regulation No. I-I concerning Stock Splits and Reverse Stock Splits by Listed Companies that Issue Securities.	IDX
May 29, 2024	Webinar on "The ESG Ratings Phenomenon: What, Why, and How".	ICSA & Global Reporting Initiative ("GRI") ASEAN Network
June 13, 2024	Dissemination of Financial Services Authority (Otoritas Jasa Keuangan or "OJK") regulations, namely: 1. OJK Regulation No. 20 of 2023 concerning Users of International Financial Accounting Standards in the Capital Market; 2. OJK Regulation No. 29 of 2023 concerning Buyback of Shares Issued by Public Companies; and 3. OJK Regulation No. 4 of 2024 concerning Reports on Ownership of, or Any Change of Ownership of, Shares in Public Companies and Reports on the Activities of Encumbering Public Company Shares	OJK
July 31, 2024	Journey to Sustainability with PT Pertamina (Persero).	ICSA
August 2, 2024	Webinar on Comprehensive Guide to Integrated Annual Report Excellence	AEI
September 19, 2024	Webinar on an in-depth discussion of OJK Regulation No. 3 of 2021 concerning the Organization of Capital Market Activities.	ICSA
October 29, 2024	Webinar on Convening of Electronic General Meeting of Shareholders ("E-GMS") through eASY.KSEI.	ICSA and Indonesia Central Securities Depository (Kustodian Sentral Efek Indonesia)
December 13, 2024	Dissemination of SPE-IDXnet regarding adjustments to Accountant Public and/or Public Accounting Firm, Structured Warrants, and ESG Reporting forms.	IDX

Implementation of the Duties of the Corporate Secretary

The implementation of the Corporate Secretary's duties includes various activities to ensure harmonious and transparent relationships between Avian Brands and its stakeholders. The Corporate Secretary actively coordinates communication between the Board of Directors, the Board of Commissioners and the Shareholders, and maintains good relations with regulators and other relevant institutions. The Corporate Secretary is also responsible for supervising and ensuring Avian Brands' compliance with all applicable capital market laws and regulations, as well as providing public information that is relevant and accessible to all interested parties. Further details regarding the implementation of the Corporate Secretary's duties carried out throughout 2024 is described below:

1. Organizing and facilitating the meetings of the Board of Directors, the Board of Commissioners, and various committees, such as the Audit Committee, the Nomination and Remuneration Committee, the Good Corporate Governance Committee, and the Related Party Transaction Committee, including preparing minutes of meetings;
2. Monitoring changes in capital market regulations and ensuring that Avian Brands complies with applicable regulations, including publishing 12 monthly reports concerning shareholding registration, 4 Financial Reports, 1 Annual Report, and 1 Sustainability Report throughout 2024;
3. Improving competence and knowledge by attending various professional trainings;
4. Maintaining communication with capital market regulators, such as the Financial Services Authority and the Indonesia Stock Exchange, as well as other supporting institutions;
5. Carrying out various activities to ensure transparency of Avian Brands' information to the public, including the publication of 19 press releases;
6. Regularly updating information on Avian Brands' investor relations section on the website; and
7. Preparing and formulating the Corporate Secretary work program for 2025.

The Internal Audit Unit

The Internal Audit Unit is Avian Brands' organ responsible for supporting the Board of Directors in the aspects of overseeing and evaluating the internal control system. The Internal Audit Unit plays an integral role in providing independent and objective insight, assurance, and consultation to improve Avian Brands' operational value and effectiveness. By adopting a systematic approach, the Internal Audit Unit consistently evaluates and improves the effectiveness of risk management, internal control, and GCG implementation. Through a comprehensive audit process, the Internal Audit Unit contributes to improving operational quality and efficiency, to ensure that all aspects of Avian Brands' activities are in accordance with established standards and applicable regulations, and to assist Avian Brands in achieving its strategic objectives more transparently and accountably.

The Internal Audit Unit Charter

Avian Brands 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 may be carried out effectively.

Party Appointing and Dismissing the Internal Audit Unit

The Internal Audit Unit is led by the Head of Internal Audit Unit, appointed and dismissed by the President Director with the Board of Commissioners' approval, in accordance with the provisions set forth in the Internal Audit Charter. Any changes in Internal Audit Unit leadership, either appointment, replacement, or dismissal thereof, must be reported to the Financial Services Authority to ensure transparency and compliance with applicable regulations. This process not only ensures accountability in the management of the Internal Audit Unit, but also fosters integrity and trust in Avian Brands' internal control practices.

Profile of Head of the Internal Audit Unit

BOBBY SEPTIAN YAHYA

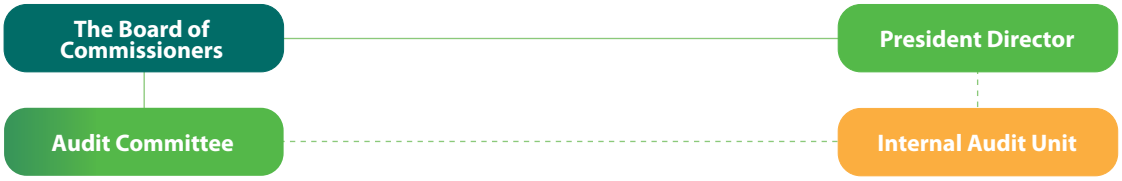
Head of the Internal Audit Unit

Term of Office and Basis of Appointment

The Board of Directors Decree No. 004/AA/SK/DIR/IV/2023 dated April 6, 2023.

The complete profile of the Head of the Internal Audit Unit can be found in the Profile of the Related Party Transaction Committee section of this Annual Report.

Structure and Position of the Internal Audit Unit



The Internal Audit Unit structure is directly under the President Director, which ensures that all implementation of the Internal Audit Unit's duties and responsibilities are reported directly to the President Director. This structure allows the Internal Audit Unit to ensure that audit evaluations and recommendations are prioritized by Avian Brands' top executives. This structure further highlights Avian Brands' commitment to transparency and effectiveness in its internal control system and allows for prompt and appropriate corrective action to improve Avian Brands' performance and compliance. This structure supports integrity in the audit process and strengthens accountability in the implementation of Avian Brands' internal control policies and procedures.

The composition of Avian Brands' Internal Audit Unit in 2024 consisted of 8 members, with 1 member serving as the Head of the Internal Audit Unit and 7 others as Members of the Internal Audit Unit

Duties and Responsibilities of the Internal Audit Unit

The Internal Audit Unit's duties and responsibilities are based on the Internal Audit Charter, which stipulates its crucial role in ensuring the effectiveness and efficiency of Avian Brands' internal control system. The Internal Audit Unit is tasked with conducting comprehensive monitoring and assessment of applicable policies, procedures, and practices, aimed at identifying risks and ensuring compliance with applicable regulations. The Internal Audit Unit is also tasked with providing objective and independent recommendations to improve the quality and performance of Avian Brands' operations. Further information on the duties and responsibilities of the Internal Audit Unit is described as follows:

1. Formulating and implementing an annual internal audit plan;
2. Testing and evaluating the implementation of internal control and risk management systems in accordance with Avian Brands' 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 improvements 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 programs to evaluate the quality of the audit activities it performs; and
9. Conducting special inspections, if necessary.

Certificates of Expertise of the Internal Audit Unit

The certificates of expertise held by the Internal Audit Unit ensure the quality and credibility of audit functions within Avian Brands. Such certification ensures that each Internal Audit Unit member possesses in-depth knowledge of auditing principles and practices, as well as complies with internationally recognized professional standards. Through the certification process, each Internal Audit Unit member is able to demonstrate his/her competence in conducting objective and independent assessments of internal control systems and risk management practices. Information concerning certificates of expertise held by the Internal Audit Unit, is described as follows:

Certifications	Number of Employee
Practical Implementation of Operational Audit - Yayasan Pendidikan Internal Audit	1 Employee
Risk-Based Internal Audit - Yayasan Pendidikan Internal Audit	1 Employee
ISO 9001:2015 on Quality Management System	2 Employees
ISO 14001:2015 on Environmental Management System	2 Employees
ISO 45001:2018 on Occupational Health and Safety Management System	2 Employees
Internal Auditor of Integrated Management System	2 Employees
Risk Based Audit	1 Employee

The Internal Audit Unit Meeting

Meeting Policy

The Internal Audit Unit has the authority to convene regular meetings internally, such as meetings with the Board of Directors, and the Audit Committee, and externally, such as meetings with public accounting firm. These meetings aim to discuss and evaluate the findings of General Audit, Compliance Audit, and Operational Improvement. Through these meetings, the Internal Audit Unit can ensure that all aspects of the audit are closely scrutinized and ensure effective follow-up on findings and recommendations.

Meeting Convention

Throughout 2024, the Internal Audit Unit convened 12 meetings with the members of the Board of Directors, 3 meetings with the Audit Committee, and 2 meetings with Public Accounting Firm.

The Internal Audit Unit Competence Development

Avian Brands is consistently committed to improving the knowledge and competence of the Internal Audit Unit through continuous development programs. Each year, the Internal Audit Unit participates in various training and development programs designed to upgrade his knowledge and improve his/her ability to effectively carry out his duties and responsibilities. This ensures that the Internal Audit Unit remains alert to challenges and changes in the business and regulatory environment. Information related to competence development programs attended by the Internal Audit Unit throughout 2024 is described as follows:

Date	Description	Organizer
February 15, 2024	Document Control & Filling System	Proxsis
April 29, 2024	Emotional Inteligence	Tancorp

Implementation of Duties of the Internal Audit Unit

Implementation of the Internal Audit Unit's duties includes various strategic activities designed to ensure the effectiveness of the internal control system and improve Avian Brands' operational performance. The Internal Audit Unit conducts comprehensive audits, comprising General Audit, Compliance Audit, and Operational Improvement. During these processes,

the Internal Audit Unit systematically evaluates and assesses risks, identifies potential issues, and recommends improvements to optimize existing processes and systems. Further information regarding the implementation of the Internal Audit Unit's duties carried out throughout 2024 is described as follows:

1. Conducting audit inspections on finance and accounting areas, which include:
   a. Audit inspections on cash and banks;
   b. Audit inspections on receivables and sales made by Avian Brands;
   c. Audit inspections on debts and purchases made by Avian Brands; and
   d. Audit inspections on Avian Brands' fixed assets.
2. Conducting audit inspections on operational areas, which include:
   a. Audit inspections on finished goods inventory and operational processes taking place in the finished goods area;
   b. Audit inspections on inventories in production areas and production processes (raw material consumption, output finished goods, and Bill of Materials);
   c. Audit inspections on raw material inventories and operational processes taking place in the raw material area; and
   d. Audit inspections on waste and Hazardous Material items resulting from production.
3. Conducting audit inspections on purchase and expense areas, which include:
   a. Audit inspections on salary and overtime payments made by Avian Brands;
   b. Audit inspections on the purchasing process and suppliers working with Avian Brands;
   c. Audit inspections on projects and maintenance; and
   d. Audit inspections on promotion expenses.
4. Conducting audit inspections on Avian Brands' Subsidiaries

In addition to carrying out the aforementioned duties, the Internal Audit Unit submits audit reports to the Board of Directors no later than the 5th of each month.

Public Accountant

Independent supervision functions over Avian Brands' financial aspects are realized through external audits conducted by the Public Accounting Firm (Kantor Akuntan Publik or "KAP"). These external audits aim to ensure that all financial information and data presented by Avian Brands meet the principles of accountability, independence, and fairness. The audit processes conducted by KAP provide assurance to Shareholders, regulators, and other stakeholders that Avian Brands' Financial Statements have been prepared in accordance with applicable accounting standards. This reflects transparency and objectivity of Avian Brands' financial condition. The external audit results also aid Avian Brands in identifying areas that require improvement and enhancement, in order to encourage better financial performance in the future.

Compliance with Indonesian Financial Accounting Standards

Compliance with Indonesian Financial Accounting Standards is Avian Brands' principal commitment to preparing and presenting the Financial Statements. Avian Brands consistently ensures that all financial transactions are recorded and reported in accordance with applicable Financial Accounting Standards in Indonesia as described as follows:

1. The Financial Accounting Standards ("FAS") stipulated by the Indonesian Institute of Accountants (*Ikatan Akuntan Indonesia* or "IAI"); and
2. Decree of the Chairman of the Capital Market and Financial Institutions Supervisory Agency (*Badan Pengawas Pasar Modal Lembaga Keuangan* or "Bapepam-LK") No. KEP-347/BL/2012 on the Guidelines for the Presentation and Disclosure of Financial Statements of Issuers or Public Companies.

By complying with this standard, Avian Brands also strives to maintain public confidence and ensure the integrity of the financial information presented.

External Audit Procedures and Auditing Standards

The audit of Avian Brands' Financial Statements is conducted in accordance with the professional standards of public accountants, which encompasses all audit procedures deemed appropriate to the specific conditions of Avian Brands. These audit procedures include testing, examining, and evaluating the Financial Statements to ensure their compliance with the FAS established by IAI. Through this process, the KAP seeks to ensure that Avian Brands' Financial Statements are presented accurately and fairly, and provide reliable and transparent information to Shareholders, regulators, and other stakeholders.

As part of the audit process, the KAP conducts a question and answer session with Avian Brands' Management concerning statements disclosed in the Financial Statements. In the event of discrepancies in the presentation of the report, the KAP is obliged to report them to Avian Brands' Management. Avian Brands' Management is then responsible for reviewing and approving the audit working papers prepared by KAP, which will be reviewed by the relevant bodies or authorities. This process ensures that all aspects of the Financial Statements have been thoroughly examined and complied with applicable accounting standards, thereby maintaining the integrity and credibility of Avian Brands' financial information.

Appointment Mechanism of Public Accountant

Avian Brands' Public Accountant appointment mechanism adheres to a transparent procedure in accordance with the provisions of OJK Regulation No. 9 of 2023 concerning the Use of Public Accountants and Public Accounting Firms in Financial Services Activities. This process commences with an evaluation of the need for an external audit by the Audit Committee. The Audit Committee selects and recommends a reputable KAP that meets the professionalism and independence requirements.



Upon preliminary selection by the Audit Committee, recommendations for KAP appointment are then submitted to the Board of Commissioners for review and resolution. In general, there are 2 mechanisms for KAP appointment, namely appointment by Shareholders through the GMS or delegation of GMS authority to the Board of Commissioners by establishing criteria or limits for the appointed KAP. Both mechanisms ensure flexibility while upholding the GCG principles implemented by Avian Brands.

Upon approval, Avian Brands will appoint the selected KAP through a formal resolution. The appointment of a Public Accountant and Public Accounting Firm is then reported to the OJK by attaching:

1. The appointment document and the recommendation of the Audit Committee;
2. The self-assessment result received from the KAP; and
3. Employment agreement documents with the Public Accountant and Public Accounting Firm.

The appointed KAP is responsible for conducting an external audit of Avian Brands' Financial Statements in accordance with the professional standards of public accountants and prevailing laws and regulations. This process ensures an objective and transparent appointment of the Public Accountant to maintain the integrity and credibility of Avian Brands' external audit.

2024 Public Accountant

Appointment of a Public Accountant and/or KAP to audit Avian Brands' Consolidated Financial Statements for the financial year ended December 31, 2024, was based on the resolution of the Annual GMS convened on April 4, 2024. In the resolution, the GMS delegated its authority to Avian Brands' Board of Commissioners to select a Public Accountant and/or Registered KAP in Indonesia. The selected Public Accountant is responsible for ensuring that the audit is conducted according to professional accounting standards, ensuring accuracy and transparency in Avian Brands' Financial Statements, and compliance with all applicable regulations to provide reliable information to all stakeholders.

In this regard, the Board of Commissioners has appointed the Public Accounting Firm of Teramihardja, Pradhono & Chandra (a member firm of Crowe global) as the external auditor to audit Avian Brands' Consolidated Financial Statements. This KAP was selected for its reputation and extensive experience in conducting audits of major companies in Indonesia. This appointment is expected to provide confidence that Avian Brands' Financial Statements will be audited thoroughly and independently in accordance with applicable accounting standards.

List of Public Accounting Firms and Public Accountants for the Last 5 Years

To maintain transparency and accountability of financial information, Avian Brands has continuously worked with reputable and experienced KAPs. The list of Public Accountants and KAPs that have audited Avian Brands' Consolidated Financial Statements over the last 5 years is described as follows:

Financial Year	Public Accounting Firms	Name of Accountant	Opinion
2024	Public Accounting Firm of Teramihardja, Pradhono & Chandra (a member firm of Crowe global)	Agustina Felisia	**Unmodified**
2023	Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network)	Ely	**Unmodified**
2022	Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network)	Ely	**Unmodified**
2021	Public Accounting Firm of Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited)	Benyanto Suherman	**Unqualified**
2020	Public Accounting Firm of Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited)	Muhammad Kurniawan	**Unqualified**

Other Services Provided

There were no other services provided by the Public Accounting Firm of Teramihardja, Pradhono & Chandra (a member firm of Crowe global) other than audit services on Avian Brands' Consolidated Financial Statements for the fiscal year ended December 31, 2024.

Internal Control System

The Internal Control System ("ICS") is a series of procedures and mechanisms designed to assist Avian Brands in achieving its operational objectives effectively and efficiently. The ICS is an integral part of the managerial structure that involves all levels of the organization, from upper management to the employees. This system aims to provide reasonable assurance on the achievement of Avian Brands' objectives and ensure that Avian Brands' activities are in accordance with established policies and procedures.

The ICS includes various aspects as described below:

1. **Operational Control** to ensure effectiveness and efficiency of Avian Brands' operational activities. This control includes protecting Avian Brands' assets from risk of loss or misappropriation, and optimizing the use of resources to achieve optimal results.
2. **Reporting Control** to ensure the accuracy and integrity of the Financial Statements presented. This control aims to ensure that the resulting Financial Statements are reliable and reflect the actual financial condition, both for internal and external purposes.
3. **Compliance Control** to provide assurance on Avian Brands' compliance with all applicable laws and regulations. This control includes compliance with laws, regulations, and established internal policies to maintain Avian Brands' ethical and legal standards.

The ICS is not just about supervision and control, but also about creating an environment that supports the achievement of Avian Brands' strategic objectives. By effectively implementing ICS, Avian Brands is able to minimize operational risks, improve the reliability of Financial Statements, ensure regulatory compliance, and, in turn, promote the overall growth and sustainability of Avian Brands.

Implementation of Internal Control System

Implementing the ICS is a fundamental step in ensuring that Avian Brands' operational activities are conducted with optimal efficiency and effectiveness. The ICS is designed to establish a structure that contributes to achieving Avian Brands' strategic objectives, mitigating risks, and ensuring compliance with applicable regulations. Integrating the ICS into every operational and managerial aspect enables Avian Brands to maintain the integrity and reliability of business processes. The implementation of ICS in Avian Brands is described as follows:

Components of Internal Control System	Implementation in Avian Brands
Finance	Reviewing the comparison between budget target and realization through periodic reports. Similarly, effective control requires the implementation of a clear and multi-level authorization system. Structured authorization levels ensure that every expenditure is in accordance with the established authority, thus maintaining accountability and minimizing the risk of irregularities in budget management.
Operation	Requiring all employees to comply with Standard Operating Procedures ("SOPs"), which regulate various procedures for operational activities to ensure efective and efficient performance. In addition to implementing SOPs, operations optimization is also carried out by reducing manual work through an integrated system. This approach not only improves efficiency, but also minimizes risks of deviations or violations in the implementation of operational activities.
Assets	Insuring all fixed assets of Avian Brands under insurance 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, the Related Party Transaction Committee, and the Internal Audit Unit, continuously communicating and coordinating to review Avian Brands' compliance with applicable laws and regulations. The Corporate Secretary also regularly follows the development of laws and regulations, especially those related to the capital market.

Effective ICS implementation involves more than just creating and establishing structured policies and procedures. This process requires active involvement and commitment from all organizational levels to ensure optimal operation of the control system. This involvement includes ongoing counseling and training to employees, to ensure that they understand, and are capable of applying, ICS principles in their daily activities. Further, ICS implementation must be flexible and adaptive, capable of responding to changing business environments, new risks, and regulatory developments. Therefore, the ICS must be continuously evaluated and refined based on the evaluation results to ensure that the ICS remains relevant and effective in contributing to the achievement of Avian Brands' strategic objectives and maintaining operational integrity and transparency.

Overview of the Effectiveness of Internal Control

The Internal Audit Unit systematically assesses the effectiveness of ICS implemented in all business lines to ensure that every aspect of Avian Brands' operations functions optimally and in accordance with established standards. This evaluation process is designed to identify potential shortcomings, weaknesses, or non-compliance with applicable policies and procedures. The assessment results provide valuable insights used to formulate recommendations for improvement to strengthen the implementation of ICS in each operational function.

In ensuring that the implementation of ICS is working well, the Internal Audit Unit does several things as described as follows:

1. Conducting independent inspections within Avian Brands to increase the added value of Avian Brands' operations by providing independent and objective assurances and consultations;
2. Supporting the achievement of objectives through the adoption of a systematic approach by evaluating and improving the effectiveness of risk management, control, and good corporate governance processes;
3. Serving as a professional advisor to the Board of Directors as well as a catalyst for all work units and Avian Brands as a whole;
4. Ensuring that the internal control risk management and corporate governance process of Avian Brands is sufficient and functioning properly;
5. Evaluating compliance with prevailing laws, regulations, as well as policies and procedures of Avian Brands;
6. Evaluating whether or not key financial, managerial, and operational information within the scope of the audit is 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 the Audit Committee that are relevant to the aforementioned scope of works, for example investigation and disclosure of irregularities, fraud, and waste; and
9. Preparing audit reports and recommendations for improvements.

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

The Board of Commissioners and the Board of Directors consistently ensure a systematic, structured, and sustainable ICS implementation, by conducting periodic evaluations. Throughout 2024, the Board of Commissioners and the Board of Directors' evaluation indicated that the ICS implemented by Avian Brands has met the standards in terms of effectiveness, efficiency, reliability, and compliance with laws and regulations. All aspects of the ICS, from operational controls to reporting and compliance, functioned properly with no significant material weaknesses found in this system. Findings and irregularities identified in operational activities were properly handled and rectified, demonstrating the ICS's capability to support Avian Brands' strategic objectives and ensure transparent and accountable management. This commitment reflects the ongoing efforts of the Board of Commissioners and the Board of Directors to ensure that ICS is compliant with applicable standards as well as adaptive to dynamic changes in the business environment.

Risk Management System

The risk management system is a systematic and integrated approach designed to identify, evaluate, and manage potential opportunities and threats that may affect the achievement of Avian Brands' objectives. By implementing an effective risk management system, Avian Brands can navigate challenges and changes in the business environment with greater agility, ensuring that all potential risks are addressed in a comprehensive and structured manner. This approach allows Avian Brands to minimize adverse impacts and optimize the benefits of any opportunities, to minimize disruption to business operations and achieve desired results more efficiently.

In its implementation, the risk management system is an integral part of every strategic and operational decision of Avian Brands. This process involves in-depth risk assessment and proactive implementation of mitigation measures, ensuring that each business aspect is managed in a well-planned and measurable manner. By continuously developing and strengthening the risk management system, Avian Brands ensures that all business activities are sustainable, resilient and well-prepared to face uncertainty and change with maximum preparedness.

Types and Mitigation of Risks

Based on a study conducted in 2024, the risks faced by Avian Brands and its mitigation efforts are described as follows:

Main Risks with Significant Influence on Business Continuity	
Indication	**Mitigation**
Avian Brands' business activities depend on the continued success of its key brands, such as Avian, Avitex, and No Drop; and any failure to maintain the brand strength and value of such products could have a material and negative impact on the business activities, financial condition, and results of operations of Avian Brands.	• Performing continuous benchmarking with competitors to ensure that such products remain superior in the market; • Allocating funds to support the marketing efforts for such products; • Continuing the development of such products to maintain or improve quality; and • Adding variants of such products to strengthen the brand image and capture the growing needs in the market.

Risks related to Business and Industry

Indication	Mitigation
Avian Brands faces intense competition, and should it fail to compete effectively, it may lose market share and its operating results may be negatively affected.	• Increasing investment in product development, being selective in promotional and advertising activities, as well as product distribution; • Pricing Avian Brands' products competitively based on a combination of various factors, including Avian Brands' ability to differentiate these products from other competing products; and • Adding a distribution network to strengthen Avian Brands' product penetration.
Indication	**Mitigation**
Avian Brands' efforts to innovate and develop products may not be successful.	• Developing a complete and modern Research, Development, and Innovation ("RDI") center by recruiting and developing qualified chemist personnel; • Preserving good relationships with suppliers of materials to obtain information on the developments of the latest materials; and • Recruiting experts in the global coating sector.
Indication	**Mitigation**
In maintaining the success of its business, Avian Brands relies on the availability of certain core personnel and its success in recruiting and retaining other qualified personnel.	• Improving the quality of Avian Brands' human resources; • Paying care and attention to the recruitment, development, and career path processes; and • Building partnerships with leading universities/academies to secure quality talents.
Indication	**Mitigation**
Avian Brands' main business activities depend on a stable and adequate supply of raw materials, and the operating results of Avian Brands may be materially affected due to rising raw material costs or lack of raw material availability.	Procuring and maintaining a consistent and adequate supply of raw materials at a reasonable price by always seeking or updating new (alternative) suppliers.
Indication	**Mitigation**
Avian Brands leases important assets, such as warehouses and distribution centers. The inability to renew these leases may affect Avian Brands' operational capabilities.	Maximizing with a longer lease term (3 – 5 years).
Indication	**Mitigation**
Avian Brands is involved in a number of transactions with related parties (affiliates) and is not able to guarantee that its 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 Avian Brands.	Ensuring that all transactions with affiliated parties (Related Party Transactions) are carried out on an arm's length basis to avoid negative effects arising from unhealthy business practices.
Indication	**Mitigation**
Avian Brands may not be able to procure an adequate and continuous 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
Avian Brands' 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 Avian Brands can formulate appropriate and flexible strategies to adapt to existing changes.
Indication	**Mitigation**
Avian Brands may not be able to adequately protect its intellectual property rights.	• Entering into license agreements with third parties; • Relying on contractual agreements and legal protections to protect the intellectual property rights of Avian Brands; and • Relying on Indonesian patent, trademark, trade secret, and copyright laws to protect the intellectual property rights of Avian Brands.

General Risks

Indication	Mitigation
Avian Brands may fail to obtain or experience material delays in obtaining or renewing the certificates, licenses, permits, or Government approvals required for Avian Brands'operations and relevant leasing activities for its manufacturing facilities. As a result, Avian Brands' 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 continuously updated.
Indication	**Mitigation**
Regulation of greenhouse gas emissions and climate change issues may have a negative impact on Avian Brands' operations and markets.	Implementing and improving the Environmental Management System (ISO 14001) and Energy Management System (ISO 50001), as well as monitoring the consistency of 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, as well as replacing solar energy for thermo and boilers with gas energy. In line with that, programs related to environmental concerns are also constantly aligned with ISO 26000, which is one of the guiding standards on social responsibility. Avian Brands has also established emission reduction targets that are monitored regularly by the Quality Assurance and Sustainability team. This oversight ensures the achievement of targets is in line with Avian Brands' sustainability commitments, while supporting contributions to overall environmental impact reduction.
Indication	**Mitigation**
Labor activism, riots, and labor laws in Indonesia may have a materially adverse effect on Avian Brands.	Avian Brands' constant efforts to comply with all regulations related to employment to minimize related risks.

Financial Risks

Indication	Mitigation
MForeign Currency Risk The functional currency of Avian Brands is Rupiah. Avian Brands is exposed to foreign exchange rate risk as some of its 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.	Being continually diligent in paying obligations of Avian Brands in foreign currencies in order to avoid speculative effects and performing limited hedging actions (forward contracts). All bank loans, if any, are in Rupiah. Avian Brands also monitors 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 Avian Brands.	• Policies to ensure product sales are made only to customers who may be trusted and proven to have a good credit history; • Purchases on credit must go through credit verification procedures; • Providing credit terms mostly up to 63 days from the invoice issuance date; • Continuously monitoring the balance of receivables to reduce the possibility of uncollectible receivables; and • Ensuring that customers, particularly Avian Brands' distributors, provide payment security which may be in the form of cash (deposits), bank guarantees, or payment security through distributor financing from banks that cooperate with Avian Brands.
Indication	**Mitigation**
Liquidity Risks Risks arising from Avian Brands' inability to meet its obligations as they fall due.	• Managing liquidity profile to ensure Avian Brands' ability to fund capital expenditures; • Managing maturing debts by maintaining sufficient cash; • Ensuring the availability of funding through sufficient numbers 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 Avian Brands for working capital and investment purposes.	Review of various interest rates offered by creditors by the management to find the most favorable interest rates prior to any debt commitment.

Overview of the Implementation Effectiveness of Risk Management System

Avian Brands regularly conducts comprehensive assessments to ensure the effectiveness of risk management system implementation and maximize the results of the mitigation efforts undertaken. This review includes an in-depth analysis of the plans and actions that have been implemented to assess if the results are consistent with the intended objectives and to identify areas for improvement. This evaluation aims to provide a clear picture of the advantages and disadvantages of the implemented strategy. Based on the results of the review, necessary corrective measures are then implemented to address the identified shortcomings. This approach allows Avian Brands to ensure that its risk management system remains relevant and effective in addressing emerging challenges and supporting the sustainability and achievement of Avian Brands' strategic objectives on an ongoing basis.

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

The Board of Commissioners and the Board of Directors remain committed to ensuring that Avian Brands' risk management system is implemented with a systematic, structured and sustainable approach. Periodic evaluation of this system is conducted to ensure that the risk identification, assessment and management mechanisms are functioning optimally. The assessment for 2024 showed that the implemented risk management system has met the required standards, enabling Avian Brands to better manage existing risks and take timely mitigation measures.

Despite the effectiveness of the current risk management system, the Board of Commissioners and the Board of Directors recognize that the dynamics of the evolving business environment require continuous adaptation. Accordingly, it is a priority to continuously develop and refine the risk management system. The Board of Commissioners and the Board of Directors are committed to integrating evaluation results into the improvement measures, to ensure that the system remains relevant and capable of addressing new challenges more effectively. This commitment aims to strengthen Avian Brands' resilience and support the achievement of long-term goals, while managing risks in the most optimal way.

Legal Disputes with Material Impacts and the Administrative Sanctions Imposed

Legal Disputes with Material Impacts

Throughout 2024, no legal disputes with material impact, either civil or criminal, were faced by Avian Brands, the Subsidiaries, the Board of Commissioners, and the Board of Directors.

Administrative Sanctions

Throughout 2024, no administrative sanctions were imposed on Avian Brands, the Board of Commissioners, and the Board of Directors by the Financial Services Authority, the Indonesia Stock Exchange, or other authorities.

Code of Conduct

Avian Brands recognizes the importance of implementing excellent governance practices to ensure sustainable business growth and enhance long-term corporate value. In this regard, Avian Brands has formulated and implemented a Business Ethics and Code of Conduct that stipulate standards of behavior that must be observed by all employees, including the Board of Directors, the Board of Commissioners, and Avian Brands' supporting organs in performing their roles, authorities and responsibilities, as well as in interacting in the work environment. The Business Ethics and Code of Conduct establishes the basic principles of honesty, integrity, and professionalism as guidelines for performing duties and interacting in the work environment.

By having the Business Ethics and Code of Conduct, Avian Brands aims not only to conduct business activities based on high ethical standards, but also to build and maintain a harmonious relationship between Avian Brands' operations and the interests of all stakeholders. The Business Ethics and Code of Conduct are expected to strengthen GCG implementation and improve stakeholders' relationships and satisfaction, both those directly involved in corporate activities as well as those affected by Avian Brands' activities. By consistently implementing its Business Ethics and Code of Conduct, Avian Brands is committed to achieving high ethical standards in every aspect of its business.

Principles of Business Ethics and Code of Conduct

The principles of Avian Brands' Business Ethics comprise the following:

1. Compliance with prevailing Laws and Regulations
2. Company Ethics for Company Personnel
3. Company Ethics for Consumers
4. Company Ethics for Shareholders
5. Company Ethics for Competitors
6. Company Ethics for Mass Media
7. Company Ethics for Business Partners
8. Responsibilities to the Government
9. Responsibilities to Society and the Environment
10. Responsibilities in Innovation

The principles of Avian Brands' Code of Conduct comprise the following:

1. Individual Commitment
2. Communication and Information Delivery
3. Maintainance of the Confidentiality of Data, Confidential Information, and Material
4. Use of Company Technology
5. Cooperation between Company Personnel
6. Equality in Treatment and Provision of Opportunities
7. Compliance with prevailing Laws and Regulations
8. Giving and Receiving of Gratuities
9. Integrity of Financial Reporting
10. Protection of Company Assets
11. Budget Planning and Use
12. Occupational Health and Safety and Environment ("OHSE")
13. Conflict of Interests

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

Avian Brands actively socializes the Business Ethics and Code of Conduct to all employees as part of its commitment to implementing GCG principles. This socialization ensures that every individual in the organization understands and complies with the established standards of conduct. Through the Good Corporate Governance Committee, Avian Brands conducts an intensive and continuous socialization program, which commences from the start of employment and continues periodically thereafter. Among the socialization methods implemented, are the signing of the Integrity Pact as stipulated in form No. AA-HRD-FRM-01-010, and the availability of Business Ethics and Code of Conduct on Avian Brands' website to facilitate employees in obtaining the necessary information.

As part of this effort, Avian Brands also conducts regular training and disseminates information regarding the Business Ethics and Code of Conduct through various internal communication channels. Through this approach, Avian Brands aims to foster a strong organizational culture and ensure that all employees understand and implement ethical values in every aspect of their work. These efforts contribute creating of a professional, harmonious work environment in line with GCG principles.

Efforts in Enforcing Business Ethics and Code of Conduct

Avian Brands is committed to enforcing the Business Ethics and Code of Conduct at all organizational levels, from the employees to the Board of Directors and the Board of Commissioners. This policy aims to ensure that every aspect of business activities is carried out in accordance with strict ethical standards and applicable regulations. In this endeavor, Avian Brands has established the Good Corporate Governance Committee, which is responsible for overseeing the implementation of, and compliance with, the Business Ethics and Code of Conduct across all work environments. The Good Corporate Governance Committee is tasked with ensuring that ethical principles are thoroughly integrated into every business activity and decision, to maintain integrity and transparency throughout Avian Brands' operational processes.

Sanctions for Violation of Business Ethics and Code of Conduct

Avian Brands establishes a series of sanctions as a form of consequence for violations of the Business Ethics and Code of Conduct committed by each Avian Brands' Personnel. Sanctions may include disciplinary actions of verbal or written warnings, stern warnings with suspension, monetary fines, and termination of employment (*Pemutusan Hubungan Kerja* or "PHK") if necessary. Enforcement of these sanctions aims to ensure strict compliance with Avian Brands' ethical standards and enforce discipline across all levels of Avian Brands in order to maintain integrity and quality of a professional work environment.

Employee Stock Allocation Program

Avian Brands implements a policy that allows employees to own Avian Brands' shares through the employee stock allocation ("ESA") program. This program is conceived as part of Avian Brands' efforts to improve employee well-being and strengthen their sense of belonging and involvement in Avian Brands' progress. By providing access to share ownership, Avian Brands hopes to boost employees' motivation and loyalty, while establishing a closer link between individual performance and Avian Brands' overall success.

Requirements on Employee Eligibility for the ESA Program

Avian Brands ensures effective and fair implementation of the ESA program by establishing a set of requirements that must be fulfilled by employees who are eligible to participate in the ESA program. These requirements may include various aspects, particularly the minimum length of service, position, as well as other aspects that are of particular consideration.

Thus, the ESA program represents a form of appreciation, as well as motivation for employees to keep contributing optimally to Avian Brands'success. Further information regarding the requirements of employees eligible to participate in the ESA program is described as follows:

1. Permanent employees who have been registered as employees on the date determined by Avian Brands ("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. So long as there remain shares allocated in the ESA program, the Board of Directors of Avian Brands 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, therefor,e may not be transferred in any way for 24 months from the date of listing of Avian Brands' 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, and provable to the Board of Directors of Avian Brands, heirs in accordance with the policy of the Board of Directors.

Implementation of the ESA Program

Avian Brands has realized the ESA program implementation in 2021. A number of employees have participated in this program and thus become part of Avian Brands' Shareholders. Details regarding the implementation of the ESA program are described as follows:

Number of Shares	Execution Period	Execution Price
3,099,300 shares or 0.05% of new shares in the Initial Public Offering.	December 2 – 6, 2021	IDR930.-

Parties Responsible for the Implementation of the ESA Program

Avian Brands has ensured proper implementation of the ESA program in accordance with its intended objectives, by appointing parties responsible for managing and supervising the entire ESA program implementation. The parties responsible for the implementation of Avian Brands' ESA program, among others:

1. Department of HR Development;
2. Department of Business Development; and
3. Department of Finance.

These departments are responsible for implementing the ESA program within their respective roles and functions and ensuring the transparent and effective implementation of the program.

Information Disclosure Policy

The policy concerning ownership, either directly or indirectly, of Avian Brands' shares by the Board of Commissioners and the Board of Directors, as well as changes thereto, has been regulated in details, in the Policy on Reports of Share Ownership or Changes to the Share Ownership of the Board of Commissioners and the Board of Directors stipulated on December 27, 2021, and last updated on October 11, 2024. This policy aims to ensure full transparency and maintain integrity in share ownership reports. With this policy, Avian Brands ensures that any changes to the Board of Commissioners' and the Board of Directors' share ownership are reported in a transparent and accurate manner, support GCG principles, as well as provide relevant information to stakeholders and the public consistently.

The reporting mechanism and reporting period by every member of the Board of Commissioners and Board of Directors regarding ownership of Avian Brands' shares and changes thereto are as follows:

Self-Reporting	Reporting through Authorization
Members of the Board of Commissioners or members of the Board of Directors directly submit a report to the Financial Services Authority (Otoritas Jasa Keuangan or "OJK") and deliver a copy of the report to the Corporate Secretary. The reporting period is no later than 5 working days to OJK from the occurrence of the ownership or every change in share ownership in Avian Brands.	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 ownership or every change in share ownership in Avian Brands. The reporting period is no later than 5 working days to OJK from the occurrence of the ownership or every change in share ownership in Avian Brands.

Avian Brands also submits a transaction report to the OJK no later than 5 days from the transaction date. In this regard, Avian Brands has submitted reports on the share ownership of members of the Board of Commissioners and/or Board of Directors throughout 2024 via e-reporting to the Financial Services Authority and the Indonesia Stock Exchange.

Share Ownership Disclosure

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



Whistleblowing System

Avian Brands remains committed to the comprehensive implementation of GCG principles by implementing a Whistleblowing System ("WBS") as stipulated in the Whistleblowing System Guidelines established on June 25, 2021, and last updated on December 27, 2021. This system serves as a proactive measure to prevent fraud and deceit from occurring in Avian Brands' operations. Through the WBS, all stakeholders are afforded channels to report suspected violations or breaches of applicable regulations, based on valid evidence and good faith for the interests of Avian Brands. Effective implementation of the WBS allows Avian Brands to conduct necessary evaluations and follow-ups to strengthen integrity and transparency in every aspect of Avian Brands' activities.

Method of Submission and Parties Managing Reports of Violations

Avian Brands encourages every individual within Avian Brands to be active and have the courage to report any violations or fraud that they encounter. In the reporting process, the whistleblower is expected to provide complete and clear information about the reported case. This includes details about the incident, the parties involved, and relevant evidence to support the report. Therefore, any reports submitted can be processed effectively and accurately to ensure proper measures are taken to address and resolve any violations that occur. The information that needs to be included in submitting a violation report includes the following:

1. Types of Actions Suspected as Violation.
2. Parties Involved in Violation.
3. Location of Violation.
4. Time of Violation.
5. How the Violation Occurred.
6. If the Violation Has Been Reported to Other Parties.
7. If the Violation Has Occurred Before and Is a Repeated Action.
8. Other Important and Relevant Information.

Reports concerning violations may be submitted to the following channels:

The Good Corporate Governance Committee

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

(62) 81138505000

www.avianbrands.com

pengaduan@avianbrands.com

Avian Brands establishes a special mechanism to handle reports of violations by involving authorized parties in accordance with the classification of the report received. The authorized parties are responsible for receiving, assessing, and investigating the reports received. They ensure that each report is processed carefully and in accordance with applicable procedures. This process involves a thorough investigation of incoming reports to identify and address the breach and implementing the necessary corrective measures. The entire process is conducted with due regard to the principles of transparency, accountability and confidentiality to protect the whistleblower and ensure the integrity of the investigation. The parties authorized to follow up on reporting in Avian Brands are:

The Good Corporate Governance Committee and its officers,

if the reported party is an employee of Avian Brands.

The Board of Commissioners,

if the reported party is a member of the Board of Directors.

The Board of Directors,

if the reported party is a member of the Whistleblowing System Management.

The Board of Commissioners and the Board of Directors,

if the reported party is a member of the Board of Commissioners.

Protection for Whistleblowers

Avian Brands is committed to providing comprehensive protection to whistleblowers to reduce potential risks that may arise from reporting. To ensure that whistleblowers feel safe and secure, their identity as well as the details of the submitted report will be kept confidential and only accessed by those authorized to handle the report. Avian Brands assures that the whistleblower will be protected from all forms of threats, intimidation, or any adverse actions that may be committed by parties who feel aggrieved by the reporting. This protection further extends to individuals involved in the investigation process and those who provide additional information related to the report, provided that they maintain confidentiality. With this policy, Avian Brands aims to create a safe and supportive environment for whistleblowers, and encourage transparency and honesty in the reporting process without fear of retaliation or negative consequences.

Procedures in Handling Violation Reports

Any report of violations received will be followed up by the collection of preliminary evidence to ensure the validity and completeness of the information submitted. Upon examination of preliminary evidence, the Good Corporate Governance Committee will conduct a comprehensive evaluation to determine whether the report meets the criteria for further action. If the report is deemed worthy of investigation, its status will be escalated and information will be submitted to the Board of Directors for further action. However, if the report does not meet the investigation criteria, the whistleblower will be informed of the decision and the reasons behind it.

Reports concerning employees will be processed in the form of an official letter sent to the President Director, while reports concerning the Board of Directors will be forwarded directly to the Board of Commissioners. This procedure ensures that each report of violation is handled systematically and in accordance with the standards to ensure transparency and accountability in the complaint-handling process.

Complaints Disclosure through Whistleblowing System in 2024

Number of Complaints through Whistleblowing System

As of the end of 2024, Avian Brands received 3 complaint reports submitted to the whistleblowing system with the following description:

Report Category	Total Report
Fraud Reporting of a case that results in Avian Brands' financial loss.	0
Major Violations Reporting of a case that constitutes a violation of the SOP or Company Regulation.	1
Minor Violations Reporting of a case that constitutes a violation of the employee and workplace discipline/organization.	1
No Issue Reporting of a case that does not indicate a violation.	1

All reports of violations received by Avian Brands have been thoroughly handled by the competent team and resolved in accordance with the level of violation and the provisions of the applicable regulations in Avian Brands. The resolution processes were conducted in compliance with established procedures to ensure that each action was adjusted to the characteristics and impact of the violation that occurred. Thus, Avian Brands ensures that each report was followed up appropriately and in accordance with applicable internal policy standards.

Sanctions and Follow-ups of Complaints through Whistleblowing System

If, based on the investigation results, it is proven that the reported party committed fraud or violation, the deciding official will impose sanctions in accordance with applicable regulations.

Anti-Corruption and Gratification Policy

Anti-Corruption and Gratification Programs and Procedures

Avian Brands is committed to ensuring that all business and operational activities are carried out with accountability and transparency in accordance with applicable laws and regulations. In upholding these principles, Avian Brands strictly prohibits all forms of bribery, corruption, gratuities, and money laundering. This anti-corruption and anti-gratuity policy is an integral part of Avian Brands' Business Ethics and Code of Conduct. The policy includes the following:

1. Avian Brands' Personnel may provide gifts, souvenirs, or entertainment to eligible parties under these conditions:
   a. Supporting the interests of Avian Brands, conducted responsibly and does not cause harm to Avian Brands' image, and done with due regard to the relevant applicable regulations;
   b. Not intended to bribe and/or offer or direct another party to commit bribery; and
   c. Not intended to induce the recipient to take any action that is contrary to his/her obligations or to applicable regulations;
2. Avian Brands Personnel are prohibited from receiving gifts, souvenirs, entertainment, or other facilities or gratuities in any form related to their position and occupation, which may affect Avian Brands' decision-making or violate applicable regulations;
3. Avian Brands Personnel are allowed to receive something from Avian Brands and/or other parties, which will not affect their actions related to their position and occupation in Avian Brands, in the case of:
   a. Receiving a banquet;
   b. Receive promotional items that contain the logo/name of the providing company;
   c. In the context of donations in the event of a disaster and/or certain celebrations/events according to local customs; and
4. Submit a disclosure report on each granting and receiving of gratuities in accordance with the procedures established by Avian Brands

Training or Socialization of Anti-Corruption and Gratification Policy

To ensure effective implementation of this policy, Avian Brands has conducted a comprehensive socialization to Avian Brands Personnel. Each Avian Brands personnel is required to sign the Integrity Pact as a form of commitment to the policy. For new employees, socialization is carried out through an induction program specifically designed to introduce and enforce anti-corruption and anti-gratuity policies from the start of their employment with Avian Brands.

Policy to Prevent Insider Trading

Avian Brands has implemented the Insider Trading Prevention Policy adopted on December 27, 2021, as an integral part of Avian Brands' efforts to maintain market integrity and avoid conflicts of interest. This policy aims to ensure that all securities trading activities of Avian Brands are conducted in a fair and transparent manner and to protect the interests of Avian Brands in implementing various corporate actions. With this policy, Avian Brands is committed to maintaining market fairness and protecting integrity of information related to securities trading.

This policy sets clear limits on the use of material information that has not been made public, as well as prohibits parties having access to confidential information from engaging in trading that could harm Avian Brands' interests or create market unfairness. With this measure, Avian Brands is determined to prevent any form of abuse of information, and ensure that all activities involving Avian Brands' securities are carried out in compliance with the principles of transparency and accountability.

Policy on Fulfillment of Creditors' Rights

Avian Brands strictly governs the fulfillment of creditors' rights through the Policy adopted on December 27, 2021. This policy is designed as a comprehensive guideline in the management of loans and liabilities to creditors, both domiciled domestically and abroad. With this policy, Avian Brands is committed to maintaining integrity of its relationship with creditors and ensuring that all their rights are fulfilled in a fair and timely manner. This is essential to build and maintain creditor's confidence in Avian Brands' ability and commitment to meet its financial obligations.

In implementing this policy, Avian Brands pays attention to both the interests of local creditors and international creditors in an equal manner. Both the creditors located in the territory of the Republic of Indonesia (onshore creditors) and outside the territory of Indonesia (offshore creditors) will get equal and transparent treatment in accordance with the applicable provisions. Therefore, Avian Brands strives to ensure that all aspects related to the fulfillment of creditors' rights are carried out with the principles of fairness and responsibility.

Conflict of Interest Guidelines

Avian Brands recognizes the crucial importance of strictly addressing conflicts of interest to ensure optimal Avian Brands management and harmonious relationships with all stakeholders. Therefore, Avian Brands has formulated Conflict of Interest Guidelines that aim to create a transparent and fair environment. These guidelines refer to the prevailing laws and regulations, and integrate the principles under the GCG Guidelines of Business Ethics and Code of Conduct, as well as the Corporate Culture applicable in Avian Brands. The adoption of these guidelines and update thereof, on June 25, 2021 and December 27, 2021, respectively, reflect Avian Brands' commitment to continuously enforcing the highest standards in managing potential conflicts of interest.

With the Conflict of Interest Guidelines, Avian Brands strives to ensure that every decision and action taken within the scope of Avian Brands, is free from personal interests that may harm Avian Brands' integrity. These guidelines are thoroughly enforced to ensure that all Avian Brands' elements operate within the same framework to achieve Avian Brands' objectives in a sustainable manner and to consistently safeguard Avian Brands' values.

Communication Policy Guidelines

Avian Brands has stipulated the Communication Policy Guidelines to govern effective and transparent interactions with the Shareholders, the Capital Market Authority, and the capital market community. These guidelines are designed to ensure that all information submitted by Avian Brands is complete, accurate, actual, not misleading, easily accessible in accordance with statutory provisions, and fair. With these guidelines, Avian Brands aims to provide convenient and fair access for all Shareholders, allowing them to exercise their rights in a fair and transparent manner.

Established on December 27, 2021, the Communication Policy Guidelines also serve as assurance that Avian Brands maintains standards of communication in every interaction with related parties. These guidelines support Avian Brands' effors to maintain integrity and credibility in providing information and ensuring that all stakeholders receive equal and fair treatment. Thus, these guidelines are instrumental in building trust and harmonious relationships between Avian Brands and its stakeholders.



Policy Guideline in Resignation Procedure of the Board of Commissioners and the Board of Directors in the Event of Involvement in Financial Crime

Avian Brands has established a Policy Guideline in Resignation Procedure of the Board of Commissioners and the Board of Directors in the Event of Involvement in Financial Crime, as an integral part of the efforts to thoroughly implement GCG principles. These guidelines are designed to ensure that any member of the Board of Commissioners and the Board of Directors involved in financial crimes, shall automatically be obliged to submit his/her resignation from his/her position. This constitutes a strategic measure to maintain integrity and transparency in Avian Brands' management, and ensure that all Avian Brands' leaders fulfill their duties in accordance with ethical standards and applicable laws.

Established on December 27, 2021, this Policy Guideline reflects Avian Brands' commitment to clean and responsible governance practices. With this guideline in place, Avian Brands emphasizes its determination to enforce the rules and strictly respond to violations, in order to protect Avian Brands' reputation and sustainability. This guideline serves as a guide for preventive as well as responsive actions in dealing with situations involving allegations of financial crimes by Avian Brands' upper management.

Affiliated Transaction Guidelines

Avian Brands has established the Affiliated Transaction Guidelines as the main point of reference to ensure that all transactions with affiliated parties are conducted transparently in accordance with applicable industry standards. These guidelines are designed to guide all Avian Brands' Personnel in conducting transactions in order to comply with customary business practices and relevant laws and regulations. By upholding the arms-length principle, the Guidelines ensure that affiliated party transactions are conducted fairly and do not improperly favor a certain party.

Established on November 16, 2022, the Affiliated Transaction Guidelines also serve to strengthen the management's independence in managing relationships with affiliated parties. The main objective is to prevent potential conflicts of interest and avoid actions that may harm the interests of Avian Brands and its Shareholders. With these guidelines, Avian Brands is committed to maintaining integrity and objectivity in all transactions in order to protect Avian Brands' interests and ensure that all transactions are carried out in a transparent and fair manner.

As part of implementing Related Party Transaction Guidelines, Avian Brands has also established a specific policy to review and approve transactions with related parties. This policy is implemented through the process of reporting porposed transactions, from the relevant work units to the Corporate Secretary and Legal Department. The Corporate Secretary and the Legal Department will then coordinate with the Related Party Transaction Committee to review the proposed transactions, and the results will be submitted by the Related Party Transaction Committee to the Board of Directors and the Audit Committee. Upon review by the Audit Committee, results thereof shall be submitted to the Board of Commissioners for approval. If approved, the transaction is consummated in accordance with OJK Regulation No 42/POJK.04/2020 concerning Affiliated Transactions and Confict of Interest Transactions; including reporting to and approval of Independent Shareholders, if required. Each such transaction is constantly ensured to comply with applicable procedures and arms' length principles.

Succession Policy in the Board of Commissioners and the Board of Directors Nomination Process

Avian Brands has established the Succession Policy in the Board of Commissioners and Board of Directors Nomination Process to ensure the continuity of the leadership regeneration and formation process in Avian Brands. This policy is designed to maintain business continuity and contribute to Avian Brands' long-term goals. In this policy, the Nomination and Remuneration Committee is responsible for developing systems and procedures for the selection and replacement of members of the Board of Commissioners and Board of Directors to be submitted to the GMS. Each nomination process adheres to GCG principles, including transparency, accountability and responsibility.

Adopted on December 27, 2021, this policy also regulates the procedures for assessing prospective members proposed by the Shareholders, the Board of Commissioners, or the Board of Directors. The Nomination and Remuneration Committee conducts a comprehensive evaluation of each nomination, taking into account the qualifications and requirements in accordance with the Articles of Association and the Board of Commissioners Charter and/or the Board of Directors Charter. Upon review, recommendations are submitted to the Board of Commissioners for a final resolution before submission to the GMS. This policy ensures efficient succession process and supports the sustainability of Avian Brands' operations.

Implementation of Governance Guidelines for Public Companies

Implementation of Avian Brands' GCG has been conformed with the Corporate Governance Guidelines for Public Companies, formulated based on the Circular Letter of the Financial Services Authority No. 32/SEOJK.04/2015. By adhering to this guideline, Avian Brands ensures proper implementation of all policies and procedures in accordance with applicable regulations and thus increasing stakeholders' trust. Implementation of GCG also aims to create an effective supervisory system, prevent potential conflicts of interest, and ensure integrity in decision-making. Through its commitment to implementing good governance, Avian Brands strives to sustainably improve performance and maintain its reputation and credibility in the eyes of Shareholders, regulators, and the wider community.

Avian Brands' implementation of the principles and recommendations of the guidelines, based on the "fulfilled or explanation" approach, is described as follows:

No.	Aspects/Principles/Recommendations	Status	Implementation in Avian Brands
I.	**Relationships of Public Company with the Shareholders in Assuring the Rights of the Shareholders**		
1.	**Increasing the Value of the General Meeting of Shareholders (GMS).**		
a.	Public companies have technical voting methods or procedures, both publicly and privately, that promote independence and the interests of shareholders.	**Fulfilled**	The voting procedure in the GMS has been regulated in the Articles of Association related to the meeting rules and informed to the Shareholders in the invitation to the GMS and at the beginning of the GMS.
b.	All members of the Board of Commissioners and the Board of Directors of a public company attend the Annual GMS.	**Explanation**	Mr. Wijono Tanoko as the President Director of Avian Brands was unable to attend the 2024 Annual GMS convened on April 4, 2024.
c.	Summary of the GMS minutes is available on the website of the public company for at least 1 year.	**Fulfilled**	The summary of the minutes of the 2024 GMS has been posted on Avian Brands' website in the Investor Information Center section.

No.	Aspects/Principles/Recommendations	Status	Implementation in Avian Brands
2.	**Improving the Quality of Public Company's Communication with Shareholders or Investors.**		
a.	Public companies have a communication policy with shareholders or investors.	**Fulfilled**	The communication policy with Shareholders or Investors is regulated in the Communication Policy Guidelines stipulated on December 27, 2021.
b.	Public companies disclose their communication policy with the Shareholders or Investors on the website.	**Fulfilled**	Avian Brands' communication policy has been disclosed on its website.
II.	**Functions and Roles of the Board of Commissioners**		
3.	**Strengthening the Membership and Composition of the Board of Commissioners.**		
a.	The determination of the number of members of the Board of Commissioners takes into consideration the conditions of the public company.	**Fulfilled**	The number of members of the Board of Commissioners is in accordance with the provisions of Avian Brands' Articles of Association and has been adjusted to the complexity of the business of Avian Brands.
b.	The determination of the composition of members of the Board of Commissioners takes into consideration the diversity of expertise, knowledge, and required experience.	**Fulfilled**	The nomination and appointment of the Board of Commissioners has taken into account the diversity of expertise, knowledge, and experience relevant to the responsibilities carried out in Avian Brands.
4.	**Improving the Quality of the Implementation 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 Commissioners 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 in place 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 in the Event of Involvement in 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 the 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 takes into consideration the condition of the public company, and its effectiveness in decision-making.	**Fulfilled**	The number of members of the Board of Directors is in accordance with the provisions of Avian Brands' Articles of Association and has been adjusted to the complexity of the business of Avian Brands.
b.	The determination of the composition of members of the Board of Directors considers the diversity of expertise, knowledge, and required experience.	**Fulfilled**	The nomination and appointment of the Board of Directors has taken into account the diversity of expertise, knowledge, and experience relevant to the responsibilities carried out in Avian Brands.
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 experience in accounting and finance.
6.	**Improving the Quality of the Implementation of the Duties and Responsibilities of the Board of Directors.**		
a.	The Board of Directors has in place a self-assessment policy 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 Board of Directors.

No.	Aspects/Principles/Recommendations	Status	Implementation in Avian Brands
c.	The Board of Directors has in place 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 in the Event of Involvement in Financial Crime which was stipulated on December 27, 2021.
IV.	**Stakeholders Participation**		
7.	**Improving Corporate Governance Aspects through Stakeholders Participation.**		
a.	Public companies have in place 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.	Public companies have a policy in place to promote anti-corruption and anti-fraud.	Fulfilled	Avian Brands has an anti-corruption and anti-fraud policy in place, which is contained in the Business Ethics and Code of Conduct of Avian Brands.
c.	Public companies have a policy in place for the selection and improvement of the capabilities of suppliers or vendors.	Fulfilled	Avian Brands has in place a policy on the selection and improvement of capabilities of suppliers which serves as a guide for related units in selecting working partners as stated in the Business Ethics and Code of Conduct of Avian Brands.
d.	Public companies have in place a policy on the fulfillment of creditors' rights.	Fulfilled	The policy on the fulfillment of creditors' rights is regulated in the Policy on the Fulfillment of Creditors' Rights which was stipulated on December 27, 2021.
e.	Public companies have a policy in place for whistleblowing systems.	Fulfilled	Avian Brands has in place a Whistleblowing System Policy which is contained in the Whistleblowing System.
f.	Public companies have in place a policy on provisions of long-term incentives for the Board of Directors and employees.	Fulfilled	Avian Brands has in place a policy concerning the provision of long-term incentives to employees as stated in the ESA Program.
V.	**Information Disclosure**		
8.	**Improving the Implementation of Information Disclosure.**		
a.	Public companies use information technology more broadly, in addition to websites, as media for information disclosure.	Fulfilled	Avian Brands utilizes information technology, in addition to the website, in increasing the dissemination of information, including through Avian Brands' 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 a 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 the 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 Avian Brands' share ownership.

In addition to implementing GCG practices based on the Governance Guidelines for Public Companies, Avian Brands has also implemented GCG practices based on the principles and recommendations of the 2021 General Guidelines for Indonesian Corporate Governance (*Pedoman Umum Governansi Korporat Indonesia* or "PUGKI"). In general, GCG implementation based on the 2021 PUGKI consists of 8 principles of good corporate governance which are categorized into the following 3 groups:

1. The first group of principles regulates the management and supervisory functions of the corporation, namely the Board of Directors and the Board of Commissioners;
2. The second group of principles governs the processes and outputs produced by the Board of Directors and Board of Commissioners; and
3. The third group of principles governs resource owners, who will primarily benefit from the implementation of corporate governance.

The implementation of each principle and recommendation of the 2021 PUGKI, including the steps taken to ensure the effectiveness of management and supervision, as well as how these principles are integrated into daily business processes, has been conveyed by Avian Brands in this Annual Report in accordance with the discussion of each topic. In addition, analysis of their fulfillments has also been communicated through Avian Brands website. By disclosing the implementation of the 2021 PUGKI in the Annual Report and the website, Avian Brands ensures transparency and accountability to all stakeholders, and provides clear guidance on Avian Brands' commitment to good and sustainable governance in accordance with industry best practices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Social and Environmental Responsibility

"Avian Brands carries out its Social and Environmental Responsibility ("SER") commitment through Environmental, Social, Governance ("ESG") management, in order to ensure business sustainability and tangible contributions to stakeholders. This commitment is not only realized in every facet of its operations, but also through the implementation of Avian Brands Peduli program which strengthens Avian Brands' role in supporting quality education, environmental sustainability, and disaster management, to improve the welfare of communities around its operational areas."

Avian Brands' Sustainability Commitment

Avian Brands is firmly committed to its Social and Environmental Responsibility ("SER"), manifested through the management of Environmental, Social, Governance ("ESG") in every aspect of its operations. Avian Brands constantly prioritizes this commitment to maintaining business sustainability and creating long-term value for stakeholders. In each stage of its operations, Avian Brands strives to minimize environmental impacts while simultaneously enhancing sustainability through innovation and responsible management.

Implementation of this commitment is reflected in Avian Brands' products, which uphold the principles of Product Stewardship and have complied with the standards of the Singapore Green Label. These certifications prove that in addition to their optimal functions, Avian Brands' products are also environmentally friendly, free from hazardous materials, and promote the health and well-being of its customers. Other than the product side, Avian Brands also carries out sustainable operations by integrating the use of environmentally friendly energy, recycling waste into raw materials, as well as scalable and well-planned emission management. Furthermore, Avian Brands conducts cradle-to-grave Life Cycle Assessment ("LCA") to ensure the entire product life cycle complies with sustainability standards.

In terms of social responsibility, Avian Brands manifests its responsibility through Avian Brands Peduli program, designed to bring positive impacts to communities around Avian Brands' operational areas. The program focuses on three main aspects, i.e., education, environment, and disaster response. In the education sector, Avian Brands contributes to improving the quality of education through various initiatives, such as improvements in educational facilities. In the environmental sector, Avian Brands actively participates in environmental conservation and preservation efforts through various initiatives that support the balance of the ecosystem. As for disaster response, Avian Brands provides quick and effective relief to communities affected by natural disasters to help ease their hardship and help them recover. Through these programs, Avian Brands not only contributes to environmental sustainability but also improves the well-being and quality of life of local communities.

All of Avian Brands' SER activities are constantly guided by the prevailing and relevant laws and regulations, as described below:

1. Law No. 40 of 2007 on Limited Liability Companies;
2. Law No. 11 of 2000 on Job Creation;
3. Government Regulation in Lieu of Law (*Peraturan Pemerintah Pengganti Undang-Undang* or "Perpu") No. 2 of 2022 on Job Creation;
4. Law No. 8 of 1999 on Consumer Protection; and
5. Government Regulation No. 47 of 2012 on Social and Environmental Responsibility of Limited Liability Companies.



Sustainability Performance Overview

Sustainability of Economic Aspect

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	2022
Direct Economic Value Generated			
Cash Received from Customers	**7,229,124**	6,850,984	6,781,888
Other Receipts	**31,003**	12,664	11,601
Receipts of Finance Income	**291,459**	308,589	302,422
Proceeds from Disposal of Fixed Assets	**11,156**	14,094	16,398
Total Direct Economic Value Generated	**7,562,742**	**7,186,331**	**7,112,309**
Distributed Economic Value			
Payments to Suppliers	**4,625,552**	4,341,998	4,598,330
Payments to Employees	**779,291**	707,405	659,079
Payment for Corporate Income Tax	**380,615**	482,000	377,003
Dividend Payment to Shareholders	**1,348,142**	1,362,978	1,115,164
Acquisition of Right-of-Use Assets	**39,600**	69,588	66,285
Payment of Lease Liabilities	**24,758**	58,836	25,374
Payment of Interest Expense	**2,539**	4,077	6,463
Expenses for the Community	**2,344**	1,995	1,978
Environmental Expenses	**1,293**	1,059	1,524
OHS Investment Cost	**1,307**	886	841
Total Distributed Economic Value	**7,205,441**	**7,030,822**	**6,852,041**
Retained Economic Value	**357,301**	**155,509**	**260,268**

Description	Unit	2024	2023	2022
Operational Performance				
Manufacturing Volumes	Metric Tons	**197,339**	180,540	170,986
Environmentally Friendly Products Singapore Green Label Certified Product Categories	Product Brand	**34**	29	24
Product or Service Quantity	Product Brand	**105**	96	88
Local Suppliers Engagement				
Local Suppliers				
Total Local Suppliers	Number of Company	**217**	219	209
Percentage of Local Supplier Engagement by Entity compared to Total Suppliers	%	**76.14**	77.94	76.00
Local Employees				
Total Local Employee	People	**8,387***	7,577*	7,231*
Percentage of Local Labor Involvement in Avian Brands Operational Activities	%	**90.03***	89.38*	89.54*

Notes:
* AVIA, TKTW, and TKBI.

Sustainability of Environmental Aspect

Description	Unit	2024	2023	2022
Energy Efficiency				
Total Energy Usage	GJ	**211,358.89**	215,727.57*	212,241.33*

Description	Unit	2024	2023	2022
Energy Intensity	GJ/Ton of Product	**0.17**	0.18*	0.19
	kWh/Ton of Product	**47.20**	49.74*	52.18*
	Thousand Rupiah/ Ton of Product	**36,137.43**	37,775.99*	40,774.22*
Energy Intensity Efficiency	GJ/Ton of Product	**0.01**	0.01*	0.01*
Materials Used in Paint Production				
Renewable Materials Purchase	Ton	**89,589.48**	72,903.20	61,888.17
Non-Renewable Materials Purchase	Ton	**69,528.10**	70,887.41	74,937.20
Total Material Purchase	Ton	**159,117.58**	143,790.61	136,825.37
Emissions Management**				
Total of Scope 1 and Scope 2 Emissions	TonCO_2e	**11,244.89**	11,299.92*	11,414.23*
Intensity of Scope 1 and Scope 2 Emissions	KgCO_2e/ Ton of Product	**23.26**	24.45*	25.16*
Total Scope 3 Emissions	TonCO_2e	**154,786.52**	0	0
Water Management				
Total Water Usage	Megaliter	**142.48**	141.68	113.98
Water Intensity	Megaliter/ Ton of Product	**0.0007**	0.0008*	0.0008
Reduction of Hazardous Waste Generation				
Reuse of Industrial Waste Water	Ton	**2,650.14**	1,820.24	2,482.98
Reuse of Washing Solvent	Ton	**151.19**	166.27	180.87
Hazardous Waste (liquid and solid managed by third parties)	Ton	**733.94**	886.77	946.96
Non-Hazardous Waste	Ton	**166.99**	185.07	157.68
Discharge Water	Megaliter	**4.80**	3.83	4.14
Biodiversity Preservation***				
Total Trees Planted	Trees	**20,794**	14,880	6,797
Type of Trees Planted	Type	**169**	94	69
Carbon Sequestration Value	**KgCO_2e**	**4,835,028**	**1,200,987**	**941,337**

Notes:
* Data restated.
** Scope 3 GHG emission is being measured only for 2024.
*** Data represents accumulated trees planted over the years by Avian Brands around the locations of AVIA, TKTW, and the slopes of Mount Arjuno.

Sustainability of Social Aspect

Description	Unit	2024*	2023*	2022*
Community Development and Empowerment (*Pengembangan dan Pemberdayaan Masyarakat* or "PPM")**				
Number of PPM Program	Total Program	**195**	98	27
Cost of PPM Program	Million Rupiah	**2,344**	1,995 ***	1,978
Manpower Management				
Total Employees (Including Outsourcing)	People	**9,322**	8,483 *	8,082 *
Total Female Employees (Including Outsourcing)	People	**2,109**	1,724 *	1,626 *
Number of Participants in the Competence Development	People	**7,632**	6,173	3,096
Total Recordable Injury Rate	Rate	**1.57**	2.16	2.01
Total Recordable Incident Frequency Rate	Rate	**2.05**	2.69	1.74

Notes:
* AVIA, TKTW, and TKBI;
** AVIA; and
*** Data restated.

A complete description of SER policies and programs 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 2024 Annual Report of PT Avia Avian Tbk

We, the undersigned, hereby declare that all information in the 2024 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 12, 2025

The Board of Commissioners,



Hermanto Tanoko
President Commissioner



Mohammad Noor Rachman Soejoeti
Independent Commissioner

The Board of Directors,



Wijono Tanoko
President Director



Ruslan Tanoko
Vice President Director



Robert Christian Tanoko
Director



Kurnia Hadi Sinanto
Director



Angelica Tanisia Jozar
Director

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PT AVIA AVIAN TBK
DAN ENTITAS ANAKNYA/
AND ITS SUBSIDIARIES

LAPORAN KEUANGAN KONSOLIDASIAN
TANGGAL 31 DESEMBER 2024
SERTA UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
DAN LAPORAN AUDITOR INDEPENDEN

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024
AND FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITOR'S 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 2024
SERTA UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
DAN LAPORAN AUDITOR INDEPENDEN

PT AVIA AVIAN TBK
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORT

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SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN
PT AVIA AVIAN TBK
DAN ENTITAS ANAK
TANGGAL 31 DESEMBER 2024 DAN 2023
DAN UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL 31 DESEMBER 2024 DAN 2023

Kami yang bertanda tangan di bawah ini:

1. Nama : Wijono Tanoko
   Alamat Kantor : Jl. Ahmad Yani No. 317, Surabaya
   Alamat Rumah : Graha Family Blok K-9, Surabaya
   Jabatan : Direktur Utama

2. Nama : Kurnia Hadi Sinanto
   Alamat Kantor : Jl. Ahmad Yani No. 317, Surabaya
   Alamat Rumah : Wonorejo Permai Timur I/15, Surabaya
   Jabatan : Direktur

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Avia Avian Tbk dan Entitas Anak ("Grup").

2. Laporan keuangan konsolidasian Grup telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia.

3. a. Semua informasi dalam laporan keuangan konsolidasian Grup telah dimuat secara lengkap dan benar.

   b. Laporan keuangan konsolidasian Grup tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material.

4. Bertanggung jawab atas sistem pengendalian internal dalam Grup.

Demikian pernyataan ini dibuat dengan sebenarnya.

DIRECTORS' STATEMENT LETTER
REGARDING THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS OF
PT AVIA AVIAN TBK
AND ITS SUBSIDIARIES
AS OF DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

We, the undersigned:

1. *Name* : *Wijono Tanoko*
   Office Address : *Jl. Ahmad Yani No. 317, Surabaya*
   Residential Address : *Graha Family Blok K-9, Surabaya*
   Position : *President Director*

2. *Name* : *Kurnia Hadi Sinanto*
   Office Address : *Jl. Ahmad Yani No. 317, Surabaya*
   Residential Address : *Wonorejo Permai Timur I/15, Surabaya*
   Position : *Director*

Declare that:

1. *We are responsible for the preparation and presentation of the consolidated financial statements of PT Avia Avian Tbk and Subsidiaries (the "Group").*

2. *The Group's consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.*

3. a. *All information in the Group's consolidated financial statements have been disclosed in a complete and truthful manner.*

   b. *The Group's consolidated financial statements do not contain any incorrect material information or facts, and do not omit material information or facts.*

4. *We are responsible for the Group's internal control system.*

Thus, this statement letter is made truthfully.

Surabaya, 24 Februari 2025 / *February 24, 2025*
Atas nama dan mewakili Dewan Direksi/
For and on behalf of the Board of Directors



Wijono Tanoko
(Direktur Utama/*President Director*)

Kurnia Hadi Sinanto
(Direktur/*Director*)

Crowe

Teramihardja, Pradhono & Chandra
Registered Public Accountants No. 487/KM.1/2011
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The original report included herein is in the Indonesian Language.

Laporan Auditor Independen

Laporan No. 00032/2.0851/AU.1/04/0453-1/1/II/2025

Pemegang Saham, Dewan Komisaris dan Direksi

PT AVIA AVIAN Tbk

Opini

Kami telah mengaudit laporan keuangan konsolidasian PT Avia Avian Tbk dan Entitas Anaknya ("Grup"), yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2024, serta laporan laba rugi dan penghasilan komprehensif lain konsolidasian, laporan perubahan ekuitas konsolidasian, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, serta catatan atas laporan keuangan konsolidasian, termasuk informasi kebijakan akuntansi material.

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian Grup tanggal 31 Desember 2024, serta kinerja keuangan konsolidasian dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Basis Opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan Konsolidasian pada laporan kami. Kami independen terhadap Grup berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan konsolidasian di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Hal Audit Utama

Hal audit utama adalah hal-hal yang, menurut pertimbangan profesional kami, merupakan hal yang paling signifikan dalam audit kami atas laporan keuangan konsolidasian periode kini. Hal-hal tersebut disampaikan dalam konteks audit kami atas laporan keuangan konsolidasian secara keseluruhan, dan dalam merumuskan opini kami atas laporan keuangan konsolidasian terkait, kami tidak menyatakan suatu opini terpisah atas hal audit utama tersebut.

Independent Auditor's Report

Report No. 00032/2.0851/AU.1/04/0453-1/1/II/2025

The Shareholders, Boards of Commissioners and Directors

PT AVIA AVIAN Tbk

Opinion

We have audited the consolidated financial statements of PT Avia Avian Tbk and its Subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements paragraph of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The original report included herein is in the Indonesian Language.

Estimasi atas Beban Akrual Pemasaran dan Promosi

Lihat Catatan 3t "Informasi Kebijakan Akuntansi yang Material - Akrual dan provisi", Catatan 3v "Informasi Kebijakan Akuntansi yang Material - Pengakuan pendapatan dan beban - Program loyalitas pelanggan", Catatan 4 "Pertimbangan Akuntansi Penting dan Sumber Utama Ketidakpastian Estimasi", dan Catatan 15 "Beban Akrual" atas laporan keuangan konsolidasian.

Pada tanggal 31 Desember 2024, Grup mencatat beban akrual atas pemasaran dan promosi sebesar Rp 187.362 juta pada laporan posisi keuangan konsolidasian. Akrual tersebut adalah sehubungan dengan berbagai skema tetap dan variabel atas promosi penjualan yang diberikan kepada pelanggan.

Grup menggunakan asumsi dan pertimbangan yang signifikan untuk mengestimasi jumlah beban akrual pemasaran dan promosi pada tanggal 31 Desember 2024. Asumsi-asumsi utama dalam penentuan beban akrual pemasaran dan promosi adalah harga barang promosi dan estimasi pencapaian penjualan, serta mengevaluasi hasil historis realisasi promosi penjualan. Ketidakpastian muncul sehubungan dengan harga barang promosi dan jumlah aktual pencapaian penjualan, yang mungkin berbeda dengan estimasi.

Kami menetapkan area ini sebagai hal audit utama dikarenakan adanya risiko bawaan terkait ketidakpastian dan terdapat pertimbangan signifikan yang dilakukan oleh manajemen dalam menentukan estimasi beban akrual pemasaran dan promosi pada akhir tahun.

Bagaimana audit kami merespons Hal Audit Utama

- Kami memperoleh pemahaman tentang metodologi yang digunakan oleh Grup untuk memperkirakan beban akrual pemasaran dan promosi.
- Kami memperoleh rincian pemasaran dan promosi dan menguji kelengkapan serta akurasi data input, dasar, dan asumsi yang digunakan oleh Grup dalam perhitungan akrual untuk pemasaran dan promosi.
- Kami mengevaluasi perhitungan Grup atas beban akrual pemasaran dan promosi dengan menguji, secara sampel, kecukupan saldo akrual dan perhitungan mereka.
- Kami menguji realisasi beban akrual pemasaran dan promosi yang dibuat pada tahun sebelumnya dan tahun berjalan dengan memeriksa ke dokumen pendukung yang relevan, secara sampel.
- Kami mengevaluasi klasifikasi beban pemasaran dan promosi dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian untuk setiap skema pemasaran dan promosi.

Estimates for Accrued Marketing and Promotion Expenses

Refer to Note 3t "Material Accounting Policy Information - Accruals and provisions", Note 3v "Material Accounting Policy Information - Revenue and expense recognition - Customer loyalty programme", Note 4 "Critical Accounting Judgments and Key Sources of Estimation Uncertainty", and Note 15 "Accrued Expenses" to the consolidated financial statements.

As of December 31, 2024, the Group recorded accrued promotion and marketing expenses amounting to Rp 187,362 million in the consolidated statement of financial position. The accrual is in relation to sales promotion schemes given to customers, which consisted of various fixed and variable schemes.

The Group exercised significant assumptions and judgments to estimate the amount of marketing and promotion accruals as of December 31, 2024. The key assumptions in determining the accrued marketing and promotion expenses were price of the promotional goods and estimated sales achievement, as well as evaluating historical results of sales promotion realization. Uncertainties exist with respect to price of the promotional goods and the actual sales achievement, which may be different from the estimation.

We determined this area as a key audit matter due to the inherent risk of uncertainties and significant judgements in determining the amount of the accrued marketing and promotion expenses at the end of the year.

How our audit addressed the Key Audit Matters

- *We obtained an understanding of the methodologies used by the Group to estimate the accrual of marketing and promotion expenses.*
- *We obtained the marketing and promotion listing and tested the completeness and accuracy of data inputs, basis and assumptions used by the Group in the computation of accrual for marketing and promotion.*
- *We evaluated the Group's calculation of accrued marketing and promotion expenses by assessing, on a sampling basis, the adequacy of accrued balances and their calculation.*
- *We tested the realization of the accrued marketing and promotion expenses made in prior year and during the year, by checking to supporting documents on a sample basis.*
- *We evaluated the classification of marketing and promotion expenses in the consolidated statement of profit or loss and other comprehensive income for each of the marketing and promotion schemes.*

The original report included herein is in the Indonesian Language.

Hal Lain

Laporan keuangan konsolidasian Grup tanggal 31 Desember 2023 dan untuk tahun yang berakhir pada tanggal tersebut diaudit oleh auditor independen lain yang menyatakan opini tanpa modifikasian atas laporan keuangan konsolidasian tersebut pada tanggal 27 Februari 2024.

Other Matter

The consolidated financial statements of the Group as of December 31, 2023 and for the year then ended were audited by another independent auditor who expressed an unmodified opinion on those consolidated financial statements on February 27, 2024.

Informasi Lain

Manajemen bertanggung jawab atas informasi lain. Informasi lain terdiri dari informasi yang tercantum dalam laporan tahunan pada tanggal 31 Desember 2024 dan untuk tahun yang berakhir pada tanggal tersebut, tetapi tidak mencantumkan laporan keuangan konsolidasian dan laporan auditor kami. Laporan tahunan diharapkan akan tersedia bagi kami setelah tanggal laporan auditor ini.

Opini kami atas laporan keuangan konsolidasian tidak mencakup informasi lain, dan oleh karena itu, kami tidak menyatakan bentuk keyakinan apapun atas informasi lain tersebut.

Sehubungan dengan audit kami atas laporan keuangan konsolidasian, tanggung jawab kami adalah untuk membaca informasi lain yang teridentifikasi di atas, jika tersedia dan, dalam melaksanakannya, mempertimbangkan apakah informasi lain mengandung ketidakkonsistensian material dengan laporan keuangan konsolidasian atau pemahaman yang kami peroleh selama audit, atau mengandung kesalahan penyajian material.

Ketika kami membaca laporan tahunan, jika kami menyimpulkan bahwa terdapat suatu kesalahan penyajian material di dalamnya, kami diharuskan untuk mengomunikasikan hal tersebut kepada pihak yang bertanggung jawab atas tata kelola dan mengambil tindakan tepat berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report as of December 31, 2024 and for the year then ended, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants.

Tanggung Jawab Manajemen dan Pihak yang Bertanggung Jawab atas Tata Kelola terhadap Laporan Keuangan Konsolidasian

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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

The original report included herein is in the Indonesian Language.

Dalam penyusunan laporan keuangan konsolidasian, manajemen bertanggung jawab untuk menilai kemampuan Grup dalam mempertahankan kelangsungan usahanya, mengungkapkan, sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Grup atau menghentikan operasinya atau tidak memiliki alternatif yang realistis selain melaksanakannya.

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

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Grup.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan Konsolidasian

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Tujuan kami adalah untuk memeroleh keyakinan memadai tentang apakah laporan keuangan konsolidasian secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan konsolidasian tersebut.

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

Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga:

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memeroleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi dari yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.

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

- Memeroleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal Grup.

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

The original report included herein is in the Indonesian Language.

- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.

- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Grup untuk mempertahankan kelangsungan usahanya. Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan konsolidasian atau, jika pengungkapan tersebut tidak memadai, harus menentukan apakah perlu untuk memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Grup tidak dapat mempertahankan kelangsungan usaha.

- Mengevaluasi penyajian, struktur, dan isi laporan keuangan konsolidasian secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan konsolidasian mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.

- Memeroleh bukti audit yang cukup dan tepat terkait informasi keuangan entitas atau aktivitas bisnis dalam Grup untuk menyatakan opini atas laporan keuangan konsolidasian. Kami bertanggung jawab atas arahan, supervisi, dan pelaksanaan audit Grup. Kami tetap bertanggung jawab sepenuhnya atas opini audit kami.

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit, serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

Kami juga memberikan suatu pernyataan kepada pihak yang bertanggung jawab atas tata kelola bahwa kami telah mematuhi ketentuan etika yang relevan mengenai independensi, dan mengomunikasikan seluruh hubungan, serta hal-hal lain yang dianggap secara wajar berpengaruh terhadap independensi kami, dan, jika relevan, pengamanan terkait.

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

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

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

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

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

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

The original report included herein is in the Indonesian Language.

Dari hal-hal yang dikomunikasikan kepada pihak yang bertanggung jawab atas tata kelola, kami menentukan hal-hal tersebut yang paling signifikan dalam audit atas laporan keuangan konsolidasian periode kini dan oleh karenanya menjadi hal audit utama. Kami menguraikan hal audit utama dalam laporan auditor kami, kecuali peraturan perundang-undangan melarang pengungkapan publik tentang hal tersebut atau ketika, dalam kondisi yang sangat jarang terjadi, kami menentukan bahwa suatu hal tidak boleh dikomunikasikan dalam laporan kami karena konsekuensi merugikan dari mengomunikasikan hal tersebut akan diekspektasikan secara wajar melebihi manfaat kepentingan publik atas komunikasi tersebut.

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

Kantor Akuntan Publik/*Registered Public Accountants*
TERAMIHARDJA, PRADHONO & CHANDRA



Agustina Felisia, CPA
Izin Akuntan Publik/*Public Accountant License* No. 0453

24 Februari 2025

February 24, 2025

00032

PT AVIA AVIAN Tbk
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN KONSOLIDASIAN
Tanggal 31 Desember 2024
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2024
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2024	2023*)	
ASET				***ASSETS***
ASET LANCAR				***CURRENT ASSETS***
Kas dan setara kas	3j, 5	2,329,491	1,230,544	*Cash and cash equivalents*
Kas di bank dan deposito yang dibatasi penggunaannya		3,000	2,100	*Restricted cash in bank and time deposits*
Investasi	3i, 10	2,952,900	4,754,087	*Investments*
Piutang usaha				*Trade receivables*
Pihak berelasi	3k, 6, 7	16,319	14,018	*Related parties*
Pihak ketiga	3k, 6	1,445,418	1,229,025	*Third parties*
Piutang lain-lain				*Other receivables*
Pihak berelasi	3k, 7, 8	83,283	56,538	*Related parties*
Pihak ketiga	3k, 8	45,420	49,331	*Third parties*
Persediaan	3l, 9	1,558,203	1,519,549	*Inventories*
Hak retur aset	3v	19,333	16,426	*Right of return assets*
Uang muka pemasok		5,791	7,734	*Advances to suppliers*
Beban dibayar dimuka		14,456	11,381	*Prepaid expenses*
Pajak dibayar dimuka	3w, 19	19,748	20,069	*Prepaid taxes*
Jumlah Aset Lancar		8,493,362	8,910,802	*Total Current Assets*
ASET TIDAK LANCAR				***NON-CURRENT ASSETS***
Properti investasi	3o, 11	290,510	290,113	*Investment properties*
Aset tetap - neto	3m, 12	1,930,297	1,659,163	*Fixed assets - net*
Aset hak-guna	3n, 7, 16	180,949	150,551	*Right-of-use assets*
Aset takberwujud	3p	28,734	25,808	*Intangible assets*
Investasi pada ventura bersama	3f, 13	19,976	17,298	*Investment in joint venture*
Aset pajak tangguhan	3w, 19	36,144	43,878	*Deferred tax assets*
Taksiran klaim pajak penghasilan	3w, 19	29,432	29,432	*Estimated claims for income tax refund*
Aset tidak lancar lainnya		51,571	39,942	*Other non-current assets*
Jumlah Aset Tidak Lancar		2,567,613	2,256,185	*Total Non-Current Assets*
JUMLAH ASET		**11,060,975**	**11,166,987**	***TOTAL ASSETS***

*) Setelah direklasifikasi (Catatan 36)

*) *As reclassified (Note 36)*

PT AVIA AVIAN Tbk
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN (lanjutan)
Tanggal 31 Desember 2024
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT AVIA AVIAN Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2024
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2024	2023	
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS				***LIABILITIES***
LIABILITAS JANGKA PENDEK				***CURRENT LIABILITIES***
Pinjaman bank jangka pendek	3u, 17	9,189	5,222	*Short-term bank loans*
Utang usaha				*Trade payables*
Pihak berelasi	3r, 7, 14	362,941	279,321	*Related parties*
Pihak ketiga	3r, 14	424,760	371,337	*Third parties*
Utang lain-lain				*Other payables*
Pihak berelasi	3r, 7	487	121	*Related parties*
Pihak ketiga	3r	24,136	30,450	*Third parties*
Pendapatan diterima dimuka				*Unearned revenue*
Pihak berelasi	3v, 7	1,611	1,802	*Related parties*
Pihak ketiga	3v	599	362	*Third parties*
Beban akrual	3t, 15	252,661	301,835	*Accrued expenses*
Imbalan kerja jangka pendek	3s, 18	108,618	97,052	*Short-term employee benefits*
Utang pajak	3w, 19	72,123	52,584	*Taxes payable*
Uang jaminan pelanggan		3,000	2,100	*Customer guarantee*
Provisi retur penjualan	3v	26,683	21,979	*Provision for sales return*
Liabilitas sewa - bagian jangka pendek	3n, 7, 16	64,777	10,965	*Lease liabilities - current portion*
Jumlah Liabilitas Jangka Pendek		1,351,585	1,175,130	*Total Current Liabilities*
LIABILITAS JANGKA PANJANG				***NON-CURRENT LIABILITIES***
Liabilitas sewa - bagian jangka panjang	3n, 16	19,416	15,725	*Lease liabilities - non-current portion*
Liabilitas imbalan kerja	3s, 18	58,094	54,643	*Employee benefit liabilities*
Jumlah Liabilitas Jangka Panjang		77,510	70,368	*Total Non-Current Liabilities*
Jumlah Liabilitas		1,429,095	1,245,498	*Total Liabilities*

PT AVIA AVIAN Tbk
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PT AVIA AVIAN TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2024
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2024	2023	
EKUITAS				***EQUITY***
Ekuitas yang Dapat Diatribusikan kepada Pemilik Entitas Induk				***Equity Attributable to the Equity Holders of the Parent Company***
Modal saham - nilai nominal Rp 10 (nilai penuh) per saham Modal dasar - 200.000.000.000 saham Modal ditempatkan dan disetor penuh - 61.953.555.600 saham	3x, 20	619,536	619,536	*Share capital - par value Rp 10 (full amount) per share Authorised - 200,000,000,000 shares Issued and fully paid - 61,953,555,600 shares*
Tambahan modal disetor	3e, 21	7,793,218	7,793,218	*Additional paid-in capital*
Saham treasuri	3x, 20	(574,552)	(16,369)	*Treasury shares*
Surplus revaluasi aset tetap		229,406	229,406	*Revaluation surplus of fixed assets*
Bagian penghasilan komprehensif lain dari ventura bersama		85	85	*Share of other comprehensive income of joint venture*
Perubahan nilai wajar atas investasi pada surat utang negara	10	(103,357)	(56,408)	*Changes in fair value of investment in government bonds*
Keuntungan pengukuran kembali liabilitas imbalan kerja		9,880	9,921	*Remeasurement gain on employee benefit liabilities*
Saldo laba				*Retained earnings*
Telah ditentukan penggunaannya	22	124,000	124,000	*Appropriated*
Belum ditentukan penggunaannya		1,527,177	1,210,978	*Unappropriated*
Sub-Jumlah		9,625,393	9,914,367	*Sub-Total*
Kepentingan Non-Pengendali	3d	6,487	7,122	*Non-Controlling Interests*
Jumlah Ekuitas		9,631,880	9,921,489	*Total Equity*
JUMLAH LIABILITAS DAN EKUITAS		**11,060,975**	**11,166,987**	***TOTAL LIABILITIES AND EQUITY***

PT AVIA AVIAN Tbk
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PT AVIA AVIAN Tbk
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PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
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	Catatan/ *Notes*	2024	2023	
PENJUALAN NETO	3v, 7, 25	7,471,356	7,016,882	***NET REVENUES***
BEBAN POKOK PENJUALAN	3v, 7, 26	(4,130,606)	(3,833,546)	***COST OF GOODS SOLD***
LABA BRUTO		**3,340,750**	**3,183,336**	***GROSS PROFIT***
BEBAN USAHA				***OPERATING EXPENSES***
Beban penjualan	3v, 27	(1,318,417)	(1,240,237)	*Selling expenses*
Beban umum dan administrasi	3v, 27	(253,243)	(226,090)	*General and administrative expenses*
Jumlah Beban Usaha		(1,571,660)	(1,466,327)	*Total Operating Expenses*
LABA USAHA		**1,769,090**	**1,717,009**	***OPERATING PROFIT***
PENGHASILAN (BEBAN) LAIN-LAIN				***OTHER INCOME (EXPENSES)***
Pendapatan keuangan	28	285,105	286,259	*Finance income*
Beban keuangan	29	(2,539)	(4,077)	*Finance charges*
Bagian atas laba neto ventura bersama	13	2,678	898	*Share in net profit of joint venture*
Pendapatan (beban) lain-lain - neto	7, 30	14,260	(7,946)	*Other income (expenses) - net*
LABA SEBELUM BEBAN PAJAK PENGHASILAN		**2,068,594**	**1,992,143**	***PROFIT BEFORE INCOME TAX EXPENSE***
Beban pajak penghasilan	3w, 19	(404,895)	(349,047)	*Income tax expense*
LABA TAHUN BERJALAN		**1,663,699**	**1,643,096**	***PROFIT FOR THE YEAR***
PENGHASILAN (RUGI) KOMPREHENSIF LAIN				***OTHER COMPREHENSIVE INCOME (LOSS)***
Pos yang tidak akan direklasifikasi ke laba rugi:				***Items that will not be reclassified to profit or loss:***
Surplus revaluasi aset tetap	12	-	2,912	*Revaluation surplus of fixed assets*
Kerugian aktuarial dari liabilitas atas imbalan kerja karyawan	3s, 18	(44)	(4,330)	*Actuarial loss on employee benefit*
Pajak tangguhan terkait	3w, 19	10	953	*Related deferred tax*
Sub-jumlah		(34)	(465)	*Sub-total*
Pos yang akan direklasifikasi ke laba rugi:				***Item that will be reclassified to profit or loss:***
Perubahan nilai wajar atas investasi pada surat utang negara	10	(46,949)	81,868	*Changes in fair value of investment in government bonds*
Penghasilan (rugi) komprehensif lain - setelah pajak		(46,983)	81,403	*Other comprehensive income (loss) - net of tax*
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		**1,616,716**	**1,724,499**	***TOTAL COMPREHENSIVE INCOME FOR THE YEAR***

PT AVIA AVIAN Tbk
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	Catatan/ *Notes*	2024	2023	
LABA TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				***PROFIT FOR THE YEAR ATTRIBUTABLE TO:***
Pemilik Entitas Induk		1,664,341	1,642,166	*Equity Holders of the Parent Company*
Kepentingan Non-Pengendali	3d	(642)	930	*Non-Controlling Interests*
JUMLAH		**1,663,699**	**1,643,096**	***TOTAL***
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				***TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:***
Pemilik Entitas Induk		1,617,351	1,723,608	*Equity Holders of the Parent Company*
Kepentingan Non-Pengendali	3d	(635)	891	*Non-Controlling Interests*
JUMLAH		**1,616,716**	**1,724,499**	***TOTAL***
Laba per Saham Dasar dan Dilusian yang Dapat Diatribusikan kepada Pemilik Entitas Induk	3z, 23	27.16	26.51	***Basic and Diluted Earnings per Share Attributable to Equity Holders of the Parent Company***

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

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PT AVIA AVIAN Tbk
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		Ekuitas yang Dapat Diatribusikan kepada Pemilik Entitas Induk/ *Equity Atributable to the Equity Holders of the Parent Company*											
	Catatan/ *Notes*	Modal Saham Ditempatkan dan Disetor Penuh/ *Issued and Fully Paid Share Capital*	Tambahan Modal Disetor/ *Additional Paid-in Capital*	Saham Treasuri/ *Treasury Shares*	Surplus Revaluasi Aset Tetap/ *Revaluation Surplus of Fixed Assets*	Bagian dari Penghasilan Komprehensif Lain dari Ventura Bersama/ *Share of Other Comprehensive Income of Joint Venture*	Perubahan Nilai Wajar atas Investasi pada Surat Utang Negara/ *Changes in Fair Value of Investment in Goverment Bonds*	Keuntungan (Kerugian) Pengukuran Kembali Liabilitas Imbalan Kerja/ *Remeasurement Gain or (Loss) on Employee Benefit Liabilities*	Saldo Laba/ *Retained Earnings*		Sub-Jumlah/ *Sub-Total*	Kepentingan Non-Pengendali/ *Non-Controlling Interests*	Jumlah Ekuitas/ *Total Equity*	
									Telah Ditentukan Penggunaannya/ *Appropriated*	Belum Ditentukan Penggunaannya/ *Unappropriated*				
Saldo 31 Desember 2022		**619,536**	**7,793,218**	**-**	**226,494**	**85**	**(138,276)**	**13,259**	**124,000**	**931,790**	**9,570,106**	**4,779**	**9,574,885**	***Balance as of December 31, 2022***
Dividen	24	-	-	-	-	-	-	-	-	(1,362,978)	(1,362,978)	-	(1,362,978)	*Dividends*
Penerbitan saham entitas anak kepada kepentingan non-pengendali		-	-	-	-	-	-	-	-	-	-	1,452	1,452	*Issuance of a subsidiary's shares to non-controlling interests*
Pembelian saham treasuri	20	-	-	(16,369)	-	-	-	-	-	-	(16,369)	-	(16,369)	*Purchase of treasure shares*
Laba tahun berjalan		-	-	-	-	-	-	-	-	1,642,166	1,642,166	930	1,643,096	*Profit for the year*
Penghasilan komprehensif lain		-	-	-	2,912	-	81,868	(3,338)	-	-	81,442	(39)	81,403	*Other comprehensive income*
Saldo 31 Desember 2023		**619,536**	**7,793,218**	**(16,369)**	**229,406**	**85**	**(56,408)**	**9,921**	**124,000**	**1,210,978**	**9,914,367**	**7,122**	**9,921,489**	***Balance as of December 31, 2023***
Dividen	24	-	-	-	-	-	-	-	-	(1,348,142)	(1,348,142)	-	(1,348,142)	*Dividends*
Pembelian saham treasuri	20	-	-	(558,183)	-	-	-	-	-	-	(558,183)	-	(558,183)	*Purchase of treasure shares*
Laba tahun berjalan		-	-	-	-	-	-	-	-	1,664,341	1,664,341	(642)	1,663,699	*Profit for the year*
Rugi komprehensif lain		-	-	-	-	-	(46,949)	(41)	-	-	(46,990)	7	(46,983)	*Other comprehensive loss*
Saldo 31 Desember 2024		**619,536**	**7,793,218**	**(574,552)**	**229,406**	**85**	**(103,357)**	**9,880**	**124,000**	**1,527,177**	**9,625,393**	**6,487**	**9,631,880**	***Balance as of December 31, 2024***

Catatan atas Laporan Keuangan Konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

The accompanying Notes to the Consolidated Financial Statements form an integral part of these consolidated financial statements

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PT AVIA AVIAN Tbk
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CONSOLIDATED STATEMENT OF CASH FLOWS
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	Catatan/ *Notes*	2024	2023*)	
ARUS KAS DARI AKTIVITAS OPERASI				***CASH FLOWS FROM OPERATING ACTIVITIES***
Penerimaan kas dari pelanggan		7,229,124	6,850,984	*Cash receipts from customers*
Pembayaran ke pemasok		(4,625,552)	(4,341,998)	*Payments to suppliers*
Pembayaran ke karyawan		(779,291)	(707,405)	*Payments to employees*
Kas yang diperoleh dari operasi		1,824,281	1,801,581	*Cash provided by operations*
Penerimaan lain-lain		31,003	12,664	*Other receipts*
Penerimaan penghasilan bunga		291,459	308,589	*Receipts of finance income*
Pembayaran pajak penghasilan badan	19	(380,615)	(482,000)	*Payments of corporate income taxes*
Kas Bersih yang Diperoleh dari Aktivitas Operasi		**1,766,128**	**1,640,834**	***Net Cash Provided by Operating Activities***
ARUS KAS DARI AKTIVITAS INVESTASI				***CASH FLOWS FROM INVESTING ACTIVITIES***
Penerimaan dari pelepasan aset tetap	12	11,156	14,094	*Proceeds from disposal of fixed assets*
Penerimaan dari penjualan investasi pada surat utang negara		-	1,128,447	*Proceeds from sale of investment in government bonds*
Penerimaan investasi jangka pendek		1,740,000	-	*Proceeds of short-term invesments*
Penambahan investasi jangka pendek		-	(1,740,000)	*Additions of short-term investments*
Pembelian aset tetap		(438,716)	(246,181)	*Purchase of fixed assets*
Perolehan aset hak-guna		(39,600)	(69,588)	*Additions of right-of-use assets*
Penambahan aset takberwujud		(10,366)	(8,667)	*Additions of intangible assets*
Penambahan investasi pada reksa dana		-	(20,000)	*Additions of investment in mutual funds*
Penambahan investasi pada surat utang negara		-	(196,300)	*Additions of investment in government bonds*
Kas Bersih yang Diperoleh dari (Digunakan untuk) Aktivitas Investasi		**1,262,474**	**(1,138,195)**	***Net Cash Provided by (Used in) Investing Activities***

*) Setelah direklasifikasi (Catatan 36)

**) As reclassified (Note 36)*

PT AVIA AVIAN Tbk
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CASH FLOWS (continued)
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	Catatan/ *Notes*	2024	2023*)	
ARUS KAS DARI AKTIVITAS PENDANAAN				***CASH FLOWS FROM FINANCING ACTIVITIES***
Perolehan saham treasuri	20	(558,183)	(16,369)	*Acquisition of treasury shares*
Pembayaran liabilitas sewa	16	(24,758)	(58,836)	*Payments of lease liabilities*
Pembayaran beban bunga	29	(2,539)	(4,077)	*Payment of interest expense*
Penerbitan saham entitas anak kepada kepentingan non-pengendali		-	1,452	*Issuance of subsidiary's shares to non-controlling interests*
Pembayaran dividen tunai	24	(1,348,142)	(1,362,978)	*Payment of cash dividends*
Kas bersih yang Digunakan untuk Aktivitas Pendanaan		**(1,933,622)**	**(1,440,808)**	***Net Cash Used in Financing Activities***
KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS		**1,094,980**	**(938,169)**	***NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS***
KAS DAN SETARA KAS DAN CERUKAN AWAL TAHUN		**1,225,322**	**2,163,491**	***CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT AT BEGINNING OF YEAR***
KAS DAN SETARA KAS DAN CERUKAN AKHIR TAHUN	5, 17	**2,320,302**	**1,225,322**	***CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT AT END OF YEAR***
Kas, setara kas dan cerukan terdiri dari:				*Cash, cash equivalent and bank overdrafts comprise of the following:*
Kas dan setara kas	5	2,329,491	1,230,544	*Cash and cash equivalents*
Cerukan	17	(9,189)	(5,222)	*Bank overdrafts*
		2,320,302	**1,225,322**	

*) Setelah direklasifikasi (Catatan 36)

**) As reclassified (Note 36)*

PT AVIA AVIAN Tbk
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PT AVIA AVIAN Tbk
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NOTES TO THE CONSOLIDATED
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1. UMUM

a. Pendirian dan informasi umum Perusahaan

PT Avia Avian Tbk ("Perusahaan") didirikan berdasarkan Akta Pendirian No. 6 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 5 Juli 1983 dengan Surat Keputusan No. C2-4948.HT.01.01.Th83 dan telah diumumkan dalam Berita Negara Republik Indonesia No. C2- 4948.HT.01.01.Th83.

Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan. Perubahan terakhir dibuat melalui Akta Notaris Liestiani Wang, S.H., M.Kn., No. 3 tanggal 4 Agustus 2021, sehubungan dengan perubahan status perusahaan dari perseroan tertutup menjadi perseroan terbuka, perubahan nama Perusahaan dari PT Avia Avian menjadi PT Avia Avian Tbk, peningkatan modal dasar Perusahaan, perubahan nilai nominal saham, persetujuan pelaksanaan penawaran umum, persetujuan pelaksanaan program Alokasi Saham Karyawan ("ESA"), penyusunan kembali maksud dan tujuan serta kegiatan usaha Perusahaan, penegasan kembali Dewan Komisaris dan Direksi Perusahaan, persetujuan perubahan Anggaran Dasar sesuai dengan Peraturan No. IX.J.1, Peraturan Otoritas Jasa Keuangan ("POJK") No. 15/2020 dan POJK No. 33/2014, dan penetapan pengendali Perusahaan sesuai POJK No. 3/2021. Perubahan anggaran dasar ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-0043612.AH.01.02.TAHUN 2021 tanggal 12 Agustus 2021.

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 Tbk (the "Company") is established based on Deed of Establishment No. 6 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 the Decision of the Department of Justice of the Republic of Indonesia dated July 5, 1983 with Decision Letter No. C2-4948.HT.01.01.Th83 and was published in State Gazette No. C2-4948.HT.01.01.Th83 of the Republic of Indonesia.

The Company's Articles of Association have been amended several times. The latest amendment was made through Notarial Deed No. 3 of Liestiani Wang, S.H., M.Kn., dated August 4, 2021, regarding the change of the Company's status from a limited company to a public company, the change in the Company's name from PT Avia Avian to PT Avia Avian Tbk, an increase in authorised share capital, changes in the share par value, approval for public offering, approval for Employee Stock Allocation ("ESA"), rearrangement of the Company's purposes and objectives and activities, reaffirmation of the Company's Board of Commissioners and Directors, approval of the change in Articles of Association in accordance with Regulation No. IX.J.1, Financial Services Authority's Regulation ("POJK") No. 15/2020 and POJK No. 33/2014 and appointment of the Company's controlling interests in accordance with POJK No. 3/2021. This amendment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decree No. AHU-0043612.AH.01.02.TAHUN 2021 dated August 12, 2021.

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

The Company started its commercial operations in 1983.

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, 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 Rp 10 (angka penuh) per lembar saham dan harga penawaran sebesar Rp 930 (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 ("BEI").

Berdasarkan Rapat Umum Pemegang Saham Tahunan tanggal 7 Desember 2023, yang berita acaranya dituangkan dalam Akta Notaris No. 5 tanggal 7 Desember 2023 dari Notaris Dr. Susanti, S.H., M.Kn., para pemegang saham menyetujui untuk melakukan pembelian kembali sebanyak-banyaknya 1.425.000.000 lembar saham biasa Perusahaan melalui pembelian pada BEI (Catatan 20 dan 37).

c. Entitas induk dan entitas induk utama

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

d. Entitas anak yang dikonsolidasi

Pada tanggal 31 Desember 2024 dan 2023, Perusahaan memiliki entitas anak dengan kepemilikan efektif sebagai berikut:

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 the Minister of Law and Human Rights under Decision Letter No. AHU-0043612.AH.01.02.TAHUN 2021 dated August 12, 2021, the shareholders of the Company decided and approved matters, including the changes of the Company's status from a limited company to a 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 a par value of Rp 10 (full amount) per share at an offering price of Rp 930 (full amount) per share. All of the 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 ("IDX").

Based on the Annual General Shareholders Meeting dated December 7, 2023, which was notarised by Notarial Deed No. 5 dated December 7, 2023, of Notary Dr. Susanti, S.H., M.Kn., the shareholders agreed to repurchase 1,425,000,000 ordinary shares of the Company through a transaction at the IDX (Notes 20 and 37).

c. Parent and ultimate parent entity

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

d. Consolidated subsidiaries

As of December 31, 2024 and 2023, the Company has subsidiaries with effective percentage of ownership as follows:

Entitas Anak/ *Subsidiaries*	Domisili/ *Domicile*	Bidang Usaha/ *Nature of Business*	Dimulainya Kegiatan Komersial/ *Commencement of Commercial Operations*	Persentase Kepemilikan/ *Percentage of Ownership*		Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination*	
				2024	2023	2024	2023
Kepemilikan Langsung/ *Direct Ownership*							
PT Tirta Kencana Tatawarna ("PT TKTW")[a]	Surabaya	Perdagangan/*Trading*	2000	99,99%	99,99%	4,176,481	3,830,103

1. UMUM (lanjutan)

d. Entitas anak yang dikonsolidasi (lanjutan)

1. GENERAL (continued)

d. Consolidated subsidiaries (continued)

Entitas Anak/ *Subsidiaries*	Domisili/ *Domicile*	Bidang Usaha/ *Nature of Business*	Dimulainya Kegiatan Komersial/ *Commencement of Commercial Operations*	Persentase Kepemilikan/ *Percentage of Ownership*		Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination*	
				2024	2023	2024	2023
Kepemilikan Langsung/ *Direct Ownership*							
PT Solusi Rumah Praktis ("PT SRP")	Surabaya	Perdagangan dan jasa/ *Trading and service*	2018	99.99%	99.99%	1,066	2,076
PT Multipro Paint Indonesia ("PT MPI")	Jakarta	Perdagangan dan industri/ *Trading and industry*	2008	67.00%	67.00%	33,043	31,834
Kepemilikan Tidak Langsung/ *Indirect Ownership*							
Melalui PT TKTW/*Through PT TKTW* PT Tirtakencana Batamindo ("PT TKBI")	Batam	Perdagangan/*Trading*	2010	99,98%	99,98%	34,708	34,982

[a] dan entitas anak/*and subsidiaries*

e. Dewan Komisaris dan Direksi, Komite Audit dan karyawan

Susunan Dewan Komisaris dan Direksi pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

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

The compositions of the Company's Boards of Commissioners and Directors as of December 31, 2024 and 2023 are as follows:

	2024	2023	
Dewan Komisaris			***Board of Commissioners***
Komisaris Utama	Hermanto Tanoko	Hermanto Tanoko	*President Commissioner*
Komisaris	Mohammad Noor	Mohammad Noor	*Commissioners*
	Rachman Soejoeti	Rachman Soejoeti	
Direksi			***Board of Directors***
Direktur Utama	Wijono Tanoko	Wijono Tanoko	*President Director*
Wakil Direktur Utama	Ruslan Tanoko	Ruslan Tanoko	*Vice President Director*
Direktur	Robert Christian Tanoko	Robert Christian Tanoko	*Director*
Direktur	Kurnia Hadi Sinanto	Kurnia Hadi Sinanto	*Director*
Direktur	Angelica Tanisia Jozar	Angelica Tanisia Jozar	*Director*

Susunan komite audit pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

The members of Company's Audit Committee as of December 31, 2024 and 2023 are as follows:

	2024	2023	
Komite Audit			***Audit Committee***
Ketua	Mohammad Noor	Mohammad Noor	*Chief*
	Rachman Soejoeti	Rachman Soejoeti	
Anggota	Sammy TS Lalamentik	Sammy TS Lalamentik	*Member*
Anggota	Wardiman Wijaya	Fitradewata	*Member*

Pada tanggal 31 Desember 2024 dan 2023, Grup memiliki masing-masing 1.417 dan 1.422 orang karyawan tetap (tidak diaudit).

As of December 31, 2024 and 2023, the Group had a total of 1,417 and 1,422 permanent employees, respectively (unaudited).

f. Tanggal penyelesaian laporan keuangan konsolidasian

Laporan keuangan konsolidasian Perusahaan dan entitas anak (bersama-sama "Grup") diotorisasi oleh Direksi Perusahaan pada tanggal 24 Februari 2025.

f. Completion date of the consolidated financial statements

The consolidated financial statements of the Company and subsidiaries (together the "Group") were authorised by the Directors of the Company on February 24, 2025.

2. PENERAPAN STANDAR BARU DAN REVISI

a. Perubahan nomenklatur Standar Akuntansi Keuangan Indonesia

Sejalan dengan pengesahan Kerangka Standar Pelaporan Keuangan Indonesia, Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) menyetujui perubahan nomenklatur Standar Akuntansi Keuangan Indonesia yang mengatur penomoran Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi atas Standar Akuntansi Keuangan (ISAK). Hal ini bertujuan untuk membedakan antara PSAK dan ISAK yang diadopsi dari *International Financial Reporting Standards* (IFRS) dan yang tidak. Perubahan nomenklatur Standar Akuntansi Keuangan Indonesia yang berlaku efektif pada 1 Januari 2024, tidak akan mempengaruhi isi masing-masing PSAK dan ISAK.

b. Amendemen/penyesuaian standar yang berlaku efektif pada tahun berjalan

Dalam tahun berjalan, Grup telah menerapkan sejumlah amendemen/penyesuaian PSAK yang relevan dengan operasinya dan efektif untuk periode akuntansi yang dimulai pada atau setelah 1 Januari 2024. Penerapan atas PSAK revisi tidak mengakibatkan perubahan atas kebijakan akuntansi Grup dan tidak memiliki dampak material terhadap jumlah yang dilaporkan pada tahun berjalan atau tahun-tahun sebelumnya.

- PSAK 201 (Amendemen), "Penyajian Laporan Keuangan": Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang

  Amandemen ini hanya mempengaruhi penyajian liabilitas sebagai jangka pendek atau jangka panjang dalam laporan posisi keuangan dan bukan jumlah atau waktu pengakuan aset, liabilitas, penghasilan atau beban, atau informasi yang diungkapkan mengenai pos-pos tersebut.

  Amandemen tersebut mengklarifikasi bahwa klasifikasi liabilitas sebagai jangka pendek atau jangka panjang didasarkan pada hak yang ada pada akhir periode pelaporan, menetapkan bahwa klasifikasi tersebut tidak dipengaruhi oleh ekspektasi apakah entitas akan menggunakan haknya untuk menunda penyelesaian suatu liabilitas, menjelaskan bahwa hak tersebut ada jika kovenan dipatuhi pada akhir periode pelaporan, dan memperkenalkan definisi 'penyelesaian' untuk memperjelas bahwa penyelesaian mengacu pada pengalihan ke pihak lain atas kas, instrumen ekuitas, aset dan jasa lainnya.

2. ADOPTION OF NEW AND REVISED STANDARDS

a. Change in the Indonesian Financial Accounting Standards nomenclature

In line with the ratification of the Indonesian Financial Reporting Standards Framework, the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK-IAI") approved the change in the Indonesian Financial Accounting Standards nomenclature which regulates the numbering of Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK"). This aims to differentiate between PSAK and ISAK which are adopted from International Financial Reporting Standards (IFRS) and to those which are not. The change in the Indonesian Financial Accounting Standards nomenclature, which is effective on January 1, 2024, does not affect the contents of each PSAK and ISAK.

b. Amendments/improvements to standards effective in the current year

In the current year, the Group has applied amendments/improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2024. The adoption of these revised PSAKs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

- *PSAK 201 (Amendment), "Presentation of Financial Statements": Classification of Liabilities as Current or Non-Current*

  The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

2. PENERAPAN STANDAR BARU DAN REVISI (lanjutan)

b. Amendemen/penyesuaian standar yang berlaku efektif pada tahun berjalan (lanjutan)

- PSAK 201 (Amendemen), "Penyajian Laporan Keuangan": Liabilitas Jangka Panjang dengan Kovenan

  Amandemen tersebut menetapkan bahwa hanya perjanjian yang harus dipatuhi entitas pada atau sebelum akhir periode pelaporan yang memengaruhi hak entitas untuk menunda penyelesaian liabilitas setidaknya selama dua belas bulan setelah tanggal pelaporan (dan karenanya harus dipertimbangkan dalam menilai klasifikasi liabilitas sebagai lancar atau tidak lancar). Perjanjian tersebut memengaruhi apakah hak tersebut ada pada akhir periode pelaporan, bahkan jika kepatuhan terhadap perjanjian dinilai hanya setelah tanggal pelaporan (misalnya perjanjian berdasarkan posisi keuangan entitas pada tanggal pelaporan yang dinilai kepatuhannya hanya setelah tanggal pelaporan).

  DSAK-IAI juga menetapkan bahwa hak untuk menunda penyelesaian liabilitas setidaknya selama dua belas bulan setelah tanggal pelaporan tidak terpengaruh jika entitas hanya harus mematuhi perjanjian setelah periode pelaporan. Namun, jika hak entitas untuk menunda penyelesaian liabilitas bergantung pada kepatuhan entitas terhadap perjanjian dalam waktu dua belas bulan setelah periode pelaporan, entitas mengungkapkan informasi yang memungkinkan pengguna laporan keuangan memahami risiko liabilitas yang harus dibayar kembali dalam waktu dua belas bulan setelah periode pelaporan. Ini akan mencakup informasi tentang perjanjian (termasuk sifat perjanjian dan kapan entitas diharuskan untuk mematuhinya), jumlah tercatat liabilitas terkait dan fakta serta keadaan, jika ada, yang menunjukkan bahwa entitas mungkin mengalami kesulitan dalam mematuhi perjanjian.

- PSAK 207 (Amendemen), "Laporan Arus Kas" dan PSAK 107 (Amendemen), "Instrumen Keuangan: Pengungkapan": Pengaturan Pembiayaan Pemasok

2. ADOPTION OF NEW AND REVISED STANDARDS (continued)

b. Amendments/improvements to standards effective in the current year (continued)

- *PSAK 201 (Amendment), "Presentation of Financial Statements": Non-Current Liabilities with Covenants*

  The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

  DSAK-IAI also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

- *PSAK 207 (Amendment), "Statements of Cash Flows" and PSAK 107 (Amendment), "Financial Instruments: Disclosures": Supplier Finance Arrangements*

2. PENERAPAN STANDAR BARU DAN REVISI (lanjutan)

b. Amendemen/penyesuaian standar yang berlaku efektif pada tahun berjalan (lanjutan)

Amandemen tersebut menambahkan tujuan pengungkapan pada PSAK 207 yang menyatakan bahwa suatu entitas diharuskan untuk mengungkapkan informasi tentang pengaturan keuangan pemasoknya yang memungkinkan pengguna laporan keuangan untuk menilai dampak pengaturan tersebut terhadap liabilitas dan arus kas entitas. Selain itu, PSAK 107 diamandemen untuk menambahkan pengaturan keuangan pemasok sebagai contoh dalam persyaratan untuk mengungkapkan informasi tentang paparan entitas terhadap konsentrasi risiko likuiditas.

Amandemen tersebut berisi ketentuan transisi khusus untuk periode pelaporan tahunan pertama di mana Grup menerapkan amandemen tersebut. Berdasarkan ketentuan transisi, suatu entitas tidak diharuskan untuk mengungkapkan:

- informasi komparatif untuk setiap periode pelaporan yang disajikan sebelum awal periode pelaporan tahunan di mana entitas pertama kali menerapkan amandemen tersebut.
- informasi yang diwajibkan oleh PSAK 207:44H(b)(ii)-(iii) pada awal periode pelaporan tahunan di mana entitas pertama kali menerapkan amandemen tersebut.

c. Standar dan amendemen/penyesuaian standar telah diterbitkan tapi belum diterapkan

Pada tanggal persetujuan laporan keuangan konsolidasian, standar dan amendemen-amendemen atas PSAK yang relevan bagi Grup, yang telah diterbitkan namun belum berlaku efektif, dengan penerapan dini diijinkan, adalah sebagai berikut:

Efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2025

- PSAK 221 (Amendemen), "Pengaruh Perubahan Kurs Valuta Asing": Kekurangan Ketertukaran"

Efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2026

- Amandemen PSAK 109, "Instrumen Keuangan" dan PSAK 107, "Instrumen Keuangan: Pengungkapan": Klasifikasi dan Pengukuran Instrumen Keuangan

2. ADOPTION OF NEW AND REVISED STANDARDS (continued)

b. Amendments/improvements to standards effective in the current year (continued)

The amendments add a disclosure objective to PSAK 207 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PSAK 107 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- *comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.*
- *the information otherwise required by PSAK 207:44H(b)(ii)-(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.*

c. Standards and amendments/improvements to standards issued not yet adopted

At the date of authorization of these consolidated financial statements, the following standards and amendments to PSAK relevant to the Group were issued but not yet effective, with early application permitted:

Effective for periods beginning on or after January 1, 2025

- *PSAK 221 (Amendment), "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability*

Effective for periods beginning on or after January 1, 2026

- *Amendments to PSAK 109, "Financial Instruments" and PSAK 107," Financial Instruments: Disclosure": Classification and Measurement of Financial Instrument*

2. PENERAPAN STANDAR BARU DAN REVISI (lanjutan)

c. Standar dan amendemen/penyesuaian standar telah diterbitkan tapi belum diterapkan (lanjutan)

Efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2026 (lanjutan)

- Penyesuaian Tahunan 2024 terhadap PSAK 107, "Instrumen Keuangan: Pengungkapan", PSAK 109, "Instrumen Keuangan", PSAK 110, "Laporan Keuangan Konsolidasian" dan PSAK 207, "Laporan Arus Kas"

Efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2027

- PSAK 413, "Penurunan Nilai"

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, dampak dari penerapan standar dan amendemen tersebut terhadap laporan keuangan konsolidasian tidak dapat diketahui atau diestimasi oleh manajemen.

2. ADOPTION OF NEW AND REVISED STANDARDS (continued)

c. Standards and amendments/improvements to standards issued not yet adopted (continued)

Effective for periods beginning on or after January 1, 2026 (continued)

- *2024 Annual Improvements to PSAK 107, "Financial Instruments: Disclosures", PSAK 109, "Financial Instruments", PSAK 110, "Consolidated Financial Statements" and PSAK 207, "Statement of Cash Flows"*

Effective for periods beginning on or after January 1, 2027

- *PSAK 413, "Impairment"*

As at the issuance date of the consolidated financial statements, the effects of adopting these standard and amendments on the consolidated financial statements are not known nor reasonably estimable by management.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL

a. Dasar penyusunan laporan keuangan konsolidasian

Laporan keuangan konsolidasian Grup telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia ("SAK"), yang mencakup Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) dan peraturan regulator pasar modal untuk entitas yang berada di bawah pengawasannya.

Kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian adalah selaras dengan kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian tanggal 31 Desember 2023, kecuali bagi penerapan beberapa SAK yang telah direvisi. Seperti diungkapkan dalam Catatan 2, beberapa standar akuntansi yang telah direvisi dan diterbitkan, diterapkan efektif tanggal 1 Januari 2024.

Grup telah menyusun laporan keuangan konsolidasian dengan dasar bahwa Grup akan terus mempertahankan kelangsungan usaha.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statement of Financial Accounting Standards ("PSAK") and Interpretations of Statement of Financial Accounting Standard ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK-IAI") and regulations of capital market regulator for entities under its control.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those adopted in the preparation of the consolidated financial statements for the year ended December 31, 2023, except for the adoption of several amended SAKs. As disclosed in Note 2, several amended and published accounting standards were adopted effective January 1, 2024.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

a. Dasar penyusunan laporan keuangan konsolidasian (lanjutan)

Laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian, disusun berdasarkan dasar akrual dengan menggunakan konsep harga perolehan, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas dalam aktivitas-aktivitas operasi, investasi dan pendanaan.

Mata uang pelaporan yang digunakan dalam laporan keuangan konsolidasian adalah Rupiah, yang merupakan mata uang fungsional Grup.

Seluruh angka dalam laporan keuangan konsolidasian ini, dibulatkan dan disajikan dalam jutaan Rupiah ("Rp"), kecuali dinyatakan lain.

b. Klasifikasi lancar/jangka pendek dan tidak lancar/jangka panjang

Grup menyajikan aset dan liabilitas dalam laporan posisi keuangan konsolidasian berdasarkan klasifikasi lancar/tidak lancar atau jangka pendek/jangka panjang.

Suatu aset disajikan lancar bila:
i. akan direalisasi, dijual atau digunakan 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 periode pelaporan.

Seluruh aset lain diklasifikasikan sebagai tidak lancar.

Suatu liabilitas disajikan sebagai 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 selama paling tidak 12 bulan setelah periode pelaporan.

Seluruh liabilitas lain diklasifikasikan sebagai jangka panjang.

Aset dan liabilitas pajak tangguhan diklasifikasikan sebagai aset tidak lancar dan liabilitas jangka panjang.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a. Basis of preparation of the consolidated financial statements (continued)

The consolidated financial statements, except for the 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 bases described in the related accounting policies for those accounts.

The consolidated statements of cash flows have been prepared using direct method which classify cash flows into operating, investing and financing activities.

The reporting currency used in the consolidated financial statements is Rupiah, which is the Group's functional currency.

Figures in the consolidated financial statements are rounded to and stated in millions of Rupiah ("Rp"), unless otherwise specified.

b. 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 realized or intended to be sold or consumed in the normal operating cycle,
ii. held primarily for the purpose of trading,
iii. expected to be realized 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

c. Prinsip-prinsip konsolidasi

Laporan keuangan konsolidasian meliputi laporan keuangan Perusahaan dan entitas yang dikendalikan secara langsung ataupun tidak langsung oleh Perusahaan. Kendali diperoleh bila Grup terekspos atau memiliki hak atas timbal balik hasil variabel dari keterlibatannya dengan *investee* dan memiliki kemampuan untuk mempengaruhi timbal balik 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 timbal balik hasil variabel dari keterlibatannya dengan *investee*, dan
iii. Kemampuan untuk menggunakan kekuasaannya atas *investee* untuk mempengaruhi jumlah imbal hasil.

Bila Grup tidak memiliki hak suara atau hak serupa secara mayoritas atas suatu *investee*, Grup mempertimbangkan semua fakta dan keadaan yang relevan dalam mengevaluasi apakah mereka memiliki kekuasaan atas *investee*, termasuk:

i. Pengaturan kontraktual dengan pemilik hak suara lainnya dari *investee*,
ii. Hak yang timbul atas pengaturan kontraktual lain, dan
iii. Hak suara dan hak suara potensial yang dimiliki Grup.

Grup menilai kembali apakah mereka mengendalikan *investee* bila fakta dan keadaan mengindikasikan adanya perubahan terhadap satu atau lebih dari ketiga elemen dari pengendalian. Konsolidasi atas entitas-entitas anak dimulai sejak Grup memperoleh pengendalian atas entitas anak dan berhenti pada saat Grup kehilangan pengendalian atas Perusahaan. Aset, liabilitas, penghasilan dan beban dari entitas anak yang diakuisisi pada tahun tertentu disertakan dalam laporan keuangan konsolidasian sejak tanggal Grup memperoleh kendali sampai tanggal Grup tidak lagi mengendalikan entitas anak tersebut.

Laporan keuangan entitas anak disusun dengan periode pelaporan yang sama dengan Perusahaan. Kebijakan akuntansi yang digunakan dalam penyajian laporan keuangan konsolidasian telah diterapkan secara konsisten oleh Grup, kecuali dinyatakan lain.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity in which the Company has the ability to directly or indirectly exercise control. Control is achieved when the Group are exposed, or have rights, to variable returns from its involvement with the investee and have the ability to affect those returns through its power over the investee. Thus, the Group control an investee if and only if the Group have all of the following:

i. Power over the investee, that is existing rights that give the Group 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.

When the Group have less than a majority of the voting or similiar rights of an investee, the Group consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement 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.

The Group re-assesses 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 obtain the 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 year are included in the consolidated financial statements from the date the Group gain control until the date the Group cease to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Group, unless otherwise stated.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

c. Prinsip-prinsip konsolidasi (lanjutan)

Kepentingan non-pengendali ("KNP") mencerminkan bagian atas laba atau rugi dan aset neto dari entitas anak yang tidak dapat diatribusikan, secara langsung maupun tidak langsung, pada Perusahaan, yang masing-masing disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan dalam ekuitas pada laporan posisi keuangan konsolidasian, terpisah dari bagian yang dapat diatribusikan kepada pemilik Perusahaan.

Kepentingan non-pengendali pada awalnya dapat diukur sebesar nilai wajar atau bagian proporsional kepentingan non-pengendali atas nilai wajar aset neto teridentifikasi pihak yang diakuisisi. Pilihan pengukuran dibuat untuk masing-masing akuisisi. Kepentingan non-pengendali lain awalnya diukur sebesar nilai wajar. Setelah akuisisi, jumlah tercatat kepentingan non-pengendali adalah jumlah kepentingan tersebut pada pengakuan awal ditambah bagian kepentingan non-pengendali dari perubahan selanjutnya di ekuitas.

Seluruh laba rugi dan setiap komponen penghasilan komprehensif lain diatribusikan pada pemilik entitas induk dan pada kepentingan non-pengendali ("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 Grup.

Seluruh saldo akun, transaksi, penghasilan dan beban antar perusahaan yang signifikan, dan laba atau rugi hasil transaksi dari intra Grup yang belum direalisasi dan dividen dieliminasi pada saat konsolidasi.

Perubahan dalam bagian kepemilikan entitas induk terhadap entitas anak yang tidak mengakibatkan hilangnya pengendalian, dicatat sebagai transaksi ekuitas. Bila kehilangan pengendalian atas suatu entitas anak, maka Perusahaan menghentikan pengakuan atas aset (termasuk *goodwill*), liabilitas dan komponen lain dari ekuitas terkait, sementara rugi atau laba yang dihasilkan diakui pada laba rugi. Bagian dari investasi yang tersisa diakui pada nilai wajar.

Transaksi perubahan nilai investasi pada Entitas Anak yang timbul dari penerbitan saham baru oleh Entitas Anak kepada Perusahaan dicatat pada akun "Selisih transaksi perubahan ekuitas Entitas Anak dan dampak transaksi dengan kepentingan non-pengendali" sebagai bagian dari "Ekuitas" pada laporan posisi keuangan konsolidasian.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c. Principles of consolidation (continued)

Non-controlling interests ("NCI") represents the portion of the profit or loss and net assets of the subsidiary not attributable directly or indirectly to the Company, which are presented in the consolidated statement of profit or loss and other comprehensive income and under the equity section of the consolidated statement of financial position, respectively, separately from the corresponding portion attributable to the owner of the Company.

Non-controlling interest may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Company and to the non-controlling interests ("NCI"), even if this results in the NCI having deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into the line with the Group accounting policies.

All intra and inter-group balances, transactions, income and expenses, and unrealized profits and losses resulting from intra-group transactions and dividends are eliminated on consolidations.

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 Company loss control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other component of equity, while any resulting gain or loss is recognized in the profit or loss. Any investment retained is recognized at fair value.

Change of carrying value of investment transaction which derived from the issuance of new shares of Subsidiary to the Company is recorded as "Differences arising from changes in equity of Subsidiary and effect of transactions with non-controlling interest" account which is presented under the "Equity" account in the consolidated statement of financial position.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

d. Kombinasi bisnis

Kombinasi bisnis dicatat menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis diukur pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Grup, liabilitas yang diakui oleh Grup kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Grup dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya akuisisi yang terjadi dibiayakan dan dicatat sebagai beban pada periode berjalan.

Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

Selisih lebih antara penjumlahan imbalan yang dialihkan dan jumlah yang diakui untuk kepentingan non-pengendali dan nilai wajar kepentingan ekuitas yang sebelumnya dimiliki oleh pihak pengakuisisi pada pihak diakuisisi (jika ada) atas jumlah neto pada tanggal akuisisi atas aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih pada tanggal akuisisi dicatat sebagai *goodwill*.

Jika nilai wajar aset neto yang diperoleh melebihi jumlah gabungan imbalan yang dialihkan, Grup menilai kembali apakah telah mengidentifikasi dengan tepat seluruh aset yang diperoleh dan seluruh liabilitas yang diambil alih dan menelaah prosedur yang digunakan untuk mengukur jumlah yang akan diakui pada tanggal akuisisi. Jika penilaian kembali masih menghasilkan selisih lebih nilai wajar aset neto yang diperoleh atas jumlah gabungan imbalan yang dialihkan, maka keuntungan diakui dalam laba rugi.

Bila imbalan yang dialihkan oleh Grup dalam suatu kombinasi bisnis termasuk aset atau liabilitas yang berasal dari pengaturan imbalan kontinjensi (*contingent consideration arrangement*), imbalan kontinjensi tersebut diukur pada nilai wajar pada tanggal akuisisi dan termasuk sebagai bagian dari imbalan yang dialihkan dalam suatu kombinasi bisnis. Perubahan dalam nilai wajar atas imbalan kontinjensi yang memenuhi syarat sebagai penyesuaian periode pengukuran disesuaikan secara retrospektif, dengan penyesuaian terkait terhadap *goodwill*. Penyesuaian periode pengukuran adalah penyesuaian yang berasal dari informasi tambahan yang diperoleh selama periode pengukuran (yang tidak melebihi satu tahun sejak tanggal akuisisi) tentang fakta-fakta dan kondisi yang ada pada tanggal akuisisi.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d. Business combination

Business combinations are accounted for using acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. The acquisition-related costs incurred are expensed in the current period.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

The excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed is recorded as goodwill.

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 reassessment 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.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

d. Kombinasi bisnis (lanjutan)

Perlakuan akuntansi selanjutnya untuk perubahan nilai wajar dari imbalan kontinjensi yang tidak memenuhi syarat sebagai penyesuaian periode pengukuran tergantung pada bagaimana imbalan kontinjensi diklasifikasikan. Imbalan kontinjensi yang diklasifikasikan sebagai ekuitas tidak diukur kembali pada setiap tanggal pelaporan dan penyelesaian selanjutnya diperhitungkan dalam ekuitas.

Imbalan kontinjensi yang diklasifikasikan sebagai aset atau liabilitas yang merupakan instrumen keuangan dan termasuk dalam ruang lingkup PSAK 109 diukur pada nilai wajar dengan perubahan atas nilai wajar diakui dalam laba rugi sesuai dengan PSAK 109. Imbalan kontinjensi lain yang tidak termasuk dalam ruang lingkup PSAK 109 diukur pada nilai wajar pada setiap tanggal pelaporan dengan perubahan atas nilai wajar diakui dalam laba rugi.

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Grup atas pihak diakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugian dihasilkan, jika ada, diakui dalam laba rugi. Jumlah yang berasal dari kepemilikan sebelum tanggal akuisisi yang sebelumnya telah diakui dalam penghasilan komprehensif lain direklasifikasi ke laba rugi dimana perlakuan tersebut akan sesuai jika kepemilikan tersebut dilepas/dijual.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Grup melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan secara retrospektif, aset atau liabilitas tambahan yang diakui, untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berdampak pada jumlah yang diakui pada tanggal tersebut.

e. Kombinasi bisnis entitas sepengendali

Kombinasi bisnis antara entitas sepengendali diperlakukan sesuai dengan PSAK 338. Berdasarkan PSAK ini, transaksi kombinasi bisnis entitas sepengendali, berupa pengalihan bisnis yang dilakukan dalam rangka reorganisasi entitas-entitas yang berada di dalam suatu Grup yang sama, bukan merupakan perubahan kepemilikan dalam arti substansi ekonomi, sehingga transaksi tersebut tidak menimbulkan laba atau rugi bagi Grup secara keseluruhan ataupun bagi entitas individu dalam Grup tersebut.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d. Business combination (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates 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 109 is measured at fair value with the changes in fair value recognized in profit or loss in accordance with PSAK 109. Other contingent consideration that is not within the scope of PSAK 109 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amount recognized as at that date.

e. Business combination of entities under common control

Business combination involving entities under common control is accounted in accordance with PSAK 338. Under this PSAK, business combination of entities under common control transactions, such as transfers of business conducted within the framework of the reorganization of the entities that are in the same group, is not a change of ownership in terms of economic substance, hence, the transaction does not result in a gain or loss for the Group as a whole or for individual entities within the Group.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

e. Kombinasi bisnis entitas sepengendali (lanjutan)

Kombinasi bisnis sepengendali dicatat dengan menggunakan metode penyatuan kepemilikan.

Metode penyatuan kepemilikan diterapkan seolah-olah entitas-entitas tersebut telah bergabung sejak periode dimana entitas yang bergabung berada dalam sepengendalian. Selisih antara imbalan yang dialihkan dan nilai tercatat aset neto pihak yang diakuisisi disajikan dalam "tambahan modal disetor" dan tidak direklasifikasi ke laba rugi atau direklasifikasi ke saldo laba ketika pengendalian hilang.

f. Investasi pada ventura bersama

Pengaturan bersama diklasifikasikan sebagai operasi bersama atau ventura bersama bergantung pada hak dan kewajiban kontraktual para *investor* bukan struktur hukum dari pengaturan bersama. Grup telah menilai sifat dari pengaturan bersama dan menentukan pengaturan tersebut sebagai ventura bersama. Ventura bersama dicatat menggunakan metode ekuitas.

Sesuai metode ekuitas, investasi pada ventura bersama pada awalnya dicatat pada biaya perolehan dan selanjutnya disesuaikan untuk mengakui bagian investor atas laba rugi pasca akuisisi dari pihak yang diakuisisi atas laba rugi, dan bagiannya atas pergerakan penghasilan komprehensif lainnya dari pihak yang diakuisisi atas penghasilan komprehensif lainnya.

Dividen yang diterima atau yang akan diterima dari ventura bersama diakui sebagai pengurang jumlah tercatat investasi.

Jika bagian Grup atas kerugian ventura bersama sama dengan atau melebihi kepentingannya pada ventura bersama, termasuk piutang tanpa agunan, Grup menghentikan pengakuan bagian kerugiannya, kecuali Grup memiliki kewajiban legal atau konstruktif atau melakukan pembayaran atas nama ventura bersama.

Keuntungan dan kerugian yang belum direalisasi atas transaksi antara Grup dan ventura bersama telah dieliminasi sebesar kepemilikan Grup pada ventura bersama tersebut.

Setiap akhir periode pelaporan, Grup mengevaluasi apakah terdapat bukti objektif bahwa investasi pada ventura bersama mengalami penurunan nilai.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e. Business combination of entities under common control (continued)

Business combinations under common control are accounted for using the pooling-of-interests method.

The pooling-of-interest method is applied as if the entities had been combined from the period when the merging entities were placed under common control. The difference between the consideration transferred and the book value of the net assets of the acquiree is presented under "additional paid-in capital" and is not recycled to profit or loss nor reclassified to retained earnings when control is lost.

f. Investment in joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. Group has assessed the nature of its joint arrangements and determined them to be joint ventures. A joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the investor's share of the post-acquisition profits or losses of the investee in profit or loss, and its share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains and losses on transactions between the Group and a joint venture have been eliminated to the extent of the Group's interest in the joint venture.

At the end of each reporting period, the Group assesses whether there is objective evidence that investment in a joint venture is impaired.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

g. Transaksi dan saldo dalam mata uang asing

Transaksi dalam mata uang asing dicatat berdasarkan kurs yang berlaku pada saat transaksi dilakukan. Pada tanggal laporan, aset dan liabilitas moneter dalam mata uang asing disesuaikan ke dalam Rupiah berdasarkan kurs rata-rata Bank Indonesia yang berlaku pada tanggal tersebut. Laba atau rugi kurs yang terjadi, dikreditkan atau dibebankan pada laba rugi tahun berjalan.

Pada tanggal 31 Desember 2024 dan 2023, kurs tengah yang diterbitkan Bank Indonesia mata uang asing yang digunakan adalah sebagai berikut:

g. Foreign currency transactions and balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to Rupiah based on the average rates of exchange published by Bank Indonesia at that date. The resulting gains or losses are credited or charged to the current year operations.

As of December 31, 2024 and 2023, the middle rates published by Bank Indonesia of foreign currencies used are as follows:

	2024	2023	
1 Dolar Amerika Serikat (“Dolar AS”)	16,162	15,416	*United States Dollar 1 (“US Dollar”)*
1 Yuan China (“CNY”)	2,214	2,170	*Chinese Yuan 1 (“CNY”)*
1 Dolar Singapura (“SGD”)	11,919	11,712	*Singapore Dollar 1 (“SGD”)*
1 Euro (“Euro”)	16,851	17,140	*Euro 1 (“Euro”)*
1 Poundsterling Inggris (“GBP”)	20,333	19,760	*Great Britain Poundsterling 1 (“GBP”)*

h. Transaksi dengan pihak-pihak berelasi

Grup memiliki transaksi dengan pihak berelasi sebagaimana yang didefinisikan dalam PSAK 224 “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.

h. Transactions with related parties

The Group has transactions with related parties as defined under PSAK 224 “Related Party Disclosures”.

The transactions are made based on terms agreed by the parties.

All material transactions and balances with related parties are disclosed in the relevant notes to the consolidated financial statements.

i. Instrumen keuangan

Instrumen keuangan adalah setiap kontrak yang menimbulkan aset keuangan pada satu entitas dan liabilitas keuangan atau instrumen ekuitas pada entitas lain.

Aset keuangan dan liabilitas keuangan diakui pada laporan posisi keuangan konsolidasian pada saat Grup menjadi salah satu pihak dalam ketentuan kontraktual instrumen tersebut.

(i) Aset keuangan

Pengakuan dan pengukuran awal

Grup mengklasifikasikan aset keuangan dalam kategori berikut ini:

(i) aset keuangan diukur pada biaya perolehan diamortisasi;
(ii) aset keuangan diukur pada nilai wajar melalui laba rugi (“FVTPL”); dan
(iii) aset keuangan diukur pada nilai wajar melalui penghasilan komprehensif lain (“FVOCI”).

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.

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Initial recognition and measurement

The Group classifies its financial assets into the following categories.

(i) financial assets measured at amortised cost;
(ii) financial assets measured at fair value either through profit or loss (“FVTPL”); and
(iii) financial assets measured at fair value through other comprehensive income (“FVOCI”).

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengakuan dan pengukuran awal (lanjutan)

Klasifikasi ini tergantung pada model bisnis Grup dan persyaratan kontraktual arus kas - apakah penentuan arus kasnya semata-mata dari pembayaran pokok dan bunga.

Grup menentukan klasifikasi aset keuangan pada pengakuan awal. Untuk investasi pada instrumen utang, hal ini akan bergantung pada model bisnis dimana investasi tersebut diadakan. Grup mereklasifikasi investasi pada instrumen utang jika dan hanya jika model bisnis untuk mengelola aset tersebut berubah.

Pada tanggal 31 Desember 2024 dan 2023, Grup memiliki aset keuangan yang diukur pada biaya perolehan diamortisasi, yang terdiri dari kas dan setara kas, kas di bank dan deposito berjangka yang dibatasi penggunaannya, investasi jangka pendek, piutang usaha dan piutang lain-lain, aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain, yang terdiri dari investasi pada surat utang negara, dan aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang terdiri dari investasi reksa dana.

- Aset keuangan diukur pada biaya perolehan diamortisasi

  Klasifikasi ini berlaku untuk instrumen utang yang dikelola dalam model bisnis "dimiliki untuk mendapatkan arus kas" dan memiliki arus kas yang memenuhi kriteria "semata-mata dari pembayaran pokok dan bunga".

  Pada pengakuan awal, aset keuangan yang tidak memiliki komponen pendanaan yang signifikan, diakui sebesar harga transaksi. Aset keuangan lainnya awalnya diakui sebesar nilai wajar dikurangi biaya transaksi yang terkait. Aset keuangan ini selanjutnya diukur sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif ("EIR"). Keuntungan atau kerugian pada penghentian atau modifikasi aset keuangan yang dicatat yang dicatat pada biaya perolehan diamortisasi diakui pada laba rugi.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Initial recognition and measurement (continued)

The classification depends on the Group's business model and the contractual terms of the cash flows when determining whether their cash flows are solely payment of principal and interest.

The Group determines the classification of its financial assets at initial recognition. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies investments in debt instruments when and only when its business model for managing those assets changes.

As of December 31, 2024 and 2023, the Group has financial assets measured at amortised costs, which comprise cash and cash equivalents, restricted cash in bank and time deposits, short-term investments, trade receivables and other receivables, financial assets measured at fair value through other comprehensive income, which comprise of investment in government bonds and financial assets measured at fair value through profit or loss, which comprise of investment in mutual funds.

- *Financial assets held at amortised cost*

  This classification applies to debt instruments which are held under a "hold to collect" business model and which have cash flows that meet the "solely payments of principal and interest" ("SPPI") criteria.

  At initial recognition, financial assets that do not have a significant financing component are recognised at their transaction price. Other financial assets are initially recognised at fair value less related transaction costs. They are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Any gains or losses on derecognition or modification of a financial asset held at amortised cost are recognised in profit or loss.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Pengakuan dan pengukuran awal (lanjutan)

- Aset keuangan diukur pada nilai wajar melalui penghasilan komprehensif lain

  Klasifikasi ini berlaku untuk instrumen utang yang dikelola dengan model bisnis yang bertujuan untuk memiliki aset keuangan dalam rangka mendapatkan arus kas kontraktual dan menjual dan di mana arus kasnya memenuhi kriteria "semata-mata dari pembayaran pokok dan bunga".

  Perubahan nilai wajar aset keuangan ini dicatat pada penghasilan komprehensif lain, kecuali pengakuan keuntungan atau kerugian penurunan nilai, pendapatan bunga (termasuk biaya transaksi menggunakan metode EIR), keuntungan atau kerugian yang timbul dari penghentian dan keuntungan dan kerugian dari selisih kurs diakui pada laba rugi. Ketika aset keuangan dihentikan, keuntungan atau kerugian nilai wajar kumulatif yang sebelumnya diakui pada penghasilan komprehensif lain direklasifikasi pada laba rugi.

- Aset keuangan diukur pada nilai wajar melalui laba rugi

  Aset yang tidak memenuhi kriteria untuk biaya perolehan diamortisasi atau nilai wajar melalui penghasilan komprehensif lain diukur pada nilai wajar melalui laporan laba rugi. Keuntungan atau kerugian dari investasi reksa dana yang selanjutnya diukur pada nilai wajar melalui laporan laba rugi dan bukan merupakan bagian dari hubungan lindung nilai, diakui dalam laporan laba rugi dan disajikan bersih dalam laporan laba rugi di dalam keuntungan/(kerugian) lainnya dalam periode kemunculannya.

Penghentian pengakuan

Aset keuangan dihentikan pengakuannya ketika:

- hak untuk menerima arus kas dari aset telah kedaluwarsa; atau

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Initial recognition and measurement (continued)

- *Financial assets held at FVOCI*

  This classification applies to debt instruments that are held under a business model where they are held for collection of contractual cash flows and also for sale ("collect and sell") and which have cash flows that meet the "solely payments of principal and interest" criteria.

  All movements in the fair value of these financial assets are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest (including transaction costs by revenue applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative fair value gains or losses previously recognised in other comprehensive income is reclassified to profit or loss.

- *Financial assets at fair value through profit or loss*

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on investment in mutual funds that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

Derecognition

A financial asset is derecognised when:

- *the rights to receive cash flows from the asset have expired; or*

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Penghentian pengakuan (lanjutan)

- Grup 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) Grup telah mengalihkan secara substansial semua risiko dan manfaat aset, atau (b) Grup tidak mengalihkan atau memiliki secara substansial seluruh risiko dan manfaat aset, tetapi telah mengalihkan pengendalian aset.

Penurunan nilai

Grup menilai berdasarkan basis *forward looking* untuk mengukur kerugian kredit ekspektasian ("ECL") terhadap aset keuangan yang diukur pada biaya perolehan diamortisasi dan dan nilai wajar melalui penghasilan komprehensif lain. Metode penurunan nilai dilakukan dengan mempertimbangkan apakah risiko kredit telah meningkat secara signifikan.

Pada setiap periode pelaporan, Grup menilai apakah risiko kredit dari instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal. Ketika melakukan penilaian, Grup menggunakan perubahan atas risiko gagal bayar yang terjadi sepanjang perkiraan usia instrumen keuangan daripada perubahan atas jumlah ECL. Dalam melakukan penilaian, Grup membandingkan antara risiko gagal bayar yang terjadi atas instrumen keuangan pada saat periode pelaporan dengan risiko gagal bayar yang terjadi atas instrumen keuangan pada saat pengakuan awal dan mempertimbangkan kewajaran serta ketersediaan informasi yang tersedia pada saat tanggal pelaporan terkait dengan kejadian masa lalu, kondisi terkini dan perkiraan atas kondisi ekonomi di masa depan, yang mengindikasikan kenaikan risiko kredit sejak pengakuan awal.

Untuk piutang usaha dan piutang lain-lain tanpa komponen pendanaan yang signifikan, Grup menerapkan pendekatan yang disederhanakan yang diizinkan oleh PSAK 109, yang mensyaratkan ekspektasi kerugian seumur hidup harus diakui sejak pengakuan awal aset keuangan.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Financial instruments (continued)

(i) Financial assets (continued)

Derecognition (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.*

Impairment

The Group assesses on a forward-looking basis, the Expected Credit Losses ("ECL") associated with its financial assets carried at amortised cost and FVOCI. The impairment method applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of ECL. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables and other receivables without significant financing components, the Group applies the simplified approach permitted by PSAK 109, which requires expected lifetime losses to be recognised from the initial recognition of the financial assets.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

i. Instrumen keuangan (lanjutan)

(i) Aset keuangan (lanjutan)

Penurunan nilai (lanjutan)

Grup menganggap aset keuangan gagal bayar ketika pembayaran kontraktual telah lewat 90 hari. Namun, dalam kasus tertentu, Grup juga dapat mempertimbangkan aset keuangan mengalami gagal bayar ketika informasi internal atau eksternal menunjukkan bahwa Grup tidak mungkin menerima jumlah kontraktual yang terutang secara penuh sebelum memperhitungkan setiap peningkatan kredit yang dimiliki oleh Grup. Aset keuangan dihapuskan jika tidak ada ekspektasi yang wajar untuk memulihkan arus kas kontraktual.

Kas dan setara kas dan investasi jangka pendek juga tunduk pada persyaratan penurunan nilai PSAK 109. ECL didasarkan pada rating kredit bank untuk mengestimasi kemungkinan gagal bayar selama jangka waktu tertentu dan menggunakan referensi Basel II yang digunakan secara umum untuk mengestimasi kerugian yang muncul dari gagal bayar.

(ii) Liabilitas keuangan

Liabilitas keuangan diklasifikasikan sebagai berikut: liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dan liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

Pada tanggal 31 Desember 2024 dan 2023, Grup hanya memiliki liabilitas keuangan yang diukur sebesar biaya perolehan diamortisasi, yang terdiri dari pinjaman bank jangka pendek, utang usaha, utang lain-lain, beban akrual, liabilitas sewa, dan uang jaminan pelanggan.

Setelah pengakuan awal, yaitu pada nilai wajar ditambah biaya transaksi, Grup mengukur seluruh liabilitas keuangan pada biaya perolehan diamortisasi dengan menggunakan metode EIR. Liabilitas keuangan tidak diakui ketika liabilitas keuangan telah dilepaskan atau dibatalkan.

3. MATERIAL ACCOUNTING POLICY INFORMATION (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.

Cash and cash equivalents and short-term investments are also subject to impairment requirements of PSAK 109. The ECL rates are based on the bank's credit rating to estimate the probability of default over a given time horizon and utilise the commonly used Basel II reference to estimate the losses arising on default.

(ii) Financial liabilities

Financial liabilities are classified as follows: financial liabilities at fair value through profit or loss and financial liabilities at amortised cost.

As of December 31, 2024 and 2023, the Group only had financial liabilities measured at amortised cost, which comprise short-term bank loans, trade payables, other payables, accrued expenses, lease liabilities and customer guarantee.

After initial recognition which is at fair value plus transaction costs, the Group measures all financial liabilities at amortised cost using the EIR method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

i. Instrumen keuangan (lanjutan)

(iii) Saling hapus instrumen keuangan

Aset keuangan dan liabilitas keuangan disalinghapuskan dan jumlah netonya dilaporkan pada laporan posisi keuangan ketika terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya niat untuk menyelesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Hak saling hapus tidak kontinjen atas peristiwa di masa depan dan dapat dipaksakan secara hukum dalam situasi bisnis yang normal dan dalam peristiwa gagal bayar, atau peristiwa kepailitan atau kebangkrutan Grup atau pihak lawan.

j. Kas dan setara kas

Pada laporan arus kas konsolidasian, kas dan setara kas termasuk kas, kas di bank, dan deposito berjangka yang jatuh tempo dalam jangka waktu tiga bulan atau kurang sejak tanggal perolehan, yang tidak digunakan sebagai jaminan atau tidak dibatasi penggunaannya dan cerukan. Setara kas didefinisikan sebagai investasi jangka pendek dan sangat likuid yang dapat dikonversi ke sejumlah kas yang telah diketahui dan tidak memiliki risiko perubahan nilai yang signifikan. Pada laporan posisi keuangan konsolidasian, cerukan disajikan bersama sebagai pinjaman bank dalam liabilitas jangka pendek.

Deposito berjangka dengan jangka waktu lebih dari 3 (tiga) bulan sampai 12 (dua belas) bulan disajikan sebagai investasi jangka pendek dalam laporan posisi keuangan konsolidasian.

k. Piutang usaha dan piutang lain-lain

Piutang usaha merupakan jumlah yang terutang dari pelanggan atas penjualan barang dagangan atau jasa dalam kegiatan usaha normal. Piutang lain-lain merupakan saldo piutang yang timbul dari transaksi di luar kegiatan usaha biasa.

Piutang usaha dan piutang lain-lain pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode EIR, apabila dampak pendiskontoan signifikan, dikurangi provisi atas penurunan nilai.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Financial instruments (continued)

(iii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default in solvency or bankruptcy of the Group or the counterparty.

j. Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, cash in banks, and time deposits with original maturity periods of three months or less since the acquisition date, which are not pledged as collateral nor restricted for use and bank overdrafts. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. In the consolidated statement of financial position, bank overdraft is shown within bank loans in current liabilities.

Time deposits with maturity period more than 3 (three) months up to 12 (twelve) months are presented as short-term investments in the consolidated statement of financial position.

k. Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables are receivables arising from transactions outside of the ordinary course of business.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, if the impact of discounting is significant, less any provision for impairment.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

k. Piutang usaha dan piutang lain-lain (lanjutan)

Jika piutang diperkirakan dapat ditagih dalam waktu satu tahun atau kurang (atau dalam siklus operasi normal jika lebih panjang), piutang diklasifikasikan sebagai aset lancar. Jika tidak, piutang disajikan sebagai aset tidak lancar.

Grup menerapkan pendekatan yang disederhanakan menurut PSAK 109 untuk mengukur ECL yang menggunakan kerugian seumur hidup untuk semua piutang usaha dan piutang lain-lain. Untuk mengukur ECL, piutang usaha dan piutang lain-lain dikelompokkan berdasarkan karakteristik risiko kredit bersama dan piutang yang telah lewat jatuh tempo.

Lihat Catatan 3i untuk penurunan nilai aset keuangan, termasuk piutang usaha dan piutang lain-lain.

Jumlah kerugian penurunan nilai diakui laba rugi. Ketika piutang usaha yang mana cadangan penurunan nilai nya telah diakui menjadi tidak dapat terkoleksi di periode selanjutnya, piutang tersebut dihapus-bukukan terhadap akun pencadangan nya. Pemulihan kemudian atas jumlah yang sebelumnya dihapus-bukukan dikreditkan terhadap laba rugi.

l. Persediaan

Persediaan dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan dan nilai realisasi neto.

Harga perolehan ditentukan dengan menggunakan metode rata-rata tertimbang. Harga perolehan barang jadi dan pekerjaan dalam proses terdiri dari bahan baku, tenaga kerja langsung, biaya langsung lainnya dan biaya overhead produksi (berdasarkan kapasitas normal operasi). Persediaan tidak mencakup biaya pinjaman. Nilai realisasi neto adalah estimasi harga penjualan dalam kegiatan usaha biasa, dikurangi estimasi biaya penyelesaian dan estimasi biaya yang dibutuhkan untuk melakukan penjualan.

Penyisihan untuk persediaan lambat bergerak dan usang dibuat berdasarkan telaah manajemen setiap akhir tahun.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k. Trade and other receivables (continued)

If collection of the receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The Group applies the PSAK 109 simplified approach to measure ECL which uses a lifetime ECL for all trade and other receivables. To measure the ECL, trade and other receivables have been grouped based on shared credit risk characteristics and the receivables days past due.

Refer to Note 3i for impairment of financial assets, including trade and other receivables.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against profit or loss.

l. Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs 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.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

m. Aset tetap

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.

Setelah pengakuan awal, aset tetap dinyatakan pada biaya perolehan dikurangi akumulasi penyusutan dan kerugian penurunan nilai, jika ada.

Aset tetap, kecuali tanah, didepresiasi menggunakan metode garis lurus berdasarkan estimasi masa manfaat aset tetap dengan tahun sebagai berikut:

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m. Fixed assets

Fixed assets are initially recognised at cost, which comprises its purchase price and any additional costs directly attributable to bringing the asset to its working condition and location for its intended use. Such cost also includes the initial estimation of the costs of dismantling and removing the fixed assets 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.

Subsequent to initial recognition, fixed assets are carried at cost less accumulated depreciation and impairment losses, if any.

Fixed assets, except land, are depreciated using the straight-line method over their expected economic useful lives at the following years:

	Tahun/*Years*	
Bangunan dan prasarana	20 - 30	*Buildings and improvements*
Mesin dan peralatan	4 - 16	*Machinery and equipment*
Instalasi listrik	8 - 20	*Electricity installations*
Kendaraan	4 - 10	*Vehicles*
Peralatan kantor	4 - 10	*Office equipment*

Biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan aset tanah. Biaya pengurusan perpanjangan atau pembaharuan legal hak atas tanah diakui sebagai aset takberwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

Grup menganalisis fakta dan keadaan untuk masing-masing jenis hak atas tanah dalam menentukan akuntansi untuk masing-masing hak atas tanah tersebut sehingga dapat merepresentasikan dengan tepat suatu kejadian atau transaksi ekonomik yang mendasarinya. Jika hak atas tanah tersebut tidak mengalihkan pengendalian atas aset pendasar kepada Grup, melainkan mengalihkan hak untuk menggunakan aset pendasar, Grup menerapkan perlakuan akuntansi atas transaksi tersebut sebagai sewa berdasarkan PSAK 116, “Sewa”. Jika hak atas tanah secara substansi menyerupai pembelian tanah, maka Grup menerapkan PSAK 216, “Aset Tetap”.

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 konsolidasian.

Costs associated with the acquisition of legal right of land when the land was first acquired are recognized as part of the cost of land. Costs associated with the extension or renewal of legal right of land are recognized as an intangible asset and amortized over the legal life of the land rights or economic life of the land, whichever is shorter.

The Group analyzes the facts and circumstances for each type of land rights in determining the accounting for each of these land rights so that it can accurately represent an underlying economic event or transaction. If the land rights do not transfer control of the underlying assets to the Group, but gives the rights to use the underlying assets, the Group applies the accounting treatment of these transactions as leases under PSAK 116, “Leases”. If land rights are substantially similar to land purchases, the Group applies PSAK 216, “Property, Plant and Equipment”.

Land is stated at its revalued amount. Revaluations are performed with sufficient regularity such that the carrying amount is not materially different from that which would be determined using fair values at the consolidated statement of financial position.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

m. Aset tetap (lanjutan)

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.

Nilai tercatat atas aset tetap diestimasi apabila terdapat peristiwa atau perubahan keadaan yang memberikan indikasi bahwa nilai perolehan mungkin tidak sepenuhnya dapat diperoleh kembali.

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.

Pada setiap periode pelaporan, nilai residu, masa manfaat dan metode penyusutan direviu, dan jika sesuai dengan keadaan, disesuaikan secara prospektif.

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.

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 Grup 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.

n. Sewa

Penentuan apakah suatu perjanjian merupakan, atau mengandung, sewa dibuat berdasarkan substansi perjanjian itu sendiri dan penilaian apakah pemenuhan atas perjanjian bergantung dari penggunaan aset tertentu atau aset, dan apakah perjanjian memberikan hak untuk menggunakan aset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m. Fixed assets (continued)

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.

The carrying amount of fixed assets is estimated whenever events or changes in circumstances indicate that its carrying amount may not be fully recoverable.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the 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 derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively, if appropriate, at each reporting period.

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.

Repairs and maintenance expenses are expensed to profit or loss as 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.

n. Leases

The determination of whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

n. Sewa (lanjutan)

Sebagai Penyewa

Grup menerapkan satu pendekatan pengakuan dan pengukuran untuk semua sewa, kecuali untuk sewa jangka pendek dan sewa aset bernilai-rendah. Grup mengakui liabilitas sewa untuk melakukan pembayaran sewa dan aset hak-guna yang merupakan hak untuk menggunakan aset pendasar.

Aset hak-guna

Aset hak-guna diukur pada biaya perolehan, dimana meliputi jumlah pengukuran awal liabilitas sewa yang disesuaikan dengan pembayaran sewa yang dilakukan pada atau sebelum tanggal permulaan, ditambah dengan biaya langsung awal yang dikeluarkan dan estimasi biaya yang akan dikeluarkan untuk membongkar dan memindahkan aset pendasar atau untuk merestorasi aset pendasar ke kondisi yang disyaratkan dan ketentuan sewa, dikurangi dengan insentif sewa yang diterima.

Aset hak-guna kemudian disusutkan menggunakan metode garis lurus dari tanggal permulaan hingga tanggal yang lebih awal antara akhir umur manfaat aset hak-guna atau akhir masa sewa. Jika Grup cukup yakin untuk melaksanakan opsi pembelian, aset hak-guna disusutkan selama masa manfaat aset yang mendasarinya. Selain itu, aset hak-guna juga dikurangkan dengan kerugian penurunan nilai, apabila ada, dan disesuaikan untuk pengukuran kembali tertentu atas liabilitas sewa.

Liabilitas sewa

Liabilitas sewa diukur pada nilai kini pembayaran sewa yang belum dibayar pada tanggal permulaan, didiskontokan dengan menggunakan suku bunga implisit dalam sewa atau jika suku bunga tersebut tidak dapat ditentukan, maka menggunakan suku bunga pinjaman inkremental. Pada umumnya, Grup menggunakan suku bunga pinjaman inkremental sebagai tingkat bunga diskonto.

Pembayaran sewa yang termasuk dalam pengukuran liabilitas sewa meliputi pembayaran tetap, termasuk pembayaran tetap secara substansi dikurangi dengan piutang insentif sewa. Pembayaran sewa yang harus dilakukan berdasarkan opsi perpanjangan tertentu juga termasuk dalam pengukuran liabilitas.

Setiap pembayaran sewa dialokasikan antara liabilitas dan beban keuangan. Utang sewa yang terkait, dikurangi dengan beban keuangan, dimasukkan ke dalam "Liabilitas sewa". Elemen bunga dari beban keuangan dibebankan pada laba rugi selama periode sewa sehingga menghasilkan tingkat bunga periodik yang konstan untuk saldo liabilitas yang tersisa pada setiap periode.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n. Leases (continued)

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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments less any lease incentive receivable. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Each lease payment is allocated between the liability and the finance cost. The corresponding rental obligations, net of finance cost, are included in "Lease liabilities". The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

n. Sewa (lanjutan)

Sebagai Penyewa (lanjutan)

Modifikasi sewa

Grup mencatat modifikasi sewa sebagai sewa terpisah jika kedua kondisi berikut terpenuhi:

- modifikasi meningkatkan ruang lingkup sewa dengan menambahkan hak untuk menggunakan satu atau lebih aset yang mendasarinya; dan
- pembayaran sewa meningkat sebesar jumlah yang setara dengan harga yang berdiri sendiri untuk peningkatan ruang lingkup dan setiap penyesuaian yang tepat atas harga yang berdiri sendiri tersebut untuk mencerminkan keadaan kontrak tertentu.

Untuk modifikasi sewa yang tidak dicatat sebagai sewa terpisah, pada tanggal efektif modifikasi sewa, Grup:

- mengukur kembali dan mengalokasikan pembayaran dalam kontrak yang dimodifikasi.
- menentukan masa sewa dari sewa yang dimodifikasi.
- mengukur kembali liabilitas sewa dengan mendiskontokan pembayaran sewa yang direvisi menggunakan tingkat diskonto yang direvisi berdasarkan sisa masa sewa dan sisa pembayaran sewa dengan penyesuaian yang sesuai dengan aset hak-guna. Tingkat diskonto yang direvisi ditentukan sebagai suku bunga pinjaman inkremental Grup pada tanggal efektif modifikasi.
- menurunkan nilai tercatat aset hak-guna untuk mencerminkan penghentian sebagian atau seluruh sewa untuk modifikasi sewa yang mengurangi ruang lingkup sewa. Grup mengakui dalam laporan laba rugi setiap keuntungan atau kerugian yang berkaitan dengan penghentian sebagian atau seluruh sewa, dan
- membuat penyesuaian yang sesuai dengan aset hak-guna untuk semua modifikasi sewa lainnya.

Sewa jangka pendek dan sewa aset bernilai rendah

Grup memilih untuk tidak mengakui aset hak-guna dan liabilitas sewa untuk sewa jangka pendek yang memiliki masa sewa 12 bulan atau kurang sejak tanggal permulaan 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n. Leases (continued)

As Lessee (continued)

Lease modification

The Group accounts for a lease modification as a separate lease if both condition met:

- *the modification increases the scope of the lease by adding the right to use one or more underlying assets; and*
- *the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.*

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group:

- *remeasures and allocate the consideration in the modified contract.*
- *determines the lease term of the modified lease.*
- *remeasures the lease liability by discounting the revised lease payments using a revised discount rate on the basis of the remaining lease term and the remaining lease payment with a corresponding adjustment to the right-of-use assets. The revised discount rate is determined as the Group's incremental borrowing rate at the effective date of the modification.*
- *decreases the carrying amount of the right- of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognises in profit or loss any gain or loss relating to the partial or full termination of the lease, and*
- *makes a corresponding adjustment to the right-of-use asset for all other lease modifications.*

Short-term leases and leases of low-value assets

The Group elected not to recognise 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.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

n. Sewa (lanjutan)

Sebagai Pesewa

Pada sewa di mana Grup tidak mengalihkan secara substansial semua risiko dan manfaat kepemilikan suatu aset diklasifikasikan sebagai sewa operasi. Penghasilan sewa dari sewa operasi diakui secara garis lurus selama masa sewa yang relevan. 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.

o. Properti investasi

Properti yang dimiliki untuk disewakan dalam jangka panjang atau untuk kenaikan harga atau keduanya, dan yang tidak ditempati oleh entitas-entitas dalam Grup, diklasifikasikan sebagai properti investasi. Properti investasi juga mencakup properti yang sedang dikonstruksi atau dikembangkan untuk digunakan sebagai properti investasi di masa depan.

Properti investasi awalnya diukur berdasarkan biayanya, termasuk biaya transaksi yang terkait dan biaya pinjaman yang berlaku.

Setelah pengakuan awal, properti investasi dicatat sebesar nilai wajarnya. Properti investasi yang sedang dalam pengembangan ulang untuk penggunaan lebih lanjut sebagai properti investasi atau ketika pasar menjadi kurang aktif tetap dicatat sebesar nilai wajarnya. Properti investasi dalam konstruksi diukur menggunakan nilai wajar jika nilai wajar dianggap dapat diukur secara andal. Properti investasi dalam konstruksi yang nilai wajarnya tidak dapat diukur secara andal, tetapi Perusahaan mengharapkan nilai wajarnya dapat diukur secara andal ketika konstruksi selesai, diukur senilai biaya dikurangi penurunan nilai sampai nilai wajarnya dapat diukur secara andal atau konstruksi diselesaikan - yang mana yang lebih awal.

Properti investasi Grup 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 lain.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n. Leases (continued)

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. Rental income from operating leases is recognized on a straight-line basis over the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

o. Investment properties

Property that is held for long-term rental yield or for capital appreciation or both, and that is not occupied by the entities within the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as an investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as an investment property or for which the market has become less active continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

Investment properties of the Group consist of the following:

(i) Land

Represents land that its intended use has not been determined yet and is 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

Represents office buildings rented to other parties.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

o. Properti investasi (lanjutan)

Nilai wajar didasarkan kepada harga pasar aktif, disesuaikan, jika perlu, dengan perbedaan alam, lokasi atau kondisi dari aset tersebut. Jika informasi tersebut tidak tersedia, Grup menggunakan metode penilaian alternatif, seperti harga terbaru di pasar yang kurang aktif atau proyeksi arus kas yang didiskontokan. Penilaian dilakukan pada tanggal neraca oleh penilai ahli dengan kualifikasi yang diakui dan relevan dan memiliki pengalaman terbaru atas lokasi dan kategori dari properti investasi dinilai. Penilaian ini membentuk dasar untuk nilai tercatat pada laporan keuangan konsolidasian. Perubahan nilai wajar diakui di laba rugi sebagai bagian dari "Penghasilan (beban) lain-lain - neto".

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, Grup memperhitungkan properti tersebut sesuai dengan kebijakan yang tercantum dalam aset tetap sampai dengan tanggal perubahan yang digunakan.

p. Aset takberwujud

Biaya yang terkait dengan pemeliharaan program piranti lunak komputer diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang dapat secara langsung diatribusikan kepada desain dan pengujian produk piranti lunak yang dapat diidentifikasi dan unik yang dikendalikan oleh Grup diakui sebagai aset takberwujud. Biaya pengembangan piranti lunak komputer diakui sebagai aset yang diamortisasi selama estimasi masa manfaat.

q. Penurunan nilai aset non-keuangan

Pada setiap akhir periode pelaporan, Grup menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut atau pada saat pengujian penurunan nilai aset diperlukan (yaitu aset takberwujud dengan umur manfaat tidak terbatas, aset takberwujud yang belum dapat digunakan, atau *goodwill* yang diperoleh dalam suatu kombinasi bisnis), maka Grup membuat estimasi jumlah terpulihkan aset tersebut.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o. Investment properties (continued)

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Changes in the fair value are recognised in profit or loss as part of "Other income (expenses) - net".

Investment properties are derecognised 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 recognised 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 an 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.

p. Intangible assets

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets. Computer software development costs recognised as assets are amortised over their estimated useful lives.

q. Impairment of non-financial assets

The Group assesses at each reporting period 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. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination), the Group makes an estimate of the asset's recoverable amount.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

q. Penurunan nilai aset non-keuangan (lanjutan)

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau unit penghasil kas 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 mengalami penurunan nilai dan nilai tercatat aset diturunkan menjadi sebesar nilai terpulihkannya dan rugi penurunan nilai segera diakui dalam laba rugi, kecuali aset tersebut disajikan pada jumlah revaluasian, di mana kerugian penurunan nilai diperlakukan sebagai penurunan revaluasi.

Dalam menghitung nilai pakai, estimasi arus kas masa depan neto didiskontokan ke nilai kini dengan menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar terkini atas nilai waktu dari uang dan risiko spesifik dari aset. Dalam menentukan nilai wajar dikurangi biaya untuk menjual, digunakan harga penawaran pasar terakhir, jika tersedia. Jika tidak terdapat transaksi tersebut, Grup menggunakan model penilaian yang sesuai untuk menentukan nilai wajar aset. Perhitungan-perhitungan ini dikuatkan oleh penilaian berganda atau indikasi nilai wajar yang tersedia.

Penilaian dilakukan pada akhir setiap periode pelaporan tahunan 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 laporan laba rugi dan penghasilan komprehensif lain konsolidasian, kecuali aset yang bersangkutan disajikan pada jumlah revaluasian, dalam hal ini pembalikan kerugian penurunan nilai diperlakukan sebagai kenaikan revaluasi. 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

q. Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of the asset's or its cash-generating unit'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 and an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which the impairment loss is treated as a revaluation decrease.

In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax 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 to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

An assessment is made 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 asset does not exceed its recoverable amount, nor exceeds 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 the consolidated statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. 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.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

r. Utang usaha dan utang lain-lain

Utang usaha adalah kewajiban membayar barang atau jasa yang telah diterima dalam kegiatan usaha biasa dari pemasok. Utang lain-lain merupakan saldo utang yang timbul dari transaksi di luar kegiatan usaha biasa.

Utang usaha dan utang lain-lain diklasifikasikan sebagai liabilitas jangka pendek jika pembayarannya jatuh tempo dalam waktu satu tahun atau kurang (atau dalam siklus operasi normal jika lebih panjang). Jika tidak, utang tersebut disajikan sebagai liabilitas jangka panjang.

Utang usaha dan utang lain-lain pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode EIR.

s. Imbalan kerja

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek adalah imbalan kerja yang jatuh tempo dalam jangka waktu dua belas bulan setelah akhir periode pelaporan dan diakui pada saat pekerja telah memberikan jasa kerjanya. Kewajiban diakui ketika karyawan memberikan jasa kepada Grup dimana semua perubahan pada nilai bawaan dari kewajiban diakui pada laba rugi.

Imbalan pascakerja program imbalan pasti

Grup mengakui kewajiban imbalan kerja yang tidak didanai sesuai dengan Peraturan Pemerintah Pengganti Undang-Undang (Perppu) No. 2 tahun 2022 tentang Cipta Kerja yang kemudian disahkan menjadi Undang-Undang No. 6 tahun 2023. Beban pensiun berdasarkan program dana pensiun manfaat pasti Grup ditentukan melalui perhitungan aktuaria secara periodik dengan menggunakan metode *projected-unit credit* dan menerapkan asumsi atas tingkat diskonto dan tingkat kenaikan manfaat pasti pensiun tahunan.

Pengukuran kembali, terdiri dari keuntungan dan kerugian aktuarial, dampak perubahan pada batas atas aset (jika ada) dan imbal hasil atas aset program (tidak termasuk bunga), yang tercermin langsung dalam laporan posisi keuangan konsolidasian yang dibebankan atau dikreditkan diakui dalam penghasilan komprehensif lain pada periode terjadinya untuk mencerminkan aset atau liabilitas pensiun neto yang diakui pada laporan keuangan konsolidasian untuk mencerminkan nilai penuh dari defisit dan surplus program. Pengukuran kembali diakui sebagai pos terpisah pada penghasilan komprehensif lain di ekuitas dan tidak akan direklasifikasi ke laba rugi.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

r. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are payables arising from transactions outside of the ordinary course of business.

Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

s. Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits which are due for payment within twelve months after the reporting period and recognized when the employees have rendered this related service. Liabilities are recognized when the employee renders services to the Group where all changes in the carrying amount of the liability are recognized in profit or loss.

Defined benefit plan

The Group recognized unfunded employee benefits liability in accordance with Government Regulation in Lieu of Law ("Perppu") No. 2 of 2022 on Job Creation which was later passed into Law No. 6 in 2023. Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate and annual rate of increase in compensation.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit and surplus. Remeasurement recognized in other comprehensive income is reflected immediately as a separate item under other comprehensive income in equity and will not be reclassified to profit or loss.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

s. Imbalan kerja (lanjutan)

Imbalan pascakerja program imbalan pasti (lanjutan)

Biaya jasa lalu diakui dalam laba rugi ketika terjadi amendemen program atau kurtailmen, atau ketika Grup mengakui biaya restrukturisasi terkait atau pesangon, jika lebih dahulu.

Bunga neto dihitung dengan menggunakan tingkat diskonto terhadap liabilitas atau aset imbalan pasti neto. Biaya imbalan pasti dikategorikan sebagai berikut:

- Biaya jasa (termasuk biaya jasa kini, biaya jasa lalu serta keuntungan dan kerugian kurtailmen dan penyelesaian)
- Beban atau pendapatan bunga neto
- Pengukuran kembali

Grup menyajikan dua komponen pertama dari biaya imbalan pasti di laba rugi. Keuntungan dan kerugian kurtailmen dicatat sebagai biaya jasa lalu.

t. Akrual dan provisi

Akrual dan provisi diakui jika Grup 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. Akrual dan provisi tidak diakui untuk kerugian operasi di masa mendatang.

Akrual dan provisi diukur sebesar nilai kini dari estimasi terbaik manajemen atas pengeluaran yang diperlukan untuk menyelesaikan kewajiban kini pada akhir periode pelaporan. Tingkat diskonto yang digunakan untuk menentukan nilai kini adalah tingkat diskonto sebelum pajak yang mencerminkan penilaian pasar atas nilai waktu uang dan risiko yang terkait dengan kewajiban. Peningkatan provisi karena berjalannya waktu diakui sebagai beban bunga.

Akrual dan 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

s. Employee benefits (continued)

Defined benefit plan (continued)

Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Group recognizes related restructuring costs or termination benefits, if earlier.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- *Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)*
- *Net interest expense or income*
- *Remeasurement*

The Group presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

t. Accruals and provisions

Accruals and provisions are recognised 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. Accruals and provisions are not recognised for future operating losses.

Accruals and provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Accruals and 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.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

u. Pinjaman

Pinjaman diakui pada awalnya sebesar nilai wajar, dikurangi dengan biaya transaksi yang terjadi. Pinjaman kemudian dicatat sebesar biaya perolehan yang diamortisasi; selisih antara hasil perolehan (dikurangi dengan biaya transaksi) dan nilai penarikan diakui dalam laba rugi selama periode pinjaman dengan menggunakan metode EIR.

Biaya yang dibayarkan untuk pembukaan fasilitas pinjaman diakui sebagai biaya transaksi pinjaman sepanjang besar kemungkinan sebagian atau seluruh fasilitas akan ditarik. Dalam hal ini, biaya tersebut ditangguhkan sampai penarikan terjadi. Sejauh tidak ada bukti bahwa ada kemungkinan sebagian atau seluruh fasilitas akan ditarik, biaya tersebut dikapitalisasi sebagai pembayaran di muka untuk layanan likuiditas dan diamortisasi selama periode fasilitas yang terkait.

Pinjaman diklasifikasikan sebagai liabilitas jangka pendek kecuali Grup memiliki hak tanpa syarat untuk menunda pembayaran liabilitas selama paling tidak 12 bulan setelah tanggal pelaporan.

v. Pengakuan pendapatan dan beban

Pendapatan diukur berdasarkan imbalan yang Grup perkirakan menjadi haknya dalam kontrak dengan pelanggan dan tidak termasuk jumlah yang ditagih atas nama pihak ketiga. Grup mengakui pendapatan ketika mengalihkan pengendalian barang atau jasa kepada pelanggan. Grup secara umum menyimpulkan bahwa Grup adalah prinsipal dalam pengaturan pendapatannya.

Penjualan barang

Pendapatan dari penjualan barang diakui pada saat pengendalian aset dialihkan kepada pelanggan, umumnya pada saat penyerahan barang.

Grup 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, Grup mempertimbangkan pengaruh dari imbalan variabel.

Pendapatan dari penjualan ini diakui berdasarkan harga jual dikurangi diskon, estimasi insentif penjualan, rabat volume dan biaya pemasaran dan promosi lainnya, dan tidak termasuk Pajak Pertambahan Nilai ("PPN").

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

u. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing, using the EIR method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

v. Revenue and expense recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer. The Group has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

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.

Revenue from these sales is recognised based on the sales price, net of the discount, estimated sales incentives, volume rebates and other marketing and promotion costs and excludes Value Added Tax ("VAT").

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

v. Pengakuan pendapatan dan beban (lanjutan)

(i) Imbalan variabel

Jika imbalan dalam kontrak mencakup jumlah variabel, Grup 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 material 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.

Grup menggunakan metode nilai yang diharapkan untuk mengestimasi barang yang tidak akan dikembalikan karena metode ini paling baik memprediksi jumlah imbalan variabel yang menjadi hak Grup. Ketentuan dalam PSAK 115 tentang estimasi batasan atas imbalan variabel juga diterapkan untuk menentukan jumlah imbalan variabel yang dapat dimasukkan ke dalam harga transaksi.

Pada setiap akhir periode pelaporan, Grup mengestimasi barang yang diharapkan akan dikembalikan dan mengakui provisi retur penjualan sebagai liabilitas kontrak beserta hak retur aset (untuk penyesuaian beban pokok penjualan atas provisi retur penjualan tersebut) sebagai aset kontrak.

- Rabat volume

Kontrak tertentu dengan pelanggan memberikan rabat volume berdasarkan pencapaian penjualan selama periode program rabat. Grup mengakui liabilitas kontrak terkait dengan rabat volume ini sebagai bagian dari beban akrual pemasaran dan promosi pada laporan posisi keuangan konsolidasian.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

v. Revenue and expense recognition (continued)

(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 material revenue reversal in the amount of cumulative revenue recognised 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 the right to return the goods within a specified period.

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 115 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.

At each reporting period, the Group estimates the goods that are expected to be returned and recognises a provision for sales return as a contract liability and the right of return asset (for the corresponding cost of goods sold of the provision for sales return) as a contract asset.

- *Volume rebate*

Certain contracts customers provide volume rebate based on the sales achievement during the rebate programme period. The Group has recognised contract liability related to this volume rebate as part of accrual marketing and promotion in the consolidated statement of financial position.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

v. Pengakuan pendapatan dan beban (lanjutan)

Program loyalitas pelanggan

Grup memiliki program poin loyalitas 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. Liabilitas kontrak tersebut disajikan sebagai bagian dari "Beban akrual" dalam laporan posisi keuangan konsolidasian. Pendapatan diakui pada saat penukaran produk oleh pelanggan.

Ketika pihak lain terlibat dalam penyediaan barang gratis kepada pelanggannya, Grup menentukan apakah ia adalah prinsipal atau agen dalam transaksi ini dengan mengevaluasi sifat dari janjinya kepada pelanggan. Grup sepenuhnya bertanggung jawab untuk memenuhi janji atas pemberian barang gratis kepada pelanggan yang memenuhi syarat. Grup menetapkan bahwa Grup mengendalikan barang gratis sebelum ditransfer ke pelanggan dan memiliki kemampuan untuk mengarahkan penggunaan barang gratis tersebut. Oleh karena itu, Grup menyimpulkan bahwa Grup adalah prinsipal dalam pengaturan ini. Pada saat penukaran poin loyalitas oleh pelanggan, Grup mencatat biaya barang gratis sebagai bagian dari harga pokok penjualan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Beban

Biaya dan beban diakui dalam laba rugi dalam periode saat terjadinya menggunakan dasar akrual.

w. Pajak penghasilan

Beban pajak terdiri dari pajak kini dan tangguhan. Beban pajak diakui dalam laporan laba rugi kecuali untuk transaksi yang berhubungan dengan transaksi diakui diluar laba atau rugi, baik dalam penghasilan komprehensif lain atau langsung pada ekuitas atau kombinasi bisnis.

Pajak kini

Beban pajak kini dihitung dengan menggunakan tarif pajak yang berlaku pada tanggal pelaporan keuangan, dan ditetapkan berdasarkan taksiran laba kena pajak tahun berjalan. Manajemen secara periodik mengevaluasi posisi yang dilaporkan di Surat Pemberitahuan Tahunan (SPT) sehubungan dengan situasi di mana aturan pajak yang berlaku membutuhkan interpretasi. Jika perlu, manajemen menentukan provisi berdasarkan jumlah yang diharapkan akan dibayar kepada otoritas pajak.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

v. Revenue and expense recognition (continued)

Customer loyalty programme

The Group has a loyalty points programme that allows customers to accumulate points that can be redeemed for free goods. 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 recognised as a contract liability until the points are redeemed. The contract liability is presented as part of "Accrued expenses" in the consolidated statements of financial position. Revenue is recognised upon redemption of products by the customer.

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 free goods to eligible customers. The Group determined that they control the free goods before they are transferred to customers and have the ability to direct the use of the free goods. 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 goods as part of the cost of goods sold in the consolidated statement of profit or loss and other comprehensive income.

Expenses

Cost and expenses are recognised in profit or loss in the period when incurred on an accrual basis.

w. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity or business combinations.

Current tax

Current tax expense is calculated using tax rates that have been enacted or substantively enacted at end of the reporting period, and is provided based on the estimated taxable income for the year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

w. Pajak penghasilan (lanjutan)

Pajak kini (lanjutan)

Kekurangan atau kelebihan pembayaran pajak penghasilan badan dicatat sebagai bagian dari beban pajak dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Bunga dan denda yang timbul dari ketetapan pajak dan kurang bayar atau lebih bayar pajak lainnya disajikan sebagai bagian dari penghasilan atau beban operasi lain karena tidak dianggap sebagai bagian dari beban pajak penghasilan.

Koreksi terhadap liabilitas perpajakan diakui pada saat surat ketetapan pajak diterima. Jika Grup mengajukan keberatan, Grup mempertimbangkan apakah besar kemungkinan otoritas pajak akan menerima keberatan tersebut dan merefleksikan dampaknya terhadap liabilitas perpajakan Grup.

Pajak tangguhan

Pajak tangguhan diukur dengan metode liabilitas atas beda waktu pada tanggal pelaporan antara dasar pengenaan pajak untuk aset dan liabilitas dengan nilai tercatatnya untuk tujuan pelaporan keuangan. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dengan beberapa pengecualian. Aset pajak tangguhan diakui untuk perbedaan temporer yang dapat dikurangkan dan rugi fiskal apabila terdapat kemungkinan besar bahwa jumlah laba kena pajak pada masa mendatang akan memadai untuk mengkompensasi perbedaan temporer dan rugi fiskal. Aset dan liabilitas pajak tangguhan tidak diakui jika perbedaan temporer timbul dari pengakuan awal (selain dari kombinasi bisnis atau transaksi yang tidak menimbulkan perbedaan temporer kena pajak dan perbedaan temporer dapat dikurangkan dalam jumlah yang sama) dari aset dan liabilitas suatu transaksi yang tidak memengaruhi laba kena pajak atau laba akuntansi. Selain itu, liabilitas pajak tangguhan tidak diakui jika perbedaan temporer timbul dari pengakuan awal *goodwill*.

Aset dan liabilitas pajak tangguhan dihitung berdasarkan tarif yang akan dikenakan pada periode saat aset direalisasikan atau liabilitas tersebut diselesaikan, berdasarkan undang-undang pajak yang berlaku atau berlaku secara substantif pada akhir periode laporan keuangan. Pengaruh pajak terkait dengan penyisihan dan/atau pemulihan semua perbedaan temporer selama tahun berjalan, termasuk pengaruh perubahan tarif pajak, dikreditkan atau dibebankan pada periode operasi berjalan, untuk transaksi-transaksi yang sebelumnya telah dibebankan atau dikreditkan ke penghasilan komprehensif lain atau langsung ke ekuitas.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

w. Income tax (continued)

Current tax (continued)

Underpayment or overpayment of corporate income tax are presented as part of income tax expense in the consolidated statement of profit or loss and other comprehensive income.

Interests and penalties arising from tax assessments and underpayment or overpayment of other taxes are presented as part of other operating income or expenses since they are not considered as part of the income tax expense.

Amendments to tax obligations are recorded when a tax assessment letter is received. If the Group files an appeal, the Group considers whether it is probable that a taxation authority will accept the appeal and reflect its effect on the Group's tax obligations.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred tax assets are recognized for deductible temporary differences and tax losses carry-forward to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and tax losses carry-forward can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination or transactions that give rise to equal taxable and deductible temporary differences) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the end of reporting period. The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are credited or charged to current period operations, except to the extent that they relate to items previously charged or credited to other comprehensive income or directly in equity.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

w. Pajak penghasilan (lanjutan)

Pajak tangguhan (lanjutan)

Jumlah tercatat aset pajak tangguhan dikaji ulang pada setiap akhir periode pelaporan, dan mengurangi jumlah tercatat jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasi sebagian atau seluruh aset pajak tangguhan. Aset pajak tangguhan yang belum diakui dinilai kembali pada setiap akhir periode pelaporan dan diakui sepanjang kemungkinan besar laba kena pajak mendatang akan memungkinkan aset pajak tangguhan tersedia untuk dipulihkan.

Aset dan liabilitas pajak tangguhan disajikan secara saling hapus saat hak yang dapat dipaksakan secara hukum ada untuk saling hapus aset pajak kini dan liabilitas pajak kini, dan aset pajak tangguhan dan liabilitas pajak tangguhan berkaitan dengan entitas kena pajak yang sama, atau Grup bermaksud untuk menyelesaikan liabilitas dan aset pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan di mana jumlah signifikan atas liabilitas atau aset pajak tangguhan diharapkan untuk diselesaikan atau dipulihkan.

Pajak Pertambahan Nilai

Pendapatan, beban-beban dan aset-aset diakui neto atas jumlah Pajak Pertambahan Nilai ("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.

x. Modal saham

Saham biasa diklasifikasikan sebagai ekuitas. Biaya tambahan yang secara langsung dapat diatribusikan kepada penerbitan saham biasa atau opsi disajikan pada ekuitas sebagai pengurang penerimaan, setelah dikurangi pajak.

Biaya yang terjadi sehubungan dengan penerbitan modal saham Perusahaan kepada publik dikurangkan langsung dengan penerimaan dan disajikan sebagai pengurang akun tambahan modal disetor dalam laporan posisi keuangan konsolidasian.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

w. Income tax (continued)

Deferred tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to the same taxable entity, or the Group intends to settle its current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value Added Tax

Revenue, expenses and assets are recognized net of the amount of Value Added Tax ("VAT") except:

- *Where 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 of the asset or as part of the expense item as applicable; and*
- *Receivables and payables that 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 statements of financial position.

x. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Costs incurred in connection with the Company's issuance of share capital to the public were offset directly with the proceeds and presented as a deduction to the additional paid-in capital account in the consolidated statements of financial position.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

x. Modal saham (lanjutan)

Ketika entitas Grup membeli modal saham ekuitas Perusahaan (saham treasuri), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas Perusahaan sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan pada ekuitas yang dapat diatribusikan kepada pemilik ekuitas Perusahaan.

y. Dividen

Distribusi dividen kepada para pemegang saham Grup diakui sebagai liabilitas dalam laporan keuangan konsolidasian Grup pada periode dimana dividen telah disetujui oleh pemegang saham entitas dalam Rapat Umum Pemegang Saham Grup ("RUPS").

z. Laba per saham

Laba per saham dasar dihitung dengan membagi laba bersih yang tersedia bagi pemegang saham Perusahaan dengan jumlah rata-rata tertimbang saham biasa yang beredar pada periode berjalan.

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.

aa. Pengukuran nilai wajar

Grup mengukur pada pengakuan awal instrumen keuangan, dan aset dan liabilitas yang diakuisisi pada kombinasi bisnis. Grup juga mengukur jumlah terpulihkan dari Unit Penghasil Kas ("UPK") tertentu berdasarkan nilai wajar dikurangi biaya pelepasan (*Fair Value Less Cost of Disposal* atau "FVLCD").

Nilai wajar adalah harga yang akan diterima dari menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran. Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

i) Di pasar utama untuk aset atau liabilitas tersebut, atau
ii) Jika tidak terdapat pasar utama, di pasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

x. Share capital (continued)

Where any Group entity purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

y. Dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's General Meeting of Shareholders.

z. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding 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.

aa. Fair value measurement

The Group initially measure financial instruments at fair value, and assets and liabilities of the acquirees upon business combinations. The Group also measure certain recoverable amounts of the Cash Generating Unit ("CGU") using Fair Value Less Cost of Disposal ("FVLCD").

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:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

aa. Pengukuran nilai wajar (lanjutan)

Pasar utama atau pasar yang paling menguntungkan tersebut harus dapat diakses oleh Grup.

Nilai wajar dari aset atau liabilitas diukur dengan 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 dari suatu aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomik dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut pada penggunaan tertinggi dan terbaiknya.

Grup menggunakan teknik penilaian yang sesuai dengan keadaan dan data yang memadai tersedia untuk mengukur nilai wajar, dengan memaksimalkan masukan (*input*) yang dapat diamati (*observable*) yang relevan dan meminimalkan masukan (*input*) yang tidak dapat diamati (*unobservable*).

Semua aset dan liabilitas yang nilai wajarnya diukur atau diungkapkan dalam laporan keuangan konsolidasian dikategorikan dalam hirarki nilai wajar berdasarkan *level* masukan (*input*) paling rendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan sebagai berikut:

i) *Level* 1 - Harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses entitas pada tanggal pengukuran.
ii) *Level* 2 - Teknik penilaian yang menggunakan tingkat masukan (*input*) yang paling rendah yang signifikan terhadap pengukuran nilai wajar yang dapat diamati (*observable*) baik secara langsung atau tidak langsung.
iii) *Level* 3 - Teknik penilaian yang menggunakan tingkat masukan (*input*) yang paling rendah yang signifikan terhadap pengukuran nilai wajar yang tidak dapat diamati (*unobservable*) baik secara langsung atau tidak langsung.

Untuk aset dan liabilitas yang diakui pada laporan keuangan konsolidasian secara berulang, Grup menentukan apakah terdapat perpindahan antara *level* dalam hirarki dengan melakukan evaluasi ulang atas penetapan kategori (berdasarkan *level* masukan (*input*) paling rendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan) pada tiap akhir periode pelaporan.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

aa. Fair value measurement (continued)

The principal or the most advantageous market must be accessible to by 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 use 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.

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:

i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on recurring basis, the Group determine whether transfers have occurred between levels in the hierarchy 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.

3. INFORMASI KEBIJAKAN AKUNTANSI YANG MATERIAL (lanjutan)

bb. Informasi segmen

Segmen operasi dilaporkan dengan cara yang konsisten dengan pelaporan internal yang diberikan kepada pengambil keputusan operasi utama. Pengambil keputusan operasi utama, yang bertanggung jawab mengalokasikan sumber daya dan menilai kinerja segmen operasi, telah diidentifikasi sebagai komite pengarah yang mengambil keputusan strategis.

Untuk tujuan manajemen, Grup 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 Grup 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.

cc. Peristiwa setelah periode pelaporan

Peristiwa setelah periode pelaporan yang memberikan informasi tambahan tentang posisi Grup pada periode pelaporan (menyesuaikan peristiwa) tercermin dalam laporan keuangan konsolidasian. Peristiwa setelah periode pelaporan yang tidak menyesuaikan peristiwa, jika ada, diungkapkan ketika material terhadap laporan keuangan konsolidasian.

4. PERTIMBANGAN AKUNTANSI PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ESTIMASI

Penyusunan laporan keuangan konsolidasian Grup 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. Estimasi, asumsi, dan pertimbangan tersebut dievaluasi secara terus menerus berdasarkan pengalaman historis dan faktor-faktor lainnya, termasuk harapan peristiwa di masa datang yang diyakini wajar berdasarkan kondisi yang ada.

Grup telah mengidentifikasi hal-hal berikut dimana diperlukan pertimbangan, estimasi dan asumsi signifikan dan dimana hasil aktual dapat berbeda dari estimasi tersebut jika menggunakan asumsi dan kondisi yang berbeda dan dapat memengaruhi secara material hasil keuangan atau posisi keuangan konsolidasian Grup yang dilaporkan dalam tahun mendatang.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

bb. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

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 Group's management who regularly review the segment's results in order to allocate resources to the segments and assess the segment's 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.

cc. Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates, assumptions and judgements are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group has identified the following matters under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect the consolidated financial results or financial position of the Group reported in future years.

4. PERTIMBANGAN AKUNTANSI PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ESTIMASI (lanjutan)

Penilaian model bisnis

Klasifikasi dan pengukuran aset keuangan bergantung pada hasil SPPI testing dan uji model bisnis. Grup menentukan model bisnis pada tingkat yang mencerminkan bagaimana kelompok aset keuangan dikelola bersama untuk mencapai tujuan bisnis tertentu. Penilaian ini mencakup penilaian yang mencerminkan semua bukti yang relevan termasuk bagaimana kinerja aset dievaluasi dan kinerjanya diukur, risiko yang memengaruhi kinerja aset dan bagaimana hal ini dikelola dan bagaimana manajer aset diberi kompensasi. Grup memantau aset keuangan yang diukur pada biaya perolehan diamortisasi atau nilai wajar melalui penghasilan komprehensif lain yang dihentikan pengakuannya sebelum jatuh tempo untuk memahami alasan pelepasannya dan apakah alasan tersebut konsisten dengan tujuan bisnis di mana aset tersebut dimiliki. Pemantauan adalah bagian dari penilaian berkelanjutan Grup atas apakah model bisnis di mana aset keuangan yang tersisa dimiliki tetap sesuai dan jika tidak sesuai apakah telah terjadi perubahan dalam model bisnis dan dengan demikian terdapat perubahan prospektif terhadap klasifikasi aset keuangan tersebut. Tidak ada perubahan yang diperlukan selama periode yang disajikan.

Nilai wajar aset tetap (tanah) dan properti investasi (tanah dan bangunan)

Nilai wajar dari aset tetap (tanah) dan properti investasi (tanah dan bangunan) ditentukan menggunakan teknik valuasi. Aset tetap (tanah) dan properti investasi (tanah dan bangunan) milik Grup divaluasi oleh penilai independen profesional yang memiliki kualifikasi yang relevan dan pengalaman yang berhubungan dengan lokasi dan segmen aset tetap (tanah) dan properti investasi (tanah dan bangunan) yang akan dinilai. Untuk semua penilaian, penggunaan saat ini setara dengan penggunaan tertinggi dan terbaik.

Nilai wajar untuk tanah yang dimiliki dalam aset tetap dan properti investasi ditentukan menggunakan pendekatan pasar. Pendekatan ini mempertimbangkan nilai pasar tanah untuk properti pembanding di sekitar lokasi, dengan penyesuaian- penyesuaian tertentu yang dilakukan dengan mempertimbangkan perbedaan karakteristik dari tanah tersebut, seperti status sertifikasi tanah, ukuran properti, lokasi, akses menuju lokasi. Hal yang paling signifikan dalam pendekatan ini adalah harga pasar tanah per meter persegi.

Nilai wajar untuk bangunan yang dimiliki dalam properti investasi ditentukan menggunakan pendekatan pendapatan dengan model arus kas diskontoan. Asumsi signifikan dalam pendekatan ini adalah tingkat tarif sewa dan biaya jasa dan tingkat diskonto.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI testing and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Fair value fixed assets (land) and investment properties (land and buildings)

The fair value of fixed assets (land) and investment properties (land and buildings) is determined by using valuation techniques. The Group's fixed assets (land) and investment properties (land and buildings) were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segment of the fixed assets (land) and investment properties (land and buildings) valued. For all valuations, their current use equates to the highest and best use.

The fair value for land held in fixed assets and investment properties was determined using the market approach. This approach takes into account the market price of land for comparable properties in the vicinity, with certain adjustments for differences due to different characteristics of the land, such as land certificate status, property size, location and accessibility. The most significant input into this valuation approach is the land market price per square metre.

The fair value for building held in investment properties was determined using the income approach with the discounted cash flow model. The significant assumption under this approach are rental and service charge rates and the discount rate.

4. PERTIMBANGAN AKUNTANSI PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ESTIMASI (lanjutan)

Beban akrual pemasaran dan promosi

Grup mengevaluasi kelayakan beban akrual promosi dan pemasaran pada setiap akhir periode pelaporan.

Grup membuat pertimbangan yang signifikan untuk mengestimasi jumlah beban akrual pemasaran dan promosi pada akhir tahun. Asumsi-asumsi utama dalam penentuan beban akrual pemasaran dan promosi adalah harga barang promosi dan estimasi pencapaian penjualan. Ketidakpastian muncul sehubungan dengan harga barang promosi dan jumlah aktual pencapaian penjualan, yang mungkin berbeda dengan estimasi. Setiap perubahan dari faktor-faktor ini akan berdampak pada jumlah realisasi yang dapat berbeda dari beban akrual pemasaran dan promosi.

Penyusutan aset tetap

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.

Grup secara periodik menelaah estimasi masa manfaat aset tetap berdasarkan beberapa faktor diantaranya spesifikasi teknis, operasi dan kebutuhan usaha. Laporan keuangan konsolidasian dapat terpengaruh secara material terhadap perubahan dalam estimasi tersebut. Manajemen akan merevisi beban penyusutan dimana masa manfaatnya berbeda dari estimasi sebelumnya, atau penghapusan atau melakukan penurunan nilai atas aset yang secara teknis telah usang atau aset non-strategis yang dihentikan penggunaannya atau dijual. Penjelasan lebih rinci diungkapkan dalam Catatan 12.

Sewa

Penentuan apakah suatu perjanjian merupakan atau mengandung sewa memerlukan pertimbangan yang cermat untuk menilai apakah perjanjian tersebut memberikan hak untuk memperoleh secara substansial seluruh manfaat ekonomi dari penggunaan aset selama periode penggunaan dan hak untuk mengarahkan penggunaan aset, bahkan jika hak tidak secara eksplisit ditentukan dalam pengaturan.

Grup memiliki berbagai perjanjian sewa dimana Grup bertindak sebagai lessee sehubungan dengan aset tertentu. Grup mengevaluasi apakah risiko dan manfaat yang signifikan atas kepemilikan aset sewaan dialihkan kepada penyewa atau dipertahankan oleh Grup berdasarkan PSAK 116, yang mengharuskan Grup untuk membuat pertimbangan dan estimasi atas pengalihan risiko dan manfaat kepemilikan aset yang disewa.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Accrued marketing and promotion expenses

The Group evaluates the appropriateness of accrued marketing and promotion expenses at every end of reporting period.

The Group exercised significant assumptions and judgements to estimate the accrued marketing and promotion expenses amounts at the end of the year. The key assumptions in determining the accrued marketing and promotion expenses were price of the promotional goods and estimated sales achievement. Uncertainties exist with respect to price of the promotional goods and the actual sales achievement, which may be different from the estimation. Any changes in these factors will impact the realisable amount which can be different from the reported accrued marketing and promotion expenses.

Depreciation of fixed assets

The 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.

The Group periodically reviews the estimated useful lives of fixed assets based on several factors such as technical specification, operation and business needs. The consolidated financial statements could be materially affected by changes in these estimates. Management will revise the depreciation charged where useful lives are different to those previously estimated, or it will write off or written down technically obsolete or non-strategic assets that have been abandoned or sold. Further details are disclosed in Note 12.

Leases

Determining whether an arrangement is or contains a lease requires careful judgement to assess whether the arrangement conveys a right to obtain substantially all the economic benefits from the use of the asset throughout the period of use and the right to direct the use of the asset, even if the right is not explicitly specified in the arrangement.

The Group has various lease agreements where the Group acts as a lessee in respect of certain assets. The Group evaluates whether significant risks and rewards of ownership of the leased asset are transferred to the lessee or retained by the Group based on PSAK 116, which requires the Group to make judgements and estimates of the transfer of risks and rewards of ownership of the leased asset.

4. PERTIMBANGAN AKUNTANSI PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ESTIMASI (lanjutan)

Sewa (lanjutan)

Karena Grup tidak dapat dengan mudah menentukan suku bunga implisit, manajemen menggunakan suku bunga pinjaman inkremental Grup sebagai tingkat diskonto. Ada beberapa faktor yang perlu dipertimbangkan dalam menentukan suku bunga pinjaman inkremental, yang banyak di antaranya memerlukan pertimbangan untuk dapat secara andal mengukur penyesuaian yang diperlukan untuk sampai pada tingkat diskonto akhir. Dalam menentukan suku bunga pinjaman inkremental, Grup mempertimbangkan faktor-faktor utama berikut: risiko kredit korporat Grup, jangka waktu sewa, jangka waktu pembayaran sewa, lingkungan ekonomi, waktu di mana sewa dimasukkan, dan mata uang di mana pembayaran sewa ditentukan.

Grup 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, Grup mempertimbangkan seluruh faktor relevan yang menciptakan insentif ekonomi untuk melakukan pembaruan atau penghentian. Grup juga mempertimbangkan apakah ada penalti signifikan untuk membatalkan (atau untuk tidak memperpanjang) kontrak, adanya leasehold improvement yang diperkirakan memiliki nilai sisa yang signifikan atau faktor lain mencakup sejarah durasi sewa dan biaya serta halangan bisnis untuk menggantikan aset sewa dalam menelaah hak yang dapat dipaksakan untuk memperpanjang sewa diluar kontrak tertulis.

Grup menilai kembali masa sewa jika ada peristiwa atau perubahan signifikan dalam keadaan yang berada dalam kendali dan memengaruhi kemampuan Grup untuk menggunakan atau tidak menggunakan opsi untuk memperbarui atau menghentikan.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Leases (continued)

Since the Group could not readily determine the implicit rate, management uses the Group's incremental borrowing rate as a discount rate. There are a number of factors to consider in determining an incremental borrowing rate, many of which need judgement in order to be able to reliably quantify any necessary adjustments to arrive at the final discount rates. In determining the incremental borrowing rate, the Group considers the following main factors: the Group's corporate credit risk, the lease term, the lease payment term, the economic environment, the time at which the lease is entered into, and the currency in which the lease payments are denominated.

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. The Group also considers whether there are significant penalties to terminate (or not extend) the contracts, any leasehold improvement are expected to have a significant remaining value or other factors including historical lease durations and the costs and business disruption required to replace the leased assets in assessing the enforceable rights to extend the lease beyond the written contract.

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.

4. PERTIMBANGAN AKUNTANSI PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ESTIMASI (lanjutan)

Instrumen keuangan

Grup mencatat aset dan liabilitas keuangan tertentu pada nilai wajar, yang mengharuskan penggunaan estimasi akuntansi. Sementara komponen signifikan atas pengukuran nilai wajar ditentukan menggunakan bukti obyektif yang dapat diverifikasi, jumlah perubahan nilai wajar dapat berbeda bila Grup menggunakan metodologi penilaian yang berbeda. Perubahan nilai wajar aset dan liabilitas keuangan tersebut dapat mempengaruhi secara langsung penghasilan komprehensif lain Grup.

Nilai tercatat dari aset keuangan dan liabilitas keuangan pada nilai wajar dalam laporan posisi keuangan konsolidasian pada tanggal 31 Desember 2024 dan 2023 diungkapkan dalam Catatan 32.

Penyisihan persediaan usang dan lambat bergerak

Penyisihan persediaan usang dan lambat bergerak diestimasi berdasarkan fakta dan situasi terbaik 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 mempengaruhi jumlah yang diestimasi. Nilai tercatat persediaan diungkapkan dalam Catatan 9.

Imbalan pasca kerja dan pensiun

Penentuan utang dan biaya pensiun dan liabilitas imbalan kerja Grup bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian. Hasil aktual yang berbeda dari asumsi yang ditetapkan Grup diakui segera sebagai pos terpisah pada penghasilan komprehensif lain di ekuitas. Sementara Grup berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan Grup dapat mempengaruhi secara material liabilitas diestimasi atas pensiun dan imbalan kerja dan beban imbalan kerja neto. Nilai tercatat liabilitas imbalan kerja diungkapkan pada Catatan 18.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Financial instruments

The Group carry certain financial assets and liabilities at fair value, 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 value would differ if the Group utilized a different valuation methodology. Any changes in a fair value of these financial assets and liabilities would directly affect the Group's other comprehensive income.

The carrying amounts of financial assets and financial liabilities carried at fair values in the consolidated statements of financial position as of December 31, 2024 and 2023 are disclose in Note 32.

Allowance for obsolescence and slow-moving inventories

Allowance for obsolescence and slow-moving inventories is estimated based on the best 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. The carrying amounts of inventories are disclosed in Note 9.

Pension and employee benefits

The determination of the Group's obligations and cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognized immediately as a separate item under other comprehensive income in equity. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the employee benefits obligation are disclosed in Note 18.

4. PERTIMBANGAN AKUNTANSI PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ESTIMASI (lanjutan)

Penyisihan atas penurunan nilai piutang usaha

Grup menggunakan matriks provisi untuk menghitung ECL atas piutang usaha. Tarif provisi didasarkan pada hari yang lewat jatuh tempo untuk mengelompokan pelanggan ke segmen yang memiliki pola kerugian serupa. Matriks provisi awalnya berdasarkan tarif *default* yang diamati Grup secara historis. Grup akan mengkalibrasi matriks tersebut untuk menyesuaikan pengalaman kerugian kredit historis dengan informasi kedepan.

Misalnya, jika prakiraan kondisi ekonomi diperkirakan memburuk selama tahun depan yang dapat menyebabkan peningkatan jumlah *default* di sektor usaha Grup, tingkat *default* historis disesuaikan. Pada setiap tanggal pelaporan, tarif *default* yang diamati secara historis diperbarui dan perubahan dalam estimasi ke depan dianalisa kembali.

Penilaian korelasi antara tingkat *default* yang diamati secara historis, prakiraan kondisi ekonomi, dan ECL adalah estimasi signifikan. Jumlah ECL sensitif terhadap perubahan keadaan dan prakiraan kondisi ekonomi. Pengalaman kerugian kredit historis Grup dan prakiraan kondisi ekonomi mungkin tidak mewakili *actual default* pelanggan di masa depan. Informasi mengenai ECL atas piutang usaha Grup diungkapkan pada Catatan 6.

Menentukan apakah poin loyalitas memberikan hak material kepada pelanggan

Segmen ritel Grup menjalankan program poin loyalitas yang memungkinkan pelanggan untuk mengumpulkan poin ketika mereka membeli barang di toko ritel Grup. Poin-poin tersebut dapat ditukarkan dengan produk gratis, bergantung pada jumlah poin minimum yang diperoleh. Grup menilai apakah poin loyalitas tersebut memberikan hak material kepada pelanggan yang perlu untuk diperhitungkan sebagai kewajiban pelaksanaan terpisah.

Grup menetapkan bahwa poin loyalitas memberikan hak material yang tidak akan diterima pelanggan tanpa menandatangani kontrak. Produk gratis yang diterima pelanggan ketika menukar poin loyalitasnya tidak mencerminkan harga yang berdiri sendiri yang akan dibayar oleh pelanggan yang tidak memiliki hubungan dengan Grup untuk produk tersebut. Hak pelanggan juga terkumpul ketika membeli produk tambahan.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowance for impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. 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 are expected to deteriorate over the next year which can lead to an increased number of defaults in the Group's industry 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 analysed.

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. The information about the ECLs on the Group's trade receivables is disclosed in Note 6.

Determining whether the loyalty points provide material rights to customers

The Group's retail segment operates a loyalty points program which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can be redeemed for free products, subject to a minimum number of points obtained. The Group assessed whether the loyalty points provide a material right to the customers that needs to be accounted for as a separate performance obligation.

The Group determined that the loyalty points provide a material right that customers would not receive without entering into the contract. The free products the customers would receive by exercising the loyalty points do not reflect the stand-alone selling price that customers without an existing relationship with the Group would pay for those products. The customers' right also accumulates as they purchase additional products.

5. KAS DAN SETARA KAS / *5. CASH AND CASH EQUIVALENTS*

	2024	2023	
Kas			*Cash on hand*
Rupiah	3,407	5,056	*Rupiah*
Lain-lain	81	76	*Others*
Jumlah kas	3,488	5,132	*Total cash on hand*
Kas di bank			*Cash in banks*
Rupiah			*Rupiah*
PT Bank UOB Indonesia	164,238	90,891	*PT Bank UOB Indonesia*
PT Bank Danamon Indonesia Tbk	106,965	69,072	*PT Bank Danamon Indonesia Tbk*
PT Bank Mandiri (Persero) Tbk	85,160	126,532	*PT Bank Mandiri (Persero) Tbk*
PT Bank Central Asia Tbk	36,087	22,262	*PT Bank Central Asia Tbk*
PT Bank Rakyat Indonesia (Persero) Tbk	6,114	4,887	*PT Bank Rakyat Indonesia (Persero) Tbk*
PT Bank Tabungan Negara Tbk	2,756	4,668	*PT Bank Tabungan Negara Tbk*
PT Bank Permata Tbk	2,450	1,315	*PT Bank Permata Tbk*
PT Bank OCBC NISP Tbk	1,977	1,465	*PT Bank OCBC NISP Tbk*
PT Bank Maspion Indonesia Tbk	1,870	-	*PT Bank Maspion Indonesia Tbk*
Lain-lain	3,123	3,282	*Others*
Dolar AS			*US Dollar*
PT Bank Mandiri (Persero) Tbk (AS$ 16.249 pada tahun 2024 dan AS$ 2.452 pada tahun 2023)	263	38	*PT Bank Mandiri (Persero) Tbk (US$ 16,249 in 2024 and US$ 2,452 in 2023)*
Jumlah kas di bank	411,003	324,412	*Total cash in banks*
Deposito			*Time deposits*
Rupiah			*Rupiah*
PT Bank Tabungan Negara Tbk	670,000	900,000	*PT Bank Tabungan Negara Tbk*
PT Bank Rakyat Indonesia (Persero) Tbk	600,000	-	*PT Bank Rakyat Indonesia (Persero) Tbk*
PT Bank Mandiri Taspen	150,000	-	*PT Bank Mandiri Taspen*
PT Bank Maspion Indonesia Tbk	150,000	-	*PT Bank Maspion Indonesia Tbk*
PT Bank Danamon Indonesia Tbk	100,000	-	*PT Bank Danamon Indonesia Tbk*
PT Bank Maybank Indonesia Tbk	100,000	-	*PT Bank Maybank Indonesia Tbk*
PT Bank Pan Indonesia Tbk	100,000	-	*PT Bank Pan Indonesia Tbk*
PT Bank Permata Tbk	25,000	-	*PT Bank Permata Tbk*
PT Bank Mandiri (Persero) Tbk	20,000	1,000	*PT Bank Mandiri (Persero) Tbk*
Jumlah deposito	1,915,000	901,000	*Total time deposits*
Jumlah (tidak termasuk cerukan)	**2,329,491**	**1,230,544**	***Total (excluding bank overdraft)***
Tingkat bunga deposito per tahun	6.50% - 6.75%	2.50% - 6.15%	*Annual interest rate of time deposits*

Kas dan setara kas termasuk hal-hal berikut untuk kepentingan penyajian laporan arus kas konsolidasian:

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2024	2023	
Kas dan setara kas	2,329,491	1,230,544	*Cash and cash equivalents*
Cerukan (Catatan 17)	(9,189)	(5,222)	*Bank overdraft (Note 17)*
Kas dan setara kas	**2,320,302**	**1,225,322**	***Cash and cash equivalents***

Tidak terdapat saldo kas dan setara kas yang digunakan sebagai jaminan dan dibatasi penggunaannya.

There is no balance of cash and cash equivalents pledged as collateral and restricted in use.

6. PIUTANG USAHA / *6. TRADE RECEIVABLES*

	2024	2023	
Pihak ketiga	1,446,729	1,230,494	*Third parties*
Pihak berelasi (Catatan 7)	16,319	14,018	*Related parties (Note 7)*
Sub-jumlah	1,463,048	1,244,512	*Sub-total*
Dikurangi : cadangan kerugian penurunan nilai piutang usaha	(1,311)	(1,469)	*Less : allowance for impairment losses of trade receivables*
Jumlah	**1,461,737**	**1,243,043**	***Total***

Analisa umur piutang usaha adalah sebagai berikut: / *The aging analysis of trade receivables is as follows:*

	2024	2023	
Belum jatuh tempo	1,416,747	1,198,915	*Not yet due*
Lewat jatuh tempo:			*Overdue:*
1 - 30 hari	23,677	23,254	*1 - 30 days*
31 - 60 hari	9,717	10,669	*31 - 60 days*
Lebih dari 60 hari	12,907	11,674	*Over 60 days*
Dikurangi cadangan kerugian penurunan nilai piutang usaha	(1,311)	(1,469)	*Less allowance for impairment losses of trade receivables*
Jumlah piutang usaha	**1,461,737**	**1,243,043**	***Total trade receivables***

Mutasi penyisihan atas ECL piutang usaha Grup adalah sebagai berikut: / *Movements in the Group's allowance for ECLs of trade receivables are as follows:*

	2024	2023	
Saldo awal	(1,469)	(337)	*Beginning balances*
Perubahan selama tahun berjalan	158	(1,132)	*Changes during the year*
Saldo akhir	**(1,311)**	**(1,469)**	***Ending balances***

Berdasarkan hasil penelaahan keadaan piutang pada akhir periode pelaporan, manajemen Grup 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.

Pada tanggal 31 Desember 2024 dan 2023, seluruh piutang usaha Grup dalam mata uang Rupiah.

As of December 31, 2024 and 2023, all of the Group's trade receivables are denominated in Rupiah.

Pada tanggal 31 Desember 2024 dan 2023, piutang usaha masing-masing sebesar Rp 1.416.747 dan Rp 1.198.915 belum jatuh tempo dan tidak mengalami penurunan nilai. Piutang ini akan jatuh tempo dalam waktu 1-60 hari.

As of December 31, 2024 and 2023, trade receivables amounting to Rp 1,416,747 and Rp 1,198,915, respectively, were not past due and not impaired. These receivables will be due in 1-60 days.

Pada tanggal 31 Desember 2024 dan 2023 terdapat piutang usaha masing-masing sebesar Rp 44.990 dan Rp 44.128 telah lewat jatuh tempo namun tidak mengalami penurunan nilai. Piutang tersebut berasal dari sejumlah pelanggan yang tidak memiliki sejarah gagal bayar.

As of December 31, 2024 and 2023, trade receivables amounting to Rp 44,990 and Rp 44,128, respectively, were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

Pada tanggal 31 Desember 2024 dan 2023, piutang usaha masing-masing sebesar Rp 1.311 dan Rp 1.469 mengalami penurunan nilai dan telah diprovisikan.

As of December 31, 2024 and 2023, trade receivables amounting to Rp 1,311 and Rp 1,469, respectively, were impaired and have been fully provisioned.

6. PIUTANG USAHA (lanjutan)

Pada tanggal 31 Desember 2024 dan 2023, piutang usaha tertentu Grup dijaminkan atas fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk dengan perjanjian fidusia senilai Rp 562.860 (Catatan 17).

Lihat Catatan 32 mengenai risiko kredit piutang usaha untuk memahami bagaimana Grup mengelola dan mengukur kualitas kredit piutang usaha.

6. TRADE RECEIVABLES (continued)

As of December 31, 2024 and 2023, the Group's certain trade receivables are pledged as collateral for the loan facilities from PT Bank Mandiri (Persero) Tbk with fiduciary agreement totalling Rp 562,860 (Note 17).

Refer to Note 32 on the credit risk of trade receivables to understand how the Group manages and measures the credit quality of trade receivables.

7. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI

a. Sifat hubungan pihak berelasi

Dalam kegiatan usaha normal, Grup melakukan transaksi usaha dan lainnya dengan pihak-pihak berelasi, yang terafiliasi dengan Grup melalui kepemilikan langsung dan tak langsung, dan/atau dibawah entitas sepengendali. Tranksaksi antara pihak-pihak berelasi dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak.

Dalam kegiatan usahanya, Grup melakukan transaksi tertentu dengan pihak berelasi, yang meliputi antara lain:

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Nature of relationship

In the normal course of business, the Group enters into trade and other transactions with related parties, which are affiliated with the Group through direct or indirect ownership, and/or under common control entity. The transactions among related parties are made based on terms agreed by the parties.

In the normal course of business, the Group entered into certain transactions with related parties, including the following:

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 barang, pembelian alat-alat dan bahan bangunan, pendapatan sewa bangunan kantor dan penggantian biaya/ *Sales of goods, purchase of tools and building materials, office building rent income and expense reimbursement*
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 barang, pembelian bahan pembantu dan pendapatan sewa bangunan pabrik/ *Sales of goods, purchase of supplies and building materials and factory building rent income*
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 barang dan sewa bangunan/ *Sales of goods and building rent*
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 barang, pembelian alat-alat dan bahan bangunan, pendapatan sewa bangunan kantor dan penggantian biaya/ *Sales of goods, purchase of tools and building materials, office building rent income and expense reimbursement*
PT Kencana Lintasindo Internasional	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/ *Have the same key management personnel and under common control entity*	Penjualan barang, pembelian alat-alat dan bahan bangunan dan penggantian biaya/ *Sales of goods, purchase of tools and building materials and expense reimbursement*
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 barang dan pembelian alat-alat dan bahan bangunan/*Sales of goods and purchases of tools and building materials*

7. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan) / *BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)*

a. Sifat hubungan pihak berelasi (lanjutan) / *Nature of relationship (continued)*

Pihak-pihak berelasi/ *Related parties*	Sifat hubungan/ *Nature of relationship*	Jenis transaksi/ *Nature of transactions*
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 barang dan pembelian alat-alat dan bahan bangunan/*Sales of goods and purchases of tools and building materials*
PT Caturkarda Depo Bangunan Tbk	Memiliki personil manajemen kunci yang sama dan dalam entitas sepengendali/ *Have the same key management personnel and under common control entity*	Penjualan barang/*Sales of goods*
PT Bangun Bersama Solusindo	Investasi pada ventura bersama/ *Investment in joint venture*	Penjualan barang, pendapatan sewa bangunan kantor dan pembelian bahan bangunan/ *Sales of goods, office building rental income and purchases of building materials*
Dewan Komisaris dan Direksi/ *Board of Commissioners and Directors*	Manajemen personil kunci/ *Key management personnel*	Gaji dan imbalan kerja jangka pendek lainnya/*Salaries and other short-term compensation benefits*

b. Saldo dengan pihak berelasi / *Balances with related parties*

	2024	2023	
Piutang usaha			***Trade receivables***
PT Caturkarda Depo Bangunan Tbk	8,018	6,361	*PT Caturkarda Depo Bangunan Tbk*
PT Megadepo Indonesia	5,202	5,936	*PT Megadepo Indonesia*
PT Bangun Bersama Solusindo	1,940	1,135	*PT Bangun Bersama Solusindo*
Lain-lain	1,159	586	*Others*
Jumlah	**16,319**	**14,018**	***Total***
Persentase terhadap jumlah aset	**0.15%**	**0.13%**	***Percentage to total assets***
Piutang lain-lain			***Other receivables***
PT Avia Avian Industri Pipa	70,752	46,376	*PT Avia Avian Industri Pipa*
PT Wahana Lentera Raya	10,293	6,086	*PT Wahana Lentera Raya*
Lain-lain	2,238	4,076	*Others*
Jumlah	**83,283**	**56,538**	***Total***
Persentase terhadap jumlah aset	**0.75%**	**0.51%**	***Percentage to total assets***
Aset hak-guna			***Right-of-use assets***
PT Sarana Depo Kencana	52,622	51,460	*PT Sarana Depo Kencana*
Persentase terhadap jumlah aset	**0.48%**	**0.46%**	***Percentage to total assets***

7. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan) / *BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)*

b. Saldo dengan pihak berelasi (lanjutan) / *Balances with related parties (continued)*

	2024	2023	
Utang usaha			***Trade payables***
PT Avia Avian Industri Pipa	207,725	160,993	*PT Avia Avian Industri Pipa*
PT Mitra Mulia Makmur	75,906	53,092	*PT Mitra Mulia Makmur*
PT Wahana Lentera Raya	47,315	32,379	*PT Wahana Lentera Raya*
PT Kencana Lintasindo Internasional	20,006	23,444	*PT Kencana Lintasindo Internasional*
PT Bangun Bersama Solusindo	8,234	6,305	*PT Bangun Bersama Solusindo*
PT Panca Kalsiumindo Perkasa	3,745	3,108	*PT Panca Kalsiumindo Perkasa*
Lain-lain	10	-	*Others*
Jumlah	**362,941**	**279,321**	***Total***
Persentase terhadap jumlah liabilitas	**25.40%**	**22.43%**	***Percentage to total liabilities***
Utang lain-lain			***Other payables***
Lain-lain	487	121	*Others*
Persentase terhadap jumlah liabilitas	**0.03%**	**0.01%**	***Percentage to total liabilities***
Pendapatan diterima dimuka			***Unearned revenue***
Lain-lain	1,611	1,802	*Others*
Persentase terhadap jumlah liabilitas	**0.11%**	**0.14%**	***Percentage to total liabilities***
Liabilitas sewa			***Lease liabilities***
PT Sarana Depo Kencana	52,622	4,186	*PT Sarana Depo Kencana*
Persentase terhadap jumlah liabilitas	**3.68%**	**0.34%**	***Percentage to total liabilities***

c. Transaksi dengan pihak berelasi / *Transactions with related parties*

	2024	2023	
Pendapatan			***Revenue***
PT Caturkarda Depo Bangunan Tbk	25,472	23,126	*PT Caturkarda Depo Bangunan Tbk*
PT Megadepo Indonesia	20,185	20,568	*PT Megadepo Indonesia*
PT Bangun Bersama Solusindo	8,667	4,545	*PT Bangun Bersama Solusindo*
PT Avia Avian Industri Pipa	3,520	2,729	*PT Avia Avian Industri Pipa*
Lain-lain	2,239	2,185	*Others*
Jumlah	**60,083**	**53,153**	***Total***
Persentase terhadap jumlah pendapatan	**0.80%**	**0.76%**	***Percentage to total revenue***

7. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan) / *BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)*

c. Transaksi dengan pihak berelasi (lanjutan) / *Transactions with related parties (continued)*

	2024	2023	
Pembelian persediaan			***Purchase of inventories***
PT Avia Avian Industri Pipa	1,053,497	875,847	*PT Avia Avian Industri Pipa*
PT Mitra Mulia Makmur	315,826	311,327	*PT Mitra Mulia Makmur*
PT Wahana Lentera Raya	265,189	193,168	*PT Wahana Lentera Raya*
PT Kencana Lintasindo Internasional	114,947	107,078	*PT Kencana Lintasindo Internasional*
PT Panca Kalsiumindo Perkasa	36,718	30,283	*PT Panca Kalsiumindo Perkasa*
PT Bangun Bersama Solusindo	36,533	22,229	*PT Bangun Bersama Solusindo*
Lain-lain	2,657	6	*Others*
Jumlah	**1,825,367**	**1,539,938**	***Total***
Persentase terhadap jumlah beban pokok penjualan	**44.19%**	**40.17%**	***Percentage to total cost of goods sold***
Pendapatan sewa gedung kantor dan pabrik			***Factory and office building rental income***
PT Wahana Lentera Raya	1,211	1,114	*PT Wahana Lentera Raya*
Lain-lain	2,725	2,879	*Others*
Jumlah	**3,936**	**3,993**	***Total***
Persentase terhadap jumlah pendapatan (beban) lain-lain - neto	**27.60%**	**50.25%**	***Percentage to total other income (expenses) - net***

d. Kompensasi manajemen kunci / *Key management compensation*

Gaji dan kompensasi kesejahteraan jangka pendek lainnya yang dibebankan untuk Dewan Komisaris dan Direksi Grup untuk tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023 masing-masing adalah sebesar Rp 106.949 dan Rp 99.820.

Salaries and other short-term compensation benefits expensed to the Group's Board of Commissioners and Directors for the years ended December 31, 2024 and 2023 amounted to Rp 106,949 and Rp 99,820, respectively.

8. PIUTANG LAIN-LAIN / *OTHER RECEIVABLES*

	2024	2023	
Pihak berelasi (Catatan 7)	83,283	56,538	*Related parties (Note 7)*
Pihak ketiga			*Third parties*
Piutang bunga investasi pada surat utang negara	37,779	40,100	*Interest receivables from investment in government bonds*
Lain-lain	7,641	9,231	*Others*
Jumlah	**128,703**	**105,869**	***Total***

Berdasarkan penilaian manajemen atas kerugian kredit ekspektasian, manajemen Grup berkeyakinan bahwa kerugian kredit ekspektasian mendekati nol, sehingga pencadangan penurunan nilai atas piutang lain-lain tidak diperlukan.

Based on management's assessment of the expected credit losses, the management of the Group believes that the expected credit losses are close to zero, as such, the provision for impairment of other receivables is not necessary.

9. PERSEDIAAN / *9. INVENTORIES*

	2024	2023	
Barang jadi	1,051,043	996,609	*Finished goods*
Bahan baku	266,785	303,031	*Raw materials*
Barang dalam proses	41,994	45,887	*Work in process*
Barang promosi	36,584	57,417	*Promotional goods*
Bahan pembantu	34,790	33,355	*Supplies*
Suku cadang	8,823	6,055	*Spareparts*
Persediaan dalam perjalanan	132,686	86,436	*Inventories in transit*
Sub-jumlah	1,572,705	1,528,790	*Sub-total*
Penyisihan persediaan usang dan lambat bergerak	(14,502)	(9,241)	*Provision for obsolescence and slow-moving inventories*
Jumlah	**1,558,203**	**1,519,549**	***Total***

Mutasi penyisihan persediaan usang dan lambat bergerak adalah sebagai berikut:

Movement in the provision for obsolescence and slow-moving inventories are as follows:

	2024	2023	
Saldo awal	9,241	13,291	*Beginning balance*
Penambahan (pemulihan)	5,261	(4,050)	*Addition (recovery)*
Saldo akhir	**14,502**	**9,241**	***Ending balance***

Berdasarkan penelaahan atas kondisi dan tingkat perputaran persediaan, manajemen Grup berkeyakinan bahwa penyisihan persediaan usang dan lambat bergerak 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 provision for obsolescence and slow-moving inventories is adequate to cover any possible losses from the decrease in the value of inventories.

Pada tanggal 31 Desember 2024 dan 2023, seluruh persediaan dijaminkan atas fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk dengan perjanjian fidusia senilai Rp 763.198 (Catatan 17).

As of December 31, 2024 and 2023, all inventories are pledged as collateral for the loan facilities from PT Bank Mandiri (Persero) Tbk with fiduciary agreements totalling Rp 763,198 (Note 17).

Persediaan diasuransikan terhadap risiko kerugian kebakaran atau pencurian dan risiko lainnya berdasarkan suatu paket polis dengan nilai pertanggungan sebesar AS$ 37,5 juta dan Rp 2.083.097 pada tanggal 31 Desember 2024, dan AS$ 57,6 juta dan Rp 1.890.012 pada tanggal 31 Desember 2023, yang menurut pendapat manajemen cukup untuk menutup kemungkinan kerugian atas risiko-risiko tersebut.

Inventories are covered against losses from fire or theft and other risks under blanket amounting to US$ 37.5 million and Rp 2,083,097 as of December 31, 2024, and US$ 57.6 million and Rp 1,890,012 as of December 31, 2023, which in management's opinion are adequate to cover any possible losses arising from such risks.

10. INVESTASI / *10. INVESTMENTS*

	2024	2023	
Surat utang negara	2,931,602	2,993,887	*Government bonds*
Reksa dana	21,298	20,200	*Mutual funds*
Deposito berjangka	-	1,740,000	*Time deposits*
Jumlah	**2,952,900**	**4,754,087**	***Total***

10. INVESTASI (lanjutan)

a. Investasi jangka pendek

Investasi jangka pendek terdiri atas deposito berjangka dengan jangka waktu 6-12 bulan dari PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Permata Tbk dan PT Bank Danamon Indonesia Tbk. Saldo pada tanggal 31 Desember 2024 dan 2023 masing-masing adalah sebesar nihil dan Rp 1.740.000. Seluruh investasi jangka pendek didenominasi dalam mata uang Rupiah. Tingkat suku bunga deposito tersebut pada 31 Desember 2024 dan 2023 masing-masing adalah sebesar 5,75% - 6,75% dan 6,00% - 6,10%.

Lihat Catatan 32 mengenai risiko kredit dari investasi jangka pendek untuk memahami bagaimana Grup mengelola dan mengukur kualitas kredit atas investasi jangka pendek.

b. Investasi pada surat utang negara

Seluruh investasi pada surat utang negara didenominasi dalam mata uang Rupiah.

SUN diterbitkan oleh Pemerintah Republik Indonesia dengan tingkat suku bunga tetap antara 5,13% hingga 8,25% per tahun dan akan jatuh tempo pada berbagai tanggal antara tanggal 15 Juni 2025 sampai dengan 15 April 2032. Investasi pada SUN akan digunakan untuk keperluan modal kerja Grup dan pembangunan pabrik di Cirebon, sehingga investasi tersebut disajikan sebagai aset lancar pada laporan posisi keuangan konsolidasian.

Bunga atas SUN ini akan diterima setiap 6 (enam) bulan sekali. Pendapatan bunga efektif yang diperoleh selama tahun berjalan pada 31 Desember 2024 dan 2023 masing-masing adalah sebesar Rp 154.994 dan Rp 149.646 (Catatan 28).

Pada tanggal 31 Desember 2024 dan 2023, kerugian nilai wajar neto yang belum direalisasi atas investasi pada instrumen utang masing-masing sebesar Rp 103.357 dan Rp 56.408 diakui dalam ekuitas sebagai perubahan nilai wajar atas investasi pada surat utang negara.

Untuk tahun yang berakhir pada tanggal 31 Desember 2024 dan 2023, kerugian neto atas nilai wajar masing-masing sebesar nihil dan Rp 30.857 telah direklasifikasi dari ekuitas ke laba rugi tahun berjalan.

Manajemen berpendapat bahwa tidak terdapat kejadian-kejadian atau perubahan keadaan yang mengindikasikan adanya bukti objektif penurunan nilai wajar aset keuangan pada nilai wajar melalui penghasilan komprehensif lain, sehingga, tidak diperlukan cadangan penurunan.

10. INVESTMENTS (continued)

a. Short-term investments

Short-term investments comprise of time deposits with 6-12 months term from PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Permata Tbk and PT Bank Danamon Indonesia Tbk. The outstanding balance as of December 31, 2024 and 2023 amounted to nill and Rp 1,740,000, respectively. All short-term investments are denominated in Rupiah. Annual interest rate of the time deposits in December 31, 2024 and 2023 is 5.75% - 6.75% and 6.00% - 6.10%, respectively.

Refer to Note 32 on the credit risk of the short-term investments to understand how the Group manages and measures the credit quality of short-term investments.

b. Investment in government bonds

All investment in government bonds are denominated in Rupiah.

SUN issued by the Government of the Republic of Indonesia bear fixed interest rates ranging from 5.13% to 8.25% per annum and will be due on various dates from June 15, 2025 to April 15, 2032. Investment in government bonds is used for the Group's working capital purpose and construction of the factory in Cirebon, as such, the investment is presented as current assets in the consolidated statement of financial position.

The interest of the SUN will be received every 6 (six) months. Effective interest income earned during the year December 31, 2024 and 2023 amounted to Rp 154,994 and Rp 149,646, respectively (Note 28).

As of December 31, 2024 and 2023, the net unrealised loss of fair value on investment in debt instruments of Rp 103,357 and Rp 56,408, respectively, was recognised in equity under changes in fair value of investment in government bonds.

For the year ended December 31, 2024 and 2023, the net loss in fair value amounted to nill and Rp 30,857, respectively, has been reclassified from equity to profit or loss in current year.

The management is of the opinion that there are no events or changes in circumstances that indicate a permanent decline in the fair value of the financial assets at FVOCI, therefore, no provision for impairment is necessary.

11. PROPERTI INVESTASI / *11. INVESTMENT PROPERTIES*

	2024	2023	
Tanah	272,487	272,487	*Land*
Bangunan	18,023	17,626	*Building*
Jumlah	**290,510**	**290,113**	***Total***

Mutasi perubahan properti investasi adalah sebagai berikut:

The movement of investment properties is as follows:

	2024	2023	
Saldo awal	290,113	285,986	*Beginning balance*
Perubahan nilai wajar	397	4,127	*Changes in fair value*
Saldo akhir	**290,510**	**290,113**	***Ending balance***

Properti investasi berupa bangunan 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 m^2 yang dimiliki sendiri oleh Grup. Bangunan merupakan gedung perkantoran dalam kontrak Bangun Guna Serah ("BOT") selama 30 tahun yang disewakan kepada pihak-pihak berelasi, sedangkan tanah merupakan tanah kosong dimana manajemen belum menentukan tujuan penggunaannya.

Building held in investment properties represents the 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 m^2 that is owned by the Group. Buildings represents office building under Build, Operate and Transfer ("BOT") contract for 30 years that are rented to related parties, while the land is empty land for which management has not yet determined the intended use.

Nilai wajar properti investasi pada tanggal 31 Desember 2024 dan 2023 didasarkan pada penilaian yang dilakukan oleh penilai independen, Kantor Jasa Penilai Publik ("KJPP") Suhartanto Budhihardjo dan Rekan melalui laporannya masing-masing pada tanggal 21 Januari 2025 dan 31 Januari 2024 (untuk tanah) dan KJPP Iskandar dan Rekan masing-masing pada tanggal 24 Januari 2025 dan 13 Februari 2024 (untuk bangunan).

The fair values of investment properties as of December 31, 2024 and 2023 are based on valuations performed by independent appraisals, Kantor Jasa Penilai Publik ("KJPP") Suhartanto Budhihardjo dan Rekan through its reports dated January 21, 2025 and January 31, 2024, respectively (for land) and KJPP Iskandar dan Rekan dated January 24, 2025 and February 13, 2024, respectively (for building).

Tidak terdapat perpindahan antar level atas pengukuran nilai wajar selama tahun berjalan.

There was no inter-level transfers of fair value measurement during the current year.

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian atas properti investasi selama tahun 2024 dan 2023 adalah sebagai berikut:

Amounts recognised in the consolidated statements of profit or loss and other comprehensive income for investment properties during the year 2024 and 2023 are as follows:

	2024	2023	
Pendapatan sewa berasal dari properti investasi	3,219	2,960	*Rental income derived from investment properties*
Biaya operasi langsung (termasuk perbaikan dan pemeliharaan)	(2,579)	(4,360)	*Direct operating expenses (including repairs and maintenance)*
Perubahan nilai wajar	397	4,127	*Changes in fair value*

Pengukuran nilai wajar atas properti investasi tanah menggunakan *Level* 2 hierarki nilai wajar. Penilaian atas properti investasi tanah dilakukan dengan pendekatan pasar.

The fair value measurement of land held in investment properties uses Level 2 of the fair value hierarchy. The valuation of land held in investment property is carried out using the market approach.

11. PROPERTI INVESTASI (lanjutan) / *11. INVESTMENT PROPERTIES (continued)*

Input yang paling signifikan dalam pendekatan penilaian ini adalah asumsi harga tanah per meter persegi (m^2) yang didasarkan dari harga pasar tanah di sekitar lokasi, disesuaikan dengan perbedaan atribut utama seperti jenis dan hak yang melekat pada properti, lokasi, karakteristik fisik, ukuran, dan penggunaan aset, sebagai berikut:

The most significant input in this approach is the land price per square meter (m^2) assumption which is based on the market price of land located in the vicinity, adjusted for the difference in main attributes such as the type and rights on the property, location, physical characteristics, size and use of the assets, as follows:

	2024	2023	
Tanah			***Land***
Harga per m^2 (nilai penuh)	1,550,000	1,550,000	*Price per m^2 (full amount)*

Pengukuran nilai wajar atas properti investasi bangunan menggunakan *Level* 3 hierarki nilai wajar. Penilaian atas properti investasi bangunan dengan pendekatan pendapatan (metode arus kas diskontoan). Input yang tidak dapat diobservasi yang digunakan dalam menentukan nilai wajar properti investasi bangunan adalah sebagai berikut:

The fair value measurement of building held in investment properties uses Level 3 of the fair value hierarchy. The valuation of building held in investment property is carried out using an income approach (discounted cash flow method). Unobservable input used in determining the fair value of building held in investment properties is as follows:

	2024	2023	
Bangunan			***Building***
Tarif sewa per m^2 (termasuk biaya jasa - nilai penuh)	2,230,000	2,200,000	*Rental rate per m^2 (including - service charge full amount)*
Tingkat diskonto	10.02%	10.62%	*Discount rate*

Rincian properti investasi Grup yang diukur pada nilai wajar dan informasi hirarki nilai wajar adalah sebagai berikut:

Details of the Group's investment properties measured at fair value and information about the fair value hierarchy are as follows:

	2024				
	Level 1	**Level 2**	**Level 3**	**Total**	
Tanah tidak dipakai	-	272,487	-	272,487	*Unused land*
Bangunan yang disewakan	-	-	18,023	18,023	*Leased-out properties*
Jumlah	**-**	**272,487**	**18,023**	**290,510**	***Total***

	2023				
	Level 1	**Level 2**	**Level 3**	**Total**	
Tanah tidak dipakai	-	272,487	-	272,487	*Unused land*
Bangunan yang disewakan	-	-	17,626	17,626	*Leased-out properties*
Jumlah	**-**	**272,487**	**17,626**	**290,113**	***Total***

11. PROPERTI INVESTASI (lanjutan) / *11. INVESTMENT PROPERTIES (continued)*

Sensitivitas dari nilai wajar properti investasi bangunan terhadap asumsi utama adalah sebagai berikut:

Sensitivity of fair value of building investment property on the principal assumptions is as follows:

Asumsi	Perubahan asumsi/ *Changes in assumption*	Perubahan nilai wajar/*Changes in fair value*				*Assumptions*
		Kenaikan asumsi/ *Increase in assumption*		Penurunan asumsi/ *Decrease in assumption*		
		2024	2023	2024	2023	
Bangunan						***Building***
Tarif sewa (termasuk biaya jasa)	1%	Kenaikan sebesar/ *increase by* 0.94%	Kenaikan sebesar/ *increase by* 0.96%	Penurunan sebesar/ *decrease by* 0.94%	Penurunan sebesar/ *decrease by* 0.96%	*Rental rate (including service charge)*
Tingkat diskonto	1%	Penurunan sebesar/ *decrease by* 0.82%	Penurunan sebesar/ *decrease by* 0.91%	Kenaikan sebesar/ *increase by* 0.83%	Kenaikan sebesar/ *increase by* 0.92%	*Discount rate*

12. ASET TETAP - NETO / *12. FIXED ASSETS - NET*

	2024						
	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassifications*	Revaluasi/ *Revaluation*	Saldo akhir/ *Ending balance*	
Nilai revaluasi							***Revalued amount***
Tanah	543,234	-	-	-	-	543,234	*Land*
Harga perolehan							***Cost***
Kepemilikan langsung							*Direct ownership*
Bangunan dan prasarana	399,917	2,586	(57)	10,077	-	412,523	*Buildings and improvements*
Mesin dan peralatan	814,580	8,448	(2,015)	48,395	-	869,408	*Machinery and equipment*
Instalasi listrik	97,733	420	-	340	-	98,493	*Electricity installations*
Kendaraan	325,524	62,388	(31,017)	-	-	356,895	*Vehicles*
Peralatan kantor	215,545	39,684	(1,451)	-	-	253,778	*Office equipment*
Sub-jumlah	2,396,533	113,526	(34,540)	58,812	-	2,534,331	*Sub-total*
Aset tetap dalam pembangunan	93,712	319,661	-	(58,812)	-	354,561	*Assets under construction*
Sub-jumlah	2,490,245	433,187	(34,540)	-	-	2,888,892	*Sub-total*
Akumulasi penyusutan							***Accumulated depreciation***
Kepemilikan langsung							*Direct ownership*
Bangunan dan prasarana	94,564	13,223	(25)	-	-	107,762	*Buildings and improvements*
Mesin dan peralatan	420,239	61,123	(1,311)	-	-	480,051	*Machinery and equipment*
Instalasi listrik	43,841	8,368	-	-	-	52,209	*Electricity installations*
Kendaraan	139,834	41,474	(22,774)	-	-	158,534	*Vehicles*
Peralatan kantor	132,604	28,046	(611)	-	-	160,039	*Office equipment*
Sub-jumlah	831,082	152,234	(24,721)	-	-	958,595	*Sub-total*
Nilai buku	**1,659,163**					**1,930,297**	***Net book value***

12. ASET TETAP - NETO (lanjutan) / *12. FIXED ASSETS - NET (continued)*

	2023						
	Saldo awal/ *Beginning balance*	**Penambahan/ *Additions***	**Pengurangan/ *Deductions***	**Reklasifikasi/ *Reclassifications***	**Revaluasi/ *Revaluation***	**Saldo akhir/ *Ending balance***	
Nilai revaluasi							***Revalued amount***
Tanah	540,322	-	-	-	2,912	543,234	*Land*
Harga perolehan							***Cost***
Kepemilikan langsung							*Direct ownership*
Bangunan dan prasarana	377,175	2,029	-	20,713	-	399,917	*Buildings and improvements*
Mesin dan peralatan	770,821	7,420	(3,594)	39,933	-	814,580	*Machinery and equipment*
Instalasi listrik	94,601	516	-	2,616	-	97,733	*Electricity installations*
Kendaraan	301,189	62,221	(37,886)	-	-	325,524	*Vehicles*
Peralatan kantor	178,760	37,228	(443)	-	-	215,545	*Office equipment*
Sub-jumlah	2,262,868	109,414	(41,923)	63,262	2,912	2,396,533	*Sub-total*
Aset tetap dalam pembangunan	50,665	106,309	-	(63,262)	-	93,712	*Assets under construction*
Sub-jumlah	2,313,533	215,723	(41,923)	-	2,912	2,490,245	*Sub-total*
Akumulasi penyusutan							***Accumulated depreciation***
Kepemilikan langsung							*Direct ownership*
Bangunan dan prasarana	82,053	12,511	-	-	-	94,564	*Buildings and improvements*
Mesin dan peralatan	365,258	57,703	(2,722)	-	-	420,239	*Machinery and equipment*
Instalasi listrik	35,221	8,620	-	-	-	43,841	*Electricity installations*
Kendaraan	132,620	37,161	(29,947)	-	-	139,834	*Vehicles*
Peralatan kantor	110,295	22,521	(212)	-	-	132,604	*Office equipment*
Sub-jumlah	725,447	138,516	(32,881)	-	-	831,082	*Sub-total*
Nilai buku	**1,588,086**					**1,659,163**	***Net book value***

Beban penyusutan dibebankan sebagai berikut: / *The depreciation expenses were charged to the following:*

	2024	**2023**	
Beban pabrikasi (Catatan 26)	34,775	32,099	*Factory overhead (Note 26)*
Beban penjualan (Catatan 27)	74,485	69,286	*Selling expenses (Note 27)*
Beban umum dan administrasi (Catatan 27)	42,974	37,131	*General and administrative expenses (Note 27)*
Jumlah	**152,234**	**138,516**	***Total***

Nilai perolehan dari setiap aset tetap yang telah disusutkan penuh namun masih digunakan pada 31 Desember 2024 dan 2023 masing-masing sebesar Rp 119.872 dan Rp 106.921, terdiri atas mesin dan peralatan, instalasi listrik dan peralatan kantor.

The costs of fixed assets that have been fully depreciated but still being utilised as of December 31, 2024 and 2023 are amounted to Rp 119,872 and Rp 106,921, respectively, consisting of machinery and equipment, electricity installations and office equipment.

Rincian pelepasan aset tetap adalah sebagai berikut: / *The details of disposal of fixed assets are as follows:*

	2024	**2023**	
Penerimaan dari pelepasan aset tetap	11,156	14,094	*Proceeds from disposal of fixed assets*
Nilai buku aset tetap yang dijual	(9,819)	(9,042)	*Net book value of disposed fixed assets*
Keuntungan pelepasan aset tetap (Catatan 30)	**1,337**	**5,052**	***Gain on disposal of fixed assets (Note 30)***

12. ASET TETAP - NETO (lanjutan)

Aset tetap dalam pembangunan merupakan proyek yang masih belum selesai pada tanggal laporan keuangan konsolidasian dengan rincian sebagai berikut:

12. FIXED ASSETS - NET (continued)

Fixed assets under construction represents projects that have not been completed at the date of the consolidated financial statements with the details as follows:

	Perkiraan % penyelesaian/ *Estimated % of completion*		
	2024	**2023**	
Bangunan dan prasarana	20% - 80%	5% - 70%	*Buildings and improvements*
Mesin dan peralatan	70% - 95%	5% - 90%	*Machinery and equipment*
Instalasi listrik	90% - 95%	5% - 80%	*Electricity installations*

Aset tetap dalam pembangunan pada tanggal 31 Desember 2024 dan 2023 diperkirakan akan selesai pada tahun 2025-2026.

The estimated completion date of the assets under construction as of December 31, 2024 and 2023 will be in 2025-2026.

Tidak ada perbedaan yang material antara nilai wajar dan nilai tercatat dari aset tetap Grup selain tanah.

There is no material difference between the fair value and carrying value of the Group's fixed assets other than land.

Jika tanah milik Grup diukur berdasarkan biaya historis, jumlah tercatatnya akan menjadi Rp 300.962 pada tanggal 31 Desember 2024 dan 2023.

Had the Group's land been measured on historical cost basis, their carrying amount would have been Rp 300,962 as of December 31, 2024 and 2023.

Grup memiliki beberapa bidang tanah dengan rincian sebagai berikut:

The Group has land properties with the details as follows:

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	Pabrik/*Factory*
Bekasi	2,992 m^2	Pabrik/*Factory*

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.

The Group's land represents land-use rights ("SHGB") that will expire between 2026 until 2049. Management believes that the SHGB can be extended.

Tanah diukur dengan metode revaluasian. Pengukuran nilai wajar tahun 2023 dilakukan oleh KJPP Suhartanto Budhihardjo dan Rekan, selaku penilai independen, dalam laporannya tanggal 31 Januari 2024 dan 15 Februari 2024.

Land is measured using the revaluation model. The fair value measurement for the year 2023 was carried out by KJPP Suhartanto Budhihardjo dan Rekan, an independent appraiser, in its reports dated January 31, 2024 and February 15, 2024.

Pengukuran nilai wajar atas tanah menggunakan *Level* 2 hierarki nilai wajar. Penilaian atas tanah dilakukan dengan pendekatan pasar. Input yang paling signifikan dalam pendekatan penilaian ini adalah asumsi harga tanah per meter persegi (m^2) yang didasarkan dari harga pasar tanah di sekitar lokasi, disesuaikan dengan perbedaan atribut utama seperti jenis dan hak yang melekat pada properti, lokasi, karakteristik fisik, ukuran, dan penggunaan aset. Asumsi harga tanah per m^2 yang digunakan pada tahun 2023 adalah berkisar antara Rp 1.190.000 - Rp 4.000.000 (nilai penuh) per m^2.

The fair value measurement of land uses Level 2 of the fair value hierarchy. The valuation of the land is carried out using the market approach. The most significant input in this approach is the land price per square metre (m^2) assumption which is based on the market price of land located in the vicinity, adjusted for the difference in main attributes such as the type and rights on the property, location, physical characteristics, size and use of the assets. The assumption land price per m^2 used in 2023 ranges from Rp 1,190,000 - Rp 4,000,000 (full amount) per m^2.

12. ASET TETAP - NETO (lanjutan) / *12. FIXED ASSETS - NET (continued)*

Pada tanggal 31 Desember 2024 dan 2023, aset tetap tertentu dijaminkan atas fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk dan PT Bank OCBC NISP Tbk dengan perjanjian fidusia dan perjanjian Hak Tanggungan terhadap aset tetap tertentu senilai Rp 967.990 (Catatan 17).

As of December 31, 2024 and 2023, certain fixed assets are pledged as collateral for the loan facilities from PT Bank Mandiri (Persero) Tbk and PT Bank OCBC NISP Tbk with fiduciary and mortgage agreements over certain fixed assets amounting to Rp 967,990 (Note 17).

Aset tetap, kecuali tanah, diasuransikan terhadap risiko kerugian kebakaran dan risiko lain berdasarkan suatu paket polis dengan nilai pertanggungan sebesar AS$ 50,1 juta dan Rp 1.580.524 pada tanggal 31 Desember 2024 dan AS$ 49,2 juta dan Rp 1.521.113 pada tanggal 31 Desember 2023. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas risiko-risiko tersebut.

Fixed assets, except for land, are covered against losses from fire and other risks under blanket policies amounting to US$ 50.1 million and Rp 1,580,524 as of December 31, 2024 and US$ 49.2 million and Rp 1,521,113 as of December 31, 2023. Management is of the opinion that the sum insured is adequate to cover any possible losses arising from such risks.

Berdasarkan evaluasi yang dilakukan manajemen, tidak terdapat kejadian atau perubahan atas keadaan yang menunjukkan adanya penurunan nilai aset tetap pada tanggal 31 Desember 2024 dan 2023.

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, 2024 and 2023.

Pada tanggal 31 Desember 2024 dan 2023 tidak ada aset tetap yang tidak digunakan.

As of December 31, 2024 and 2023 there were no idle fixed assets.

13. INVESTASI PADA VENTURA BERSAMA / *13. INVESTMENT IN JOINT VENTURE*

	2024	2023	
Saldo awal	17,298	16,400	*Beginning balance*
Bagian atas laba ventura bersama	2,678	898	*Share of profit of a joint venture*
Nilai tercatat	**19,976**	**17,298**	***Carrying amount***

Pada tanggal 31 Desember 2024 dan 2023, ventura bersama yang dimiliki oleh Grup adalah sebagai berikut:

As of December 31, 2024 and 2023, the joint venture of the Group is follows:

Nama entitas/ *Entity name*	Domisili/ *Domicile*	Persentase kepemilikan/ *Percentage of ownership*	Kegiatan usaha/ *Business activity*
PT Bangun Bersama Solusindo	Indonesia	50%	Industri semen, mortar dan beton/ *Industry of cement, mortar and concrete*

	2024	2023	
Aset lancar	52,842	42,192	*Current assets*
Aset tidak lancar	694	870	*Non-current assets*
Liabilitas jangka pendek	13,002	8,053	*Current liabilities*
Liabilitas jangka panjang	583	412	*Non-current liabilities*
Pendapatan	40,757	26,065	*Revenue*
Laba tahun berjalan	5,356	1,797	*Profit for the year*
Jumlah laba komprehensif tahun berjalan	5,356	1,797	*Total comprehensive profit for the year*
Arus kas yang diperoleh dari (digunakan untuk) aktivitas operasi	1,672	(286)	*Cash flows provided by (used in) operating activities*
Arus kas yang digunakan untuk aktivitas investasi	(16)	(60)	*Cash flows used in investing activities*

13. INVESTASI PADA VENTURA BERSAMA (lanjutan) / *13. INVESTMENT IN JOINT VENTURE (continued)*

Rekonsiliasi atas ringkasan informasi keuangan yang disajikan terhadap nilai buku dari kepentingan Grup dalam ventura bersama adalah sebagai berikut:

The reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in the joint venture is as follows:

	2024	2023	
Pada awal tahun	34,597	32,800	*At the beginning of the year*
Jumlah penghasilan komprehensif tahun berjalan	5,356	1,797	*Total comprehensive income for the year*
Pada akhir tahun	39,953	34,597	*At the end of the year*
Persentase kepemilikan	50%	50%	*Percentage of ownership*
Nilai tercatat	**19,976**	**17,298**	***Carrying amount***

Pada tanggal 31 Desember 2024 dan 2023, manajemen berkeyakinan bahwa tidak terdapat indikasi penurunan nilai atas nilai tercatat investasi pada ventura bersama.

As of December 31, 2024 and 2023, management believes that there are no impairment indicators on the carrying amounts of investment in joint venture.

14. UTANG USAHA / *14. TRADE PAYABLES*

	2024	2023	
Pihak berelasi - Rupiah (Catatan 7)	362,941	279,321	*Related parties - Rupiah (Note7)*
Pihak ketiga:			*Third parties:*
Rupiah	269,565	255,394	*Rupiah*
Dolar AS	79,732	75,147	*US Dollar*
CNY	63,499	21,896	*CNY*
Euro	7,307	16,845	*Euro*
SGD	4,456	2,055	*SGD*
GBP	201	-	*GBP*
Sub-jumlah	424,760	371,337	*Sub-total*
Jumlah	**787,701**	**650,658**	***Total***

Utang usaha yang merupakan bagian dari pengaturan pembiayaan pemasok sebesar Rp 75.906 pada tanggal 31 Desember 2024 (Catatan 33).

Trade payables of which amounts that are part of supplier finance arrangements as of December 31, 2024 amounted to Rp 75,906 (Note 33).

Jangka waktu kredit dari pembelian bahan baku utama dan pembantu, berkisar 30 sampai dengan 60 hari (tidak termasuk pengaturan keuangan pemasok) dan 45 hingga 60 hari (termasuk pengaturan keuangan pemasok).

Purchases of raw and indirect materials, have credit terms of 30 to 60 days (excluding supplier finance arrangements) and 45 to 60 days (including supplier finance arrangements).

15. BEBAN AKRUAL / *15. ACCRUED EXPENSES*

	2024	2023	
Pemasaran dan promosi	187,362	237,647	*Marketing and promotion*
Ongkos angkut	31,184	26,938	*Freight*
Komisi penjualan	28,659	32,326	*Sales commission*
Lain-lain	5,456	4,924	*Others*
Jumlah	**252,661**	**301,835**	***Total***

16. SEWA / *16. LEASE*

Grup memiliki kontrak sewa bangunan yang digunakan dalam operasinya. Grup dibatasi untuk menyewakan kembali aset sewaan. Kontrak sewa ini merupakan sewa bangunan oleh PT TKTW dan PT TKBI, dari PT Sarana Depo Kencana, pihak berelasi, dan dari pihak ketiga, yang digunakan sebagai kantor cabang.

The Group has lease contracts for buildings used in its operation. The Group is restricted from assigning and subleasing the leased assets. These lease contracts represent leases for buildings by PT TKTW and PT TKBI, from PT Sarana Depo Kencana, a related party, and from third parties, which are used as branch offices.

Grup juga memiliki sewa peralatan kantor dengan nilai yang rendah. Grup menerapkan pengecualian pengakuan 'sewa aset bernilai rendah' untuk sewa tersebut.

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.

Di bawah ini adalah jumlah tercatat dari aset hak-guna yang diakui pada laporan posisi keuangan konsolidasian Grup dan mutasinya:

Below are the carrying amounts of right-of-use assets recognised on the Group's consolidated statement of financial position and its movements:

	2024				
	Saldo awal/ *Beginning balance*	**Penambahan/ *Additions***	**Pengurangan/ *Deduction***	**Saldo akhir/ *Ending balance***	
Harga perolehan					***Acquisition cost***
Bangunan	235,090	121,861	(127,615)	229,336	*Buildings*
Akumulasi penyusutan					***Accumulated depreciation***
Bangunan	84,539	91,463	(127,615)	48,387	*Buildings*
Nilai tercatat	**150,551**			**180,949**	***Carrying amount***

	2023*)				
	Saldo awal/ *Beginning balance*	**Penambahan/ *Additions***	**Pengurangan/ *Deduction***	**Saldo akhir/ *Ending balance***	
Harga perolehan					***Acquisition cost***
Bangunan	322,006	92,411	(179,327)	235,090	*Buildings*
Akumulasi penyusutan					***Accumulated depreciation***
Bangunan	189,816	74,050	(179,327)	84,539	*Buildings*
Nilai tercatat	**132,190**			**150,551**	***Carrying amount***

*) Setelah direklasifikasi (Catatan 36) / *) *As reclassified (Note 36)*

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2024	**2023**	
Beban penyusutan aset hak-guna - beban penjualan (Catatan 27)	90,604	73,478	*Depreciation of right-of-use assets - selling expenses (Note 27)*
Beban penyusutan aset hak-guna - beban administrasi dan umum (Catatan 27)	859	572	*Depreciation of right-of-use assets - general and administrative expenses (Note 27)*
Beban bunga atas liabilitas sewa (Catatan 29)	2,011	3,724	*Interest expense on lease liabilities (Note 29)*
Sewa aset bernilai rendah dan sewa jangka pendek	691	759	*Low value assets and short-term lease*
Jumlah	**94,165**	**78,533**	***Total***

16. SEWA (lanjutan) / *16. LEASE (continued)*

Di bawah ini adalah jumlah tercatat dari liabilitas sewa yang diakui pada laporan posisi keuangan konsolidasian Grup:

Below are the carrying amounts of lease liabilities recognised on the Group's consolidated statement of financial position:

	2024	2023	
Saldo awal	26,690	73,533	*Beginning balance*
Penambahan	82,261	11,993	*Additions*
Pembayaran	(24,758)	(58,836)	*Payments*
Saldo akhir	84,193	26,690	*Ending balance*
Dikurangi: Bagian lancar	(64,777)	(10,965)	*Less: Current portion*
Bagian tidak lancar	**19,416**	**15,725**	***Non-current portion***

Pembayaran sewa operasi minimum di masa mendatang, serta nilai kini atas pembayaran minimum sewa operasi pada tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

Future minimum lease payments under operating leases together with the present value of the minimum lease payments as of December 31, 2024 and 2023 were as follows:

	2024	2023	
Liabilitas sewa bruto - pembayaran sewa dimasa mendatang			*Lease liabilities - future lease payments*
Tidak lebih dari 1 tahun	66,112	11,910	*Less than 1 year*
1-5 tahun	14,767	13,709	*1-5 years*
Lebih dari 5 tahun	18,604	9,484	*More than 5 years*
Jumlah	99,483	35,103	*Total*
Beban keuangan dimasa depan atas liabilitas sewa	(15,290)	(8,413)	*Future finance charges of lease liabilities*
Nilai kini liabilitas sewa	**84,193**	**26,690**	***Present value of lease liabilities***

	2024	2023	
Nilai kini liabilitas sewa adalah sebagai berikut:			*Present value of lease liabilities is as follows:*
Tidak lebih dari 1 tahun	64,777	10,965	*Less than 1 year*
1-5 tahun	10,216	11,533	*1-5 years*
Lebih dari 5 tahun	9,200	4,192	*More than 5 years*
Jumlah	**84,193**	**26,690**	***Total***

Tidak ada pembatasan signifikan yang ditetapkan oleh *lessor* dalam perjanjian sewa pembiayaan dengan Grup terkait dengan penggunaan aset atau pencapaian kinerja keuangan tertentu.

There is no significant restriction imposed by lease arrangements between the lessor and the Group on the use of the assets or maintenance of certain financial performance.

17. PINJAMAN BANK JANGKA PENDEK / *17. SHORT-TERM BANK LOANS*

	2024	2023	
PT Bank OCBC NISP Tbk	9,189	5,222	*PT Bank OCBC NISP Tbk*
Jumlah	**9,189**	**5,222**	***Total***

17. PINJAMAN BANK JANGKA PENDEK (lanjutan)

Grup memiliki beberapa fasilitas pinjaman sebagai berikut:

17. SHORT-TERM BANK LOANS (continued)

The Group has several loan facilities as follows:

Nama entitas/ *Entity name*	Pemberi pinjaman/ *Lender*	Jenis fasilitas/ *Facility type*	Mata uang/ *Currency*	Jumlah fasilitas/ *Total facility*	Tanggal jatuh tempo/ *Maturity date*	Tingkat suku bunga/ *Interest rate*	Jaminan/ *Collateral*
PT Avia Avian Tbk	PT Bank Mandiri (Persero) Tbk	Kredit Modal Kerja/ *Working Capital Loan*	Rupiah	Rp940,000	27 Agustus/ *August* 2025	4.25%	Piutang usaha, persediaan, dan aset tetap/ *Trade receivables, inventories and fixed assets*
		Letter of Credit ("L/C") Impor atau SKBDN/ *Import L/C or SKBDN*	Dolar AS/ *US Dollar*	AS$/US$1,500,000			
		Treasury Line	Dolar AS/ *US Dollar*	AS$/US$10,000,000			
		Bank Garansi/ *Bank Guarantee*	Rupiah	Rp2,000			
PT TKTW	PT Bank Mandiri (Persero) Tbk	Kredit Modal Kerja/ *Working Capital Loan*	Rupiah	Rp550,000	27 Agustus/ *August* 2025	4.25%	Piutang usaha, persediaan, dan tanah milik PT Sarana Depo Kencana/ *Trade receivables, inventories. and PT Sarana Depo Kencana's land*
PT MPI	PT Bank OCBC NISP Tbk	Fasilitas cerukan/ *Overdraft facility*	Rupiah	Rp10,000	10 Maret/ *March 2025*	7.45%	Tanah dan bangunan/ *Land and building*

Pada tanggal 31 Desember 2024 dan 2023, Grup memiliki fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk yang belum digunakan.

As of December 31, 2024 and 2023, the Group has undrawn facilities from PT Bank Mandiri (Persero) Tbk.

Dana yang diperoleh dari pinjaman bank digunakan untuk modal kerja. Bank garansi dari PT Bank Mandiri (Persero) Tbk digunakan untuk jaminan pembayaran pembelian gas dari PT Perusahaan Gas Negara (Persero).

The funds received from the bank loans are used for working capital. Bank guarantee from PT Bank Mandiri (Persero) Tbk is used for payment guarantee for gas procurement from PT Perusahaan Gas Negara (Persero).

Berdasarkan perjanjian pinjaman, debitur diharuskan untuk memenuhi persyaratan tertentu, seperti persyaratan rasio keuangan dan persyaratan administrasi. Pada tanggal 31 Desember 2024, Grup telah memenuhi persyaratan rasio keuangan dan persyaratan administrasi serta telah memperoleh surat persetujuan pengesampingan dari PT Bank OCBC NISP Tbk atas rasio yang tidak memenuhi persyaratan.

Under the loan agreements, the borrowers are required to fulfill certain covenants, such as financial covenants and administrative requirements. As of December 31, 2024, the Group has complied with the financial covenants and administrative requirements as well as had obtained the waiver letter from PT Bank OCBC NISP Tbk for the ratios that not complied the requirements.

18. LIABILITAS IMBALAN KERJA

18. EMPLOYEE BENEFIT LIABILITIES

	2024	2023	
Imbalan kerja jangka pendek	103,376	92,174	*Short-term employee benefits*
Imbalan pascakerja	63,336	59,521	*Post-employment benefits*
Jumlah	166,712	151,695	*Total*
Dikurangi : Liabilitas jangka pendek	(108,618)	(97,052)	*Less : Current liabilities*
Liabilitas jangka panjang	**58,094**	**54,643**	***Non-current liabilities***

a. Imbalan kerja jangka pendek

Imbalan kerja jangka pendek terdiri atas akrual atas gaji, tunjangan hari raya, dan bonus yang akan dibayarkan pada tahun 2024 dan 2025.

a. Short-term employee benefits

Short-term employee benefits comprise accruals for salary, religious allowance and bonus which will be paid in 2024 and 2025.

18. LIABILITAS IMBALAN KERJA (lanjutan) / *18. EMPLOYEE BENEFIT LIABILITIES (continued)*

b. Liabilitas imbalan pascakerja / *b. Post-employment benefits liability*

Grup mengakui liabilitas imbalan kerja karyawan yang tidak didanai berdasarkan peraturan yang berlaku. Liabilitas imbalan pascakerja dihitung menggunakan metode *Projected Credit Unit*.

The Group recognised an unfunded employee benefits liability in accordance with the applicable regulation. The post-employment benefits liability is calculated using the Projected Credit Unit method.

Liabilitas imbalan pascakerja dihitung oleh aktuaris independen, Kantor Konsultan Aktuaria Riana dan Rekan, dalam laporannya tanggal 24 Januari 2025 dan 31 Januari 2025 untuk 31 Desember 2024 dan 25 Januari 2024 dan 29 Januari 2024 untuk 31 Desember 2023.

The post-employment benefits liability is calculated by the independent actuary, Kantor Konsultan Aktuaria Riana dan Rekan, in its reports dated January 24, 2025 and January 31, 2025 for December 31, 2024 and January 25, 2024 and January 29, 2024 for December 31, 2023.

Jumlah yang diakui pada laba rugi konsolidasian adalah sebagai berikut:

The amount recognised in consolidated profit or loss is as follows:

	2024	2023	
Biaya jasa kini	7,776	7,627	*Current service cost*
Biaya bunga	3,662	3,206	*Interest cost*
Biaya jasa lalu	(2,183)	110	*Past service cost*
Jumlah beban imbalan kerja	**9,255**	**10,943**	***Total employee benefits expense***

Mutasi nilai kini liabilitas imbalan pascakerja adalah sebagai berikut:

Movements in the present value of post-employment benefits liability are as follows:

	2024	2023	
Saldo awal	59,521	47,588	*Beginning balance*
Beban imbalan kerja	9,255	10,943	*Employee benefits expense*
Pembayaran manfaat	(5,484)	(3,340)	*Benefits paid*
Kerugian aktuaria neto dibebankan ke penghasilan komprehensif lain	44	4,330	*Net actuarial loss charged to other comprehensive income*
Saldo akhir	63,336	59,521	*Ending balance*
Dikurangi : bagian jangka pendek	(5,242)	(4,878)	*Less : current portion*
Bagian jangka panjang	**58,094**	**54,643**	***Non-current portion***

Asumsi-asumsi dasar yang digunakan untuk menentukan liabilitas imbalan pascakerja adalah sebagai berikut:

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

Usia pensiun	:	Sesuai tingkatan pada tahun 2024 dan 2023 *Based on level in 2024 and 2023*	:	*Retirement age*
Tingkat kenaikan gaji tahunan	:	1% - 7% pada tahun 2024 dan 2023 *1% - 7% % in 2024 and 2023*	:	*Annual rate of increase in salary*
Tingkat diskonto	:	7,00% - 7,25% pada tahun 2024, 6,75% - 7,00% pada 2023 *7.00% - 7.25% in 2024, 6.75% - 7.00% in 2023*	:	*Discount rate*
Tingkat kematian	:	TMI-IV-2019	:	*Mortality rate*
Tingkat kecacatan	:	5% dari tingkat kematian/*5% of mortality rate*	:	*Disability rate*

18. LIABILITAS IMBALAN KERJA (lanjutan) / *18. EMPLOYEE BENEFIT LIABILITIES (continued)*

b. Liabilitas imbalan pascakerja (lanjutan) / *b. Post-employment benefits liability (continued)*

Grup terekspos dengan beberapa risiko melalui program imbalan pasti. Risiko yang paling signifikan adalah sebagai berikut:

The Group is exposed to a number of risks through its defined benefit pension plans. The most significant risks are as follows:

Perubahan tingkat diskonto / *Changes in discount rate*

Penurunan tingkat diskonto akan meningkatkan liabilitas program.

A decrease in the discount rate will increase plan liabilities.

Tingkat kenaikan gaji / *Salary growth rate*

Liabilitas imbalan pensiun Grup berhubungan dengan tingkat kenaikan gaji, dan semakin tinggi tingkat kenaikan gaji akan menyebabkan semakin besarnya liabilitas.

The Group's pension obligations are linked to the salary growth rate, and a higher salary growth rate will lead to higher liabilities.

Analisis sensitivitas terhadap asumsi utama yang digunakan dalam menentukan liabilitas imbalan pascakerja adalah sebagai berikut:

The sensitivity analysis to the key assumptions used in determining post-employment benefits liability is as follows:

	Tingkat diskonto/ *Discount rate*	**(Penurunan)/kenaikan/ *(Decrease)/increase***	
31 Desember 2024	1%/(1%)	(Rp5,087)/ Rp6,840	*December 31, 2024*
31 Desember 2023	1%/(1%)	(Rp4,602)/ Rp6,675	*December 31, 2023*
	Tingkat gaji/ *Salary rate*	**Kenaikan/(penurunan)/ *Increase/(decrease)***	
31 Desember 2024	1%/(1%)	Rp7,331/ (Rp5,595)	*December 31, 2024*
31 Desember 2023	1%/(1%)	Rp7,072/ (Rp5,027)	*December 31, 2023*

Durasi rata-rata tertimbang dari liabilitas imbalan kerja di akhir periode pelaporan berkisar antara 14,91 tahun sampai 18,67 tahun pada tahun 2024 dan 13,97 tahun sampai 18,53 tahun pada tahun 2023.

The weighted average duration of the benefit obligation at the end of the reporting period is within a range of 14.91 years to 18.67 years in 2024 and 13.97 years to 18.53 years in 2023.

Jadwal jatuh tempo dari liabilitas imbalan pascakerja tanpa diskonto adalah sebagai berikut:

The maturity profile of undiscounted post-employment benefit liabilities is as follows:

	2024	**2023**	
Kurang dari 1 tahun	5,242	4,878	*Within one year*
1 - 5 tahun	10,818	9,186	*1 - 5 years*
Lebih dari 5 tahun	586,252	517,988	*More than 5 years*
Jumlah	**602,312**	**532,052**	***Total***

Manajemen berkeyakinan bahwa saldo liabilitas imbalan pascakerja tersebut cukup untuk memenuhi imbalan minimum sesuai dengan peraturan yang berlaku.

Management believes that the balance of post-employment benefits liability is sufficient to cover the minimum benefits required under the prevailing regulations.

19. PERPAJAKAN / *19. TAXATION*

a. Pajak dibayar dimuka / *a. Prepaid taxes*

	2024	2023	
Perusahaan			***The Company***
Pajak Pertambahan Nilai (PPN) masukan	12,152	19,016	*Value Added Tax (VAT) in*
Pajak penghasilan pasal 21	148	-	*Income tax article 21*
Pajak penghasilan pasal 4(2)	873	-	*Income tax article 4(2)*
Sub-jumlah	13,173	19,016	*Sub-total*
Entitas anak			***Subsidiaries***
Pajak Pertambahan Nilai (PPN) masukan	5,164	549	*Value Added Tax (VAT) in*
Pajak penghasilan pasal 21	928	-	*Income tax article 21*
Pajak penghasilan pasal 4(2)	483	504	*Income tax article 4(2)*
Sub-jumlah	6,575	1,053	*Sub-total*
Jumlah	**19,748**	**20,069**	***Total***

b. Utang pajak / *b. Taxes payable*

	2024	2023	
Perusahaan			***The Company***
Pajak Penghasilan:			*Income Taxes:*
Pasal 29	44,314	43,157	*Article 29*
Pasal 21	-	1,844	*Article 21*
Pasal 23	740	400	*Article 23*
Pasal 4(2)	325	140	*Article 4(2)*
Sub-jumlah	45,379	45,541	*Sub-total*
Entitas anak			***Subsidiaries***
Pajak Penghasilan:			*Income Taxes:*
Pasal 25	1,715	82	*Article 25*
Pasal 29	13,749	3	*Article 29*
Pasal 4(2)	714	4,713	*Article 4(2)*
Pasal 15	1	-	*Article 15*
Pasal 21	8,889	1,848	*Article 21*
Pasal 23	1,669	224	*Article 23*
Pajak Pertambahan Nilai (PPN) keluaran	7	173	*Value Added Tax (VAT) out*
Sub-jumlah	26,744	7,043	*Sub-total*
Jumlah	**72,123**	**52,584**	***Total***

c. Beban pajak penghasilan / *c. Income tax expense*

	2024	2023	
Perusahaan			***The Company***
Kini	301,662	353,551	*Current*
Tangguhan	10,499	(67,318)	*Deferred*
Sub-jumlah	312,161	286,233	*Sub-total*
Entitas anak			***Subsidiaries***
Kini	95,489	71,224	*Current*
Tangguhan	(2,755)	(8,410)	*Deferred*
Sub-jumlah	92,734	62,814	*Sub-total*
Jumlah beban pajak penghasilan	**404,895**	**349,047**	***Total income tax expense***

19. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan (lanjutan)

Rekonsiliasi antara laba sebelum beban pajak penghasilan konsolidasian menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dengan taksiran laba kena pajak adalah sebagai berikut:

19. TAXATION (continued)

c. Income tax expense (continued)

Reconciliation between consolidated profit before income tax expense a shown in the consolidated statements of profit or loss and other comprehensive income and the estimated taxable income is as follows:

	2024	2023	
Laba sebelum beban pajak penghasilan konsolidasian	2,068,594	1,992,143	*Consolidated profit before income tax expense*
Dikurangi laba sebelum pajak - entitas anak	(442,687)	(393,808)	*Less profit before tax - subsidiaries*
Disesuaikan dengan eliminasi konsolidasian	265,959	341,014	*Adjustment for consolidation elimination*
Laba sebelum beban pajak Perusahaan	**1,891,866**	**1,939,349**	***Profit before tax attributable to the Company***
Penyesuaian fiskal:			***Fiscal adjustments:***
Penyusutan aset tetap	1,716	5,824	*Depreciation of fixed assets*
Penyisihan persediaan usang dan lambat bergerak	1,177	(982)	*Provision for obsolescence and slow-moving inventories*
Aset hak-guna dan sewa	1,220	(1,092)	*Right-of-use assets and lease*
Imbalan kerja	962	354	*Employee benefits*
Provisi retur penjualan dan hak retur aset	221	864	*Provision for sales return and right of return assets*
Akrual	(68,417)	112,891	*Accruals*
Beban yang tidak dapat dikurangkan	(858)	(399)	*Non-deductible expenses*
Pendapatan yang dikenakan pajak penghasilan final	(256,697)	(234,760)	*Income subject to final tax*
Pendapatan yang bukan merupakan objek pajak	(200,000)	(215,000)	*Income not subject to tax*
Taksiran laba kena pajak - Perusahaan	1,371,190	1,607,049	*Estimated taxable income - the Company*

Laba kena pajak hasil rekonsiliasi di atas menjadi dasar dalam pengisian SPT Tahunan Pajak Penghasilan (PPh) Badan Perusahaan.

The taxable income resulted from the above reconciliation provides the basis for the Company's Annual Corporate Income Tax Return.

Beban pajak penghasilan tahun berjalan dan perhitungan taksiran utang (klaim) pajak penghasilan adalah sebagai berikut:

Income tax expense current year and the computation of the estimated income tax payable (claims for income tax refund) are as follows:

	2024	2023	
Taksiran penghasilan kena pajak (dibulatkan)			*Estimated taxable income (rounded off)*
Perusahaan	1,371,190	1,607,049	*Company*
Entitas Anak	434,041	323,745	*Subsidiaries*
Beban pajak penghasilan - tahun berjalan			*Income tax expense - current year*
Perusahaan	301,662	353,551	*Company*
Entitas Anak	95,489	71,224	*Subsidiaries*
Beban pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian - tahun berjalan	397,151	424,775	*Income tax expense per consolidated statements of profit or loss and other comprehensive income - current year*

19. PERPAJAKAN (lanjutan) / ***19. TAXATION (continued)***

c. Beban pajak penghasilan (lanjutan) / ***c. Income tax expense (continued)***

	2024	2023	
Pajak penghasilan dibayar di muka (Pasal 22, 23 dan 25)			*Prepayments of income taxes (Articles 22, 23 and 25)*
Perusahaan	257,348	310,394	*Company*
Entitas Anak	81,740	100,653	*Subsidiaries*
Pajak penghasilan dibayar di muka	339,088	411,047	*Prepayments of income taxes*
Taksiran klaim pajak penghasilan -			*Estimated claims for income tax refund -*
Entitas Anak	-	(29,432)	*Subsidiaries*
Taksiran kalim pajak penghasilan	**-**	**(29,432)**	***Estimated claims for income tax refund***
Jumlah utang pajak penghasilan			*Total income tax payable*
Perusahaan	44,314	43,157	*Company*
Entitas Anak	13,749	3	*Subsidiaries*
Jumlah utang pajak penghasilan	**58.063**	**43,160**	***Total income tax payable***

Taksiran klaim pajak penghasilan pada tanggal laporan posisi keuangan konsolidasian untuk tahun pajak sebagai berikut:

Estimated claim for income tax refund at the date of the consolidated statement of financial position consist of the claim for the year as follows:

	2024	2023	
Taksiran klaim pajak penghasilan			*Estimated claims for income tax refund*
Entitas Anak			*Subsidiaries*
2023	29,432	29,432	*2023*
Jumlah	**29,432**	**29,432**	***Total***

Rekonsiliasi antara hasil perhitungan laba sebelum beban pajak penghasilan konsolidasian dengan beban pajak penghasilan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

Reconciliation between the computation of consolidated profit before tax expense and income tax expense as shown in the consolidated statements of profit or loss and other comprehensive income is as follows:

	2024	2023	
Laba sebelum beban pajak penghasilan konsolidasian	2,068,594	1,992,143	*Consolidated profit before income tax expense*
Pengaruh pajak atas:			*The tax effect on:*
Pajak penghasilan dihitung dengan tarif pajak yang berlaku	455,091	438,271	*Income tax calculated at applicable tax rate*
Beda tetap dan pembulatan	13,537	13,614	*Permanent difference and rounding*
Pendapatan yang dikenakan pajak penghasilan final	(63,733)	(56,873)	*Income subject to final tax*
Penyesuaian pajak tangguhan tahun sebelumnya	-	(45,965)	*Prior year deferred tax adjustments*
Jumlah beban pajak penghasilan	**404,895**	**349,047**	***Total income tax expense***

19. PERPAJAKAN (lanjutan) / *19. TAXATION (continued)*

d. Aset pajak tangguhan / *d. Deferred tax assets*

Rincian aset pajak tangguhan adalah sebagai berikut: / *The details of deferred tax assets are as follows:*

	2024				
	Saldo awal/ *Beginning balance*	**Dikreditkan (dibebankan) ke laba rugi/ *Credited (charged) to profit or loss***	**Dikreditkan ke penghasilan komprehensif lain/*Credited to other comprehensive income***	**Saldo akhir/ *Ending balance***	
Aset tetap	(42,116)	(840)	-	(42,956)	*Fixed assets*
Aset hak-guna	(15,062)	(1,948)	-	(17,010)	*Right-of-use assets*
Liabilitas sewa	8,713	607	-	9,320	*Lease liabilities*
Liabilitas imbalan kerja	13,097	828	10	13,935	*Employee benefits liability*
Beban akrual	74,077	(7,735)	-	66,342	*Accrued expenses*
Penyisihan persediaan usang dan lambat bergerak	2,033	1,158	-	3,191	*Provision for obsolescence and slow-moving inventories*
Provisi retur penjualan	7,947	505	-	8,452	*Provision for sales return*
Hak retur aset	(5,134)	(284)	-	(5,418)	*Right to return assets*
Cadangan kerugian penurunan nilai piutang usaha	323	(35)	-	288	*Allowance for impairment losses of trade receivables*
Jumlah	**43,878**	**(7,744)**	**10**	**36,144**	***Total***

	2024				
	Saldo awal/ *Beginning balance*	**(Dibebankan) dikreditkan ke laba rugi/ *(Charged) credited to profit or loss***	**Dikreditkan (dibebankan) ke penghasilan komprehensif lain/ *Credited (charged) to other comprehensive income***	**Saldo akhir/ *Ending balance***	
Disajikan sebagai:					*Presented as:*
Aset pajak tangguhan	43,878	(7,744)	10	36,144	*Deferred tax assets*
Jumlah	**43,878**	**(7,744)**	**10**	**36,144**	***Total***
Terdiri atas:					*Comprises:*
Perusahaan					*The Company*
Aset pajak tangguhan	28,962	(10,499)	(101)	18,362	*Deferred tax assets*
Entitas anak					*Subsidiaries*
Aset pajak tangguhan	14,916	2,755	111	17,782	*Deferred tax assets*
Jumlah	**43,878**	**(7,744)**	**10**	**36,144**	***Total***

19. PERPAJAKAN (lanjutan) / ***19. TAXATION (continued)***

d. Aset pajak tangguhan (lanjutan) / ***d. Deferred tax assets (continued)***

	2023				
	Saldo awal/ *Beginning balance*	**Dikreditkan (dibebankan) ke laba rugi/ *Credited (charged) to profit or loss***	**Dikreditkan ke penghasilan komprehensif lain/*Credited to other comprehensive income***	**Saldo akhir/ *Ending balance***	
Aset tetap	(46,036)	3,920	-	(42,116)	*Fixed assets*
Aset hak-guna	(22,870)	7,808	-	(15,062)	*Right-of-use assets*
Liabilitas sewa	20,167	(11,454)	-	8,713	*Lease liabilities*
Liabilitas imbalan kerja	10,473	1,671	953	13,097	*Employee benefits liability*
Beban akrual	-	74,077	-	74,077	*Accrued expenses*
Penyisihan persediaan usang dan lambat bergerak	2,924	(891)	-	2,033	*Provision for obsolescence and slow-moving inventories*
Provisi retur penjualan	7,036	911	-	7,947	*Provision for sales return*
Hak retur aset	(4,571)	(563)	-	(5,134)	*Right to return assets*
Cadangan kerugian penurunan nilai piutang usaha	74	249	-	323	*Allowance for impairment losses of trade receivables*
Jumlah	**(32,803)**	**75,728**	**953**	**43,878**	***Total***

	2023					
	Saldo awal/ *Beginning balance*	**(Dibebankan) dikreditkan ke laba rugi/ *(Charged) credited to profit or loss***	**Dikreditkan (dibebankan) ke penghasilan komprehensif lain/ *Credited (charged) to other comprehensive income***	***Transfer***	**Saldo akhir/ *Ending balance***	
Disajikan sebagai:						*Presented as:*
Aset pajak tangguhan	5,547	8,410	959	28,962	43,878	*Deferred tax assets*
Liabilitas pajak tangguhan	(38,350)	67,318	(6)	(28,962)	-	*Deferred tax liabilities*
Jumlah	**(32,803)**	**75,728**	**953**	**-**	**43,878**	***Total***
Terdiri atas:						*Comprises:*
Perusahaan						*The Company*
Aset pajak tangguhan	-	-	-	28,962	28,962	*Deferred tax assets*
Liabilitas pajak tangguhan	(38,350)	67,318	(6)	(28,962)	-	*Deferred tax liabilities*
Entitas anak						*Subsidiaries*
Aset pajak tangguhan	5,547	8,410	959	-	14,916	*Deferred tax assets*
Jumlah	**(32,803)**	**75,728**	**953**	**-**	**43,878**	***Total***

e. Administrasi / ***e. Administration***

Undang-undang perpajakan Indonesia mengatur bahwa masing-masing perusahaan dalam Grup menghitung, menetapkan dan membayar sendiri besarnya jumlah pajak yang terutang.

The taxation laws in Indonesia require that each company in the Group submits tax returns on the basis of self-assessment.

Berdasarkan perundang-undangan yang berlaku, Direktorat Jenderal Pajak (“DJP”) dapat menetapkan atau mengubah kewajiban pajak dalam jangka waktu lima tahun sejak saat terutangnya pajak.

Under prevailing regulations, the Directorate General of Taxes ("DGT") may assess or amend taxes within five years from the time the tax becomes due.

20. MODAL SAHAM / *SHARE CAPITAL*

Susunan pemegang saham Perusahaan dan kepemilikannya pada tanggal-tanggal 31 Desember 2024 dan 2023 adalah sebagai berikut:

The Company's shareholders and their respective ownership as of December 31, 2024 and 2023 are as follows:

Pemegang saham	Jumlah saham ditempatkan dan disetor penuh/ *Number of shares issued and fully paid*	Persentase kepemilikan/ *Percentage of ownership*	Jumlah/ *Total*	*Shareholders*
31 Desember 2024				***December 31, 2024***
PT Tancorp Surya Sentosa	22,674,971,000	36.60%	226,750	*PT Tancorp Surya Sentosa*
PT Wahana Lancar Rejeki	20,129,652,900	32.49%	201,297	*PT Wahana Lancar Rejeki*
Archipelago Investment Private Limited	3,902,748,900	6.30%	39,027	*Archipelago Investment Private Limited*
Rudi Tanoko	1,041,265,000	1.68%	10,413	*Rudi Tanoko*
Rony Tanoko	497,829,300	0.80%	4,978	*Rony Tanoko*
Direksi				*Board of Directors*
Robert Christian Tanoko	1,425,406,300	2.30%	14,254	*Robert Christian Tanoko*
Ruslan Tanoko *)	37,724,500	0.06%	378	*Ruslan Tanoko* *)
Wijono Tanoko	2,504,200	0.00%	25	*Wijono Tanoko*
Kurnia Hadi Sinanto	651,600	0.00%	7	*Kurnia Hadi Sinanto*
Angelica Tanisia Jozar	222,400	0.00%	2	*Angelica Tanisia Jozar*
Masyarakat (masing-masing kepemilikan di bawah 5%)	11,077,130,300	17.89%	110,771	*Public (each below 5% ownership)*
Jumlah saham beredar	60,790,106,400	98.12%	607,902	*Total outstanding shares*
Saham treasuri	1,163,449,200	1.88%	11,634	*Treasury shares*
Jumlah	**61,953,555,600**	**100%**	**619,536**	***Total***

*) Tidak Langsung melalui PT Sensasi Istana Warna

*) *Indirectly through PT Sensasi Istana Warna*

Pemegang saham	Jumlah saham ditempatkan dan disetor penuh/ *Number of shares issued and fully paid*	Persentase kepemilikan/ *Percentage of ownership*	Jumlah/ *Total*	*Shareholders*
31 Desember 2023				***December 31, 2023***
PT Tancorp Surya Sentosa	22,674,971,000	36.60%	226,750	*PT Tancorp Surya Sentosa*
PT Wahana Lancar Rejeki	20,129,652,900	32.49%	201,297	*PT Wahana Lancar Rejeki*
Archipelago Investment private Limited	3,902,748,900	6.30%	39,027	*Archipelago Investment Private Limited*
Rony Tanoko	1,041,265,000	1.68%	10,413	*Rony Tanoko*
Rudi Tanoko	1,041,265,000	1.68%	10,413	*Rudi Tanoko*
Direksi				*Board of Directors*
Robert Christian Tanoko	1,425,406,300	2.30%	14,254	*Robert Christian Tanoko*
Ruslan Tanoko *)	20,959,300	0.03%	210	*Ruslan Tanoko* *)
Wijono Tanoko	2,504,200	0.00%	25	*Wijono Tanoko*
Kurnia Hadi Sinanto	556,600	0.00%	5	*Kurnia Hadi Sinanto*
Angelica Tanisia Jozar	169,300	0.00%	2	*Angelica Tanisia Jozar*
Masyarakat (masing-masing kepemilikan di bawah 5%)	11,679,438,300	18.86%	116,794	*Public (each below 5% ownership)*
Jumlah saham beredar	61,918,936,800	99.94%	619,190	*Total outstanding shares*
Saham treasuri	34,618,800	0.06%	346	*Treasury shares*
Jumlah	**61,953,555,600**	**100%**	**619,536**	***Total***

*) Tidak Langsung melalui PT Sensasi Istana Warna

*) *Indirectly through PT Sensasi Istana Warna*

20. MODAL SAHAM (lanjutan)

Pada tahun 2024 dan 2023, Perusahaan telah melakukan pembelian kembali masing-masing 1.128.830.400 dan 34.618.800 lembar saham biasa Perusahaan melalui pembelian pada BEI (Catatan 1b). Pembelian kembali saham Perusahaan ini ditujukan untuk menjaga stabilitas harga saham Perusahaan. Jumlah pembayaran untuk mengakuisisi saham tersebut masing-masing adalah Rp 558.183 (Rp 358 - Rp 600/lembar saham - nilai penuh) dan Rp 16.369 (Rp 426 - Rp 500/lembar saham - nilai penuh) pada tahun 2024 dan 2023. Saham tersebut dicatat pada "saham treasuri" dalam laporan posisi keuangan konsolidasian tanggal 31 Desember 2024 dan 2023.

Pengelolaan modal

Tujuan Grup dalam pengelolaan permodalan adalah untuk mempertahankan kelangsungan usaha Grup serta memaksimalkan manfaat bagi pemegang saham dan pemangku kepentingan lainnya.

Grup mengelola struktur permodalan dan melakukan penyesuaian, berdasarkan perubahan kondisi ekonomi. Untuk memelihara dan menyesuaikan struktur permodalan, Grup 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 2024 dan 2023.

Kebijakan Grup adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

20. SHARE CAPITAL (continued)

In 2024 and 2023, the Company repurchased 1,128,830,400 and 34,618,800, respectively, of its own shares amounting to through purchases on the IDX (Note 1b). This repurchase transaction is intended to stabilise the Company's share price. The total amount paid to acquire the shares was Rp 558,183 (Rp 358 - Rp 600/share - full amount) and Rp 16,369 (Rp 426 - Rp 500/share - full amount) in 2024 and 2023, respectively. The shares are held as "treasury shares" in the consolidated statement of financial position as of December 31, 2024 and 2023.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes for the years ended December 31, 2024 and 2023.

The Group's policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

21. TAMBAHAN MODAL DISETOR

21. ADDITIONAL PAID-IN CAPITAL

	2024	2023	
Selisih nilai nominal dengan penerimaan setoran modal	7,874,557	7,874,557	*Difference between par value and proceeds of share capital*
Biaya emisi saham	(119,356)	(119,356)	*Shares issuance costs*
Dampak transaksi antara entitas sepengendali	38,017	38,017	*Transactions between entities under common control*
Jumlah	**7,793,218**	**7,793,218**	***Total***

Perusahaan melakukan penawaran umum perdana sebanyak 6.200.000.000 lembar saham dengan nilai nominal Rp 10 (angka penuh) per lembar saham dan harga penawaran sebesar Rp 930 (angka penuh) per lembar saham.

Biaya emisi saham merupakan biaya transaksi yang timbul dari aktivitas Penawaran Umum Saham Perdana, antara lain mencakup biaya jasa penjaminan dan penyelenggaraan, biaya profesi penunjang pasar modal, biaya lembaga penunjang pasar modal dan biaya lain-lain.

The Company made an initial public offering of 6,200,000,000 shares to the public with a par value of Rp 10 (full amount) per share at an offering price of Rp 930 (full amount) per share.

Share issuance costs are transaction costs arising from the Initial Public Offering, which includes underwriting and management fees, supporting professional service fees, capital market supporting institution fees and other fees.

22. SALDO LABA YANG DITENTUKAN PENGGUNAANNYA

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 Rp 112.000 sebagai tindak lanjut atas keputusan pemegang saham Perusahaan dalam Rapat Umum Pemegang Saham tertanggal 14 Juni 2021.

Berdasarkan Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 22 April 2022, para pemegang saham menyetujui tambahan pencadangan umum sebesar Rp 12.000 dari laba konsolidasian tahun 2021.

22. APPROPRIATED RETAINED EARNINGS

The Company is 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 the 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 Rp 112,000 as a follow-up to the decision of the Company's shareholders in the General Meeting of Shareholders dated June 14, 2021.

Based on the Annual General Shareholders' Meeting held on April 22, 2022, the Company's shareholders approved the addition of appropriation for general a reserve of Rp 12,000 from 2021 consolidated profit.

23. LABA PER SAHAM DASAR DAN DILUSIAN

Rincian perhitungan laba per saham dasar dan dilusian adalah sebagai berikut:

23. BASIC AND DILUTED EARNINGS PER SHARE

Details of basic and diluted earnings per share computation are as follows:

	2024	2023	
Laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk	1,664,341	1,642,166	*Income for the year attributable to equity holders of the parent company*
Rata-rata tertimbang jumlah saham yang beredar	61,289,388,327	61,953,271,062	*Weighted average number of outstanding shares*
Laba per saham dasar dan dilusian (nilai penuh)	**27.16**	**26.51**	***Basic and diluted earnings per share (full amount)***

Perusahaan tidak memiliki efek berpotensi dilusi saham sehingga laba per saham dasar sama dengan laba per saham dilusian.

The Company does not have any potentially dilutive shares. Therefore, the diluted earnings per share is equal to the basic earnings per share.

24. DIVIDEN

Berdasarkan Keputusan Sirkuler Direksi tanggal 1 November 2024, para pemegang saham menyetujui pembagian dividen interim tunai sebesar Rp 671.979 (Rp 11/lembar saham - nilai penuh) yang telah dibayarkan pada tanggal 21 November 2024.

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan No. 2 tanggal 4 April 2024 yang dibuat oleh Notaris Dr. Susanti, S.H., M.Kn., Notaris di Surabaya, para pemegang saham menyetujui pembagian dividen tunai dari laba bersih tahun 2023 sebesar Rp 1.357.652 (Rp 22/lembar saham - nilai penuh) yang terdiri atas dividen interim sebesar Rp 681.489 (Rp 11/lembar saham - nilai penuh) yang telah dibayarkan pada tanggal 31 Oktober 2023, dan dividen final sebesar Rp 676.163 (Rp11/lembar saham - nilai penuh) yang telah dibayarkan pada tanggal 30 April 2024.

24. DIVIDENDS

Based on Circular Resolution of Directors on November 1, 2024, the Company's shareholders approved the distribution of interim cash dividends amounting to Rp 671,979 (Rp 11/share - full amount) paid on November 21, 2024.

Based on Minutes of Annual General Meeting of Shareholders No. 2 dated April 4, 2024 by Notary Dr. Susanti, S.H., M.Kn., Notary in Surabaya, the Company's shareholders approved the distribution of cash dividends from 2023 profit amounting to Rp 1,357,652 (Rp 22/share - full amount) which comprises of interim dividends amounting to Rp 681,489 (Rp 11/share - full amount) paid on October 31, 2023, and final dividends of Rp 676,163 (Rp 11/share - full amount) paid on April 30, 2024.

24. DIVIDEN (lanjutan)

Berdasarkan Akta Notaris No. 2 yang dibuat oleh Notaris Dr. Susanti, S.H., M.Kn., dalam Rapat Umum Pemegang Saham Tahunan Perusahaan tanggal 13 April 2023, para pemegang saham menyetujui pembagian dividen tunai dari laba bersih tahun 2022 sebesar Rp 1.301.025 (Rp 21/lembar saham - nilai penuh) yang terdiri atas dividen interim sebesar Rp 619.536 (Rp 10/lembar saham - nilai penuh) yang telah dibayarkan pada tanggal 6 Desember 2022, dan dividen final sebesar Rp 681.489 (Rp 11/lembar saham - nilai penuh) yang telah dibayarkan pada tanggal 9 Mei 2023.

24. DIVIDENDS (continued)

Based on Notarial Deed No. 2 by Notary Dr. Susanti, S.H., M.Kn., in the Annual General Shareholders' Meeting of the Company dated April 13, 2023, the Company's shareholders approved the distribution of cash dividends from 2022 profit amounting to Rp 1,301,025 (Rp 21/share - full amount), which comprises of interim dividends amounting to Rp 619,536 (Rp 10/share - full amount) paid on December 6, 2022, and final dividends of Rp 681,489 (Rp 11/share - full amount) paid on May 9, 2023.

25. PENDAPATAN NETO

25. NET REVENUES

Pendapatan neto berdasarkan kategori pelanggan:

Net revenues by customers category:

	2024	2023	
Pihak ketiga	7,411,273	6,963,729	*Third parties*
Pihak berelasi (Catatan 7)	60,083	53,153	*Related parties (Note 7)*
Jumlah	**7,471,356**	**7,016,882**	***Total***

Pendapatan neto berdasarkan jaringan distribusi:

Net revenues by distribution channel:

	2024	2023	
Distributor sendiri	6,695,381	6,186,802	*Owned distributor*
Distributor pihak ketiga	735,518	788,926	*Third party distributor*
Penjualan langsung	40,457	41,154	*Direct sales*
Jumlah	**7,471,356**	**7,016,882**	***Total***

Penjualan melalui distributor sendiri merupakan penjualan yang dilakukan melalui PT TKTW (entitas anak) dan PT TKBI (entitas anak tidak langsung) kepada pelanggan. Penjualan melalui distributor pihak ketiga merupakan penjualan yang dilakukan melalui distributor Perusahaan. Penjualan langsung merupakan penjualan kepada pelanggan non-ritel/proyek.

Sales through owned distributor represent sales made through PT TKTW (subsidiary) and PT TKBI (indirect subsidiary) to the customers. Sales through third party distributor represent sales made through the Company's distributors. Direct sales represent sales non-retails/projects.

Pada tanggal 31 Desember 2024 dan 2023, Grup tidak memiliki penjualan kepada pelanggan tertentu dengan total penjualan kumulatif individual masing-masing melebihi 10% dari total pendapatan konsolidasian.

As of December 31, 2024 and 2023, the Group does not have any sales to certain customers with the individual cumulative amount each exceeding 10% of the total consolidated revenues.

Seluruh pelanggan adalah pelanggan lokal.

All customers are local customers.

Pada tanggal 31 Desember 2024 dan 2023, liabilitas kontrak yang berkaitan dengan kontrak penjualan masing-masing sebesar Rp 146.738 dan Rp 205.579 diakui sebagai bagian dari beban akrual pemasaran dan promosi. Liabilitas kontrak tahun sebelumnya telah terealisasi pada periode pelaporan saat ini dan telah diakui sebagai pendapatan sebesar Rp 205.579 (2023: Rp 127.292).

As of December 31, 2024 and 2023, contract liabilities related to revenue contracts amounted to Rp 146,738 and Rp 205,579, respectively, were recognised as part of accrued marketing and promotion expense. The prior year's contract liabilities have been realised in the current reporting period and have been recognised as revenue amounted to Rp 205,579 (2023: Rp 127,292).

26. BEBAN POKOK PENJUALAN / *26. COST OF GOODS SOLD*

	2024	2023	
Pemakaian bahan baku	1,925,433	1,948,508	*Raw materials usage*
Upah langsung	77,841	74,591	*Direct labour*
Beban pabrikasi:			*Factory overhead:*
Upah tak langsung	96,034	88,190	*Indirect labour*
Penyusutan aset tetap (Catatan 12)	34,775	32,099	*Depreciation of fixed assets (Note 12)*
Perawatan dan pemeliharaan	20,148	15,563	*Repair and maintenance*
Listrik, air, dan gas	18,459	18,482	*Electricity, water, and gas*
Perlengkapan pabrik	5,422	4,337	*Factory supplies*
Pemakaian bahan pembantu	4,850	6,094	*Supporting material used*
Amortisasi aset takberwujud	923	781	*Amortization of intangible asset*
Lain-lain	13,866	6,007	*Others*
Jumlah beban produksi	2,197,751	2,194,652	*Total production cost*
Barang dalam proses			*Work in process*
Awal tahun	45,887	43,115	*At beginning of year*
Akhir tahun	(41,994)	(45,887)	*At end of year*
Beban pokok produksi	2,201,644	2,191,880	*Cost of goods manufactured*
Barang jadi			*Finished goods*
Awal tahun	996,609	935,800	*At beginning of year*
Pembelian	1,367,214	1,170,476	*Purchases*
Akhir tahun	(1,051,043)	(996,609)	*At end of year*
Beban pokok penjualan sebelum pemakaian barang promosi	3,514,424	3,301,547	*Cost of goods sold before promotional goods consumption*
Pemakaian barang promosi	616,182	531,999	*Promotional goods consumption*
Beban pokok penjualan	**4,130,606**	**3,833,546**	***Cost of goods sold***

Rincian pemasok yang memiliki transaksi pembelian lebih dari 10% dari total pendapatan usaha konsolidasian adalah sebagai berikut:

Detail of suppliers with purchase transactions that represent more than 10% of the total consolidated revenue is as follows:

	2024	2023	
PT Avia Avian Industri Pipa	1,053,497	875,847	*PT Avia Avian Industri Pipa*

27. BEBAN OPERASI / *27. OPERATING EXPENSES*

Rincian beban penjualan adalah sebagai berikut:

The details of selling expenses are as follows:

	2024	2023	
Gaji, upah dan kesejahteraan karyawan	534,868	499,521	*Salaries, wages and employee benefits*
Biaya angkut penjualan	210,694	191,683	*Freight out*
Pemasaran dan promosi	185,516	199,373	*Marketing and promotion*
Penyusutan (Catatan 12 dan 16)	165,089	142,764	*Depreciation (Notes 12 and 16)*
Komisi penjualan	69,815	63,125	*Sales commission*
Perjalanan dinas	56,923	52,397	*Business travel*
Bahan bakar	29,076	29,483	*Fuel*
Percetakan	26,673	27,337	*Printing*
Pemeliharaan	22,221	18,506	*Maintenance*
Lain-lain	17,542	16,048	*Others*
Jumlah	**1,318,417**	**1,240,237**	***Total***

27. BEBAN OPERASI (lanjutan) / *27. OPERATING EXPENSES (continued)*

Rincian beban umum dan administrasi adalah sebagai berikut:

The details of general and administrative expenses are as follows:

	2024	2023	
Gaji, upah dan kesejahteraan karyawan	81,082	72,625	*Salaries, wages and employee benefits*
Penyusutan (Catatan 12 dan 16)	43,833	37,703	*Depreciation (Notes 12 and 16)*
Perlengkapan kantor	22,360	22,596	*Office supplies*
Asuransi	21,506	17,387	*Insurance*
Utilitas	13,867	13,662	*Utilities*
Perjalanan dinas	12,875	11,927	*Business travelling*
Perijinan dan legalitas	10,282	8,524	*Permits and legal*
Jasa tenaga ahli	9,175	9,908	*Professional fees*
Pelatihan	6,543	4,994	*Training*
Amortisasi aset takberwujud	6,517	5,447	*Amortization of intangible asset*
Sumbangan dan jamuan	4,500	4,508	*Donation and entertainment*
Kebersihan dan keamanan	4,290	4,368	*Cleaning and security*
Lain-lain	16,413	12,441	*Others*
Jumlah	**253,243**	**226,090**	***Total***

28. PENDAPATAN KEUANGAN / *28. FINANCE INCOME*

	2024	2023	
Bunga dari investasi pada surat utang negara	154,994	149,646	*Interest from investment in government bonds*
Bunga dari deposito	117,367	124,670	*Interest from time deposits*
Bunga dari rekening giro	12,744	11,943	*Interest from current account*
Jumlah	**285,105**	**286,259**	***Total***

29. BEBAN KEUANGAN / *29. FINANCE CHARGES*

	2024	2023	
Beban bunga atas liabilitas sewa (Catatan 16)	2,011	3,724	*Interest expense on lease liabilities (Note 16)*
Beban bunga pinjaman bank	528	353	*Interest expense on bank loans*
Jumlah	**2,539**	**4,077**	***Total***

30. PENDAPATAN (BEBAN) LAIN-LAIN - NETO / *OTHER INCOME (EXPENSES) - NET*

Rincian pendapatan (beban) lain-lain - neto adalah sebagai berikut:

The details of other income (expenses) - net are as follows:

	2024	2023	
Penjualan barang afalan	6,389	7,097	*Sale of scrap*
Pendapatan sewa gedung kantor dan pabrik	4,307	4,172	*Office and factory buildings rental income*
Keuntungan pelepasan aset tetap (Catatan 12)	1,337	5,052	*Gain on disposal of fixed assets (Note 12)*
Kenaikan nilai properti investasi (Catatan 11)	397	4,127	*Increase in fair value of investment properties (Note 11)*
Kerugian penjualan investasi pada surat utang negara	-	(30,857)	*Loss on sale of investment in government bonds*
Beban operasional atas gedung yang disewakan (Catatan 11)	(2,579)	(4,360)	*Operational expenses of leased building (Note 11)*
Keuntungan (kerugian) selisih kurs - neto	(4,283)	1,070	*Gain (loss) on foreign exchange - net*
Lain-lain - neto	8,692	5,753	*Others - net*
Jumlah	**14,260**	**(7,946)**	***Total***

31. ASET ATAU LIABILITAS MONETER BERSIH DALAM MATA UANG ASING / *NET MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES*

Aset dan liabilitas keuangan Grup dalam mata uang asing adalah sebagai berikut:

The Group's financial assets and liabilities in foreign currencies are as follows:

		2024		2023		
	Mata uang/ *Currency*	Dalam mata uang asing/ *In original currencies*	Jumlah setara/ *Equivalent to*	Dalam mata uang asing/ *In original currencies*	Jumlah setara/ *Equivalent to*	
Aset moneter						***Monetary assets***
Kas dan setara kas	Dolar AS/ *US Dollar*	16,249	263	2,452	38	*Cash and cash equivalents*
Liabilitas moneter						***Monetary liabilities***
Utang usaha	Dolar AS/ *US Dollar*	(4,933,321)	(79,732)	(4,874,620)	(75,147)	*Trade payables*
	CNY	(28,678,389)	(63,499)	(10,090,439)	(21,896)	
	Euro	(433,631)	(7,307)	(982,769)	(16,845)	
	SGD	(373,878)	(4,456)	(175,441)	(2,055)	
	GBP	(9,903)	(201)	-	-	
			(155,195)		(115,943)	
Liabilitas moneter - neto			**(154,932)**		**(115,905)**	***Monetary liabilities - net***

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN

Aktivitas Grup rentan terhadap berbagai risiko keuangan: risiko pasar (termasuk risiko nilai mata uang asing, risiko harga, dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Program manajemen risiko Grup secara keseluruhan dipusatkan pada pasar keuangan yang tidak dapat diprediksi dan Grup berusaha untuk memperkecil efek yang berpotensi merugikan kinerja keuangan Grup. Fungsi manajemen risiko keuangan dijalankan dalam pengawasan Direksi.

Faktor-faktor risiko keuangan

a. Risiko pasar

Risiko nilai tukar mata uang asing

Mata uang fungsional Grup adalah Rupiah. Grup 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 menurun/meningkat.

Analisis sensitivitas untuk risiko nilai mata uang asing

Pada tanggal 31 Desember 2024, jika nilai tukar Rupiah terhadap Dolar AS menguat/melemah sebesar 10%, dengan semua variabel lain konstan, maka laba setelah pajak untuk tahun yang berakhir pada tanggal tersebut akan meningkat/menurun sebesar Rp 6.199 (31 Desember 2023: Rp 5.859). Dampak terhadap ekuitas akan sama dengan dampak pada laba tahun berjalan.

Risiko harga

Grup rentan terhadap risiko harga efek utang karena investasi yang dimiliki Grup diklasifikasikan dalam laporan posisi keuangan konsolidasian sebagai diukur pada nilai wajar melalui penghasilan komprehensif lain dan nilai wajar melalui laba rugi. Grup tidak rentan terhadap risiko harga komoditas.

Untuk mengelola risiko harga yang timbul dari investasi pada efek utang, Grup melakukan analisis terkait besarnya bunga kupon yang ditawarkan dengan tingkat imbal hasil umum yang diharapkan oleh pasar.

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Financial risk management is carried out under the monitoring of the Directors.

Financial risk factors

a. Market risk

Foreign exchange risk

The Group's functional currency is 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 Rupiah, will cause payable and operating expenses in Rupiah decrease/increase.

Sensitivity analysis for foreign currency risk

As of December 31, 2024, had the Rupiah exchange rate strengthened/weakened by 10% against US Dollar, with all other variables held constant, post-tax profit for the year then ended would have been Rp 6,199 (December 31, 2023: Rp 5,859) higher/lower. The impact on equity would have been the same as the impact on profit for the year.

Price risk

The Group is exposed to debt securities price risk because the investments held by the Group are classified on the consolidated statement of financial position at fair value through other comprehensive income and fair value through profit or loss. The Group is not exposed to commodity price risk.

To manage price risk arising from investments in debt securities, the Group performs an analysis of the number of coupon bonds offered and the required rate of return which is generally expected by the market.

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

Faktor-faktor risiko keuangan (lanjutan)

a. Risiko pasar (lanjutan)

Risiko harga (lanjutan)

Analisis sensitivitas untuk risiko harga

Pada tanggal 31 Desember 2024, apabila tingkat imbal hasil secara umum yang diharapkan oleh pasar bergerak naik/turun 5%, maka laba setelah pajak untuk tahun yang berakhir pada tanggal tersebut akan naik/turun sebesar Rp 148.942 (2023: Rp 150.847) sebagai akibat keuntungan/(kerugian) atas investasi pada surat utang negara dan reksa dana yang diklasifikasikan sebagai FVOCI dan FVTPL. Dampak terhadap ekuitas akan sama dengan dampak pada laba rugi dan penghasilan komprehensif lain konsolidasian tahun berjalan.

Risiko tingkat suku bunga

Risiko suku bunga dari kas di bank, deposito berjangka, dan investasi jangka pendek tidak signifikan. Investasi pada surat utang negara, pinjaman bank dan liabilitas sewa yang memiliki tingkat suku bunga tetap mengekspos Grup terhadap risiko nilai wajar suku bunga.

Tidak ada analisis sensitivitas yang dilakukan karena Grup tidak memperkirakan adanya dampak material terhadap laba atau rugi Grup yang timbul dari dampak perubahan suku bunga yang wajar pada instrumen keuangan berbunga pada akhir periode pelaporan. Laba atau rugi Grup tidak terpengaruh oleh perubahan suku bunga karena instrumen berbunga tersebut memiliki tingkat bunga tetap dan merupakan biaya perolehan diamortisasi.

Grup memonitor secara ketat fluktuasi suku bunga pasar dan ekspektasi pasar sehingga dapat mengambil langkah-langkah yang paling menguntungkan Grup secara tepat waktu.

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Financial risk factors (continued)

a. Market risk (continued)

Price risk (continued)

Sensitivity analysis for price risk

As of December 31, 2024, if market required rate of return increased/decreased for 5%, post-tax profit for the year then ended would increased/decreased by Rp 148,942 (2023: Rp 150,847) as a result of gains/(losses) on investments in government bonds and mutual funds classified as at FVOCI and FVTPL. The impact on equity would have been the same as the impact on the consolidated profit or loss and other comprehensive income for the year.

Interest rate risk

The interest rate risk from cash in banks, time deposits and short-term investments is not significant. Investment in government bonds, bank loans and lease liabilities which bear fixed interest rates expose the Group to fair value interest rate risk.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period. The Group's profit or loss are not affected by changes in interest rates as the interest-bearing instruments carry fixed interest and are amortized cost.

The Group closely monitors the market interest rate fluctuation and market expectation so it can take necessary actions benefited most to the Group in due time.

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

Faktor-faktor risiko keuangan (lanjutan)

b. Risiko kredit

Grup terekspos risiko kredit dari kas di bank, deposito berjangka, kas di bank dan deposito yang dibatasi penggunaannya, investasi jangka pendek, investasi pada surat utang negara, investasi reksa dana, piutang usaha, dan piutang lain-lain dari pihak ketiga.

Semua kas di bank, deposito berjangka, kas dan deposito yang dibatasi penggunaannya ditempatkan di bank asing dan lokal yang memiliki reputasi dan peringkat yang baik.

Dalam pemilihan pelanggan, Grup menerapkan kebijakan persetujuan atas kontrak penjualan berdasarkan prinsip kehati-hatian serta melakukan pengelolaan atas piutangnya. Sebagai bagian dari proses persetujuan tersebut, reputasi dan catatan historis pelanggan menjadi bahan pertimbangan.

Berdasarkan penilaian manajemen atas kerugian kredit ekspektasian berdasarkan PSAK 109, manajemen Grup berkeyakinan bahwa cadangan kerugian penurunan nilai piutang usaha dan piutang lain-lain telah memadai untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang usaha. Lihat Catatan 6 untuk rincian umur piutang dan cadangan kerugian penurunan nilai piutang usaha.

Piutang lain-lain dari pihak berelasi merupakan piutang Grup dari pihak berelasinya atas klaim program loyalitas pelanggan dan pengembalian aktivitas pemasaran. Berdasarkan penilaian manajemen atas kerugian kredit ekspektasian berdasarkan PSAK 109, manajemen Grup berkeyakinan bahwa kerugian kredit ekspektasian untuk piutang lain-lain mendekati nihil, sehingga cadangan penurunan nilai atas piutang lain-lain tidak diperlukan.

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Financial risk factors (continued)

b. Credit risk

The Group is exposed to credit risk from cash in bank, time deposits, restricted cash in bank and time deposits, short-term investments, investment in government bond, investment in mutual funds, trade receivables and other receivables from third parties.

All the cash in bank, time deposits, restricted cash in banks and short-term investments are placed in foreign and local banks with good reputation and rating.

In selecting its customers, the Group applies prudent acceptance policies of new sales contracts and perform ongoing monitoring as well as managing the collection of its receivables. As part of the approval process, the customer's reputation and track record are taken into consideration.

Based on management's assessment of the expected credit losses under PSAK 109, the Group's management believes that the allowance for impairment losses of trade and other receivables is sufficient to cover possible losses from uncollectible receivables. Refer to Note 6 for detailed receivables aging and allowance for impairment losses of trade receivables.

Other receivables from related parties represents the Group's receivables from its related parties for customer loyalty program claim and reimbursement of marketing activities. Based on management's assessment of the expected credit losses under PSAK 109, the Group's management believes that the expected credit losses is close to nil, as such, no allowance for impairment of other receivables is necessary.

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Faktor-faktor risiko keuangan (lanjutan)

Financial risk factors (continued)

b. Risiko kredit (lanjutan)

b. Credit risk (continued)

Tabel di bawah merinci kualitas kredit aset keuangan Grup serta eksposur maksimum risiko kredit menurut peringkat risiko kredit:

The table below details the credit quality of the Group's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

2024

	Peringkat kredit external/ *External credit rating*	Peringkat kredit internal/ *Internal credit rating*	ECL 12 bulan atau sepanjang umur/ *12-month or lifetime ECL*	Jumlah tercatat bruto/ *Gross carrying amount*	Cadangan kerugian/ *Loss allowance*	Jumlah tercatat neto/ *Net carrying amount*	
Kas dan setara kas (Catatan 5)	BBB	Lancar/ *Performing*	EC L 12 bulan/*12-month ECL* ECL sepanjang umur (pendekatan sederhana)/ *Lifetime ECL (simplified approach)*	2,329,491	-	2,329,491	*Cash and cash equivalents (Note 5)*
Kas di bank dan deposito yang dibatasi penggunaanya	BBB	Lancar/ *Performing*	ECL 12 bulan/*12-month ECL* ECL sepanjang umur (pendekatan)/ *Lifetime ECL (simplified approach)*	3,000	-	3,000	*Restricted cash in bank and time deposits*
Piutang usaha (Catatan 6)	N/A	(ii)	ECL sepanjang umur (pendekatan sederhana)/ *Lifetime ECL (simplified approach)*	1,463,048	(1,311)	1,461,737	*Trade receivables (Note 6)*
Piutang lain-lain (Catatan 8)	N/A	Lancar/ *Performing*	ECL sepanjang umur (pendekatan sederhana)/ *Lifetime ECL (simplified approach)*	128,703	-	128,703	*Other receivables (Note 8)*
Investasi (Catatan 10)	BBB/Baa2	Lancar/ *Performing*	EC L 12 bulan/*12-month ECL*	2,952,900	-	2,952,900	*Investments (Note 10)*
Total				**6,877,142**	**(1,311)**	**6,875,831**	***Total***

2023

	Peringkat kredit external/ *External credit rating*	Peringkat kredit internal/ *Internal credit rating*	ECL 12 bulan atau sepanjang umur/ *12-month or lifetime ECL*	Jumlah tercatat bruto/ *Gross carrying amount*	Cadangan kerugian/ *Loss allowance*	Jumlah tercatat neto/ *Net carrying amount*	
Kas dan setara kas (Catatan 5)	BBB	Lancar/ *Performing*	ECL 12 bulan/*12-month ECL* ECL sepanjang umur (pendekatan sederhana)/*Lifetime ECL (simplified approach)*	1,230,544	-	1,230,544	*Cash and cash equivalents (Note 5)*
Kas di bank dan deposito yang dibatasi penggunaanya	BBB	Lancar/ *Performing*	ECL 12 bulan/*12-month ECL* ECL sepanjang umur (pendekatan)/ *Lifetime ECL (simplified approach)*	2,100	-	2,100	*Restricted cash in bank and time deposits*
Piutang usaha (Catatan 6)	N/A	(ii)	ECL sepanjang umur (pendekatan sederhana)/ *Lifetime ECL (simplified approach)*	1,244,512	(1,469)	1,243,043	*Trade receivables (Note 6)*
Piutang lain-lain (Catatan 8)	N/A	Lancar/ *Performing*	ECL sepanjang umur (pendekatan sederhana)/ *Lifetime ECL (simplified approach)*	105,869	-	105,869	*Other receivables (Note 8)*
Investasi (Catatan 10)	BBB/Baa2	Lancar/ *Performing*	ECL 12 bulan/*12-month ECL*	4,754,087	-	4,754,087	*Investments (Note 10)*
Total				**7,337,112**	**(1,469)**	**7,335,643**	***Total***

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

Faktor-faktor risiko keuangan (lanjutan)

c. Risiko likuiditas

Risiko likuiditas adalah risiko bahwa Grup akan mengalami kesulitan dalam membayar liabilitas keuangannya. Grup mengelola risiko likuiditas dengan mempertahankan kas dan setara kas yang cukup dalam memenuhi kebutuhan kas jangka pendeknya. Grup juga secara rutin mengevaluasi proyeksi arus kas dan arus kas aktual, serta jadwal tanggal jatuh tempo aset dan liabilitas keuangan.

Tabel di bawah merupakan analisis jatuh tempo liabilitas keuangan Grup dalam rentang waktu yang menunjukkan jatuh tempo kontraktual untuk semua liabilitas keuangan untuk pemahaman terhadap arus kas. Jumlah yang diungkapkan dalam tabel adalah arus kas kontraktual yang tidak terdiskonto (termasuk pembayaran pokok dan bunga).

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Financial risk factors (continued)

c. Liquidity risk

Liquidity risk is the risk that the Group will have difficulties in paying its financial liabilities. The Group manages its liquidity risk by maintaining an adequate level of cash and cash equivalents to cover its short-term cash requirement. The Group also evaluates the projected and actual cash flows regularly, as well as the maturity date schedule of its financial assets and liabilities.

The following table analysis the Group's financial liabilities by relevant maturity groupings based on their contractual maturities for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (including principal and interest payments).

	Di bawah satu tahun/ *Below one year*	**1-5 tahun/ *years***	**Lebih dari 5 tahun/*More than 5 years***	**Jumlah/ *Total***	
31 Desember 2024					***December 31, 2024***
Pinjaman bank jangka pendek	9,360	-	-	9,360	*Short-term bank loans*
Utang usaha	787,701	-	-	787,701	*Trade payables*
Utang lain-lain	24,623	-	-	24,623	*Other payables*
Beban akrual	252,661	-	-	252,661	*Accrued expenses*
Uang jaminan pelanggan	3,000	-	-	3,000	*Customers guarantee*
Liabilitas sewa	66,112	14,767	18,604	99,483	*Lease liabilities*
Jumlah	**1,143,457**	**14,767**	**18,604**	**1,176,828**	***Total***

	Di bawah satu tahun/ *Below one year*	**1-5 tahun/ *years***	**Lebih dari 5 tahun/*More than 5 years***	**Jumlah/ *Total***	
31 Desember 2023					***December 31, 2023***
Pinjaman bank jangka pendek	5,319	-	-	5,319	*Short-term bank loans*
Utang usaha	650,658	-	-	650,658	*Trade payables*
Utang lain-lain	30,571	-	-	30,571	*Other payables*
Beban akrual	301,835	-	-	301,835	*Accrued expenses*
Uang jaminan pelanggan	2,100	-	-	2,100	*Customers guarantee*
Liabilitas sewa	11,910	13,709	9,484	35,103	*Lease liabilities*
Jumlah	**1,002,393**	**13,709**	**9,484**	**1,025,586**	***Total***

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Nilai Wajar Instrumen Keuangan

Fair Value of Financial Instruments

Nilai tercatat dan taksiran nilai wajar dari instrumen keuangan Grup yang dicatat di laporan posisi keuangan konsolidasian tanggal 31 Desember 2024 dan 2023, adalah sebagai berikut:

The fair values of the financial assets and liabilities are the carrying values and the estimated fair values of the Group financial instruments that are carried in the consolidated statements of financial position as of December 31, 2024 and 2023, are as follows:

	31 Desember 2024/ *December 31, 2024*		31 Desember 2023/ *December 31, 2023*		
	Nilai Tercatat/ *Carrying Value*	Nilai Wajar/ *Fair Values*	Nilai Tercatat/ *Carrying Value*	Nilai Wajar/ *Fair Values*	
Aset Keuangan					***Financial Assets***
Kas dan setara kas	2,329,491	2,329,491	1,230,544	1,230,544	*Cash and cash equivalents*
Kas di bank dan deposito berjangka yang dibatasi penggunaannya	3,000	3,000	2,100	2,100	*Restricted cash in bank and time deposits*
Investasi	2,952,900	2,952,900	4,754,087	4,754,087	*Investments*
Piutang usaha	1,461,737	1,461,737	1,243,043	1,243,043	*Trade receivables*
Piutang lain-lain	128,703	128,703	105,869	105,869	*Other receivables*
Jumlah Aset Keuangan	**6,875,831**	**6,875,831**	**7,335,643**	**7,335,643**	***Total Financial Assets***
Liabilitas Keuangan					***Financial Liabilities***
Pinjaman bank jangka pendek	9,189	9,189	5,222	5,222	*Short-term bank loans*
Utang usaha	787,701	787,701	650,658	650,658	*Trade payables*
Utang lain-lain	24,623	24,623	30,571	30,571	*Other payables*
Beban akrual	252,661	252,661	301,835	301,835	*Accrued expenses*
Uang jaminan pelanggan	3,000	3,000	2,100	2,100	*Customer guarantee*
Liabilitas sewa	84,193	84,193	26,690	26,690	*Lease liabilities*
Jumlah Liabilitas Keuangan	**1,161,367**	**1,161,367**	**1,017,076**	**1,017,076**	***Total Financial Liabilities***

Nilai wajar aset dan liabilitas keuangan ditentukan berdasarkan jumlah dimana instrumen tersebut dapat dipertukarkan dalam transaksi kini antara pihak-pihak yang berkeinginan (*willing parties*) dan bukan merupakan pendapatan yang dipaksakan atau likuidasi.

The fair values of the financial assets and liabilities are determined based on the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

Instrumen keuangan yang disajikan di dalam laporan posisi keuangan konsolidasian dicatat sebesar nilai wajar, atau disajikan dalam jumlah tercatat baik karena jumlah tersebut adalah kurang lebih sebesar nilai wajarnya atau karena nilai wajarnya tidak dapat diukur secara andal.

Financial instruments presented in the consolidated statements of financial position are carried at fair values, otherwise, they are presented at carrying amounts as either these are reasonable approximation of fair values or their fair values cannot be measured reliably.

Metode dan asumsi berikut ini digunakan untuk mengestimasi nilai wajar untuk setiap kelompok instrumen keuangan yang praktis untuk memperkirakan nilai tersebut.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

Nilai tercatat dari kas dan setara kas, kas di bank dan deposito berjangka yang dibatasi penggunaannya, investasi jangka pendek, piutang usaha, piutang lain-lain, pinjaman bank jangka pendek, utang usaha, utang lain-lain, beban akrual dan uang jaminan pelanggan mendekati nilai wajarnya karena bersifat jangka pendek.

The carrying value of cash and cash equivalents, restricted cash in bank and time deposits, short-term investments, trade receivables, other receivables, short-term bank loans, trade payables, other payables, accrued expenses and customer guarantee approximate their fair values due to their short-term nature.

32. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

Nilai Wajar Instrumen Keuangan (lanjutan)

Investasi pada surat utang negara dan reksa dana merupakan aset Grup yang nilai wajarnya didasarkan pada kuotasi harga pasar terakhir (*Level* 1).

Nilai wajar atas liabilitas sewa dinilai menggunakan diskonto arus kas berdasarkan tingkat suku bunga efektif.

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Fair Value of Financial Instruments (continued)

Investment in government bonds and mutual funds represent the Group's assets for which the fair value is stated based on the last quoted market prices (Level 1).

The fair value of lease liabilities are determined by discounting cash flows at effective interest rate.

33. TAMBAHAN INFORMASI ARUS KAS

a. Aktivitas non-kas

Aktivitas non-kas yang mendukung laporan arus kas pada setiap tanggal pelaporan adalah sebagai berikut:

a. Non-cash activities

Non-cash activities supporting the statement of cash flows at each reporting dates are as follows:

	2024	2023	
Penambahan aset hak-guna melalui liabilitas sewa	82,261	11,993	*Addition of right-of-use assets through lease liabilities*
Penambahan aset tetap melalui reklasifikasi uang muka pembelian aset tetap	36,658	7,767	*Addition of fixed assets through reclassification from payment for purchase of fixed assets*
Penambahan aset tetap melalui utang usaha	-	7,864	*Addition of fixed assets through trade payables*

b. Rekonsiliasi utang neto

b. Net debt reconciliation

	Kas/cerukan/ *Cash/Bank overdraft*	Liabilitas sewa/ *Lease liabilities*	Jumlah/ *Total*	
Saldo 1 Januari 2023	**2,163,491**	**(73,533)**	**2,089,958**	***Balance of January 1, 2023***
Arus kas	(938,169)	58,836	(879,333)	*Cash flows*
Tambahan liabilitas sewa	-	(11,993)	(11,993)	*Addition of lease liabilities*
Saldo 31 Desember 2023	**1,225,322**	**(26,690)**	**1,198,632**	***Balance of December 31, 2023***
Arus kas	1,094,980	24,758	1,119,738	*Cash flows*
Tambahan liabilitas sewa	-	(82,261)	(82,261)	*Addition of lease liabilities*
Saldo 31 Desember 2024	**2,320,302**	**(84,193)**	**2,236,109**	***Balance of December 31, 2024***

33. TAMBAHAN INFORMASI ARUS KAS (lanjutan)

c. Pengaturan pembiayaan pemasok

Grup mengoperasikan pengaturan pembiayaan pemasok sebagai berikut dengan PT Bank DBS Indonesia:

- Untuk memastikan akses mudah ke kredit untuk pemasoknya dan memfasilitasi penyelesaian awal, Grup telah melakukan pengaturan pembiayaan pemasok yang memungkinkan pemasok untuk mendapatkan pembayaran dari bank untuk jumlah yang ditagih maksimum hingga 90 hari sebelum tanggal jatuh tempo faktur. Pengaturan memungkinkan bank untuk melunasi faktur lebih awal hingga Rp 300.000 per bulan. Grup membayar bank jumlah faktur penuh pada tanggal pembayaran yang dijadwalkan seperti yang tertera dalam faktur. Karena pengaturan tidak mengizinkan Grup untuk memperpanjang pembiayaan dari bank dengan membayarnya lebih lambat dari Grup akan membayar pemasoknya, Grup tersebut menganggap jumlah yang dibayarkan kepada bank disajikan sebagai bagian dari utang usaha. Pada tanggal 31 Desember 2024, 9,64% dari utang usaha adalah jumlah yang terutang berdasarkan pengaturan ini.

33. SUPPLEMENTARY CASH FLOW INFORMATION (continued)

c. Supplier finance arrangements

The Group operates the following types of supplier finance arrangements with PT Bank DBS Indonesia:

- *In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Group has entered into supplier finance arrangements that permit the suppliers to obtain payment from the banks for the amounts billed maximum up to 90 days before the invoice due date. The arrangements permit the banks to early settle invoices of up to Rp 300,000 per month. The Group repays the banks the full invoice amount on the scheduled payment date as required by the invoice. As the arrangements do not permit the Group to extend finance from the banks by paying them later than the Group would have paid its suppliers, the Group considers amounts payable to the banks should be presented as part of trade account payables. As of December 31, 2024, 9.64%, of trade account payables were amounts owed under these arrangements.*

	2024	
Jumlah tercatat dari liabilitas keuangan yang merupakan subjek dari perjanjian pembiayaan pemasok		***Carrying amount of the financial liabilities that are subject to supplier finance arrangement***
Disajikan sebagai bagian dari "utang usaha"	75,906	*Presented as part of "trade payables"*
Rentang tanggal jatuh tempo pembayaran (setelah tanggal faktur)	**Hari/*Days***	***Range of payment due dates (after invoice date)***
Untuk liabilitas yang disajikan sebagai bagian dari "utang usaha":		*For liabilities presented as part of "trade payables":*
Liabilitas yang merupakan bagian dari perjanjian pembiayaan pemasok	60	*Liabilities that are part of supplier finance arrangements*
Utang usaha yang dapat dibandingkan yang bukan merupakan bagian dari pengaturan pembiayaan pemasok	30 - 60	*Comparable trade payables that are not part of supplier finance arrangement*

33. TAMBAHAN INFORMASI ARUS KAS (lanjutan)

c. Pengaturan pembiayaan pemasok (lanjutan)

Perubahan dalam liabilitas yang merupakan bagian dari pengaturan pembiayaan pemasok terutama disebabkan oleh pembelian barang dan penyelesaian kas. Tidak ada perubahan non-kas yang material dalam liabilitas ini.

Grup tidak menghadapi risiko likuiditas yang signifikan sebagai akibat dari pengaturan pembiayaan pemasoknya mengingat jumlah liabilitas pada pengaturan pembiayaan pemasok yang terbatas dan akses Grup ke sumber pembiayaan lain dengan persyaratan serupa.

33. SUPPLEMENTARY CASH FLOW INFORMATION (continued)

c. Supplier finance arrangements (continued)

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The Group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the group's access to other sources of finance on similar terms.

34. KOMITMEN

Pengeluaran modal yang telah diperjanjikan pada tanggal 31 Desember 2024 dan 2023 namun belum diakui sebagai kewajiban masing-masing sebesar Rp 61.743 dan Rp 74.178.

34. COMMITMENTS

Capital expenditure contracted as of December 31, 2024 and 2023 but not yet recognised as liabilities amounted to Rp 61,743 and Rp 74,178, respectively.

35. INFORMASI SEGMEN

Manajemen telah menentukan segmen operasi berdasarkan laporan yang ditelaah oleh Direksi, yang telah diidentifikasikan sebagai pengambil keputusan operasional utama Grup ("CODM") dan yang mengambil keputusan strategis. Grup menentukan segmen operasi menurut kelompok produk yang dijual. Grup menentukan segmen operasi menurut kelompok produk.

Informasi segmen yang diberikan kepada Direksi untuk segmen dilaporkan adalah sebagai berikut:

35. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Directors, who has been identified as the Group's chief operating decision maker ("CODM") and made strategic decisions. The Group determines the operating segment by group of products.

The segment information provided to the Directors for the reportable segments is as follows:

	2024			
	Solusi arsitektur/ *Architectural solution*	**Barang dagangan/ *Trading goods***	**Jumlah/ *Total***	
Penjualan neto	5,847,703	1,623,653	7,471,356	*Net revenues*
Beban pokok penjualan	(2,852,891)	(1,277,715)	(4,130,606)	*Cost of goods sold*
Laba bruto	**2,994,812**	**345,938**	**3,340,750**	***Gross profit***
Beban usaha				***Operating expenses***
Beban penjualan	-	-	(1,318,417)	*Selling expenses*
Beban umum dan administrasi	-	-	(253,243)	*General and administrative expenses*
Jumlah Beban Usaha	-	-	(1,571,660)	*Total Operating Expenses*
Laba usaha			**1,769,090**	***Operating profit***

35. INFORMASI SEGMEN (lanjutan) / *35. SEGMENT INFORMATION (continued)*

Informasi segmen yang diberikan kepada Direksi untuk segmen dilaporkan adalah sebagai berikut (lanjutan):

The segment information provided to the Directors for the reportable segments is as follows (continued):

	2024			
	Solusi arsitektur/ *Architectural solution*	**Barang dagangan/ *Trading goods***	**Jumlah/ *Total***	
Penghasilan (beban) lain-lain				***Other income (expenses)***
Pendapatan keuangan	-	-	285,105	*Finance income*
Beban keuangan	-	-	(2,539)	*Finance costs*
Bagian atas laba ventura bersama	-	-	2,678	*Share of profit of a joint venture*
Pendapatan lain-lain - neto	-	-	14,260	*Other income - net*
Laba sebelum pajak penghasilan	**-**	**-**	**2,068,594**	***Profit before income tax expense***
Beban pajak penghasilan	-	-	(404,895)	*Income tax expense*
Laba tahun berjalan	**-**	**-**	**1,663,699**	***Income for the year***
Informasi segmen lainnya				***Other segment information***
Belanja modal yang tidak dapat dialokasikan	-	-	406,551	*Unallocated capital expenditures*
Beban depresiasi dan amortisasi yang tidak dapat dialokasikan	-	-	251,137	*Unallocated depreciation and amortisation expenses*
Aset dan liabilitas				***Assets and liabilities***
Aset yang tidak dapat dialokasikan	-	-	11,060,975	*Unallocated assets*
Aset Grup	**-**	**-**	**11,060,975**	***The Group's assets***
Liabilitas yang tidak dapat dialokasikan	-	-	1,429,095	*Unallocated liabilities*
Liabilitas Grup	**-**	**-**	**1,429,095**	***The Group's liabilities***

	2023			
	Solusi arsitektur/ *Architectural solution*	**Barang dagangan/ *Trading goods***	**Jumlah/ *Total***	
Penjualan neto	5,618,025	1,398,857	7,016,882	*Net revenues*
Beban pokok penjualan	(2,686,054)	(1,147,492)	(3,833,546)	*Cost of goods sold*
Laba bruto	**2,931,971**	**251,365**	**3,183,336**	***Gross profit***
Beban usaha				***Operating expenses***
Beban penjualan	-	-	(1,240,237)	*Selling expenses*
Beban umum dan administrasi	-	-	(226,090)	*General and administrative expenses*
Jumlah Beban Usaha			(1,466,327)	*Total Operating Expenses*
Laba usaha			**1,717,009**	***Operating profit***

35. INFORMASI SEGMEN (lanjutan) / *35. SEGMENT INFORMATION (continued)*

Informasi segmen yang diberikan kepada Direksi untuk segmen dilaporkan adalah sebagai berikut (lanjutan):

The segment information provided to the Directors for the reportable segments is as follows (continued):

	2023			
	Solusi arsitektur/ *Architectural solution*	**Barang dagangan/ *Trading goods***	**Jumlah/ *Total***	
Penghasilan (beban) lain-lain				***Other income (expenses)***
Pendapatan keuangan	-	-	286,259	*Finance income*
Beban keuangan	-	-	(4,077)	*Finance costs*
Bagian atas laba ventura bersama	-	-	898	*Share of profit of a joint venture*
Pendapatan (beban) lain-lain - neto	-	-	(7,946)	*Other income (expenses) - net*
Laba sebelum pajak penghasilan	**-**	**-**	**1,992,143**	***Profit before income tax expense***
Beban pajak penghasilan	-	-	(349,047)	*Income tax expense*
Laba tahun berjalan	**-**	**-**	**1,643,096**	***Income for the year***
Informasi segmen lainnya				***Other segment information***
Belanja modal yang tidak dapat dialokasikan	-	-	215,723	*Unallocated capital expenditures*
Beban depresiasi dan amortisasi yang tidak dapat dialokasikan	-	-	218,794	*Unallocated depreciation and amortisation expenses*
Aset dan liabilitas				***Assets and liabilities***
Aset yang tidak dapat dialokasikan	-	-	11,166,987	*Unallocated assets*
Aset Grup	**-**	**-**	**11,166,987**	***The Group's assets***
Liabilitas yang tidak dapat dialokasikan	-	-	1,245,498	*Unallocated liabilities*
Liabilitas Grup	**-**	**-**	**1,245,498**	***The Group's liabilities***

SEGMEN GEOGRAFIS / ***GEOGRAPHICAL SEGMENT***

	2024	**2023**	
Pendapatan neto			***Net revenues***
Lokal	7,471,356	7,016,882	*Local*

Manajemen memonitor hasil dari kegiatan segmen dilaporkan secara terpisah dengan tujuan untuk mengambil keputusan mengenai alokasi atas sumber daya dan penilaian kinerja. Kinerja segmen dievaluasi berdasarkan laba bruto. Beban penjualan, beban umum dan administrasi, beban dan penghasilan keuangan, penghasilan (beban) lain-lain, neto, bagian dari laba (rugi) ventura bersama dan pajak penghasilan Grup tidak termasuk dalam ukuran laba rugi yang dilaporkan kepada CODM sehingga tidak dialokasikan pada segmen dilaporkan.

Management monitors the operating results of its reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross margin. The Group's selling expenses, general and administrative expenses, finance income and costs, other income (expenses), net, share in profit (loss) of a joint venture and income taxes are not included in the measure of profit or loss that is reported to the CODM and therefore are not allocated to the reportable segments.

36. REKLASIFIKASI LAPORAN POSISI KEUANGAN KONSOLIDASIAN

Grup melakukan reklasifikasi pada laporan posisi keuangan konsolidasian 2023 untuk menyesuaikan pengakuan aset hak-guna dengan penyajian dalam laporan posisi keuangan konsolidasian 2024 untuk transaksi berikut:

36. RECLASSIFICATION OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group made reclassifications in the 2023 consolidated statement of financial position to align the recognition of right-of-use assets with the presentation in the 2024 consolidated statement of financial position for the following transactions:

	Seperti yang dinyatakan sebelumnya/ *As previously reported*	Reklasifikasi/ *Reclassification*	Setelah reklasifikasi/ *As reclassified*	
Laporan posisi keuangan konsolidasian				***Consolidated statement of financial position***
Aset				***Assets***
Aset lancar				***Current assets***
Beban dibayar dimuka	58,004	(46,623)	11,381	*Prepaid expenses*
Aset tidak lancar				***Non-current assets***
Aset hak-guna	95,252	55,299	150,551	*Right-of-use assets*
Aset tidak lancar lainnya	48,618	(8,676)	39,942	*Other non-current assets*
Laporan arus kas konsolidasian				***Consolidated statement of cash flows***
Arus kas dari aktivitas operasi				***Cash flows from operating activities***
Pembayaran ke pemasok	(4,397,297)	55,299	(4,341,998)	*Payments to suppliers*
Arus kas dari aktivitas investasi				***Cash flows from investing activities***
Perolehan aset hak-guna	(14,289)	(55,299)	(69,588)	*Additions of right-of-use assets*

37. KEJADIAN SETELAH PERIODE PELAPORAN

Pembelian saham treasuri

Sampai dengan tanggal laporan keuangan konsolidasian ini diterbitkan, Perusahaan telah melakukan pembelian kembali 261.550.800 lembar saham biasa Perusahaan melalui pembelian pada BEI (Catatan 1b). Pembelian kembali saham Perusahaan ini ditujukan untuk menjaga stabilitas harga saham Perusahaan. Jumlah pembayaran untuk mengakuisisi saham tersebut adalah sebesar Rp 108.304 (Rp 382 - Rp 432/lembar saham - nilai penuh).

37. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

Purchase of treasury shares

Up to the issuance date of these consolidated financial statements, the Company repurchased 261,550,800 shares of its own ordinary shares through purchases on the IDX (Note 1b). This repurchase transaction is intended to stabilise the Company's share price. The total amounts paid to acquire the shares were Rp 108,304 (Rp 382 - Rp 432/share - full amount).

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