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IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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CCK CONSOLIDATED HOLDINGS BERHAD

(Registration No.: 199601024340 (396692-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED ACQUISITION BY PT ADILMART, A WHOLLY OWNED SUBSIDIARY OF CCK CONSOLIDATED HOLDINGS BERHAD (“CCK”), OF THE ENTIRE EQUITY INTEREST OF PT BONANZA PRATAMA ABADI FOR A TOTAL CASH CONSIDERATION OF USD8 MILLION (EQUIVALENT TO RM33.74 MILLION) (“PROPOSED ACQUISITION”)

PART B

INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF CCK IN RELATION TO THE PROPOSED ACQUISITION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

kenanga

Kenanga Investment Bank Berhad

Registration No.: 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B



Mercury Securities Sdn Bhd

Registration No.: 198401000672 (113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Company's Extraordinary General Meeting (“EGM”) will be held at Conference Room, CCK Fresh Mart Sdn Bhd, Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibul, Sarawak on Wednesday, 29 June 2022, at 2.00 p.m. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

You are entitled to attend and vote at the EGM or appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you may deposit the Form of Proxy at the Company's registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not later than 48 hours before the time and date stipulated for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy
Day, date and time of the EGM

: Monday, 27 June 2022 at 2.00 p.m.
: Wednesday, 29 June 2022 at 2.00 p.m.

This Circular is dated 8 June 2022

DEFINITIONS

Unless the context requires otherwise, the following definitions shall apply throughout this Circular:

Act	: Companies Act 2016, as may be amended, supplemented or modified from time to time
Audited Accounts	: PT Bonanza's audited balance sheets and profit and loss accounts as at, and for the year ended on, the Audited Accounts Date, including all documents required by law to be annexed to them
Audited Accounts Date	: 30 September 2021
BNM	: Bank Negara Malaysia
Board	: Board of Directors of CCK
Bursa Securities	: Bursa Malaysia Securities Berhad
CCK or Company	: CCK Consolidated Holdings Berhad
CCK Group or Group	: Collectively, CCK and its subsidiaries
CCK Shares or Shares	: Ordinary shares in CCK
Central Coldstorage Sarawak	: Central Coldstorage Sarawak Sdn Bhd
Circular	: This circular to the shareholders dated 8 June 2022 in relation to the Proposed Acquisition
Director	: A natural person who holds directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Service Act 2007
EGM	: Extraordinary general meeting
EPS	: Earnings per ordinary share in CCK
FPE	: Financial period ended/ ending, as the case may be
FYE	: Financial year ended/ ending, as the case may be
Harvest Bonanza	: Harvest Bonanza Sdn Bhd
IAL	: The independent advice letter dated 8 June 2022 prepared by the Independent Adviser in relation to the Proposed Acquisition, as set out in Part B of this Circular
Interested Directors	: Collectively, Tan Sri Datuk Tiong Su Kouk, Tiong Chiong Hiiung, Lau Liong Kii and Nelly
Interested Major Shareholders	: Collectively, Tan Sri Datuk Tiong Su Kouk and Tiong Chiong Hiiung
Kenanga IB	: Kenanga Investment Bank Berhad
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 23 May 2022, being the latest practicable date prior to the printing of this Circular

DEFINITIONS *(Cont'd)*

Management Accounts	:	The unaudited balance sheets and profit and loss accounts of PT Bonanza made up from 1 October 2021 up to (and including) the Management Accounts Date signed by two directors of PT Bonanza, which shall be prepared by PT Bonanza and delivered by the Vendors to PT Adilmart together with the NAV Statement in accordance with the provisions of the SSA
Management Accounts Date	:	31 March 2022, or such other later date as may be determined by PT Adilmart
Market Day(s)	:	Any day between Monday and Friday (inclusive of both days) on which the Bursa Securities is open for trading of securities
Mercury Securities or Independent Adviser	:	Mercury Securities Sdn Bhd
Mitsumoto Corporation	:	Mitsumoto Corporation Limited
NA	:	Net assets
NAV	:	The total assets minus the total liabilities
NAV Statement	:	A statement of the NAV of PT Bonanza signed by 2 directors of PT Bonanza as at the Management Accounts Date, to be prepared by PT Bonanza and issued together with the Management Accounts, and delivered by the Vendors to PT Adilmart in accordance with the provisions of the SSA
PAT	:	Profit after tax
S.K. Tiong Enterprise	:	S.K. Tiong Enterprise Sdn Bhd
Proposed Acquisition	:	Proposed acquisition by PT Adilmart of the entire equity interest of PT Bonanza for the Purchase Consideration
PT Bonanza	:	PT Bonanza Pratama Abadi
Purchase Consideration	:	The total cash consideration in respect of the Proposed Acquisition amounting to USD8 million
Seven Star	:	Seven Star Enterprise Sdn Bhd
Smith Zander	:	Smith Zander International Sdn Bhd, the Independent Market Researcher
SSA	:	Conditional share sale agreement dated 14 April 2022 between PT Adilmart and the Vendors, in respect of the Proposed Acquisition
USD:MYR Exchange Rate	:	Exchange rate of USD1.000:MYR4.2170 quoted by Bank Negara Malaysia as at 28 March 2022, being the latest practicable date prior to the announcement of the Proposed Acquisition
Vendors	:	Collectively, Mitsumoto Corporation, Seven Star, Harvest Bonanza and Miradewi Rosadi

DEFINITIONS *(Cont'd)*

Currencies

IDR or Rp	:	Indonesian Rupiah
MYR or RM and sen	:	Ringgit Malaysia and sen, respectively
THB	:	Thai Baht
USD	:	United States Dollar

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference to any legislation or guideline in this Circular is a reference to that legislation or guideline as for the time being amended or re-enacted. Any reference to a time in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amounts stated in this Circular could have been or would have been converted into such other amounts or vice versa.

All references to “**you**” in this Circular are references to the shareholders of CCK.

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NOTICE OF EGM ENCLOSED

FORM OF PROXY ENCLOSED

PART A

**LETTER TO THE SHAREHOLDERS OF THE COMPANY IN RELATION TO THE PROPOSED
ACQUISITION**



CCK CONSOLIDATED HOLDINGS BERHAD

(Registration No.: 199601024340 (396692-T))
(Incorporated in Malaysia)

Registered Office:

Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching
Sarawak, Malaysia

8 June 2022

Board of Directors

Tan Sri Datuk Tiong Su Kouk (*Non-Independent Non-Executive Chairman*)
Chong Shaw Fui (*Executive Vice Chairman*)
Tiong Chiong Hiiung (*Group Managing Director*)
Tiong Chiong Soon (*Executive Director*)
Kueh Chung Peng (*Executive Director*)
Lau Liong Kii (*Executive Director*)
Ling Ting Leong @ Ling Chong Seng (*Independent Director*)
Datuk Temenggong Janggu anak Banyang (*Independent Director*)
Datu Haji Putit bin Matzen (*Independent Director*)
Bong Wei Leong (*Independent Director*)

To: The Shareholders of CCK

Dear Sir/Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On 14 April 2022, Kenanga IB had, on behalf of the Board, announced that PT Adilmart, a wholly owned subsidiary of CCK, had on 14 April 2022 entered into the SSA with the Vendors for the Proposed Acquisition.

The Proposed Acquisition is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Directors, Interested Major Shareholders and persons connected with them in the Proposed Acquisition as set out in Section 10 of Part A of this Circular. As such, the Board (save for the Interested Directors) has appointed Mercury Securities as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the Proposed Acquisition and whether the Proposed Acquisition is detrimental to the non-interested shareholders of the Company. The IAL is set out in Part B of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION, TO SET OUT THE BOARD'S (SAVE FOR THE INTERESTED DIRECTORS) RECOMMENDATION ON THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR INCLUDING THE IAL (AS SET OUT IN PART B OF THIS CIRCULAR) TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION AT THE COMPANY'S FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Details of the Proposed Acquisition

The Proposed Acquisition entails the proposed acquisition by PT Adilmart of the entire equity interest of PT Bonanza for a total cash consideration of USD8.00 million (equivalent to RM33.74 million based on the USD:MYR Exchange Rate).

Upon completion of the Proposed Acquisition, PT Bonanza will become a wholly owned subsidiary of CCK. Subject to the terms and conditions of the SSA, the entire equity interest of PT Bonanza shall be acquired free from all claims, liens, charges and encumbrances with full legal and beneficial title and with all rights attaching thereto (including all dividends and distributions, whether declared or undeclared, in respect thereof).

The Proposed Acquisition is subject to the terms and conditions of the SSA, the salient terms of which are set out in Appendix I of this Circular.

2.2 Background information on PT Bonanza

PT Bonanza was established in Indonesia based on Notarial Deed No. 85 of Public Notary James Herman Rahardjo, S.H. dated 18 October 2001. The Deed of Establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in Decision Letter No. C-03578.HT.01.01.Th.2002 dated 5 March 2002. PT Bonanza commenced its business in October 2003 after acquiring its factory.

PT Bonanza is principally engaged in processing and freezing shrimp for local and export sales including principal products such as frozen raw shrimp, frozen cooked shrimp and frozen nobashi ebi shrimp.

As at the LPD, PT Bonanza has an issued share capital of Rp40 billion comprising 20,000 ordinary shares.

Further information on PT Bonanza is set out in Appendix II of this Circular.

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2.3 Basis and justification for the Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis based on direct negotiations, after taking into consideration the following:

- i. the audited NA of PT Bonanza as at 30 September 2021 of USD4,290,890 (equivalent to approximately RM18,094,683 based on the USD:MYR Exchange Rate);
- ii. the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD919,310 (equivalent to approximately RM3,876,730 based on the USD:MYR Exchange Rate), as well as the audited PAT of PT Bonanza for the 9-month FPE 30 September 2021 of USD687,704 (equivalent to approximately RM2,900,048 based on the USD:MYR Exchange);
- iii. the rationale and benefits of the Proposed Acquisition as set out in Section 3 of Part A of this Circular. With the Proposed Acquisition, the CCK Group will be able to expand its footprint and market share in Indonesia;
- iv. the outlook of the frozen seafood industry as set out in Section 4.3 of Part A of this Circular;
- v. the prospects of PT Bonanza as set out in Section 4.4 of Part A of this Circular and in view that PT Bonanza is operating at a high production level; and
- vi. the Board has adopted price-earnings (“**P/E**”) multiple as the appropriate reference to evaluate and negotiate the Purchase Consideration in view that P/E multiple is commonly used to estimate the value of businesses. Further, PT Bonanza has been operating profitably for the past 3 FYEs 31 December 2018 to 31 December 2020 and the 9-month FPE 30 September 2021.

The Purchase Consideration negotiated directly and agreed upon between the Company and the Vendors represents a P/E multiple of 8.70 times based on the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD919,310, and a premium of approximately 13.73% to the simple average of the adjusted P/E multiples of the comparable companies (as defined below) and is within the range of the adjusted P/E multiples of the comparable companies.

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For the purpose of assessing the reasonableness of the Purchase Consideration, the Board has benchmarked against the earnings multiples of several public listed companies with principal business activities that are considered broadly comparable to the business of PT Bonanza (“Comparable Companies”), in processing and freezing shrimp, details of which are as follows:

Comparable Companies	Country	Stock exchange	Principal activities	^{*1} Market Capitalisation	PAT	^{*2} P/E (times)	^{*3} Adjusted P/E (times)
Thai Union Group Public Company Limited	Thailand	Stock Exchange of Thailand	Manufactures and sells frozen, chilled, and canned seafood	Thai baht 89,844 million ^{*4} RM 11,214.24 million	Thai baht 8,013 million ^{*4} RM 1,000.17 million	11.21	8.41
Asian Sea Corporation Public Company Limited	Thailand	Stock Exchange of Thailand	Produces and sells processed frozen seafood products	Thai baht 12,456 million ^{*4} RM 1,555.75 million	Thai baht 1,044 million ^{*4} RM 130.31 million	11.93	8.95
Seafresh Industry Public Company Limited	Thailand	Stock Exchange of Thailand	Manufactures and distributes frozen shrimp, processed shrimp, and other seafood products	Thai baht 2,818 million ^{*4} RM 351.74 million	Thai baht 269 million ^{*4} RM 33.58 million	10.48	7.86
PT Panca Mitra Multiperdana Tbk	Indonesia	Indonesia Stock Exchange	Produces, processes, and sells frozen shrimps	Indonesia Rupiah 1,054,144 million ^{*5} RM 309.92 million	USD 10.25 million ^{*6} RM 43.22 million	7.17	5.38
Overall range (P/E)							5.38 – 8.95
Simple average (P/E)							7.65
^{*7} PT Bonanza (P/E)							8.70

Notes:-

- *1 Calculated by multiplying the closing market prices and total number of issued ordinary shares of the respective companies as at 28 March 2022.
- *2 P/E multiple is calculated by the respective companies' market capitalisation over its PAT. PAT is based on the audited financial statements of the respective companies for the latest FYE available, i.e.

$$P/E = \frac{\text{Market capitalisation}}{\text{PAT}}$$

- *3 The adjusted P/E multiples of the Comparable Companies are arrived at after accounting for a 25% discount to reflect the relatively illiquid nature of shares of PT Bonanza due to its non-listed status and lack of marketability of shares of PT Bonanza, and smaller revenues as compared to the Comparable Companies which are listed on stock exchanges.

Generally, shares of private companies are not freely tradable as compared to public listed companies. In evaluating the reasonableness of the P/E multiples, the Board had adjusted the multiples downward by applying an illiquid discount of 25% as depicted in the book titled 'Investment Valuation: Tools and Techniques for Determining the Value of Any Asset'. In his publication, Professor Aswath Damodaran had discussed on the rule of thumb approach to apply an illiquidity discount on private firm valuations, which often ranges from 20% to 30% (Source: <https://pages.stern.nyu.edu/~adamodar/pdfiles/country/illiquidity.pdf>).
- *4 Based on the exchange rate of THB100:RM12.4819 as extracted from Bank Negara Malaysia's website as at 28 March 2022.
- *5 Based on the exchange rate of IDR100:RM0.0294 as extracted from Bank Negara Malaysia's website as at 28 March 2022.
- *6 Based on the USD:MYR Exchange Rate.
- *7 Based on the value accorded to PT Bonanza as implied by the Purchase Consideration over the audited PAT of PT Bonanza as at 31 December 2020 of USD919,310.

As illustrated above, the Purchase Consideration represents a P/E multiple of 8.70 times based on the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD919,310. The Purchase Consideration represents a premium of approximately 13.73% to the simple average of the adjusted P/E multiples of the Comparable Companies of 7.65 times, and is within the range of the adjusted P/E multiples of the Comparable Companies from 5.38 times to 8.95 times.

The implied P/E multiple of PT Bonanza in relation to the Purchase Consideration of 8.70 times represents a premium to the adjusted P/E multiple of PT Panca Mitra Multiperdana Tbk of 5.38. The Board deems the premium to be necessary as the Purchase Consideration represents the valuation of 100% equity interest in PT Bonanza pursuant to the Proposed Acquisition whereby CCK will be able to fully control the business direction and management of PT Bonanza when it becomes a wholly owned subsidiary of CCK, and thereafter consolidate the future earnings of PT Bonanza.

The Board wishes to highlight that there are no companies listed on Bursa Securities that are involved in similar business activities carried out by PT Bonanza, and as such, the Board has referred to public listed companies listed on foreign stock exchanges in South East Asia that are considered broadly comparable to the business of PT Bonanza.

Further, it should be recognised that none of the Comparable Companies are identical to PT Bonanza in terms of composition of business activities, market capitalisation, scale of business operations, clientele base, asset base, risk profile and competitive environment. The selection of the Comparable Companies was undertaken by the Board based on a best effort basis based on publicly available information. The Board would also like to highlight that the comparison made with respect to the Comparable Companies is merely to provide an indicative current market expectation with regards to the implied value of PT Bonanza.

Based on the above benchmarking and after taking into consideration, amongst others, the following factors, the Board is of the view the Purchase Consideration is justifiable:

- i. the historical financial track record of PT Bonanza as set out Appendix II this Circular;
- ii. the rationale and benefits of the Proposed Acquisition as set out in Section 3 of Part A of this Circular;
- iii. the outlook of the frozen seafood industry as set out in Section 4.3 of Part A of this Circular;
- iv. the prospects of PT Bonanza as set out in Section 4.4 of Part A of this Circular; and
- v. the P/E multiple of PT Bonanza represents a premium of approximately 13.73% to the simple average of the adjusted P/E multiples of the Comparable Companies and is within the range of the adjusted P/E multiples of the Comparable Companies. The Purchase Consideration represents the valuation of 100% equity interest in PT Bonanza pursuant to the Proposed Acquisition whereby CCK will be able to fully control the business direction and management of PT Bonanza when it becomes a wholly owned subsidiary of CCK.

In addition, as the Proposed Acquisition is deemed as a related party transaction, the Board has appointed Mercury Securities as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the Proposed Acquisition and whether the Proposed Acquisition is detrimental to the non-interested shareholders of the Company. The IAL is set out in Part B of this Circular.

2.4 Source of funding

The Purchase Consideration will be funded via a combination of internally generated funds and/or bank borrowings, the exact quantum of which, will be determined by the Board at a later stage, depending on the cost of funding and CCK Group's cash requirements at material time.

2.5 Liabilities to be assumed by the CCK Group

Save for the obligations and liabilities of CCK arising from or in connection with the SSA for the Proposed Acquisition, there are no other liabilities, including contingent liabilities and guarantees to be assumed by the CCK Group arising from the Proposed Acquisition.

2.6 Additional financial commitment

CCK does not foresee any other material financial commitment required to put PT Bonanza on-stream following the completion of the Proposed Acquisition in view that PT Bonanza already have on-going operations and is profit generating.

2.7 Information on the Vendors

2.7.1 Background information on Mitsumoto Corporation

Mitsumoto Corporation was incorporated in Hong Kong on 22 December 2005 as a private limited company. Mitsumoto Corporation is principally an investment company.

As at the LPD, Mitsumoto Corporation has an issued share capital of Hong Kong dollar 100,000 comprising 100,000 ordinary shares.

As at the LPD, the directors and substantial shareholders of Mitsumoto Corporation and their respective shareholdings in Mitsumoto Corporation are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
<u>Directors</u>					
Lau Liong Kii	Malaysian	5,000	5.00	-	-
Tiong Chiong Hiiung	Malaysian	5,000	5.00	-	-
<u>Substantial shareholders</u>					
Tan Sri Datuk Tiong Su Kouk	Malaysian	55,000	55.00	-	-
Tiong Ing Ping	Malaysian	25,000	25.00	-	-
Miradewi Rosadi	Indonesian	10,000	10.00	-	-
Tiong Chiong Hiiung	Malaysian	5,000	5.00	-	-
Lau Liong Kii	Malaysian	5,000	5.00	-	-

2.7.2 Background information on Seven Star

Seven Star was incorporated in Malaysia on 12 October 2000 under the Companies Act 1965 as a private limited company. Seven Star is principally an investment holding company.

As at the LPD, Seven Star has an issued share capital of RM1,847,100 comprising 1,847,100 ordinary shares.

As at the LPD, the directors and substantial shareholders of Seven Star and their respective shareholdings in Seven Star are as follows:

Name	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
<u>Directors</u>					
Tan Sri Datuk Tiong Su Kouk	Malaysian	913,400	49.45	-	-
Tiong Chiong Hiiung	Malaysian	77,300	4.18	-	-
Lau Liong Kii	Malaysian	45,600	2.47	* ¹ 240,000	12.99
Lau Pek Kii	Malaysian	11,100	0.60	* ² 171,000	9.26
<u>Substantial shareholders</u>					
Tan Sri Datuk Tiong Su Kouk	Malaysian	913,400	49.45	-	-
Unione Enterprise (S) Sdn Bhd	Malaysia	171,000	9.26	-	-
Lau Liong Kii	Malaysian	45,600	2.47	* ¹ 240,000	12.99
Lau Pek Kii	Malaysian	11,100	0.60	* ² 171,000	9.26
Ting Yong Ding	Malaysian	63,000	3.41	* ³ 222,600	12.05

Notes:-

- *1 Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn Bhd, his spouse, Ting Yong Ding, his child, Annie Lau Ting Ting.
- *2 Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn Bhd.
- *3 Deemed interested by virtue of her substantial shareholdings in Unione Enterprise (S) Sdn Bhd and her spouse, Lau Liong Kii and her child, Annie Lau Ting Ting.

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2.7.3 Background information on Harvest Bonanza

Harvest Bonanza was incorporated in Malaysia on 30 November 2000 under the Companies Act 1965 as a private limited company. Harvest Bonanza is principally an investment company.

As at the LPD, Harvest Bonanza has an issued share capital of RM100,000 comprising 100,000 ordinary shares.

As at the LPD, the directors and substantial shareholders of Harvest Bonanza and their respective shareholdings in Harvest Bonanza are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
<u>Directors</u>					
Tiong Ing Ping	Malaysian	33,484	33.48	-	-
Tiong Ing Seng	Malaysian	2,000	2.00	-	-
Victor Tiong Kung Zhong	Malaysian	-	-	-	-
<u>Substantial shareholders</u>					
Ting Jin Teo	Malaysian	46,000	46.00	-	-
Tiong Ing Ping	Malaysian	33,484	33.48	-	-

2.7.4 Background information on Miradewi Rosadi

Miradewi Rosadi is a citizen of Indonesia. As at the LPD, she is a member of the Board of Commissioners of PT Bonanza and holds 5.00% equity interest in PT Bonanza.

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2.8 Original cost and date of investment by the Vendors

The original cost and date of investment by the Vendors in PT Bonanza are as follows:

Name	Date of investment / (disposal)	No. of shares	Cost of investment (USD)
Mitsumoto Corporation	11 September 2006	10,000	1,000,000
		10,000	1,000,000
Seven Star	21 September 2001 (6 May 2004)	6,750	675,000
		(250)	(25,000)
Harvest Bonanza	6 May 2004	6,500	650,000
		2,500	250,000
Miradewi Rosadi	21 September 2001 6 May 2004	2,500	250,000
		750	75,000
		250	25,000
		1,000	100,000

3. RATIONALE FOR THE PROPOSED ACQUISITION

The CCK Group is principally involved in the rearing of poultry and production of poultry products, rearing of prawns and production of prawn and seafood products, supply and trading of food products and related services as well as trading of coldstorage products; across Sarawak, Sabah and Indonesia.

PT Bonanza is involved in processing and freezing shrimp for local and export sales, which includes processing and packing premium quality shrimps. With more than 20 years in operations, PT Bonanza has an established track record in the seafood industry and is a strategic fit to the CCK Group's existing businesses. The Proposed Acquisition will be synergistic to CCK's existing seafood business as well as the business of poultry processing and manufacturing of downstream products such as sausages, patties and meatballs, and as such is expected to complement the CCK Group's existing activities. The Proposed Acquisition will provide an opportunity for CCK to establish business integration with PT Bonanza leading to improved operational efficiencies and reduced production costs through its value chain.

Upon completion of the Proposed Acquisition, PT Bonanza will become a wholly owned subsidiary of CCK, and this will allow CCK to have control over PT Bonanza's management and operations and reap the benefits of future revenue and profits as well as consolidate the financial results of PT Bonanza. In view of the established business and positive historical financial performance of PT Bonanza, the Proposed Acquisition is expected to be earnings accretive.

Further to the above, due to the interest of the Interested Directors in both CCK and PT Bonanza, the Proposed Acquisition would also be able to mitigate potential conflict of interest situation between the Interested Directors and CCK as PT Bonanza will become a wholly owned subsidiary of CCK upon completion of the Proposed Acquisition whereby the conduct and management of PT Bonanza shall be undertaken in alignment with the best interests of shareholders of CCK as opposed to the Interested Directors alone, which would in turn safeguard the interests of minority shareholders.

4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy improved in 2021, registering a growth of 3.1%. The recovery momentum in the early part of the year was affected by the reimposition of nationwide containment measures from June to September 2021, following a rapid resurgence of cases due to the Delta variant. However, unlike the movement restrictions in the second quarter of 2020, more essential economic sectors were allowed to operate, while businesses and households were better adapted to the containment measures and standard operating procedures.

Notwithstanding this, some sectors, such as high-touch services, tourism related industries and construction, were slower to recover due to continued restrictions on movement and operating capacity. As these restrictions were eventually lifted in October 2021 amid rapid progress in domestic vaccinations, economic activities picked up and labour market conditions improved. The expansion in employment and subsequent increase in private sector wages contributed towards increased household spending. Private investment growth was supported by expansion in productive capacity, especially in the manufacturing sector, alongside higher capital spending by firms on automation and digitalisation. In addition, external demand also provided additional support to our economic growth in 2021.

The Malaysian economy is expected to improve further, with growth projected to be between 5.3% and 6.3% in 2022. The economic recovery is underpinned by the continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand.

As economic activity picks up, the unemployment rate is expected to decline further in 2022 to around 4% of the labour force. The recovery in the labour market will be further supported by targeted measures to boost labour demand, facilitate re-skilling and upskilling and reduce labour market frictions. A sustained recovery in employment and income is expected to drive an improvement in household spending. Additionally, progress in vaccinations and upliftment of containment measures will lead to an improvement in consumer confidence and some materialisation of pent-up demand. As a result, private consumption is expected to grow by 9.0% (2021: 1.9%). Private investment is also expected to recover, growing by 5.3% (2021: 2.6%), supported by the continued expansion in global demand and the implementation of new and ongoing investment projects.

(Source: Economic & Monetary Review 2021, Bank Negara Malaysia)

4.2 Overview and outlook of the Indonesian economy

The Indonesian economy was off to a strong start during the first half of 2021. Growth rebounded to 7.1 percent in Q2 2021, compared to -5.3 percent a year ago, driven by low base effects, a pickup in domestic demand and net exports. The rebound was strong compared to peers and was underpinned by a relatively well contained pandemic situation, more upbeat business and consumer sentiment, as well as strong external environment. Private consumption and investment recovered gradually to pre-pandemic levels. On the supply side, high-contact services sectors including wholesale and retail, transport, and hospitality also rebounded to pre-pandemic levels, helped by the relaxation of mobility restrictions and improved consumer sentiment.

Although the Delta wave slowed the growth momentum, the economy showed signs of resilience. Growth moderated to 3.5 percent in Q3 2021 compared to -2.1 percent a year ago due to weak private consumption while net exports and investment remained relatively more buoyant. Economies have become more resilient over time to successive COVID-19 waves thanks to improved targeting of mobility restrictions as vaccination progressed. In the case of Indonesia, leading indicators of private consumption such as retail sales remained subdued compared to previous waves as consumer sentiment remained depressed. On the other hand, manufacturing activity and exports have been more resilient compared to 2020 amid supply chain disruptions, moderating global trade but still high export commodity prices. Within manufacturing, growth was relatively stronger in transport equipment, basic metals, and chemicals. Export growth was driven largely by coal, crude palm oil, iron, and steel. Notwithstanding, the economy remains about 4 percent below potential.

The Indonesian economy is projected to rebound by 3.7 percent in 2021 and grow by 5.2 percent in 2022 assuming there is no new severe COVID-19 wave. The 2021 estimate is 0.7 percentage point lower than the June forecast reflecting the impact of the Delta wave. The 2022 projection is 0.1 percentage point higher than in June based on assumptions around the vaccine rollout and pandemic control, the extent of domestic and global policy support and potential scarring effects of the crisis.

(Source: The Indonesia Economic Prospects December 2021, World Bank)

4.3 Overview and outlook of the frozen seafood industry in Indonesia

In 2020, the production of seafood in Indonesia, which comprises production from marine fishing and aquaculture, was recorded at 23.16 million metric tonnes (“MT”). The production of seafood in Indonesia is supported by the geographical features of Indonesia as one of the world’s largest archipelagic countries with approximately 17,508 islands and 54,716 kilometers of coastline located between the Indian and the Pacific Ocean, as well as its tropical climate with suitable temperature and environment for the growth of both marine fisheries and aquaculture fisheries in the country. As home to more than 8,500 fish species, Indonesia is rich in marine resources which allows it to provide a sustainable supply of a variety of seafood not only for fresh consumption but also for downstream seafood processing including freezing, smoking, canning, drying, extraction, fermentation, chilling and mincing to preserve and prepare the seafood for longer shelf life and for wider applications.

In Indonesia, frozen seafood processors typically source raw materials in bulk to be processed into frozen seafood, and thereafter sold/exported to distributors and retailers. During the production of frozen seafood, machinery is used to carry out the freezing processes, and cold room and storage facilities are required to store the raw materials and frozen seafood products. There is a wide and diverse consumer market for frozen seafood. Frozen seafood is distributed to distributors and retailers including wholesalers, supermarkets and hypermarkets and food retailers which then supply to food and beverage (“F&B”) service providers (i.e. restaurants, cafes, fast food chains, hotels and other eateries) as well as individual consumers. Frozen seafood processors may also directly distribute their seafood products to F&B service providers who purchase frozen seafood in bulk.

In view of the outbreak of the COVID-19, governments around the world have imposed various degrees of movement restrictions to contain the spread of the virus, depending on the severity of the COVID-19 infections in the respective locations. Such movement restrictions have changed, at least temporarily, the dynamics of demand for frozen seafood. Demand for frozen seafood from F&B service providers has been negatively impacted as customer dine-ins have been prohibited and/or limited in F&B outlets. Nevertheless, the demand for frozen seafood from wholesalers, supermarkets, hypermarkets and food retailers has been positive to cater to increasing grocery shopping done by households as people are encouraged to stay and cook at home. Moving forward, as the COVID-19 pandemic situation gradually improves, the demand for frozen seafood from F&B services is expected to gradually recover with a more easing of movement restrictions.

The frozen seafood industry in Indonesia is represented by the production of processed seafood, which include frozen seafood in the country. For the period between 2018 and 2020, the production of processed seafood in Indonesia increased at a compound annual growth rate (“**CAGR**”) of 3.73% from 6.18 million MT to 6.65 million MT. Smith Zander estimates the production of processed seafood in Indonesia to have increased from 6.65 million MT in 2020 to 6.69 million MT in 2021 at a year-on-year (“**YoY**”) growth rate of 0.63%.

For the period between 2018 and 2021, exports of frozen seafood in Indonesia registered a CAGR of 5.10% from USD2,782.24 million to USD3,229.75 million. Exports of frozen seafood in Indonesia registered a growth rate of 15.42% from USD2,798.26 million in 2019 to USD3,229.75 million in 2021, indicating the growing demand for frozen seafood from Indonesia to international markets amidst the COVID-19 pandemic.

For the period between 2018 and 2021, exports of frozen shrimps in Indonesia registered a CAGR of 4.12% from USD1,360.57 million to USD1,535.97 million. Exports of frozen shrimps in Indonesia registered a growth rate of 20.66% from USD1,273.01 million in 2019 to USD1,535.97 million in 2021, indicating the growing demand for frozen shrimps from Indonesia to international markets amidst the COVID-19 pandemic.

The growth of the industry is expected to be continuously driven by the growth in seafood consumption in Indonesia and globally; ongoing free trade agreements in Indonesia; recovery in the F&B service industry which sources frozen seafood as ingredients as the economy recovers from the impact of the COVID-19 pandemic; and the growing demand for nutrient-rich convenient food. Premise on the above demand drivers, Smith Zander forecasts the production of processed seafood in Indonesia to increase from 6.69 million MT in 2021 to 6.79 million MT in 2022 at a YoY growth rate of 1.52%, exports of frozen seafood in Indonesia to increase from USD3,229.75 million in 2021 to USD3,385.07 million in 2022 at a YoY growth rate of 4.81%, while exports of frozen shrimps in Indonesia to increase from USD1,535.97 million in 2021 to USD1,643.43 million in 2022 at a YoY growth rate of 7.00%.

(Source: Independent Market Research Report prepared by Smith Zander)

4.4 Prospects of PT Bonanza and the enlarged CCK Group

After the Proposed Acquisition, the operations of PT Bonanza will be integrated into the CCK Group. PT Bonanza is principally involved in processing and freezing shrimp from its factory in Tarakan, North Kalimantan, Indonesia.

Further, PT Bonanza has been reporting profits in the past several years and barring any unforeseen circumstances such as COVID-19 pandemic, PT Bonanza is expected to continue to be profitable, supported by the expected growth in the shrimp market. This is premised on the facts that there will be demand from global and local markets of Indonesian frozen seafood as countries recover from the negative impact from COVID-19, growing demand in general from the global growth of seafood consumption, recovery in the F&B industry which sources frozen seafood and growing global population and demand for nutrient-rich convenient food.

The COVID-19 pandemic had a minor impact on the CCK Group's operations in Indonesia and PT Bonanza as there was no cessation of operations and supply of materials was not affected. Further, Indonesia did not have any nationwide lockdowns and lockdowns were limited to only certain targeted areas. The CCK Group's operations in Malaysia was classified as essential services and therefore did not stop or affect operations throughout the entirety of the COVID-19 pandemic and the subsequent lockdowns. Despite this, revenue from food and beverage customers declined as restaurants, hotels and coffee shops closed or had limited operations during lockdowns. However, the impact of this was cushioned by the opening of the CCK Group's first 2 supermarkets in Kuching and Kota Kinabalu in the third quarter of 2020.

The CCK Group's strength is its ability to provide fresh, good quality and diverse products in its stores. It is expected that the Proposed Acquisition will enable the CCK Group to expand its footprint and market share in the fast growing geographical location of Kalimantan, Indonesia which has a population of approximately 17 million. This would complement the CCK Group's existing production and sales in Indonesia and provide a wider range of products to local customers and also enable seafood products produced by PT Bonanza to reach a wider local customer base.

The revenue and profit contributions of the Indonesian market to the CCK Group as a percentage of its total revenue and profit for the FYE 31 December 2019 to 2021 is as below:

Contribution of the Indonesian market	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021
Revenue	16.25%	17.69%	20.20%
Profit	21.1%	27.8%	74.08%

Indonesia is an important market for the CCK Group with the contributions to total revenue and profit increasing steadily for the past 3 financial years in view of rising demand in the country and after setting up new facilities in Pontianak, Indonesia in January 2021, resulting in an increase in production of sausages, burgers and other processed products.

The higher profit contribution from the Indonesian market in FYE 31 December 2021 was due to lower contribution from the Malaysian market because of the various movement control orders and lockdowns imposed by the Malaysian government since March 2020 to curb the spread of the COVID-19 virus. The closure or limited operations of the food and beverage industry, hotels, tourism sector and schools adversely impacted the Group's Malaysian contributions. In contrast, there were no nationwide lockdowns in Indonesia.

In addition, the CCK Group's poultry segment in Malaysia has been affected by increasing feed prices due to rising costs of raw materials for feed. Operating expenses also increased as a result of the expansion of the Group's retail network in Sarawak and Sabah. These factors led to a proportionate rise in profit contribution from the Group's Indonesian operations relative to other geographic segments.

The CCK Group will implement strategies to mitigate the adverse impact of higher feed prices by adopting economies of scale and to manage the selling prices of chicken products as and when necessary.

Further, the Proposed Acquisition will complement the existing business and operations of the CCK Group in Indonesia which currently focuses on the manufacturing of meat downstream products i.e. burgers, frankfurters, meatballs, nuggets etc. With the sharing of resources and streamlining of processes to potentially eliminate duplicative functions and to consolidate overheads to ensure that operation is at its optimal level, the acquisition of PT Bonanza will positively impact the CCK Group's Indonesian operations with improved operational efficiencies and reduced production costs through its value chain. The Proposed Acquisition will therefore positively impact the revenues and profits of the CCK Group derived from improved efficiencies and consolidation of the financial results of PT Bonanza. The CCK Group currently has no further expansion plans in Indonesia following the Proposed Acquisition but will continue to focus on strengthening and positioning its existing Indonesian operations.

As PT Bonanza is principally engaged in processing and freezing shrimp for local and export sales, the CCK Group intends to continue to focus on the shrimp business following the Proposed Acquisition rather than the seafood industry as a whole. This is in view that the existing infrastructure, machinery and assets of PT Bonanza are catered to the shrimp business in order to meet the demands of customers who are primarily interested in purchasing shrimp products from PT Bonanza.

The CCK Group's existing businesses includes the rearing and production of poultry products, rearing and production of prawn and seafood products, supply and trading of food products and related services as well as trading of coldstorage products. In Malaysia, the CCK Group has successfully set up 63 retail stores, 6 wholesale stores and 3 supermarkets. CCK intends to continue to expand its retail network including by opening new supermarkets in Sarawak and new retail stores in East Malaysia which is expected to contribute to higher revenues.

In Indonesia, the CCK Group had set up new facilities that were commissioned in Pontianak, Indonesia, which resulted in increased production capacity. This has led to an increase in production and sales volume from the CCK Group's Indonesian operations and enables the Group to increase production of the CCK Group's own in-house brands of sausages, nuggets and other processed products from Indonesia.

The acquisition of PT Bonanza in Tarakan, Indonesia is expected to positively contribute to the performance of the CCK Group's prawn segment and complement the CCK Group's existing production and sales in Indonesia and provide a wider range of products to local customers, in addition to the CCK Group's existing products, and also enable seafood products produced by PT Bonanza to reach a wider local customer base.

In view of the above, the Board is optimistic of the prospects and outlook of PT Bonanza as well as the CCK Group.

(Source: Management of PT Bonanza and CCK)

5. RISKS OF THE PROPOSED ACQUISITION

Save as disclosed below which are by no means exhaustive, the Proposed Acquisition is not expected to give rise to other additional risks arising from the Proposed Acquisition given that the CCK Group is already involved in the business of rearing, production and retailing of prawn and seafood products.

5.1 Completion risk

The completion of the Proposed Acquisition is subject to, among others, the fulfilment of the conditions precedent in the SSA as set out in Appendix I of this Circular and obtaining the approvals required for the Proposed Acquisition as set out in Section 7 of Part A of this Circular. There can be no assurance that the aforementioned conditions and approvals will be satisfied, waived or obtained, as the case may be, within the stipulated timeframe or any of the termination events will not occur such that the Proposed Acquisition cannot be completed. Any delay in the fulfilment of the conditions precedent in the SSA and/or obtaining the approvals required for the Proposed Acquisition may lead to a delay in the completion and/or termination of the Proposed Acquisition.

To mitigate such risk, CCK will take all necessary and reasonable efforts to ensure that the conditions precedent in the SSA are fulfilled and/or waived and that all approvals required as set out in Section 7 of Part A of this Circular which are within CCK's control are obtained within the stipulated timeframe as well as take steps to mitigate the occurrence of termination events in order to complete the Proposed Acquisition in a timely manner.

5.2 Acquisition risk

Although the Board believes that CCK may derive benefits from the Proposed Acquisition, there can be no guarantee that the expected benefits from the Proposed Acquisition will materialise or that the CCK Group would be able to generate sufficient returns from PT Bonanza to offset the associated cost of acquisition.

The Board will exercise due care in considering the potential risks and benefits associated with the Proposed Acquisition, including conducting due diligence review on PT Bonanza. The Board believes that the Proposed Acquisition will be value accretive and synergistic to the enlarged CCK Group, after taking into consideration among others, the prospects of PT Bonanza.

5.3 Political, economic and environmental considerations

Adverse changes in political, economic, regulatory and environmental conditions in Malaysia and Indonesia could materially affect the prospects of the Proposed Acquisition. Political, regulatory, economic and environmental uncertainties include changes in labour laws, exchange control regulations or introduction of new rules or regulation, interest rates, fiscal and monetary policies and methods of taxation, climate change which may impact the habitats, abundance, migratory patterns and mortality rates of sea animals and pollution resulting from the discharge of excessive nutrients, pesticides, untreated sewage and plastics contributing to dead zones where marine life cannot survive.

In mitigating such risk, the CCK Group will continue to review its business strategies in response to the changes in the political, economic, regulatory and environmental conditions in Malaysia and Indonesia.

5.4 COVID-19 risk

The COVID-19 outbreak which started to escalate in December 2019 has rapidly evolved into a global pandemic as declared by the World Health Organisation in March 2020. To contain the pandemic situation, governments across the world have responded with the imposition of a series of containment measures including quarantine, travel restrictions or bans, social distancing, lockdowns and/or border closures. The outbreak of COVID-19 across the world has brought about uncertainty to the economies of the countries which have been affected.

There can be no assurance that any prolonged impact of the COVID-19 pandemic and/or any measure imposed by governments across the world will not seriously interrupt the operations or affect revenues of the CCK Group and PT Bonanza which may have a material adverse effect on the operations and financial performance of the CCK Group and PT Bonanza.

Nevertheless, the CCK Group will seek to mitigate the aforesaid risk by complying with standard operating procedures affecting staff, customers and suppliers and monitoring compliance with the frequent updates issued by various government bodies, as well as taking the necessary steps to safeguard and preserve its financial condition, with emphasis on liquidity management to meet its continuing financial commitments and liquidity needs.

5.5 Foreign exchange risk

The financial results of PT Bonanza are denominated in USD. As the financial results of PT Bonanza will be consolidated with the financial results of CCK which is reported in RM upon completion of the Proposed Acquisition, any adverse fluctuation of USD against the RM may have a material impact on CCK's financial performance.

Notwithstanding the above, the exchange translation on consolidation is only an accounting entry for the purpose of consolidating the enlarged CCK's financial results as at a particular date.

5.6 Regulations on foreign investment

The Proposed Acquisition will be subject to the foreign investment policies of the Government of Indonesia. In addition, the ability of PT Bonanza to repatriate its profits post-acquisition will depend largely on the relevant legislation relating to the repatriation of profits prevailing at the point of repatriation. In the event of any changes in the foreign investment policies or legislations in Indonesia which may cause foreign investments in Indonesia to experience any restrictions whatsoever, there may be a material or adverse impact on CCK.

Notwithstanding the above, there is currently no legislative framework restricting or prohibiting foreign investment in Indonesia incorporated companies or restrictions on the ability of PT Bonanza to repatriate profits to CCK.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital

The Proposed Acquisition will not have any effect on the issued share capital of the Company as the Proposed Acquisition does not involve any issuance of new CCK Shares.

6.2 NA and gearing

For illustration purposes, the pro forma effects of the Proposed Acquisition on the NA and gearing of the CCK Group based on the audited consolidated statement of financial position of CCK as at 31 December 2021 and on the assumption that the Proposed Acquisition had been effected on that date are set out below:-

	Audited as at 31 December 2021 (RM)	(I) *1 Subsequent events up to the LPD (RM)	(II) After (I) and the Proposed Acquisition (RM)
Share capital	158,968,786	158,968,786	158,968,786
Treasury shares	(2,432,449)	(3,667,787)	(3,667,787)
Foreign exchange translation reserve	(3,433,097)	(3,433,097)	(3,433,097)
Retained earnings	161,053,633	161,053,633	*2 160,553,633
Shareholders' funds/ NA	314,156,873	312,921,535	312,421,535
No. of CCK Shares in issue (excluding treasury shares)	626,644,700	624,425,400	624,425,400
NA per CCK Share (RM)	0.50	0.50	0.50
Total borrowings	40,313,931	40,313,931	*3 57,121,021
Gearing (times)	0.13	0.13	0.18

Notes:-

*1 After adjusting for the acquisition of CCK Shares as treasury shares by the Company at the price ranging from RM0.530 to RM0.580 per Share.

*2 After deducting the estimated expenses in relation to the Proposed Acquisition amounting to RM0.5 million.

*3 After adjusting for the following:

(a) USD3.2 million of the Purchase Consideration may be financed by bank borrowings (equivalent to approximately RM13.5 million based on the USD:MYR Exchange Rate); and

(b) after consolidating the total borrowings of PT Bonanza of approximately USD0.79 million based on the latest audited statements of financial position of PT Bonanza as at 30 September 2021 (equivalent to approximately RM3.31 million based on the USD:MYR Exchange Rate).

6.3 Earnings and EPS

Upon completion of the Proposed Acquisition, the CCK Group will consolidate the earnings of PT Bonanza.

For illustration purposes, the pro forma effects of the Proposed Acquisition on the earnings and EPS of the CCK Group based on the audited consolidated statement of financial position of CCK as at 31 December 2021 and on the assumption that the Proposed Acquisition had been effected on that date are set out below:-

	Audited as at 31 December 2021 (RM'000)	(I) *1 Subsequent events up to the LPD (RM'000)	(II) After (I) and the Proposed Acquisition (RM'000)
PAT attributable to owners of the Company	24,476	24,476	*2 26,841
No. of CCK Shares in issue (excluding treasury shares)	626,644,700	624,425,400	624,425,400
EPS (sen)	3.91	3.92	4.30

Notes:-

*1 After adjusting for the acquisition of CCK Shares as treasury shares by the Company at the price ranging from RM0.530 to RM0.580 per Share.

*2 After adjusting for the following:

- (a) consolidation of the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD919,310 equivalent to approximately RM3.88 million, based on the USD:MYR Exchange Rate;
- (b) the estimated expenses in relation to the Proposed Acquisition amounting to RM0.5 million; and
- (c) the estimated finance cost of approximately RM1 million arising from the Proposed Acquisition to finance USD3.2 million of the Purchase Consideration at an estimated interest rate of 7.5% per annum, based on the USD:MYR Exchange Rate.

6.4 Substantial shareholders' shareholding

The Proposed Acquisition will not have any effect on the substantial shareholders' shareholdings of the Company as the Proposed Acquisition does not involve any issuance of new CCK Shares.

6.5 Convertible securities

The Proposed Acquisition will not have any effect on the outstanding 315,359,400 free warrants issued by CCK on 19 June 2018, as the Proposed Acquisition does not involve any issuance of new CCK Shares.

7. APPROVALS REQUIRED

The Proposed Acquisition is subject to the following approvals being obtained:-

- i. non-interested shareholders of CCK at the forthcoming EGM to be convened;
- ii. board of commissioners of PT Adilmart for the Proposed Acquisition;
- iii. shareholders of PT Bonanza for the Proposed Acquisition at a general meeting of shareholders;
- iv. Ministry of Law and Human Rights of the Republic of Indonesia in respect of its approval or receipt of notification for the Proposed Acquisition; and
- v. the relevant regulatory authorities and/or parties in connection with the conditions precedent as stipulated in Item 1 of Appendix I.

8. CONDITIONALITY

The Proposed Acquisition is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by the Company.

9. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 11.25%, computed based on the Purchase Consideration compared with the audited NA attributable to owners of the Company as at 31 December 2020.

Paragraph 10.12 of the Listing Requirements stipulates, among others, that transactions should be aggregated when such transactions are entered into with the same party. In this regard, the highest percentage ratio for the Proposed Acquisition when aggregated is 11.66%.

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10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Tan Sri Datuk Tiong Su Kouk is the Non-Independent Non-Executive Chairman of CCK and a major shareholder of CCK by virtue of his direct and indirect interests via his shareholdings in Central Coldstorage Sarawak and S.K. Tiong Enterprise, and the shareholding of his spouse, Puan Sri Datin Wong Bak Hee in CCK. He is also a major shareholder of PT Bonanza by virtue of his direct and indirect interests in Seven Star and Mitsumoto Corporation. He is the father of Tiong Chiong Hiiung.

Tiong Chiong Hiiung is the Group Managing Director of CCK and a major shareholder of CCK by virtue of his direct and indirect interests held in Central Coldstorage Sarawak and S.K. Tiong Enterprise, and the shareholding of his spouse, Yong Hua Tang in CCK. He is also a director of PT Adilmart. He is also a Director of PT Bonanza and a major shareholder of PT Bonanza by virtue of his direct and indirect interests in Seven Star and Mitsumoto Corporation. He is the son of Tan Sri Datuk Tiong Su Kouk.

Lau Liong Kii is an Executive Director of CCK and a substantial shareholder of CCK by virtue of his direct and indirect interests via his shareholdings in Unione Enterprise (S) Sdn Bhd, and the shareholdings of his spouse, Ting Yong Ding and his children, Annie Lau Ting Ting, James Lau Hing Wei and Betty Lau Mei Mei in CCK. He is also a Commissioner of PT Bonanza and a major shareholder of PT Bonanza by virtue of his direct and indirect interests in Seven Star, Mitsumoto Corporation and Unione Enterprise (S) Sdn Bhd.

Nelly is a director of PT Adilmart. She is also a Commissioner of PT Bonanza.

Accordingly, Tan Sri Datuk Tiong Su Kouk, Tiong Chiong Hiiung, Lau Liong Kii and Nelly are deemed interested in the Proposed Acquisition. The Interested Directors have abstained and will continue to abstain from all deliberations and voting of the Proposed Acquisition at the relevant Board meetings pertaining to the Proposed Acquisition and have undertaken that they will ensure that they and the persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in CCK, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM to be convened.

The Interested Major Shareholders are Tan Sri Datuk Tiong Su Kouk and Tiong Chiong Hiiung in view that they are major shareholders of both CCK and PT Bonanza. The Interested Major Shareholders will also abstain and have undertaken that the persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholdings in CCK, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM to be convened.

Tiong Chiong Soon is an Executive Director of CCK and a major shareholder of CCK by virtue of his direct and indirect interests via his shareholdings in Central Coldstorage Sarawak and S.K. Tiong Enterprise. He is also a director of PT Adilmart. He is the son of Tan Sri Datuk Tiong Su Kouk and the brother of Tiong Chiong Hiiung. He has abstained and will continue to abstain from all deliberations and voting of the Proposed Acquisition at the relevant Board meetings pertaining to the Proposed Acquisition and have undertaken that he will ensure that he and the persons connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in CCK, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM to be convened.

As at the LPD, the direct and/or indirect shareholdings of the Interested Directors and Interested Major Shareholders and persons connected with them in CCK are as follows:

Name	Direct		Indirect	
	No. of CCK Shares	*1 %	No. of CCK Shares	*1 %
<u>Interested Directors and persons connected with the Interested Directors</u>				
Tan Sri Datuk Tiong Su Kouk	34,671,288	5.55	*2 244,185,380	39.11
Lau Liong Kii	14,740,752	2.36	*3 43,280,352	6.93
Tiong Chiong Hiiung	1,699,624	0.27	*4 244,567,888	39.17
Nelly	-	-	-	-
Central Coldstorage Sarawak	138,170,076	22.13	-	-
S.K. Tiong Enterprise	103,426,080	16.56	*5 138,170,076	22.13
Puan Sri Datin Wong Bak Hee	2,589,224	0.41	*6 241,596,156	38.69
Tiong Chiong Soon	1,515,360	0.24	*7 241,596,156	38.69
Unione Enterprise (S) Sdn Bhd	27,043,084	4.33	-	-
Ting Yong Ding	3,994,764	0.64	*8 54,026,340	8.65
Annie Lau Ting Ting	5,463,072	0.87	-	-
James Lau Hing Wei	1,978,500	0.32	-	-
Betty Lau Mei Mei	4,800,932	0.77	-	-
Yong Hua Tang	2,971,732	0.48	*9 1,699,624	0.27
<u>Interested Major Shareholders</u>				
Tan Sri Datuk Tiong Su Kouk	34,671,288	5.55	*2 244,185,380	39.11
Tiong Chiong Hiiung	1,699,624	0.27	*4 244,567,888	39.17

Notes:-

- *1 Calculated excluding 6,293,400 treasury shares of CCK.
- *2 Deemed interested by virtue of his substantial shareholdings in Central Coldstorage Sarawak and S.K. Tiong Enterprise, and the interest held by his spouse, pursuant to section 59 of the Act.
- *3 Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn Bhd, and the interest held by his spouse and children, pursuant to section 59 of the Act.
- *4 Deemed interested by virtue of his directorship in Central Coldstorage Sarawak and S.K. Tiong Enterprise, and the interest held by his spouse, pursuant to section 59 of the Act.
- *5 Deemed interested through its wholly owned subsidiary, Central Coldstorage Sarawak, pursuant to section 144 of the Act.
- *6 Deemed interested by virtue of her substantial shareholdings in Central Coldstorage Sarawak and S.K. Tiong Enterprise, pursuant to section 144 of the Act.
- *7 Deemed interested by virtue of his directorship in Central Coldstorage Sarawak and S.K. Tiong Enterprise, pursuant to section 59 of the Act.

*8 Deemed interested by virtue of her substantial shareholdings in Unione Enterprise (S) Sdn Bhd, and the interest held by her spouse and children, pursuant to section 8 of the Act.

*9 Deemed interested by virtue of the interest held by her spouse, pursuant to section 8 of the Act.

The shareholdings of the Interested Directors and Interested Major Shareholders in PT Bonanza as at the LPD are disclosed in Section 2.7 of Part A of this Circular.

Save for the above, none of the Directors, major shareholders of CCK and/or persons connected with them have any interest, direct or indirect, in the Proposed Acquisition.

11. TRANSACTIONS WITH RELATED PARTIES FOR THE PAST 12 MONTHS

In view of the interests disclosed in Section 10 of Part A of this Circular, the Proposed Acquisition is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

Save for the Proposed Acquisition and the transactions as disclosed below, the Company has not entered into any transaction with the Interested Directors, Interested Major Shareholders and/or persons connected to them for the past 12 months up to the LPD.

Nature of transaction	Transacting parties	Nature of relationship	Total amount transacted in the preceding 12 months up to the LPD (RM)
<p>Tenancy agreement dated 5 July 2021 in relation to the rental of the ground floor of two (2) units of three (3) storey shophouse erected on Plot/Sublot 47 Survey Lot No. 6682 and Plot/Sublot 48 Survey Lot 6683 in Phase 5 Stage 2 under the Master Titles Lots 4230-4235, 4238, 4239, 4254-4256, 4258-4266, 4268, 4270, 4273-4275, 4282-4289, 4294-4300, 4474, 4476, 4495, 4500, 4503, 4506 and 4511 all of Block 225 Kuching North Land District, Sarawak, at a total monthly rental of RM4,500 for a tenure commencing from 1 January 2022 to 31 December 2024</p>	<p>Kuching City Mall Development Sdn Bhd ("Kuching City Mall") (as landlord) and Hawker Time Food Hall Sdn Bhd ("Hawker Time") (as tenant)</p>	<p>Hawker Time is a wholly owned subsidiary of CCK</p> <p>Tan Sri Datuk Tiong Su Kouk is a director and major shareholder of Kuching City Mall</p> <p>Tiong Chiong Hiiung is a director of Kuching City Mall</p>	<p>*1_</p>
<p>Tenancy agreement dated 30 December 2020 in relation to the rental of the DBKK No. M-0-77[S015], Ground floor, City Mall, Jalan Lintas, 88300 Kota Kinabalu, Sabah, at a monthly rental rate of RM66,870 for a tenure commencing from 1 November 2020 to 31 October 2023</p>	<p>Pan Far Eastern Sdn Bhd ("Pan Far Eastern") (as landlord) and CCK Fresh Mart Sdn Bhd ("CCK Fresh") (as tenant)</p>	<p>CCK Fresh is a wholly owned subsidiary of CCK</p> <p>Tan Sri Datuk Tiong Su Kouk is a director and major shareholder of Pan Far Eastern</p> <p>Tiong Chiong Hiiung is a director and major shareholder of Pan Far Eastern</p>	<p>802,440</p>

Nature of transaction	Transacting parties	Nature of relationship	Total amount transacted in the preceding 12 months up to the LPD (RM)
<p>Tenancy agreement dated 6 January 2020 (as supplemented by a supplementary agreement dated 6 January 2020, letter agreements dated 16 March 2020 and 31 July 2020) for the rental of the premises located at the Ground Floor of Plot 19 to Plot 28, First Floor of Plot 21 and Plot 22 and under Master Titles Lots 4230-4235, 4238, 4239, 4254-4256, 4258-4266, 4268, 4270, 4273-4275, 4282-4289, 4294-4300, 4474, 4476, 4495, 4500, 4503, 4506 and 4511, all of Block 225, Kuching North Land District, at a monthly rental of RM22,125.00 for a tenure commencing from 31 July 2020 to 30 July 2023</p>	<p>Kuching City Mall (as landlord) and Central Coldstorage Kuching Sdn Bhd ("Central Coldstorage Kuching") (as tenant)</p>	<p>Lau Liong Kii is a director and major shareholder of Pan Far Eastern</p> <p>Central Coldstorage Kuching is a wholly owned subsidiary of CCK</p> <p>Tan Sri Datuk Tiong Su Kouk is a director and major shareholder of Kuching City Mall</p> <p>Tiong Chiong Hiiung is a director of Kuching City Mall</p>	<p>265,500</p>
<p>Tenancy agreement dated 1 October 2019 for the sub-tenancy of a portion (measuring 72 square feet) of the premise located at the Ground Floor, Lot U0058, Jalan Okk Awg Besar, 87000 Wilayah Persekutuan Labuan, at a monthly rental of RM300.00 for a tenure commencing from 1 October 2019 to 30 September 2022</p>	<p>CCK Fresh (as tenant) and Nam Cheong (Labuan) Ltd ("Nam Cheong") (as sub-tenant)</p>	<p>CCK Fresh is a wholly owned subsidiary of CCK</p> <p>Lau Liong Kii is a director and substantial shareholder of Nam Cheong</p>	<p>3,600</p>
<p>Tenancy agreement dated 30 June 2020 for the rental of the premise located at the First Floor of Lot 14, Block 9, Sibuland District known as 78A, Lanang Road, 96000 Sibuland, Sarawak, at a monthly rental of RM500.00 for a tenure commencing from 1 January 2020 to 31 December 2022</p>	<p>Central Coldstorage Sarawak (as landlord) and CCK Fresh (as tenant)</p>	<p>CCK Fresh is a wholly owned subsidiary of CCK</p> <p>Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Central Coldstorage Sarawak</p> <p>Tiong Chiong Hiiung is a director of Central Coldstorage Sarawak</p>	<p>6,000</p>

Nature of transaction	Transacting parties	Nature of relationship	Total amount transacted in the preceding 12 months up to the LPD (RM)
Tenancy agreement dated 30 June 2020 for the rental of the premise located at the Ground Floor of Lot 1961, Block 19, Seduan Land District, at a monthly rental of RM2,500.00 for a tenure commencing from 1 January 2020 to 31 December 2022	Central Coldstorage Sarawak (as landlord) and CCK Fresh (as tenant)	CCK Fresh is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Central Coldstorage Sarawak Tiong Chiong Hiiung is a director of Central Coldstorage Sarawak	30,000
Tenancy agreement dated 23 July 2020 for the rental of the premise located at the First Floor of Lot 1961, Block 19, Seduan Land District, at a monthly rental of RM500.00 for a tenure commencing from 1 April 2020 to 31 December 2022	Central Coldstorage Sarawak (as landlord) and CCK Fresh (as tenant)	CCK Fresh is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Central Coldstorage Sarawak Tiong Chiong Hiiung is a director of Central Coldstorage Sarawak	6,000
The purchase of beverages by CCK Fresh from Kim Guan Siang Sdn Bhd (" Kim Guan Siang ")	Kim Guan Siang (as vendor) and CCK Fresh (as purchaser)	CCK Fresh is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Kim Guang Siang	46,895.40
Tenancy agreement dated 30 June 2020 for the rental of the premises located at (a) the Second Floor of Lot 14, Block 9, Sibuan Town District known as 78A, Lanang Road, 96000 Sibuan, Sarawak and (b) the Second Floor of Lot 16, Block 9, Sibuan Town District commonly known as 78C, Lanang Road, 96000 Sibuan, Sarawak, at a total monthly rental of RM500.00 for a tenure commencing from 1 January 2020 to 31 December 2022	Central Coldstorage Sarawak (as landlord) and Kuok Sui Sea Products Industries (S) Sdn Bhd (" Kuok Sui ") (as tenant)	Kuok Sui is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Central Coldstorage Sarawak Tiong Chiong Hiiung is a director of Central Coldstorage Sarawak	6,000

Nature of transaction	Transacting parties	Nature of relationship	Total amount transacted in the preceding 12 months up to the LPD (RM)
<p>Tenancy agreement dated 23 July 2020 for the rental of the premise located at the Ground Floor of Lot 16, Block 9, Sibü Town District known as 78C, Lanang Road, 96000 Sibü, Sarawak, at a monthly rental of RM2,000.00 for a tenure commencing from 1 January 2020 to 31 December 2022</p>	<p>Central Coldstorage Sarawak (as landlord) and Kuok Sui (as tenant)</p>	<p>Kuok Sui is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Central Coldstorage Sarawak Tiong Chiong Hiiung is a director of Central Coldstorage Sarawak</p>	<p>24,000</p>
<p>Tenancy agreement dated 30 June 2020 for the rental of the premise located at the Ground Floor of Lot 406, Block 6, Sibü Town District known as 76C, Lanang Road, 96000 Sibü, Sarawak, at a monthly rental of RM1,500.00 for a tenure commencing from 1 January 2020 to 31 December 2022</p>	<p>Tan Sri Datuk Tiong Su Kouk (as landlord) and Kuok Sui (as tenant)</p>	<p>Kuok Sui is a wholly owned subsidiary of CCK</p>	<p>18,000</p>
<p>Tenancy agreement dated 16 March 2021 for the rental of the premise located at the First Floor of Lot 16, Block 9, Sibü Town District known as 78C, Lanang Road, 96000 Sibü, Sarawak, at a monthly rental of RM500.00 for a tenure commencing from 1 January 2021 to 31 December 2022</p>	<p>Central Coldstorage Sarawak (as landlord) and Kuok Sui (as tenant)</p>	<p>Kuok Sui is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Central Coldstorage Sarawak Tiong Chiong Hiiung is a director of Central Coldstorage Sarawak</p>	<p>6,000</p>
<p>Tenancy agreement dated 7 September 2016 for the rental of 38 ponds located at Telaga Air, Sibü Laut, Block 6, Kuching, at a yearly rental of RM38,000 for a tenure commencing from 1 February 2017 to 31 January 2022</p>	<p>CCK-Pelita Telaga Air Sdn Bhd (“CCK-Pelita”) (as landlord) and CCK Sea Products Industries Sdn Bhd (“CCK Sea Products”) (as tenant)</p>	<p>CCK Sea Products is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of CCK-Pelita Tiong Chiong Hiiung is a director of CCK-Pelita</p>	<p>28,500</p>

Nature of transaction	Transacting parties	Nature of relationship	Total amount transacted in the preceding 12 months up to the LPD (RM)
The purchase of frozen foods by Fabulous Enterprise Sdn Bhd (“ Fabulous Enterprise ”) from CCK Fresh	CCK Fresh (as vendor) and Fabulous Enterprise (as purchaser)	CCK Fresh is a wholly owned subsidiary of CCK Tan Sri Datuk Tiong Su Kouk is a director and substantial shareholder of Fabulous Enterprise Tiong Chiong Hiiung is a director of Fabulous Enterprise	1,302.40
Total			1,244,237.80

Note:-

*1 The total monthly rental for the abovementioned premises will only commence on 1 January 2023.

12. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee of the Company, after having considered all aspects of the Proposed Acquisition, including the rationale and effects of the Proposed Acquisition, basis and justification for the Purchase Consideration, and the evaluation by the Independent Adviser, is of the view that the Proposed Acquisition is:

- i. in the best interest of CCK;
- ii. fair, reasonable and on normal commercial terms; and
- iii. not detrimental to the interest of the non-interested shareholders of CCK.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Acquisition, the Board (save for the Interested Directors and Tiong Chiong Soon) is of the opinion that the Proposed Acquisition is in the best interest of the Company and accordingly recommends that you vote **IN FAVOUR** of the resolution in respect of the Proposed Acquisition to be tabled at the forthcoming EGM.

14. INDEPENDENT ADVISER

In view that the Proposed Acquisition is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, Mercury Securities has been appointed to act as the Independent Adviser to undertake the following in relation to the Proposed Acquisition:

- i. comment as to whether the Proposed Acquisition is:
 - a. fair and reasonable so far as the non-interested shareholders of CCK are concerned; and
 - b. to the detriment of the non-interested shareholders of CCK;

- ii. advise the non-interested shareholders of CCK on whether they should vote in favour of the Proposed Acquisition; and
- iii. take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to items (i) and (ii) above.

15. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition is expected to be completed by the second half of 2022.

The tentative timetable in relation to the implementation of the Proposed Acquisition is as follows:

<u>Date</u>	<u>Events</u>
29 June 2022	EGM for the Proposed Acquisition
July 2022	<ul style="list-style-type: none"> • Fulfilment of conditions precedent of the SSA • Completion of the Proposed Acquisition

16. CORPORATE EXERCISE/SCHEME ANNOUNCED AND PENDING COMPLETION

Save for the Proposed Acquisition, there is no other corporate exercise/scheme which has been announced by the Company and pending completion as at the LPD.

17. EGM

The EGM, a notice of which is enclosed with this Circular, will be held at Conference Room, CCK Fresh Mart Sdn Bhd, Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Wednesday, 29 June 2022, at 2.00 p.m., for the purpose of considering and, if thought fit, passing the resolution by way of poll to give effect to the Proposed Acquisition.

If you are unable to attend and vote in person at the forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions stated therein. The Form of Proxy must be deposited at the Company's registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the date and time set for holding the EGM or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

18. FURTHER INFORMATION

You are advised to refer to Appendices set out in this Circular for further information.

Yours faithfully
 For and on behalf of the Board
CCK CONSOLIDATED HOLDINGS BERHAD

DATU HAJI PUTIT BIN MATZEN
 Independent Director

PART B

**IAL FROM MERCURY SECURITIES TO THE NON-INTERESTED SHAREHOLDERS OF THE
COMPANY IN RELATION TO THE PROPOSED ACQUISITION**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "we", "us" or "our" in this IAL are references to Mercury Securities, being the Independent Adviser for the Proposed Acquisition.

This Executive Summary summarises this IAL. You are advised to read and understand this IAL in its entirety, together with the letter to the shareholders of the Company in relation to the Proposed Acquisition in Part A of the Circular.

You are also advised to carefully consider the recommendations contained in both the letters before voting on the resolution to give effect to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

1. INTRODUCTION

On 14 April 2022, Kenanga IB had, on behalf of the Board, announced that PT Adilmart, a wholly-owned subsidiary of CCK, had on even date entered into the SSA with the Vendors for the Proposed Acquisition for a total cash consideration of USD8.00 million (equivalent to RM33.74 million based on the USD:MYR Exchange Rate).

In view of the interests of the Interested Directors, Interested Major Shareholders and persons connected with them in the Proposed Acquisition as set out in Section 10 of Part A of the Circular, the Proposed Acquisition is deemed a related party transaction pursuant to paragraph 10.08 of the Listing Requirements.

Accordingly, the Board (save for the Interested Directors) had on 2 November 2021 appointed Mercury Securities as the Independent Adviser to advise the non-interested shareholders of the Company and the non-interested Directors in respect of the Proposed Acquisition, subject to the scope and limitations specified herein.

The purpose of this IAL is to provide the non-interested shareholders of the Company with our independent evaluation on the Proposed Acquisition together with our recommendation on whether the non-interested shareholders of the Company should vote in favour of the Proposed Acquisition. Nevertheless, the non-interested shareholders of the Company should rely on their own evaluation of the merits and demerits of the Proposed Acquisition before voting on the resolution pertaining to the Proposed Acquisition at the Company's forthcoming EGM.

This IAL is prepared solely for the non-interested shareholders of the Company to consider the Proposed Acquisition and should not be used or relied upon by any other party or for any other purpose whatsoever.

2. EVALUATION OF THE PROPOSED ACQUISITION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Acquisition based on the following pertinent factors:

Refence in IAL	Our evaluation
<p><u>Section 6.1</u> Rationale for the Proposed Acquisition</p>	<p>We have considered the rationale for the Proposed Acquisition as set out in Section 3, Part A of the Circular and our evaluation for the Proposed Acquisition are summarised as follows:</p> <ul style="list-style-type: none"> (i) strategic fit and expansion of the CCK Group’s market presence in Indonesia as well as its export market; (ii) benefits from synergies between the CCK Group and PT Bonanza; (iii) earnings accretive to the CCK Group; and (iv) mitigate potential conflict of interest and competition. <p>Based on the above, we are of the view that the rationale for the Proposed Acquisition is reasonable and not detrimental to the interests of the non-interested shareholders of the Company.</p>
<p><u>Section 6.2</u> Basis and justification for the Purchase Consideration</p>	<p>The adopted approaches to arrive at the valuations of PT Bonanza are as follows:</p> <ul style="list-style-type: none"> (i) <u>Income approach</u> <p>In view of the availability of the future financial information of PT Bonanza for the FYE 31 December 2022 to FYE 31 December 2026, the discounted cash flow (“DCF”) valuation model is an appropriate method as the estimated future cash flows to be derived from PT Bonanza can be projected by the management of PT Bonanza. The DCF valuation model was used as the primary approach as the DCF valuation model is able to effectively factor in the earnings and free cash flow to equity (“FCFE”) potential of PT Bonanza’s businesses as well as the timing of such cash flows to be generated by considering both the time value of money and future cash flows to be generated by the businesses over a specified period of time. As the DCF valuation model entails the discounting of the future cash flows to be generated from the businesses at a specified discount rate to arrive at its value, the riskiness of generating such cash flows will also be taken into consideration.</p> <p>The estimated FCFE of PT Bonanza is discounted at the relevant cost of equity which also include the illiquidity discount to arrive at the fair value.</p> <p>Based on the DCF valuation model, we have derived a range of estimated value for PT Bonanza of between USD8.02 million and USD8.29 million. The Purchase Consideration is lower than and represents a discount of between USD0.02 million (0.25%) and USD0.29 million (3.50%) from the estimated value range.</p>

EXECUTIVE SUMMARY (Cont'd)

Refence in IAL	Our evaluation
	<p>(ii) <u>Market approach</u></p> <p>The market approach is used as the secondary approach to cross-check the reasonableness of the results of the primary approach, whereby the implied relative valuation multiples (i.e. price-earning (“P/E”) and enterprise value to earnings before interest, tax, depreciation and amortisation (“EV/EBITDA”) multiples) are adopted in deriving the implied equity valuation of PT Bonanza.</p> <p>We have considered the P/E and EV/EBITDA of PT Bonanza implied by the Purchase Consideration, and compared them to the P/E and EV/EBITDA of the selected comparable companies, based on their latest available audited and unaudited financial statements, as the case may be, and adjusted for illiquidity discount in view of the relatively illiquid nature and lack of marketability of the shares in PT Bonanza being a private company as compared to the comparable companies which are listed on the listing exchanges in the South-East Asia.</p> <p>Based on the relative valuation multiples above, the Purchase Consideration is within the range of PT Bonanza's implied equity valuation as follows:</p> <ul style="list-style-type: none"> (i) between USD4.97 million and USD11.27 million (based on the adjusted P/E of the selected comparable companies of 5.41 times and 12.26 times); and (ii) between USD4.51 million and USD18.22 million (based on the adjusted EV/EBITDA of the selected comparable companies of 2.71 times and 13.05 times). <p>Premised on our evaluation of the Purchase Consideration above, we are of the view that the Purchase Consideration is fair and reasonable.</p>
<p>Section 6.3 Salient terms of the SSA</p>	<p>The salient terms of the SSA are not detrimental to the interests of the non-interested shareholders of the Company.</p>
<p>Section 6.4 Effects of the Proposed Acquisition</p>	<p>The pro forma effects of the Proposed Acquisition are as follows:</p> <ul style="list-style-type: none"> (i) the NA of the CCK Group will decrease from RM312.92 million as at the LPD to RM312.42 million upon completion of the Proposed Acquisition as a result of the estimated expenses of approximately RM0.5 million to be incurred in relation to the Proposed Acquisition. However, the Proposed Acquisition will not have any material effect on the NA per CCK Share;

EXECUTIVE SUMMARY (Cont'd)

Refence in IAL	Our evaluation
	<p>(ii) the gearing of the CCK Group is expected to increase from 0.13 times as at the LPD to 0.18 times upon completion of the Proposed Acquisition after consolidating the total borrowings of PT Bonanza of approximately USD0.79 million based on the latest audited statements of financial position of PT Bonanza as at 30 September 2021 (equivalent to approximately RM3.31 million based on the USD:MYR Exchange Rate) and taking into account that USD3.2 million (equivalent to approximately RM13.5 million based on the USD:MYR Exchange Rate) of the Purchase Consideration to be financed by bank borrowings; and</p> <p>(iii) the PAT attributable to the owners of the Company is expected to increase from RM24.48 million (as at the LPD) to RM26.84 million which will result in the increase in EPS from 3.92 sen (as at the LPD) to 4.30 sen upon completion of the Proposed Acquisition. The Proposed Acquisition is expected to contribute positively to the earnings and EPS of CCK in view of PT Bonanza's historical financial performance as well as the potential synergistic benefits of the Proposed Acquisition to be realised.</p> <p>Save for the above, the Proposed Acquisition will not have any effect on the issued share capital of the Company and shareholdings of the Company's substantial shareholders as the Proposed Acquisition does not involve any issuance of new CCK Shares.</p> <p>Based on our evaluation above, the overall effects of the Proposed Acquisition are not detrimental to the interests of the non-interested shareholders of the Company.</p>
<p>Section 6.5 Prospects of PT Bonanza and the enlarged CCK Group</p>	<p>We note that PT Bonanza has achieved an average revenue growth of 5.2% from FYE 31 December 2017 to FYE 31 December 2021 (based on the audited financial statements of PT Bonanza for the FYE 31 December 2017 to FYE 31 December 2020 and 9M-FPE 30 September 2021 as well as unaudited management accounts for the FYE 31 December 2021) which is driven by the increasing demand for its products. We also note that PT Bonanza is in the similar business as the CCK Group and the integration plan of the Proposed Acquisition will enable the CCK Group to further expand their footprint and market share in the frozen seafood industry (shrimp products in particular) in Indonesia as well as its export market.</p> <p>Further, upon the completion of the Proposed Acquisition, the CCK Group will be able to consolidate the entire earnings and assets of PT Bonanza and reap the expected benefits through improvements in operational efficiency, reduced production costs through its value chain and synergies of the enlarged CCK Group, which will in turn further strengthen the overall financial performance and financial position of the CCK Group.</p> <p>In addition, the Proposed Acquisition provides opportunities to the CCK Group to acquire a profitable complementary business in the frozen seafood industry in Indonesia which has shown increasing revenue and profit contributions to the CCK Group for the past 3 FYEs 31 December 2019 to 2021 and for the enlarged CCK Group to leverage on the strategic locations of its facilities located in 3 different regions in Indonesia to optimise its logistics and distribution network management within Indonesia as well as to cross-sell CCK Group's existing products with PT Bonanza's.</p>

EXECUTIVE SUMMARY (Cont'd)

Refence in IAL	Our evaluation
	<p>In view of the above and factors such as, among others, the growing global population and consumption which are expected to underpin the growth of seafood consumption and, in turn, contribute positively to the financial performance of PT Bonanza in the near future. Based on the foregoing, we are of the view that the prospects of the enlarged CCK Group will be favourable.</p>
Section 6.6 Risks of the Proposed Acquisition	<p>The risks of the Proposed Acquisition are set out in Section 5, Part A of the Circular.</p> <p>We wish to highlight some of the risks of the Proposed Acquisition to the non-interested shareholders as follows:</p> <ul style="list-style-type: none">(i) completion risk;(ii) acquisition risk;(iii) political, economic and environmental considerations;(iv) COVID-19 risk;(v) foreign exchange risk; and(vi) regulations on foreign investment. <p>Nevertheless, in view that the CCK Group and PT Bonanza are involved in similar businesses, the business risk profile of the CCK Group will not change significantly upon the completion of the Proposed Acquisition.</p>

3. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation in respect of the Proposed Acquisition, we have assessed and evaluated the Proposed Acquisition based on the pertinent factors as set out in Section 6 of this IAL.

The non-interested shareholders of the Company are advised to carefully consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted by the Board in its letter to the shareholders in relation to the Proposed Acquisition as set out in Part A of the Circular before voting on the resolution pertaining to the Proposed Acquisition at the Company's forthcoming EGM.

Premised on our evaluation of the Proposed Acquisition on a holistic basis as set out in Section 6 of this IAL, we are of the view that, on the basis of the information available to us, the Proposed Acquisition are **fair and reasonable** and **not detrimental** to the interests of the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders of the Company **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

Headquarters:
Ground, 1st, 2nd and 3rd Floor
Wisma UMNO
Lorong Bagan Luar Dua
12000 Butterworth
Seberang Perai
Penang

8 June 2022

To: The non-interested shareholders of CCK Consolidated Holdings Berhad

Dear Sir / Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED ACQUISITION

This IAL has been prepared for inclusion in the Circular. Unless where the context otherwise requires or is otherwise defined herein, all defined terms used in this IAL shall carry the same meanings as those defined in the “Definitions” section of the Circular.

All references to “we”, “us” and “our” in this IAL shall mean Mercury Securities, being the Independent Adviser for the Proposed Acquisition. All references to “you” and “your” in this IAL shall mean the non-interested shareholders of the Company.

1. INTRODUCTION

On 14 April 2022, Kenanga IB had, on behalf of the Board, announced that PT Adilmart, a wholly-owned subsidiary of CCK, had on even date entered into the SSA with the Vendors for the Proposed Acquisition for a total cash consideration of USD8.00 million (equivalent to RM33.74 million based on the USD:MYR Exchange Rate).

In view of the interests of the Interested Directors, Interested Major Shareholders and persons connected with them in the Proposed Acquisition as set out in Section 10, Part A of the Circular, the Proposed Acquisition is deemed a related party transaction pursuant to paragraph 10.08 of the Listing Requirements.

Accordingly, the Board (save for the Interested Directors) had on 2 November 2021 appointed Mercury Securities as the Independent Adviser to advise you and the non-interested Directors in respect of the Proposed Acquisition, subject to the scope and limitations specified herein.

The purpose of this IAL is to provide you with our independent evaluation on the Proposed Acquisition together with our recommendation on whether you should vote in favour of the Proposed Acquisition. Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Acquisition before voting on the resolution pertaining to the Proposed Acquisition at the Company’s forthcoming EGM.

THIS IAL IS PREPARED SOLELY FOR YOU TO CONSIDER THE PROPOSED ACQUISITION AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE WHATSOEVER.

Butterworth - Ground, 1st, 2nd & 3rd Floor, Wisma UMNO, Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai. Tel: 04-3322123 Fax: 04-3231813 / 3312195 E-mail: mercury@mersec.com.my Website: www.mercurysecurities.com.my
Kuala Lumpur - L-7-2, No. 2, Jalan Solaris, Solaris Mont’ Kiara 50480 Kuala Lumpur. Tel: 03-62037227 Fax: 03-62037117 E-mail: mercurykl@mersec.com.my
Melaka - No. 81, Ground Floor, 81A & 81B, Jalan Merdeka, Taman Melaka Raya, 75000 Melaka. Tel: 06-2921898 Fax: 06-2926898
Penang - 2nd Floor, 2, Lebuhr Pantai, 10300 Penang. Tel: 04-2639118 Fax: 04-2612118
Johor Bahru - Menara Pelangi, Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor. Tel: 07-3316992 Fax: 07-3322693

YOU ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE BOARD'S LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITION AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CONSIDER CAREFULLY THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. SCOPE AND LIMITATION TO THE EVALUATION OF THE PROPOSED ACQUISITION

We were not involved in the formulation, deliberation and negotiation on the terms and conditions of the Proposed Acquisition. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to independent adviser as set out in paragraph 10.08 of the Listing Requirements and the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities.

Our scope as the Independent Adviser is limited to expressing an independent opinion on the Proposed Acquisition as to whether the Proposed Acquisition is fair and reasonable insofar you are concerned, whether the Proposed Acquisition is detrimental to your interests and whether you should vote in favour of the resolution pertaining to the Proposed Acquisition based on information and documents made available to us as follows:

- (i) information contained in Part A of the Circular and the accompanying appendices;
- (ii) the SSA;
- (iii) the audited financial statements of PT Bonanza for the FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 and 9-month FPE ("9M-FPE") 30 September 2021 as well as unaudited management accounts for the FYE 31 December 2021;
- (iv) other relevant information, documents, confirmations and/or representations provided to us by the board of directors, management and/or representatives of CCK, PT Bonanza and the Vendors; and
- (v) other publicly available information, including but not limited to the annual reports and audited consolidated financial statements of CCK.

We have relied on the board of directors, management and/or representatives of CCK, PT Bonanza and the Vendors to take due care to ensure that all information, documents, confirmations and representations provided to us to facilitate our evaluation of the Proposed Acquisition are accurate, valid and complete in all material aspects. Nonetheless, we have made enquiries as were reasonable in the circumstances and undertaking reasonableness check and corroborating such information with independent sources, where possible. We are satisfied that the information provided to us or which are available to us is sufficient and we have no reason to believe that the aforementioned information is unreasonable, unreliable, inaccurate, incomplete and/or that there are any facts not contained in this IAL, the omission of which would make any information in this IAL misleading.

The Board has seen, reviewed and accepted this IAL. The Board, collectively and individually, accepts full responsibility for the accuracy and completeness of the information contained herein (save for our views and recommendation) and confirms, after having made all reasonable enquiries, that to the best of their knowledge and belief, all statements and/or information in this IAL are free from material omission of any material facts which would make any statement in this IAL false or misleading.

The responsibility of the Board in respect of the information relating to PT Bonanza is limited to ensuring that such information is accurately reproduced in this IAL.

In rendering our advice, we have taken into consideration pertinent factors which we believe are of relevance and importance to an assessment of the Proposed Acquisition and therefore, would be of general concern to you. Notwithstanding the foregoing:

- (i) it is not within our terms of reference to express any opinion on the legal, accounting and taxation issues relating to the Proposed Acquisition; and
- (ii) our views and recommendation in this IAL are rendered solely for the benefit of the non-interested shareholders of CCK as a whole and not for any specific group of the non-interested shareholders of CCK. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any of you who require specific advice in relation to the Proposed Acquisition in the context of your individual investment objectives, financial situation, risk profile or particular needs should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion as set out in this IAL are based on, amongst others, equity capital market, economic industry, regulatory and other prevailing conditions, and the information/documents made available to us as at 13 April 2022, being the last trading date prior to the date of the SSA and announcement of the Proposed Acquisition dated 14 April 2022 (“LTD”). Such conditions may change significantly over a short period of time.

We will notify you if, after the despatch of this IAL, in the event we become aware that the information or document previously circulated or provided:

- (a) contains a material statement which is false or misleading;
- (b) contains a statement from which there is a material omission; or
- (c) does not contain a statement relating to a material development.

If circumstances require, we shall send a supplementary IAL to you.

3. DETAILS OF THE PROPOSED ACQUISITION

The details of the Proposed Acquisition are set out in Section 2, Part A of the Circular and you are advised to read it in its entirety.

4. DECLARATION OF CONFLICT OF INTEREST AND OUR EXPERIENCE AND EXPERTISE

We confirm that we are not aware of any circumstances that exist or are likely to exist which would give rise to a possible conflict of interest situation that may affect our ability to act independently and objectively as the Independent Adviser for the Proposed Acquisition.

Save for our current appointment as the Independent Adviser for the Proposed Acquisition, we do not have any other professional relationship with CCK in the past 2 years.

We are a holder of the Capital Markets Services Licence issued by the Securities Commission Malaysia ("**SC**") as a Principal Adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007. The corporate finance department of Mercury Securities supports clients in the areas of take-overs, mergers and acquisitions, initial public offerings, reverse takeovers, secondary equity issuance, capital market coverage as well as independent advisory services. Our corporate finance team comprises experienced personnel with the requisite qualification and experience to provide, amongst others, independent advice and render opinion on fairness and reasonableness of transactions relating to acquisitions, disposals and take-over offers.

Our recent credentials and experience as an Independent Adviser include, amongst others, the following:

- (a) independent adviser to the non-interested shareholders of Brem Holding Berhad in relation to the proposed selective capital reduction and repayment exercise of Brem Holding Berhad, whereby our independent advice letter was issued on 28 January 2022;
- (b) independent adviser to the non-interested shareholders of Malayan Cement Berhad in relation to the proposed acquisition of the entire interest of YTL Cement Berhad's subject subsidiaries, whereby our independent advice letter was issued on 6 August 2021;
- (c) independent adviser to the non-interested shareholders of IGB Berhad in relation to the proposed disposals of subject properties involving the interests of related parties, whereby our independent advice letter was issued on 13 April 2021;
- (d) independent adviser to the non-interested shareholders of Watta Holding Berhad ("**Watta**") in relation to the conditional mandatory take-over offer by Dato' Lee Foo San ("**Watta Offeror**") to acquire all the remaining ordinary shares in Watta not already owned by the Watta Offeror and persons acting in concert with him, whereby our independent advice circular was issued on 7 September 2020;
- (e) independent adviser to the non-interested shareholders of D.B.E. Gurney Resources Berhad (now known as Lagenda Properties Berhad) ("**DBE**") in relation to (i) the proposed acquisitions of group of companies / companies (which are involved in property development, construction and general trading of building materials and hardware) involving the interests of related parties and (ii) the proposed exemption to Lagenda Land Sdn Bhd and persons acting in concert with it from the obligation to undertake a mandatory take-over offer for the remaining ordinary shares and warrants in DBE not already held by them upon completion of the said proposed acquisition, whereby our independent advice letter was issued on 22 June 2020;
- (f) independent adviser to the non-interested unitholders of Tower Real Estate Investment Trust ("**Tower REIT**") in relation to the proposed acquisition by MTrustee Berhad for and on behalf of Tower REIT, of an office building known as Menara Guoco involving the interests of related parties, whereby our independent advice letter was issued on 15 June 2020;

- (g) independent adviser to the non-interested shareholders of Tasek Corporation Berhad (“**Tasek**”) in relation to the unconditional voluntary take-over offer by HL (Cement) Malaysia Sdn Bhd and Ridge Star Limited (collectively, the “**Tasek Joint Offerors**”) to acquire all the remaining ordinary shares (excluding treasury shares) and preference shares in Tasek not already held by the Tasek Joint Offerors, whereby our independent advice circular was issued on 12 June 2020;
- (h) independent adviser to the non-interested shareholders of CJ Century Logistics Holdings Berhad (“**CJ Century**”) in relation to (i) the proposed acquisition of a group of companies (which is involved in providing integrated logistics services) involving the interests of related parties and (ii) the proposed exemption to CJ Logistics Asia Pte Ltd from the obligation to undertake a mandatory take-over offer to acquire the remaining ordinary shares in CJ Century not already owned by it upon completion of the said proposed acquisition, whereby our independent advice letter was issued on 6 May 2020;
- (i) independent adviser to the non-interested shareholders of Caring Pharmacy Group Berhad (“**Caring**”) in relation to the unconditional mandatory take-over offer by Convenience Shopping (Sabah) Sdn Bhd (“**Caring Offeror**”) to acquire all the remaining ordinary shares in Caring not already held by the Caring Offeror, whereby our independent advice circular was issued on 16 March 2020; and
- (j) independent adviser to the non-interested shareholders of DBE in relation to the proposed disposal of 51% equity interest in poultry-related companies involving the interests of related parties, whereby our independent advice letter was issued on 6 November 2019.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

The details in relation to the interests of the Interested Directors, Interested Major Shareholders and person connected to them in the Proposed Acquisition are set out in Section 10, Part A of the Circular.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting on the resolution(s) in relation to the Proposed Acquisition at the relevant Board meetings and have undertaken that they will ensure that they and the persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company’s forthcoming EGM.

In addition, the Interested Major Shareholders will abstain from voting and ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company’s forthcoming EGM.

6. EVALUATION OF THE PROPOSED ACQUISITION

In arriving at our conclusion and recommendation in respect of the Proposed Acquisition, we have assessed and evaluated the Proposed Acquisition on a holistic basis in accordance with the relevant provisions set out in the Best Practice Guide in relation to the Independent Advice Letters issued by Bursa Securities.

We have considered the following pertinent factors in our evaluation of the Proposed Acquisition:

Factors	Section
Rationale for the Proposed Acquisition	6.1
Basis and justification for the Purchase Consideration	6.2
Salient terms of the SSA	6.3
Effects of the Proposed Acquisition	6.4
Prospects of PT Bonanza and the enlarged CCK Group	6.5
Risks of the Proposed Acquisition	6.6

6.1 Rationale for the Proposed Acquisition

We have considered the rationale for the Proposed Acquisition set out in Section 3, Part A of the Circular and our evaluation of the rationale for the Proposed Acquisition is as follows:

Strategic fit and expansion of the CCK Group's market presence in Indonesia as well as its export market

The CCK Group is involved in, among others, the rearing and production of prawn and seafood products as well as trading of cold storage products. In view that PT Bonanza is involved in processing and freezing shrimps for local and export sales, including principal products such as frozen raw shrimp, frozen cooked shrimp and frozen nobashi ebi shrimp, the Proposed Acquisition represents a strategic fit to the CCK Group's existing frozen seafood business.

Furthermore, the Proposed Acquisition allows the CCK Group to expand its market presence in Indonesia with strategic geographical coverage considering the CCK Group's existing production and storage facilities located in Banten, West Java (i.e. its Jakarta facilities) and Pontianak, West Kalimantan of Indonesia which is approximately 1,700 kilometres and 992 kilometres from PT Bonanza's production and storage facilities in Tarakan, East Kalimantan of Indonesia. The said expansion provides an opportunity for the enlarged CCK Group to tap further into the growth of the seafood business and capture a larger market share in the frozen seafood industry in Indonesia as well as its export market by tapping into the existing export market of PT Bonanza to countries such as Japan, Taiwan and Hong Kong as well as the European region.

PT Bonanza's revenue generated from local (i.e., Indonesia) and export sales are USD2.28 million (equivalent to RM9.50 million based on the exchange rate of USD1:RM4.1650, being the middle rate quoted by BNM at 5:00 p.m. on 31 December 2021 ("**31 December 2021 Exchange Rate**")) and USD15.36 million (equivalent to RM63.96 million based on the 31 December 2021 Exchange Rate) representing 12.93% and 87.07% of the total revenue respectively, based on its unaudited management accounts for the FYE 31 December 2021. Indonesia is the 2nd largest market for the CCK Group contributing approximately 17.70% of its revenue after Malaysia (contributed approximately 80.97% of the CCK Group's revenue) with the remaining 1.33% of its revenue from export sales (excluding Indonesia), based on its audited consolidated financial statements for the FYE 31 December 2020.

Benefits from synergies between the CCK Group and PT Bonanza

The Proposed Acquisition is expected to improve the operational efficiency and enhance operational synergies for the enlarged CCK Group's businesses in Indonesia and export market in terms of, amongst others, logistics, distribution and procurement, which ultimately, lead to cost savings.

Further, the Proposed Acquisition will facilitate the CCK Group's expansion in its seafood business by leveraging on each other's resources, facilities, expertise and experience in the local Indonesian and export markets as well as existing business relationships with various industry players throughout the value chain. The Proposed Acquisition also provides an opportunity for the enlarged CCK Group to leverage on the strategic locations of its facilities located in 3 different regions in Indonesia to optimise its logistics and distribution network management within Indonesia as well as to cross-sell CCK Group's existing products with PT Bonanza's. In addition, certain operational and administration activities may be integrated to avoid duplication such as expanding on concerted marketing efforts rather than individually as well as consolidation of corporate overheads.

Earnings accretive to the CCK Group

The Proposed Acquisition provides an opportunity to the CCK Group to acquire a profitable complementary business in the frozen seafood industry. PT Bonanza has been generating profits for the last 3 financial years, based on its audited financial statements for the FYE 31 December 2018 to 2020, with profit after tax ("**PAT**") ranging between USD0.22 million (equivalent to RM0.91 million based on the USD:RM Exchange Rate) and USD0.92 million (equivalent to RM3.88 million based on the USD:RM Exchange Rate).

As set out in Section 6.3, Part A of the Circular, the consolidated PAT attributable to the owners of the Company and consolidated earnings per CCK Share based on the CCK Group's audited financial statements for the FYE 31 December 2021 is expected to increase from RM24.48 million to RM26.84 million and 3.92 sen to 4.30 sen respectively after the Proposed Acquisition assuming the Proposed Acquisition had been effected on 1 January 2021.

We are of the view that the principal business of PT Bonanza, i.e. processing and freezing of shrimps, is not volatile in nature after taking into consideration, among others, its business which involves seafood product which is a consumer staple product and the revenue generated from the business for the past 5 FYEs 31 December 2017 to 2021 (based on the audited financial statements of PT Bonanza for the FYE 31 December 2017 to FYE 31 December 2020 and 9M-FPE 30 September 2021 as well as unaudited management accounts for the FYE 31 December 2021) have been relatively stable ranging from USD13.86 million to USD17.64 million despite the COVID-19 pandemic since March 2020.

Based on the factors as detailed above and after taking into consideration PT Bonanza's ability to generate profits on the back of its production output which has been operating near full capacity for the past 3 financial years, we are of the view that the Proposed Acquisition is expected to be earnings accretive and the contribution of PT Bonanza to the CCK Group is expected to be sustainable.

Mitigate potential conflict of interest and competition

Upon completion of the Proposed Acquisition, PT Bonanza will be a wholly-owned subsidiary of CCK held through PT Adilmart. Hence, the Proposed Acquisition is expected to eliminate any existing and potential conflict of interests involving the Interested Directors and the CCK Group which would in turn safeguard the interests of minority shareholders.

Based on the above, we are of the view that the rationale for the Proposed Acquisition is reasonable and not detrimental to your interests.

6.2 Basis and justification for the Purchase Consideration

6.2.1 Evaluation of the Purchase Consideration

We noted the basis and justification of arriving at the Purchase Consideration as set out in Section 2.3, Part A of the Circular was arrived at on a “willing-buyer willing-seller” basis based on direct negotiation, after taking into consideration the following:

- (i) the audited net assets of PT Bonanza as at 30 September 2021 of USD4,290,890 (equivalent to approximately RM18,094,683 based on the USD:MYR Exchange Rate);
- (ii) the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD919,310 (equivalent to approximately RM3,876,730 based on the USD:MYR Exchange Rate) as well as the audited PAT of PT Bonanza for the 9M-FPE 30 September 2021 of USD687,704 (equivalent to approximately RM2,900,048 based on the USD:MYR Exchange);
- (iii) the rationale and benefits of the Proposed Acquisition as set out in Section 3, Part A of the Circular. With the Proposed Acquisition, the CCK Group will be able to expand its footprint and market share in Indonesia;
- (iv) the outlook of the frozen seafood industry as set out in Section 4.3, Part A of the Circular;
- (v) the prospects of PT Bonanza as set out in Section 4.4, Part A of the Circular and in view that PT Bonanza is operating at a high production level; and
- (vi) the Board has adopted price-to-earnings (“P/E”) multiple as the appropriate reference to evaluate and negotiate the Purchase Consideration in view that P/E multiple is commonly used to estimate the value of businesses. Further, PT Bonanza has been operating profitably for the past 3 FYEs 31 December 2018 to 31 December 2020 and the 9-month FPE 30 September 2021.

In this regard, we also note that the Purchase Consideration negotiated directly and agreed upon between the Company and the Vendors represents a P/E multiple of 8.70 times based on the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD919,310, and a premium of approximately 13.73% to the simple average of the adjusted P/E multiples of the comparable companies (as set out in Section 2.3, Part A of the Circular) and is within the range of the adjusted P/E multiples of the comparable companies. The implied P/E multiple of PT Bonanza in relation to the Purchase Consideration of 8.70 times represents a premium to the adjusted P/E multiple of PT Panca Mitra Multiperdana Tbk of 5.38 times. The Board deems the premium to be necessary as the Purchase Consideration represents the valuation of 100% equity interest in PT Bonanza pursuant to the Proposed Acquisition whereby CCK will be able to fully control the business direction and management of PT Bonanza when it becomes a wholly owned subsidiary of CCK, and thereafter consolidate the future earnings of PT Bonanza.

In addition, we also note on the evaluations of the adjusted P/E multiples by the Board as set out in Section 2.3, Part A of the Circular and Section 6.2.3 of this IAL.

In evaluating the Purchase Consideration, we have conducted valuations on PT Bonanza, which is principally involved in processing and freezing of shrimps for sale. The adopted approaches to arrive at the valuations of PT Bonanza are as follows:

Methodology	Details and rationale
Income approach	<p>In view of the availability of the future financial information of PT Bonanza for the FYE 31 December 2022 to FYE 31 December 2026 (“Future Financials”), the discounted cash flows (“DCF”) valuation model is an appropriate method as the estimated future cash flows to be derived from PT Bonanza can be projected by the management of PT Bonanza. The DCF valuation model was used as the primary approach as the DCF valuation model is able to effectively factor in the earnings and free cash flow to the equity (“FCFE”) potential of PT Bonanza’s business as well as the timing of such cash flows to be generated by considering both the time value of money and future cash flows to be generated by the businesses over a specified period of time. As the DCF valuation model entails the discounting of the future cash flows to be generated from the business at a specified discount rate to arrive at its value, the riskiness of generating such cash flows will also be taken into consideration.</p> <p>The estimated FCFE of PT Bonanza is discounted at the relevant cost of equity which also include the illiquidity discount to arrive at the fair value.</p> <p>We have reviewed the future financial information of PT Bonanza for the FYE 31 December 2022 to FYE 31 December 2026 (“Future Financials”) which was prepared by PT Bonanza’s management based on estimates on a best-effort basis.</p>
Market approach	<p>The market approach is used as the secondary approach to cross-check the reasonableness of the results of the primary approach, whereby the implied relative valuation multiples (i.e. P/E and enterprise value to earnings before interest, tax, depreciation and amortisation (“EV/EBITDA”) multiples) as detailed in Section 6.2.3 of this IAL are adopted in deriving the implied equity valuation of PT Bonanza.</p>

We have reviewed the key bases and assumptions adopted in the Future Financials in deriving the FCFE and we are satisfied that the key bases and assumptions used in the preparation of the Future Financials are reasonable considering the prevailing circumstances and significant factors that are known as at the LTD.

The Future Financials (*together with the bases and assumptions adopted therein*) have been reviewed and approved by the Board. The key bases and assumptions adopted in the preparation of the Future Financials are as follows:

- (i) PT Bonanza will continue to operate on a going concern basis and is expected to sustain its operations in perpetuity;
- (ii) The revenue of PT Bonanza is assumed to grow at an average annual growth rate of 4.95% over the period of the Future Financials, which is lower than the average annual growth rate achieved by PT Bonanza of 5.20% for the past 5 FYEs 31 December 2017 to 31 December 2021, whereby:

- (a) the selling prices for its products over the period of the Future Financials are assumed at the average selling prices recorded for the past 5 FYEs 31 December 2017 to 31 December 2021; and
 - (b) the volume of shrimp sold is assumed at an average annual growth rate of 4.34% over the period of the Future Financials, which is lower than the average annual growth rate achieved by PT Bonanza of 6.35% for the past 5 FYEs 31 December 2017 to 31 December 2021;
- (iii) The cost of goods sold and general and administrative expenses of PT Bonanza were analysed into 2 components, i.e., the fixed costs and variable costs, of which:
- (a) the fixed costs are assumed to increase at an annual growth rate of 3% over the period of the Future Financials, which is in line with the inflation rate projected by Bank Indonesia, the central bank of Indonesia, of between 2% and 4% for year 2022 and higher than the average inflation rate in Indonesia for the past 5 years up to the LTD of 2.66%; and
 - (b) the variable costs are assumed to increase in tandem with the assumed annual growth rate of PT Bonanza's revenue over the period of the Future Financials;
- (iv) The capital expenditure to be incurred by PT Bonanza over the period of the Future Financials are assumed at an average rate of 0.87% of the revenue, which is based on the average rate of capital expenditure over revenue for the past 5 FYEs 31 December 2017 to 31 December 2021. The assumed capital expenditures for the Future Financials are adequate to support the projected growth in sales volume over the period of the Future Financials;
- (v) There will not be any significant change in the frozen seafood industry landscape in Indonesia. For the purpose of the Future Financials, it is assumed that PT Bonanza will be able to compete effectively with a pool of other companies which are involved in frozen seafood products in securing orders from its existing and new customers to grow its revenue base and maintain profitable operating margins;
- (vi) There will not be any significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows or business prospects of PT Bonanza. The increase in operating costs is assumed to be in tandem with sales and/or inflationary effects;
- (vii) There will not be any major disruptions to the business operations which may have a material adverse effect on the financial results, cash flows or business prospects of PT Bonanza;
- (viii) Sufficient funds will be available or obtainable to finance the working capital requirements and capital expenditure of PT Bonanza without any material adverse effect on their financial results, cash flows or business prospects;
- (ix) There will not be any significant or material changes in the principal activities of PT Bonanza;
- (x) There will not be any significant or material changes to the agreements, contracts, approvals, licenses, permits and regulations governing the business activities of PT Bonanza;

- (xi) The current accounting policies adopted by PT Bonanza will remain relevant and there will not be any significant changes in the accounting policies of PT Bonanza which may have a material adverse effect on the financial performance and financial position of PT Bonanza; and
- (xii) There will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements relating to the frozen seafood industry in Indonesia.

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6.2.2 Income approach valuation

Our valuation based on the DCF valuation model, together with the key bases and assumptions adopted, are as follows:

No.	Key bases and assumptions	Descriptions
(i)	FCFE Based on the Future Financials for the FYE 31 December 2022 to FYE 31 December 2026	FCFE is the free cash flows from operations available to the equity holders of a company after taking into consideration all non-cash operating expenses, movements in working capitals, reinvestment cost and net borrowings. We have reviewed the key bases and assumptions adopted in the Future Financials prepared by PT Bonanza's management in deriving the FCFE and we are satisfied that they are reasonable considering the prevailing circumstances and significant factors that are known as at the LPD.
(ii)	Cost of equity ("K _e ") 12.996%	Cost of equity represents the rate of return required by an investor on the cash flow streams generated by PT Bonanza's business given the risk associated with the cash flows. In deriving the cost of equity (K _e) of PT Bonanza, we have adopted the Capital Asset Pricing Model and derived an estimated cost of equity of 12.996% (after applying an additional 4.00% for the illiquidity discount (α)) based on the formula as follows: $K_e = R_f + \beta(R_m - R_f) + \alpha$ Based on a study conducted by Aswath Damodaran (a Professor of Finance at the Stern School of Business at New York University) titled " <i>Marketability and Value: Measuring the Illiquidity Discount</i> ", investors are generally willing to pay higher prices for more liquid assets than for otherwise similar illiquid assets. However, measuring such illiquidity discount or discount for lack of marketability is highly subjective, with such discount ranging up to 4.00%. Further, we also note that similar range of illiquidity discount of up to 4% was applied to derive the cost of equity in relation to DCF valuations for assets with lack of marketability. We view that it is fair and reasonable to apply an illiquidity discount of 4.00% after taking into consideration the lack of marketability of PT Bonanza as it is an unlisted company and the company-specific risk as there is a sizeable difference in terms of the market capitalisations of selected comparable companies in comparison to PT Bonanza. In addition, for information purpose, the application of illiquidity discount of 4.00% has reduced the indicative value of 100% equity interest in PT Bonanza by between 37.64% and 39.47% as compared to the resultant indicative value without illiquidity discount being applied.
(iii)	Risk-free rate of return ("R _f ") 6.932%	Risk-free rate of return represents the expected rate of return from a risk-free investment. The best available approximation of the risk-free rate of return is the yield of 10-year Indonesian Government Securities. The yield for 10-year Indonesian Government Securities is 6.932% as at the LTD as extracted from Bloomberg.

No.	Key bases and assumptions	Descriptions
(iv)	Expected marked rate of return (" R_m ") 11.834%	<p>Expected market rate of return represents the expected rate of return for investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.</p> <p>In our opinion, the expected rate of return for the Indonesia Stock Exchange Composite Index ("IDX Composite Index") is a good indicator of the equity market return in Indonesia. Given the volatility of the stock market and market cycles, we are of the view that a 5-year historical rate of return of the IDX Composite Index is an appropriate estimate of the expected market rate of return as it normalises the year-on-year fluctuations of the stock market and mitigates market bias.</p> <p>Based on the information from Bloomberg, we have derived an average expected rate of return in Indonesia of 11.834% per annum for the past 5 years up to the LTD.</p>
(v)	Beta (" β ") 0.421	<p>Beta is the sensitivity of an asset's return to the changes in the market returns. It measures the correlation of systemic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier than the market and vice versa.</p> <p>In deriving the estimated beta for the business of PT Bonanza, we have relied on 5-year historical beta⁽¹⁾ up to the LTD of the selected comparable companies listed on the listing exchanges in the South-East Asia which are principally involved in the processing and freezing of shrimps for sale⁽²⁾. As the historical beta extracted from Bloomberg is based on the capital structure of the respective selected comparable companies, we have un-levered the beta and re-levered it based on the expected capital structure of PT Bonanza. Based on our computation, the re-levered beta of PT Bonanza is 0.421.</p> <p>Notes:</p> <p>(1) 5-year historical beta in relative to the selected market return (i.e. rate of return of the <i>IDX Composite Index</i>) has been adopted for all the selected comparable companies.</p>

No.	Key bases and assumptions	Descriptions																											
		<p>(2) The details of the selected comparable companies are as follows:</p> <table border="1"> <thead> <tr> <th data-bbox="199 1288 226 1433">Company</th> <th data-bbox="199 996 226 1176">Country</th> <th data-bbox="199 795 226 985">Principal activities</th> </tr> </thead> <tbody> <tr> <td data-bbox="231 1288 258 1433">PT Sekar Bumi Tbk</td> <td data-bbox="231 996 258 1176">Indonesia</td> <td data-bbox="231 795 258 985">Trading, fishery, agricultural, construction, marine and land fisheries processing business, crops and farm. Through its subsidiaries, it also involves in, amongst others, breaded shrimp processing, processing frozen seafood, shrimp and seafood value added processing.</td> </tr> <tr> <td data-bbox="263 1288 290 1433">PT Panca Mitra Multiperdana Tbk</td> <td data-bbox="263 996 290 1176">Indonesia</td> <td data-bbox="263 795 290 985">Frozen marine life industry. Through its subsidiaries, it also involves in, amongst others, production of frozen shrimp.</td> </tr> <tr> <td data-bbox="295 1288 322 1433">Asian Sea Corporation Public Company Limited</td> <td data-bbox="295 996 322 1176">Thailand</td> <td data-bbox="295 795 322 985">Production of processed frozen seafood and provision of cold storage services.</td> </tr> <tr> <td data-bbox="327 1288 354 1433">Seafresh Industry Public Company Limited</td> <td data-bbox="327 996 354 1176">Thailand</td> <td data-bbox="327 795 354 985">Manufacturing and distribution of frozen raw shrimp, processed shrimp, vegetable and fruit, and others seafood products as well as other services.</td> </tr> <tr> <td data-bbox="359 1288 386 1433">Surapon Foods Public Company Limited</td> <td data-bbox="359 996 386 1176">Thailand</td> <td data-bbox="359 795 386 985">Manufacturing and distribution of seafood, finished and semi-finished frozen foods; and cold storage warehouse and logistic services. Through its subsidiaries, it also involves in, amongst others, the manufacturing of ready-to-eat products including sushi and frozen cooked shrimp and the manufacturing of ready-to-cook products including frozen raw shrimp.</td> </tr> <tr> <td data-bbox="391 1288 418 1433">Minh Phu Seafood JSC</td> <td data-bbox="391 996 418 1176">Vietnam</td> <td data-bbox="391 795 418 985">Processing and trading in aquatic products, trading in aquatic breeds and aquatic foods, trading in machinery and equipment for aquaculture. Through its subsidiaries, it also involves in, amongst others, the breeding of aquacultural products including shrimps, produce and trade in aquatic foods including shrimps and processing aquatic products including shrimps.</td> </tr> <tr> <td data-bbox="422 1288 450 1433">Sao Ta Foods JSC</td> <td data-bbox="422 996 450 1176">Vietnam</td> <td data-bbox="422 795 450 985">Manufacturing and exporting of frozen shrimps.</td> </tr> <tr> <td data-bbox="454 1288 481 1433">Camimex Group JSC</td> <td data-bbox="454 996 481 1176">Vietnam</td> <td data-bbox="454 795 481 985">Seafood processing and export producers which involves in, amongst others, the production of frozen prawn and shrimp value added processing</td> </tr> </tbody> </table> <p>(Source: Bloomberg and latest annual report of the respective selected comparable companies)</p> <p>We note that there are no companies listed on Bursa Securities that are involved in similar business activities carried out by PT Bonanza.</p> <p>Nevertheless, we wish to highlight that the selection of the selected comparable companies is highly subjective and judgemental and the selected comparable companies may not be identical to PT Bonanza in terms of, among others, composition of business activities, geographical area, product mixes, market segments, scale of business operations, distribution network and infrastructure, track record, financial performance, risk profile, future prospects, accounting policies and business model.</p> <p>Notwithstanding the above, we view that the selected comparable companies are adequately comparable to the businesses of PT Bonanza and are reasonable to be adopted for the purposes of deriving the estimated beta of the industry and the relative valuation under the market approach method.</p>	Company	Country	Principal activities	PT Sekar Bumi Tbk	Indonesia	Trading, fishery, agricultural, construction, marine and land fisheries processing business, crops and farm. Through its subsidiaries, it also involves in, amongst others, breaded shrimp processing, processing frozen seafood, shrimp and seafood value added processing.	PT Panca Mitra Multiperdana Tbk	Indonesia	Frozen marine life industry. Through its subsidiaries, it also involves in, amongst others, production of frozen shrimp.	Asian Sea Corporation Public Company Limited	Thailand	Production of processed frozen seafood and provision of cold storage services.	Seafresh Industry Public Company Limited	Thailand	Manufacturing and distribution of frozen raw shrimp, processed shrimp, vegetable and fruit, and others seafood products as well as other services.	Surapon Foods Public Company Limited	Thailand	Manufacturing and distribution of seafood, finished and semi-finished frozen foods; and cold storage warehouse and logistic services. Through its subsidiaries, it also involves in, amongst others, the manufacturing of ready-to-eat products including sushi and frozen cooked shrimp and the manufacturing of ready-to-cook products including frozen raw shrimp.	Minh Phu Seafood JSC	Vietnam	Processing and trading in aquatic products, trading in aquatic breeds and aquatic foods, trading in machinery and equipment for aquaculture. Through its subsidiaries, it also involves in, amongst others, the breeding of aquacultural products including shrimps, produce and trade in aquatic foods including shrimps and processing aquatic products including shrimps.	Sao Ta Foods JSC	Vietnam	Manufacturing and exporting of frozen shrimps.	Camimex Group JSC	Vietnam	Seafood processing and export producers which involves in, amongst others, the production of frozen prawn and shrimp value added processing
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Sao Ta Foods JSC	Vietnam	Manufacturing and exporting of frozen shrimps.																											
Camimex Group JSC	Vietnam	Seafood processing and export producers which involves in, amongst others, the production of frozen prawn and shrimp value added processing																											

No.	Key bases and assumptions	Descriptions
(vi)	Perpetuity growth rate ("g") 2.50% to 3.00%	<p>For the period beyond FYE 31 December 2026, we have adopted a range of perpetuity growth rate of 2.50% to 3.00% on the FCFE, which we view as reasonable after taking into consideration, amongst others, the long-term growth prospects of the businesses of PT Bonanza amidst the increasing demand for frozen seafood products globally. As a cross-check, we have considered the following factors:</p> <ul style="list-style-type: none"> (a) the average and median inflation rate in Indonesia for the past 5 years up to the LTD⁽¹⁾ of 2.66% and 2.86% respectively; (b) inflation is projected to expand between 2% and 4% in year 2022⁽²⁾; (c) the average annual global population growth rate of 1.16% for the year 2010 to 2020⁽³⁾; (d) the average annual growth rate of Indonesia's population of 1.25% for the year 2010 to 2020⁽⁴⁾; and (e) Indonesia's gross domestic product is forecasted to grow between 4.7% and 5.5% in year 2022⁽⁵⁾. <p>Notes:</p> <ul style="list-style-type: none"> (1) Based on the historical inflation data for the past 5 years by Bank Indonesia, the central bank of Indonesia. (2) Based on the inflation target for 2022 by Bank Indonesia. (3) Based on historical population growth rate by The World Bank Group. (4) Based on the Indonesia 2020 Population Census issued by Statistics Indonesia (BPS). (5) Based on Bank Indonesia's Annual Meeting 2021: Rise and be Optimistic: Synergy and Innovation for Economy Recovery. <p>Based on the above, we derived the terminal value (in present terms) for PT Bonanza's businesses of between USD4.83 million and USD5.10 million based on the formula to arrive at the present value ("PV") of terminal value as set out below.</p>
(vii)	Statutory corporate income tax rate	<p>The statutory corporate income tax rate applicable to PT Bonanza in Indonesia.</p> <p style="text-align: center;">22%</p>

Value of PT Bonanza

The formula used to derive the value of PT Bonanza is as follows:

$$Value_{PT\ Bonanza} = PV_{FCFE}^{(1)} + PV_{terminal\ value}^{(2)}$$

Notes:

(1) Computed based on the following formula:

$$PV_{FCFE} = \frac{Estimated\ FCFE}{(1 + K_e)^t}$$

Whereby, *t* refers to the number of years from the LPD.

(2) Computed based on the following formula:

$$PV_{terminal\ value} = \frac{Expected\ sustainable\ level\ of\ FCFE \times (1 + g)}{(K_e - g) \times (1 + K_e)^n}$$

Whereby, *n* represents the year in which the expected sustainable level of FCFE is derived.

Our commentaries:

Based on the DCF valuation model, we have derived a range of estimated value for PT Bonanza as follows:

	Low (USD'million)	High (USD'million)
PV of FCFE	3.19	3.19
PV of terminal value	4.83	5.10
Indicative value of 100% equity interest in PT Bonanza	8.02	8.29

The Purchase Consideration is lower than and represents a discount of between USD0.02 million (0.25%) and USD0.29 million (3.50%) from the estimated value range.

6.2.3 Market approach valuation

As a cross-check of the reasonableness of the estimated value range derived using the DCF valuation model, we have adopted the market approach method. The market approach method is a relative valuation method that refers to the process of comparing the value of an asset based on traded market multiples of similar assets. We had adopted the earnings-based, i.e. P/E and EV/EBITDA, relative valuation multiples of the selected comparable companies listed on the listing exchanges in the South-East Asia in deriving the implied equity valuation of PT Bonanza.

The details of the relative valuation multiples adopted are as follows:

Valuation multiple	Details and rationale
P/E	<p>P/E multiple is computed as follows:</p> $\frac{\text{Market capitalisation}}{PAT}$ <p>P/E multiple is commonly used to estimate the value of the business, even more so for profit-making companies. For information purpose, PT Bonanza has been operating profitably and has been in the same business operation for the past 5 financial years up to latest FYE 31 December 2021.</p>
EV/EBITDA	<p>EV/EBITDA multiple is computed as follows:</p> $\frac{EV}{EBITDA}$ <p>EV is the aggregate value of the respective companies' market capitalisation, non-controlling interests, preference shares and debts, net of any cash and cash equivalents. EV/EBITDA is an earnings-based relative valuation which is commonly used as EBITDA is capital-structure neutral whereby it does not take into consideration the differences in interest costs, taxation, depreciation and amortisation charges among selected companies.</p>

We have also considered the price-to-book ("**P/B**") multiple and is of the view that it is not suitable in the determination of fairness of the Purchase Consideration as PT Bonanza is an asset light company and the P/B multiple basis values a company based on the value of its assets, net of all liabilities at a specific point in time and does not take into consideration the future income stream of the said company.

In conducting the relative valuation multiple, we have considered the P/E and EV/EBITDA of PT Bonanza implied by the Purchase Consideration, and compared them to the P/E and EV/EBITDA of the selected comparable companies, based on their latest available audited and unaudited financial statements, as the case may be, and adjusted for illiquidity discount in view of the relatively illiquid nature and lack of marketability of the shares in PT Bonanza being a private company as compared to the comparable companies which are listed on the listing exchanges in the South-East Asia.

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We note in Section 2.3, Part A of the Circular that the Board has benchmarked against the earnings multiples of several public listed companies with principal business activities that are considered broadly comparable to the business of PT Bonanza, in processing and freezing shrimps for sale, as set out below:

Company	Market capitalisation as at 28 March 2022	P/E (times)	Adjusted P/E (times)
Thai Union Group Public Company Limited	THB 89,844 million (RM11,214.24 million)	11.21	8.41
Asian Sea Corporation Public Company Limited	THB 12,456 million (RM1,555.75 million)	11.93	8.95
Seafresh Industry Public Company Limited	THB 2,818 million (RM351.74 million)	10.48	7.86
PT Panca Mitra Multiperdana Tbk	IDR 1,054,144 million (RM309.92 million)	7.17	5.38
High			8.95
Average			7.65
Low			5.38
PT Bonanza			8.70

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In addition, we have adopted the selected comparable companies as set out in Section 6.2.2 of this IAL for the purposes of the relative valuation as follows:

Company ⁽¹⁾	Market capitalisation as at the LTD ⁽²⁾	P/E ⁽³⁾ (times)	Adjusted P/E ⁽⁴⁾ (times)	EV/EBITDA ⁽⁵⁾ (times)	Adjusted EV/EBITDA ⁽⁴⁾ (times)
PT Sekar Bumi Tbk	IDR793.96 billion RM234.22 million ⁽⁶⁾ USD55.36 million ⁽⁷⁾	76.78 (Outlier)	57.59 (Outlier)	17.40	13.05
PT Panca Multiperdana Tbk	Mitra IDR1,054.14 billion RM310.97 million ⁽⁶⁾ USD73.51 million ⁽⁷⁾	7.21	5.41	9.24	6.93
Asian Sea Corporation Public Company Limited	THB12.05 billion RM1,514.75 million ⁽⁸⁾ USD358.05 million ⁽⁷⁾	11.54	8.66	9.15	6.86
Seafresh Industry Public Company Limited	THB2.74 billion RM345.01 million ⁽⁸⁾ USD81.55 million ⁽⁷⁾	10.22	7.67	7.55	5.66
Surapon Foods Public Company Limited	THB2.75 billion RM346.23 million ⁽⁸⁾ USD81.84 million ⁽⁷⁾	13.42	10.07	3.61	2.71
Minh Phu Seafood JSC	Vietnamese Dong ("VND") 9,298.52 billion RM1,720.23 million ⁽⁹⁾ USD406.62 million ⁽⁷⁾	14.49	10.87	16.55	12.41
Sao Ta Foods JSC	VND4,544.53 billion RM840.74 million ⁽⁹⁾ USD198.73 million ⁽⁷⁾	16.35	12.26	12.52	9.39
Camimex Group JSC	VND2,116.11 billion RM391.48 million ⁽⁹⁾ USD92.54 million ⁽⁷⁾	31.05 (Outlier)	23.29 (Outlier)	15.25	11.44

Company ⁽¹⁾	Market capitalisation as at the LTD ⁽²⁾	P/E ⁽³⁾ (times)	Adjusted P/E ⁽⁴⁾ (times)	EV/EBITDA ⁽⁵⁾ (times)	Adjusted EV/EBITDA ⁽⁴⁾ (times)
High			12.26 ⁽¹⁰⁾		13.05
Average			9.15 ⁽¹⁰⁾		8.56
Low			5.41		2.71
PT Bonanza			8.70⁽¹¹⁾		5.34⁽¹²⁾

(Source: Bloomberg and latest available financial statements of the respective selected comparable companies as at the LTD)

Notes:

- (1) The principal activities of the respective selected comparable companies are set out in Section 6.2.2 of this IAL.
- (2) Computed based on the closing price and total number of issued outstanding shares of the respective selected comparable companies as well as the exchange rates for the relevant currencies as quoted by BNM as at the LTD.
- (3) Computed based on the respective selected comparable companies' market capitalisation as at the LTD divided by the audited PAT of the respective selected comparable companies based on their latest available audited financial statements as at the LTD.
- (4) The adjusted P/E and EV/EBITDA multiples are arrived at after accounting for a 25% discount in view of the relatively illiquid nature and lack of marketability of the shares in PT Bonanza being a private company as compared to the comparable companies which are listed on the listing exchanges in the South-East Asia.
- Generally, shares of private companies are not as freely tradable and have no ready market as compared to the shares of public companies listed and tradeable on listing exchanges. Hence, we are of the view that it is reasonable to apply an illiquidity discount of 25% based on a book by Aswath Damodaran titled "Investment Valuation: Tools and Techniques for Determining the Value of Any Asset", which discussed on the application of illiquidity discount of 20% to 30% on private firm valuations.
- (5) Computed based on the respective selected comparable companies' EV as at the LTD divided by the audited EBITDA of the respective selected comparable companies based on their latest available audited financial statements.
- (6) Based on the exchange rate of RM0.0295:IDR100, being the middle rate quoted by BNM at 5:00 p.m. on the LTD.
- (7) Based on the exchange rate of USD1:RM4.2305, being the middle rate quoted by BNM at 5:00 p.m. on the LTD.
- (8) Based on the exchange rate of RM12.5721:THB100, being the middle rate quoted by BNM at 5:00 p.m. on the LTD.
- (9) Based on the exchange rate of RM0.0185:VND100, being the middle rate quoted by BNM at 5:00 p.m. on the LTD.
- (10) Excluding the outliers.

- (11) Computed based on the Purchase Consideration divided by the audited PAT of PT Bonanza for the FYE 31 December 2020 of USD0.92 million.
- (12) Computed based on the implied EV of PT Bonanza divided by the audited EBITDA for the FYE 31 December 2020 of USD1.33 million. The implied EV of PT Bonanza was calculated based on the following formula:

$$\begin{aligned}
 \text{Implied EV} &= \text{Purchase Consideration} - \text{net cash} \\
 &= \text{USD8.00 million} - \text{USD0.92 million} \\
 &= \text{USD7.08 million}
 \end{aligned}$$

It is to be noted that the selected comparable companies include 3 out of 4 of the public listed companies identified by the Board in Section 2.3, Part A of the Circular and the remaining 5 selected comparable companies are selected by us for the purposes of deriving the estimated beta of the industry and this relative valuation which are deemed to be adequately comparable to the businesses of PT Bonanza. We wish to highlight that Thai Union Group Public Company Limited identified by the Board was not selected by us as a comparable company for this purpose after taking into consideration the revenue contribution from its respective business segments and its large market capitalisation of approximately USD2,308.22 million as at the LTD (equivalent to RM9,773.64 million based on the exchange rate of USD1:RM4.2305, being the middle rate quoted by BNM at 5:00 p.m. on the LTD).

We note that the P/E multiple implied by the Purchase Consideration of 8.70 times is below the average adjusted P/E multiple of the selected comparable companies of 9.15 times but above the average adjusted P/E multiple of the comparable companies identified by the Board in Section 2.3, Part A of the Circular of 7.65 times. In this regard, we wish to highlight that the trading multiples of the selected comparable companies are perceived to be the value of a liquid minority stake as at the LTD. On the other hand, this relative valuation involves the valuation of the entire equity interest in PT Bonanza, i.e. a private company, hence it is perceived to be illiquid but having a control premium.

Notwithstanding the P/E multiple implied by the Purchase Consideration being higher than:

- (i) the average adjusted P/E multiple of the comparable companies identified by the Board of 7.65 times; and
- (ii) the adjusted P/E multiple of PT Panca Mitra Multiperdana Tbk of 5.38 times,

we are of the view that the Purchase Consideration is fair and reasonable after taking into consideration, amongst others, the P/E multiple implied by the Purchase Consideration being approximately 13.73% higher than the average adjusted P/E multiple of the comparable companies identified by the Board which is lower than the range of control premiums of 15% to 20% normally applied for transactions involving transfer of control over private companies* and the average adjusted P/E multiple of the selected comparable companies of 9.15 times.

Note:

* For information purposes, based on a study conducted by Aswath Damodaran (a Professor of Finance at the Stern School of Business at New York University) titled "The Value of Control: Implications for Control Premia, Minority Discounts and Voting Share Differentials", control premiums are applied in private company transactions, ranging from 15% to 20% for a majority stake and, conversely, an equivalent discount for a minority stake.

The ranges of PT Bonanza's implied equity valuation based on the adjusted P/E and adjusted EV/EBITDA multiples of the selected comparable companies are as follows:

Valuation multiple	PT Bonanza's implied equity valuation (USD'million)	
	Low	High
Adjusted P/E	4.97 ⁽¹⁾	11.27 ⁽¹⁾
Adjusted EV/EBITDA	4.51 ⁽²⁾	18.22 ⁽²⁾

Notes:

(1) Computed based on the adjusted P/E multiple of the selected comparable companies and the audited PAT of PT Bonanza for the FYE 31 December 2020 as follows:

		Low	High
PT Bonanza's audited PAT (USD'million)	(A)	0.92	0.92
Adjusted P/E of the selected comparable companies (times)	(B)	5.41	12.26
PT Bonanza's implied equity valuation (USD'million)	(A) x (B)	4.97	11.27

(2) Computed based on the adjusted EV/EBITDA multiple of the selected comparable companies and the audited EBITDA of PT Bonanza for the FYE 31 December 2020 as follows

		Low	High
PT Bonanza's audited EBITDA (USD'million)	(A)	1.33	1.33
Adjusted EV/EBITDA of the selected comparable companies (times)	(B)	2.71	13.05
Implied EV (USD'million)	(A) x (B) = (C)	3.59	17.30
PT Bonanza's net cash (USD'million)	(D)	0.92	0.92
PT Bonanza's implied equity valuation (USD'million)	(C) + (D)	4.51	18.22

Our commentaries:

Based on the relative valuation multiples as detailed above, the Purchase Consideration is within the range of PT Bonanza's implied equity valuation as follows:

- (i) between USD4.97 million and USD11.27 million (based on the adjusted P/E of the selected comparable companies of 5.41 times and 12.26 times); and
- (ii) between USD4.51 million and USD18.22 million (based on the adjusted EV/EBITDA of the selected comparable companies of 2.71 times and 13.05 times).

Premised on our evaluation of the Purchase Consideration in Sections 6.2.2 and 6.2.3 above, we are of the view that the Purchase Consideration is fair and reasonable.

6.3 Salient terms of the SSA

Our commentaries on the salient terms of the SSA as set out in Appendix I of the Circular are as follows:

No.	Salient terms of the SSA	Mercury Securities' comments
1	<p>Conditions precedent</p> <p>The obligations of PT Adilmart (as the purchaser) and the Vendors (collectively, "the parties") as set out in the SSA in respect of the Proposed Acquisition are conditional upon the following conditions precedent being obtained/fulfilled or waived by the day falling 3 months from the date of the SSA, or such later date as the parties may mutually agree upon:</p> <p>(a) the completion of the due diligence and PT Adilmart being satisfied, at its absolute discretion, with the outcome and findings of the due diligence conducted by PT Adilmart and the professional advisers namely, DFDL (in association with Mataram Partners) as the foreign legal due diligence solicitors, on PT Bonanza and its business and assets;</p> <p>(b) PT Adilmart being satisfied with the Management Accounts and the NAV Statement and in particular, the net asset value of PT Bonanza as at the Management Accounts Date, is not less than USD4,266,591;^{*1}</p> <p>(c) CCK, being the holding company of PT Adilmart, applying for and having obtained the approval of its shareholders at an EGM to be convened for the Proposed Acquisition;</p> <p>(d) PT Adilmart having obtained the approval of its board of commissioners for the Proposed Acquisition;</p> <p>(e) the Vendors having obtained the approval of the shareholders of PT Bonanza at a general meeting for the Proposed Acquisition;</p> <p>(f) the Vendors shall procure PT Bonanza to –</p>	<p>Fair and reasonable.</p> <p>The conditions precedent represent the necessary approvals and/or procedures to facilitate the completion of the Proposed Acquisition.</p> <p>Further, the conditions precedent set out in items (f), (g), (h), (i) and (k) are reasonable to ensure that the Vendors procure the necessary approval(s) or consent(s) of PT Bonanza's creditors, financiers and/or any other party under any subsisting agreement, contract, undertaking and/or guarantee involving PT Bonanza, where required, which serve to protect the interest of PT Adilmart upon assuming control over PT Bonanza.</p> <p>The SSA will become unconditional when all the conditions precedent are fulfilled or waived (<i>as the case may be</i>) within 3 months from the date of the SSA, or such date as the parties may mutually agree upon ("Cut-Off Date").</p> <p>As at 2 June 2022, save for conditions precedent set out in items (d) and (f), the Proposed Acquisition is still subject to the fulfilment and/or waiver of the other conditions precedent.</p>

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>(i) publish an announcement in the nationwide newspaper for the Proposed Acquisition; and</p> <p>(ii) provide a written announcement to the employees of PT Bonanza for the Proposed Acquisition,</p> <p>at least 30 days prior to the general meeting of the shareholders of PT Bonanza approving the Proposed Acquisition;</p> <p>(g) within 14 days from the announcement under item (f)(i) above, no objection has been filed by any third party, including the creditors of PT Bonanza in respect of the Proposed Acquisition, or if there is any objection, such objection has been fully settled by the board of PT Bonanza;</p> <p>(h) the Vendors applying for and obtaining the approval or consent of the financiers/creditors of PT Bonanza for, <i>inter alia</i>, the sale and transfer of the shares representing the entire issued and paid-up share capital of PT Bonanza ("Sale Shares") in favour of PT Adilmart, upon the terms and subject to the conditions of the SSA;</p> <p>(i) the Vendors applying for and obtaining the approval or consent of any party which has entered into any subsisting arrangement, contract or undertaking or guarantee with or involving PT Bonanza, where required, in each case to the extent that, at the Completion Date, the same remain to be completed or performed or remain in force;</p> <p>(j) PT Adilmart being satisfied that no force majeure event or potential force majeure event has occurred;</p> <p>(k) the Vendors having procured PT Bonanza at the Vendors' own cost and expense to provide documentary evidence satisfactory to PT Adilmart that –</p>	<p>If any of the conditions precedent is not fulfilled or waived by the Cut-Off Date, the SSA will be terminated and neither party shall have any claim against the other under the SSA save for those rights or obligations set out in item 4.5 (Post-termination) below.</p> <p>The agreed minimum NAV (being the total assets minus total liabilities) of PT Bonanza as at the Management Accounts Date of USD4,266,591 represents a deviation of USD24,299 from the NAV of PT Bonanza of USD4,290,890 based on its audited financial statements for the 9M-FPE 30 September 2021, which in turn represents approximately 0.30% of the Purchase Consideration is reasonable considering that the Vendors are not entitled to any upside in the event the NAV is more than USD4,266,591 as at the Management Accounts Date as well as PT Bonanza's working capital requirement for its business operations.</p>

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>(i) PT Bonanza has amended its articles of association for rectification of the nominal share value of Rp960,000 instead of Rp1 million following the reduction of its share capital on 1 April 2010;</p> <p>(ii) PT Bonanza has obtained the approval of (A) the shareholders of PT Bonanza; and (B) the Minister of Law and Human Rights of Republic of Indonesia, for the increase of nominal share value to Rp2 million, which results in a total authorised issued and paid-up capital of Rp40 billion of PT Bonanza;</p> <p>(iii) PT Bonanza has obtained a duly completed and executed deed of transfer entered into between Seven Star Enterprise Sdn Bhd and Miradewi Rosadi in respect of the transfer of 250 shares pursuant to a general meeting of shareholders of PT Bonanza held on 9 July 2004; and</p> <p>(iv) PT Bonanza has effected the requisite updates to achieve a complete and up-to-date shareholders' register and special register; and</p> <p>(l) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties.</p> <p>Notes:-</p> <p>*1 For purpose of clarification, in the event the NAV is less than USD4,266,591 as at the Management Accounts Date, the Purchase Consideration will not be subject to an adjustment mechanism. PT Adilmart is entitled to terminate the SSA for objections in any respect with the Management Accounts or the NAV Statement in accordance with the terms of the SSA.</p>	

No.	Salient terms of the SSA	Mercury Securities' comments
*2	<p>"Force Majeure Event" refers to occurrences of and consequences arising out of any unforeseeable events beyond the control of the parties, including acts of war or public enemy, civil commotion, riots, acts of God, strikes or lockouts and the following:</p> <ul style="list-style-type: none"> (a) industrial action specific to the employees of PT Bonanza which is not part of a national or regional labour dispute; (b) adverse events or circumstances arising from or connected with the requirements of or compliance with any law, license, consent or approval; (c) the occurrence of any material adverse change in or events affecting operations or financial markets; (d) unless caused by an event or circumstance which is itself a Force Majeure Event, the price or availability of equipment, materials, services or other resources in the market-place; and (e) governmental regulations or directions or unreasonable or unanticipated exercise of discretionary powers vested in any government or public or local authority or any other similar action, law, judgment, order, decree, embargo or blockade, including control order imposed due to outbreak of pandemic or epidemic (including but not limited to a movement control order) which results in closure of government offices which are necessary for the parties to comply with their obligations under the SSA; <p>and any potential event or series of events which could trigger any of the abovementioned events would be referred to as a "potential force majeure event".</p>	

No.	Salient terms of the SSA	Mercury Securities' comments
2.	<p>Purchase Consideration and manner of payment</p> <p>(a) The sale and purchase consideration for the Sale Shares is USD8.00 million (equivalent to RM 33,844,000 based on the exchange rate of USD1:RM4.2305 as at 13 April 2022), which has been arrived at on a willing-buyer willing-seller basis.</p> <p>(b) The Purchase Consideration shall be satisfied by PT Adilmart or its nominee(s) in the following manner:</p> <p>(i) USD800,000.00 (“Deposit”) shall be paid on or before the date of the SSA to the Vendors as deposit towards part payment of the Purchase Consideration.</p> <p>(ii) On the Completion Date, the balance of the Purchase Consideration amounting to USD7.2 million (“Balance”) shall be settled by PT Adilmart in cash.</p>	<p>Fair and reasonable.</p> <p>Please refer to our evaluation on the Purchase Consideration as set out in Section 6.2 of this IAL.</p> <p>The payment of Deposit on or before the date of SSA and the Balance on the Completion Date are normal commercial terms. Further, the settlement of the Purchase Consideration on the Completion Date, being the date on which PT Adilmart is entitled to all rights attaching to the ownership of the interests in PT Bonanza is also reasonable.</p>
3.	<p>Basis of sale and purchase of Sales Shares</p> <p>The Sale Shares are sold –</p> <p>(a) free from all claims, liens, charges and encumbrances and with full legal and beneficial title; and</p> <p>(b) with all rights attaching thereto (including all dividends and distributions, whether declared or undecleared, in respect thereof),</p> <p>with effect from the Completion Date.</p>	<p>Fair and reasonable.</p> <p>The terms are reasonable as it safeguards the interest of PT Adilmart as the Sales Shares will be acquired free from all claims, liens, charges and encumbrances together and with full legal and beneficial title and with all rights attaching thereto with effect from the Completion Date.</p>

No.	Salient terms of the SSA	Mercury Securities' comments
4.	<p data-bbox="188 1736 220 1892">Termination</p> <p data-bbox="248 1393 280 1892">4.1 PT Adilmart's right to terminate</p> <p data-bbox="309 945 405 1796">Without prejudice to the provisions in the SSA, PT Adilmart shall be entitled to issue a notice of termination to the Vendors if, at any time prior to Completion –</p> <p data-bbox="434 945 497 1796">(a) the Vendors commits any breach of any of their obligations under the SSA which–</p> <p data-bbox="526 1299 558 1706">(i) is incapable of remedy; or</p> <p data-bbox="587 945 651 1706">(ii) if capable of remedy, is not remedied within 14 days of them being given notice to do so;</p> <p data-bbox="711 945 871 1796">(b) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of PT Bonanza and/or bankruptcy/winding-up (as the case may be) of the Vendors;</p> <p data-bbox="900 945 1027 1796">(c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of PT Bonanza;</p> <p data-bbox="1056 945 1200 1796">(d) PT Bonanza becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;</p>	<p data-bbox="188 654 220 922">Fair and reasonable.</p> <p data-bbox="248 295 466 922">The clause is a normal commercial term which sets out the circumstances under which the SSA may be terminated as well as the consequences and rights of each party in the event of termination of the SSA which serve to safeguard the interests of PT Adilmart and PT Bonanza in the event of default by the other party.</p>

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>(e) PT Bonanza ceases or threatens to cease or carry on the whole or any substantial part of its business (except for the purposes of a bona fide reconstruction or amalgamation which would not result or cause any failure or inability to duly perform or fulfil any obligation under the SSA); or</p> <p>(f) any of the warranties given by the Vendors is found at any time to be untrue or incorrect.*1</p> <p>Note:-</p> <p>*1 For purpose of clarification, warranties given by the Vendors include, amongst others, the following:</p> <p>(a) in the case where a Vendor is a company, it is duly incorporated and existing under, and by virtue of, the laws of its jurisdiction and –</p> <p>(i) it has not been placed under receivership and there are no steps being commenced and/or institute by any person to place it under receivership; and</p> <p>(ii) it has not been wound-up and is a going concern and there are no winding-up proceedings being commenced and/or instituted by any person against it;</p> <p>(b) in the case of a party which is an individual, he/she has not been adjudicated or found to be bankrupt or had any bankruptcy proceedings commenced against him/her;</p> <p>(c) the Vendors have the full power to enter into and carry out the provisions contained in the SSA; and</p> <p>(d) information and/or disclosures given by the Vendors pertaining to PT Bonanza including, but not limited to, the business, corporate statutory information, details relating to the accounting and/or financial statements, litigation and/or disputes involving PT Bonanza, as contained in Schedule 4 of the SSA.</p>	

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>4.2 Vendors' right to terminate</p> <p>Without prejudice to the provisions in the SSA, the Vendors shall be entitled to issue a notice of termination to PT Adilmart if, at any time prior to Completion –</p> <p>(a) PT Adilmart commits any continuing or material breach of any of its obligations under the SSA which –</p> <ul style="list-style-type: none"> (i) is incapable of remedy; or (ii) if capable of remedy, is not remedied within 14 days of it being given notice to do so; <p>(b) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of PT Adilmart;</p> <p>(c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of PT Adilmart;</p> <p>(d) PT Adilmart becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;</p> <p>(e) PT Adilmart ceases or threatens to cease or carry on the whole or any substantial part of its business (except for the purposes of a bona fide reconstruction or amalgamation which would not result or cause any failure or inability to duly perform or fulfil any obligation under the SSA); or</p>	

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>(f) any of the representations or warranties given by PT Adilmart is found at any time to be untrue or incorrect.*1</p> <p>Note:-</p> <p>*1 For purpose of clarification, warranties given by PT Adilmart include, amongst others, the following:</p> <p>(a) it is a company duly incorporated and existing under, and by virtue of, the laws of Republic of Indonesia and –</p> <p>(i) it has not been placed under receivership and there are no steps being commenced and/or institute by any person to place it under receivership; and</p> <p>(ii) it has not been wound-up and is a going concern and there are no winding-up proceedings being commenced and/or instituted by any person against it; and</p> <p>(b) it has the full power to enter into and carry out the provisions contained in the SSA.</p> <p>4.3 Consequences of termination</p> <p>(a) Following the giving of a notice of termination under item 4.1 above and if PT Adilmart elects not to pursue the remedies in item 4.6 –</p> <p>(i) the Vendors shall, within 14 days after receipt of the notice of termination–</p> <p>(A) return to PT Adilmart all documents, if any, delivered to the Vendors by or on behalf of PT Adilmart;</p> <p>(B) procure PT Bonanza to return to PT Adilmart all such documents, if any; and</p>	

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>(C) return, refund and repay to PT Adilmart any and all moneys received by it or deemed received by it or received on behalf of it towards account of the Purchase Consideration, together with any interest accrued thereon (if any);</p> <p>(ii) PT Adilmart shall, in exchange for the performance by the Vendors of their obligations under item 4.3(a)(i) above, return to the Vendors all documents, if any, delivered to them by or on behalf of PT Bonanza or the Vendors; and</p> <p>(iii) the Vendors must pay an additional sum equivalent to 10% of the Purchase Consideration as agreed liquidated damages to PT Adilmart.</p> <p>(b) Following the giving of a notice of termination under item 4.2 above –</p> <p>(i) PT Adilmart shall, within 14 days after its receipt of the notice of termination, return to the Vendors all documents, if any, delivered to it by or on behalf of PT Bonanza or the Vendors;</p> <p>(ii) the Vendors shall in exchange with the performance by the Purchaser of its obligations under item 4.3(b)(i) above, –</p> <p>(A) return, refund and repay to PT Adilmart any and all moneys received by it or deemed received by it or received on behalf of it as part of the Balance, free of interest; and</p> <p>(B) return to PT Adilmart all documents, if any, delivered to them by or on behalf of PT Adilmart; and</p> <p>(iii) the Deposit shall be absolutely forfeited in favour of the Vendors as agreed liquidated damages.</p>	

No.	Salient terms of the SSA	Mercury Securities' comments
4.4	<p>Termination arising from prohibition of law or regulation or directive</p> <p>(a) The Vendors on the one hand and PT Adilmart on the other shall each be entitled to issue a notice of termination to the other party if, at any time prior to Completion (other than arising from breach on the part of any party of the terms of the SSA) –</p> <ul style="list-style-type: none"> (i) the due completion of the sale, purchase or transfer of the Sale Shares under the terms of the SSA is prohibited by any applicable law or regulation or in consequence of any order or directive of any court; or (ii) there is any court order or action which adversely affects the sale, purchase or transfer of the Sale Shares which arises for any reason other than due to the breach or default of a party, <p>and such state of affairs subsists for a period of 30 days or more.</p> <p>(b) Following the giving of a notice of termination under item 4.4(a) –</p> <ul style="list-style-type: none"> (i) the Vendors shall, within 14 days after receipt of the notice of termination – <ul style="list-style-type: none"> (A) return to PT Adilmart all documents, if any, delivered to it by or on behalf of PT Adilmart; (B) procure PT Bonanza to return to PT Adilmart all such documents, if any; and (C) return, refund and repay to PT Adilmart any and all moneys received by it or deemed received by it or received on behalf of it towards account of the Purchase Consideration, together with any interest accrued thereon (if any); and 	

No.	Salient terms of the SSA	Mercury Securities' comments
	<p>(ii) PT Adilmart shall, in exchange with the performance by the Vendors of their obligations under item 4.4(b)(i) above, return all documents, if any, delivered to it by or on behalf of PT Bonanza or the Vendors.</p> <p>4.5 Post-termination</p> <p>Following the giving of a notice of termination under any of the provisions of the SSA, neither of the parties shall thereafter have any further rights or obligations under the SSA to the other party, except in respect of –</p> <p>(a) their respective obligations under the applicable provisions of items 4.3 or 4.4 above;</p> <p>(b) any rights or obligations under the SSA which are expressed to apply after the termination of the SSA; and</p> <p>(c) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SSA to either party prior to such termination.</p> <p>4.6 Specific performance</p> <p>Notwithstanding the foregoing provisions in item 4, PT Adilmart shall be at liberty to take such action in law as may be necessary to compel the Vendors by way of specific performance to complete the transaction contemplated in the SSA (in which respect the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default of a party in the performance of the terms and conditions of the SSA) or to claim damages for the breach of the Vendors.</p>	

6.4 Effects of the Proposed Acquisition

We noted the pro forma effects of the Proposed Acquisition as detailed in Section 6, Part A of the Circular and set out below are our comments on the proforma effects thereon.

6.4.1 Issued share capital

The Proposed Acquisition will not have any effect on the issued share capital of the Company as the Proposed Acquisition does not involve any issuance of new CCK Shares.

6.4.2 NA per CCK Share and gearing

As set out in Section 6.2, Part A of the Circular, the pro forma effects of the Proposed Acquisition on the NA and gearing of the CCK Group based on the audited consolidated statement of financial position of CCK as at 31 December 2021 and on the assumption that the Proposed Acquisition had been effected on that date are as follows:

	Audited As at 31 December 2021 (RM)	(I) Subsequent events up to the LPD (RM)	(II) After (I) and the Proposed Acquisition (RM)
Shareholders' funds / NA	314,156,873	312,921,535	312,421,535
No. of CCK Shares in issue (excluding treasury shares)	626,644,700	624,425,400	624,425,400
NA per CCK Share (RM)	0.50	0.50	0.50
Total borrowings	40,313,931	40,313,931	57,121,021
Gearing (times)	0.13	0.13	0.18

We note that the NA of the CCK Group will decrease from RM312.92 million as at the LPD to RM312.42 million upon completion of the Proposed Acquisition as a result of the estimated expenses of approximately RM0.5 million to be incurred in relation to the Proposed Acquisition. However, the Proposed Acquisition will not have any material effect on the NA per CCK Share.

The gearing of the CCK Group is expected to increase from 0.13 times as at the LPD to 0.18 times upon completion of the Proposed Acquisition after consolidating the total borrowings of PT Bonanza of approximately USD0.79 million based on the latest audited statements of financial position of PT Bonanza as at 30 September 2021 (equivalent to approximately RM3.31 million based on the USD:MYR Exchange Rate) and taking into account that USD3.2 million (equivalent to approximately RM13.5 million based on the USD:MYR Exchange Rate) of the Purchase Consideration to be financed by bank borrowings.

6.4.3 Earnings and EPS

Upon completion of the Proposed Acquisition, the CCK Group will consolidate the earnings of PT Bonanza.

As set out in Section 6.3, Part A of the Circular, the pro forma effects of the Proposed Acquisition on the earnings and EPS of the CCK Group based on the audited consolidated statement of profit or loss and other comprehensive income of CCK for the FYE 31 December 2021 and on the assumption that the Proposed Acquisition had been effected on 1 January 2021, being the beginning of the FYE 31 December 2021 are as follows:

	Audited FYE 31 December 2021 (RM'000)	(I) Subsequent events up to the LPD (RM'000)	(II) After (I) and the Proposed Acquisition (RM'000)
PAT attributable to the owners of the Company	24,476	24,476	26,841
No. of CCK Shares in issue (excluding treasury shares)	626,644,700	624,425,400	624,425,400
EPS (sen)	3.91	3.92	4.30

Based on the PAT of CCK Group and PT Bonanza for the FY 31 December 2021 as illustrated above, the PAT attributable to the owners of the Company is expected to increase from RM24.48 million (as at the LPD) to RM26.84 million which will result in the increase in EPS from 3.92 sen (as at the LPD) to 4.30 sen upon completion of the Proposed Acquisition.

Based on the above, the Proposed Acquisition is expected to contribute positively to the earnings and EPS of CCK in view of PT Bonanza's historical financial performance as well as the potential synergistic benefits of the Proposed Acquisition to be realised.

6.4.4 Substantial shareholders' shareholding

The Proposed Acquisition will not have any effect on the shareholdings of the Company's substantial shareholders as the Proposed Acquisition does not involve any issuance of new CCK Shares.

6.4.5 Convertible securities

The Proposed Acquisition will not have any effect on the outstanding 315,359,400 free warrants issued by CCK on 19 June 2018 as the Proposed Acquisition does not involve any issuance of new CCK Shares.

Based on our evaluation above, the overall effects of the Proposed Acquisition are not detrimental to your interests.

6.5 Prospects of PT Bonanza and the enlarged CCK Group

After the Proposed Acquisition, the operations of PT Bonanza will be integrated into the CCK Group. PT Bonanza is principally involved in processing and freezing shrimps from its factory in Tarakan, North Kalimantan, Indonesia.

Further, PT Bonanza has been reporting profits in the past several years and barring any unforeseen circumstances such as COVID-19 pandemic, PT Bonanza is expected to continue to be profitable, supported by the expected growth in the shrimp market. This is premised on the facts that there will be demand from global and local markets of Indonesian frozen seafood as countries recover from the negative impact from COVID-19, growing demand in general from the global growth of seafood consumption, recovery in the food and beverage industry which sources frozen seafood and growing global population and demand for nutrient-rich convenient food.

The COVID-19 pandemic had a minor impact on the CCK Group's operations in Indonesia and PT Bonanza as there was no cessation of operations and supply of materials was not affected. Further, Indonesia did not have any nationwide lockdowns and lockdowns were limited to only certain targeted areas. The CCK Group's operations in Malaysia was classified as essential services and therefore did not stop or affect operations throughout the entirety of the COVID-19 pandemic and the subsequent lockdowns. Despite this, revenue from food and beverage customers declined as restaurants, hotels and coffee shops closed or had limited operations during lockdowns. However, the impact of this was cushioned by the opening of the CCK Group's first 2 supermarkets in Kuching and Kota Kinabalu in the third quarter of 2020.

The CCK Group's strength is its ability to provide fresh, good quality and diverse products in its stores. It is expected that the Proposed Acquisition will enable the CCK Group to expand its footprint and market share in the fast-growing geographical location of Kalimantan, Indonesia which has a population of approximately 17 million. This would complement the CCK Group's existing production and sales in Indonesia and provide a wider range of products to local customers and also enable seafood products produced by PT Bonanza to reach a wider local customer base.

The revenue and profit contributions of the Indonesian market to the CCK Group as a percentage of its total revenue and profit for the FYE 31 December 2019 to 2021 is as below:

Contribution of the Indonesian market	FYE 31 December 2019	FYE 31 December 2020	FYE 31 December 2021
Revenue	16.25%	17.69%	20.20%
Profit	21.1%	27.8%	74.08%

Indonesia is an important market for the CCK Group with the contributions to total revenue and profit increasing steadily for the past 3 financial years in view of rising demand in the country and after setting up new facilities in Pontianak, Indonesia in January 2021, resulting in an increase in production of sausages, burgers and other processed products.

The higher profit contribution from the Indonesian market in FYE 31 December 2021 was due to lower contribution from the Malaysian market because of the various movement control orders and lockdowns imposed by the Malaysian government since March 2020 to curb the spread of the COVID-19 virus. The closure or limited operations of the food and beverage industry, hotels, tourism sector and schools adversely impacted the Group's Malaysian contributions. In contrast, there were no nationwide lockdowns in Indonesia.

In addition, the CCK Group's poultry segment in Malaysia has been affected by increasing feed prices due to rising costs of raw materials for feed. Operating expenses also increased as a result of the expansion of the Group's retail network in Sarawak and Sabah. These factors led to a proportionate rise in profit contribution from the Group's Indonesian operations relative to other geographic segments.

The CCK Group will implement strategies to mitigate the adverse impact of higher feed prices by adopting economies of scale and to manage the selling prices of chicken products as and when necessary.

Further, the Proposed Acquisition will complement the existing business and operations of the CCK Group in Indonesia which currently focuses on the manufacturing of meat downstream products i.e. burgers, frankfurters, meatballs, nuggets etc. With the sharing of resources and streamlining of processes to potentially eliminate duplicative functions and to consolidate overheads to ensure that operation is at its optimal level, the acquisition of PT Bonanza will positively impact the CCK Group's Indonesian operations with improved operational efficiencies and reduced production costs through its value chain. The Proposed Acquisition will therefore positively impact the revenues and profits of the CCK Group derived from improved efficiencies and consolidation of the financial results of PT Bonanza. The CCK Group currently has no further expansion plans in Indonesia following the Proposed Acquisition but will continue to focus on strengthening and positioning its existing Indonesian operations.

As PT Bonanza is principally engaged in processing and freezing shrimp for local and export sales, the CCK Group intends to continue to focus on the shrimp business following the Proposed Acquisition rather than the seafood industry as a whole. This is in view that the existing infrastructure, machinery and assets of PT Bonanza are catered to the shrimp business in order to meet the demands of customers who are primarily interested in purchasing shrimp products from PT Bonanza.

The CCK Group's existing businesses includes the rearing and production of poultry products, rearing and production of prawn and seafood products, supply and trading of food products and related services as well as trading of coldstorage products. In Malaysia, the CCK Group has successfully set up 63 retail stores, 6 wholesale stores and 3 supermarkets. CCK intends to continue to expand its retail network including by opening new supermarkets in Sarawak and new retail stores in East Malaysia which is expected to contribute to higher revenues.

In Indonesia, the CCK Group had set up new facilities that were commissioned in Pontianak, Indonesia, which resulted in increased production capacity. This has led to an increase in production and sales volume from the CCK Group's Indonesian operations and enables the Group to increase production of the CCK Group's own in-house brands of sausages, nuggets and other processed products from Indonesia.

The acquisition of PT Bonanza in Tarakan, Indonesia is expected to positively contribute to the performance of the CCK Group's prawn segment and complement the CCK Group's existing production and sales in Indonesia and provide a wider range of products to local customers, in addition to the CCK Group's existing products, and also enable seafood products produced by PT Bonanza to reach a wider local customer base.

In view of the above, the Board is optimistic of the prospects and outlook of PT Bonanza as well as the CCK Group.

(Source: Management of PT Bonanza and the CCK Group)

We note that PT Bonanza has achieved an average revenue growth of 5.2% from FYE 31 December 2017 to FYE 31 December 2021 (based on the audited financial statements of PT Bonanza for the FYE 31 December 2017 to FYE 31 December 2020 and 9M-FPE 30 September 2021 as well as unaudited management accounts for the FYE 31 December 2021) which is driven by the increasing demand for its products. We also note that PT Bonanza is in the similar business as the CCK Group and the integration plan of the Proposed Acquisition will enable the CCK Group to further expand their footprint and market share in the frozen seafood industry (shrimp products in particular) in Indonesia as well as its export market.

Further, upon the completion of the Proposed Acquisition, the CCK Group will be able to consolidate the entire earnings and assets of PT Bonanza and reap the expected benefits through improvements in operational efficiency, reduced production costs through its value chain and synergies of the enlarged CCK Group, which will in turn further strengthen the overall financial performance and financial position of the CCK Group.

In addition, the Proposed Acquisition provides opportunities to the CCK Group to acquire a profitable complementary business in the frozen seafood industry in Indonesia which has shown increasing revenue and profit contributions to the CCK Group for the past 3 FYEs 31 December 2019 to 2021 and for the enlarged CCK Group to leverage on the strategic locations of its facilities located in 3 different regions in Indonesia to optimise its logistics and distribution network management within Indonesia as well as to cross-sell CCK Group's existing products with PT Bonanza's.

In view of the above and factors such as, among others, the growing global population and consumption which are expected to underpin the growth of seafood consumption and, in turn, contribute positively to the financial performance of PT Bonanza in the near future. Based on the foregoing, we are of the view that the prospects of the enlarged CCK Group will be favourable.

6.6 Risks of the Proposed Acquisition

In evaluating the Proposed Acquisition, you should carefully consider the risks associated with the Proposed Acquisition as detailed in Section 5, Part A of the Circular and as summarised below:

6.6.1 Completion risk

The completion of the Proposed Acquisition is subject to, among others, the fulfilment of the conditions precedent in the SSA as set out in Appendix I of the Circular and obtaining the approvals required for the Proposed Acquisition as set out in Section 7, Part A of the Circular. There can be no assurance that the aforementioned conditions and approvals will be satisfied, waived or obtained, as the case may be, within the stipulated timeframe or any of the termination events will not occur such that the Proposed Acquisition cannot be completed. Any delay in the fulfilment of the conditions precedent in the SSA and/or obtaining the approvals required for the Proposed Acquisition may lead to a delay in the completion and/or termination of the Proposed Acquisition.

To mitigate such risk, CCK will take all necessary and reasonable efforts to ensure that the conditions precedent in the SSA are fulfilled and/or waived and that all approvals required as set out in Section 7, Part A of the Circular which are within CCK's control are obtained within the stipulated timeframe as well as take steps to mitigate the occurrence of termination events in order to complete the Proposed Acquisition in a timely manner.

We wish to highlight that if all the conditions precedent in the SSA are not fulfilled and/or waived, the Proposed Acquisition will not be completed and the potential benefits from the Proposed Acquisition will not be materialised.

6.6.2 Acquisition risk

Although the Board believes that CCK may derive benefits from the Proposed Acquisition, there can be no guarantee that the expected benefits from the Proposed Acquisition will materialise or that the CCK Group would be able to generate sufficient returns from PT Bonanza to offset the associated cost of acquisition.

The Board will exercise due care in considering the potential risks and benefits associated with the Proposed Acquisition, including conducting due diligence review on PT Bonanza. The Board believes that the Proposed Acquisition will be value accretive and synergistic to the enlarged CCK Group, after taking into consideration among others, the prospects of PT Bonanza.

Further, we wish to highlight that the realisation of the expected synergies and benefits arising from the Proposed Acquisition is dependent on, among others, the successful implementation of the CCK Group's strategies and plans and integration of PT Bonanza and CCK Group.

6.6.3 Political, economic and environmental considerations

Adverse changes in political, economic, regulatory and environmental conditions in Malaysia and Indonesia could materially affect the prospects of the Proposed Acquisition. Political, regulatory, economic and environmental uncertainties include changes in labour laws, exchange control regulations or introduction of new rules or regulation, interest rates, fiscal and monetary policies and methods of taxation, climate change which may impact the habitats, abundance, migratory patterns and mortality rates of sea animals and pollution resulting from the discharge of excessive nutrients, pesticides, untreated sewage and plastics contributing to dead zones where marine life cannot survive.

In mitigating such risk, the CCK Group will continue to review its business strategies in response to the changes in the political, economic, regulatory and environmental conditions in Malaysia and Indonesia.

Notwithstanding the above, in view that the CCK Group currently has operations in Indonesia which are already subjected to the abovementioned risks in Indonesia, the Proposed Acquisition will not cause the CCK Group to be subjected to any additional business risks arising from the political, economy, regulatory and environmental conditions in Indonesia.

6.6.4 COVID-19 risk

The COVID-19 outbreak which started to escalate in December 2019 has rapidly evolved into a global pandemic as declared by the World Health Organisation in March 2020. To contain the pandemic situation, governments across the world have responded with the imposition of a series of containment measures including quarantine, travel restrictions or bans, social distancing, lockdowns and/or border closures. The outbreak of COVID-19 across the world has brought about uncertainty to the economies of the countries which have been affected.

There can be no assurance that any prolonged impact of the COVID-19 pandemic and/or any measure imposed by governments across the world will not seriously interrupt the operations or affect revenues of the CCK Group and PT Bonanza which may have a material adverse effect on the operations and financial performance of the CCK Group and PT Bonanza.

Nevertheless, the CCK Group will seek to mitigate the aforesaid risk by complying with standard operating procedures affecting staff, customers and suppliers and monitoring compliance with the frequent updates issued by various government bodies, as well as taking the necessary steps to safeguard and preserve its financial condition, with emphasis on liquidity management to meet its continuing financial commitments and liquidity needs.

We note that PT Bonanza had recorded an increase in PAT from USD0.31 million for the FYE 31 December 2019 to USD0.92 million for the FYE 31 December 2020 despite a marginal decrease in revenue from USD15.34 million for the FYE 31 December 2019 to USD14.83 million for the FYE 31 December 2020 amid the economic challenges caused by the COVID-19 pandemic. Notwithstanding the above, there can be no assurance that the COVID-19 outbreak, if prolonged, will not have any material impact on PT Bonanza's business and financial performance.

6.6.5 Foreign exchange risk

The financial results of PT Bonanza are denominated in USD. As the financial results of PT Bonanza will be consolidated with the financial results of CCK which is reported in RM upon completion of the Proposed Acquisition, any adverse fluctuation of USD against the RM may have a material impact on CCK's financial performance.

Notwithstanding the above, the exchange translation on consolidation is only an accounting entry for the purpose of consolidating the enlarged CCK's financial results as at a particular date.

We wish to highlight that apart from the foreign exchange translation on consolidation, PT Bonanza will also be subjected to foreign exchange gain or loss due to the differences in foreign exchange rates at the point of recognition of sales and actual receipt of payment for such sales in currencies other than USD (such as Indonesian Rupiah). Nevertheless, this risk may not be material after taking into consideration that approximately 90.51% and 87.07% of PT Bonanza's revenue for the FYE 31 December 2020 and FPE 30 September 2021 respectively, are denominated in USD.

6.6.6 Regulations on foreign investment

The Proposed Acquisition will be subject to the foreign investment policies of the Government of Indonesia. In addition, the ability of PT Bonanza to repatriate its profits post-acquisition will depend largely on the relevant legislation relating to the repatriation of profits prevailing at the point of repatriation. In the event of any changes in the foreign investment policies or legislations in Indonesia which may cause foreign investments in Indonesia to experience any restrictions whatsoever, there may be a material or adverse impact on CCK.

Notwithstanding the above, there is currently no legislative framework restricting or prohibiting foreign investment in Indonesia incorporated companies or restrictions on the ability of PT Bonanza to repatriate profits to CCK.

We note that although there is currently no legislative framework restricting or prohibiting foreign investment in Indonesia incorporated companies or restrictions on the ability of PT Bonanza to repatriate profits to CCK, there is no assurance that there will not be any changes to the policies in the future which may materially impact CCK and/or PT Bonanza's ability to repatriate profits to CCK. Moreover, this risk is beyond the control of the CCK Group.

Notwithstanding the measures that may be taken by the Board to mitigate the risks associated with the Proposed Acquisition, no assurance can be given that such risk factors will not crystallise and give rise to material and adverse impact on the financial performance, position or prospects of the CCK Group. Nevertheless, in view that the CCK Group and PT Bonanza are involved in similar business, the business profile of the CCK Group will not change significantly upon completion of the Proposed Acquisition.

7. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation in respect of the Proposed Acquisition, we have assessed and evaluated the Proposed Acquisition based on the pertinent factors as set out in Section 6 of this IAL.

You are advised to carefully consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted by the Board in its letter to the shareholders in relation to the Proposed Acquisition as set out in Part A of the Circular before voting on the resolution pertaining to the Proposed Acquisition at the Company's forthcoming EGM.

Premised on our evaluation of the Proposed Acquisition on a holistic basis as set out in Section 6 of this IAL, we are of the view that, on the basis of the information available to us, the Proposed Acquisition are **fair and reasonable** and **not detrimental** to your interests.

Accordingly, we recommend that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

Yours faithfully,
For and on behalf of
MERCURY SECURITIES SDN BHD

CHEW SING GUAN
Managing Director

ERIC CHONG
Director, Corporate Finance

SALIENT TERMS OF THE SSA

1. Conditions precedent

The obligations of PT Adilmart (as the purchaser) and the Vendors (collectively, “**the parties**”) as set out in the SSA in respect of the Proposed Acquisition are conditional upon the following conditions precedent being obtained/fulfilled or waived by the day falling 3 months from the date of the SSA, or such later date as the parties may mutually agree upon (“**Cut-Off Date**”):

- (a) the completion of the due diligence and PT Adilmart being satisfied, at its absolute discretion, with the outcome and findings of the due diligence conducted by PT Adilmart and the professional advisers namely, DFDL (in association with Mataram Partners) as the foreign legal due diligence solicitors, on PT Bonanza and its business and assets;
- (b) PT Adilmart being satisfied with the Management Accounts and the NAV Statement and in particular, the NAV of PT Bonanza as at the Management Accounts Date, is not less than USD4,266,591;^{*1}
- (c) CCK, being the holding company of PT Adilmart, applying for and having obtained the approval of its shareholders at an EGM to be convened for the Proposed Acquisition;
- (d) PT Adilmart having obtained the approval of its board of commissioners for the Proposed Acquisition;
- (e) the Vendors having obtained the approval of the shareholders of PT Bonanza at a general meeting for the Proposed Acquisition;
- (f) the Vendors shall procure PT Bonanza to –
 - (i) publish an announcement in the nationwide newspaper for the Proposed Acquisition; and
 - (ii) provide a written announcement to the employees of PT Bonanza for the Proposed Acquisition,

at least 30 days prior to the general meeting of the shareholders of PT Bonanza approving the Proposed Acquisition;
- (g) within 14 days from the announcement under item (f)(i) above, no objection has been filed by any third party, including the creditors of PT Bonanza in respect of the Proposed Acquisition, or if there is any objection, such objection has been fully settled by the board of PT Bonanza;
- (h) the Vendors applying for and obtaining the approval or consent of the financiers/creditors of PT Bonanza for, *inter alia*, the sale and transfer of the shares representing the entire issued and paid-up share capital of PT Bonanza (“**Sale Shares**”) in favour of PT Adilmart, upon the terms and subject to the conditions of the SSA;
- (i) the Vendors applying for and obtaining the approval or consent of any party which has entered into any subsisting arrangement, contract or undertaking or guarantee with or involving PT Bonanza, where required, in each case to the extent that, at the Completion Date^{*2}, the same remain to be completed or performed or remain in force;
- (j) PT Adilmart being satisfied that no force majeure event or potential force majeure event has occurred;^{*3}
- (k) the Vendors having procured PT Bonanza at the Vendors’ own cost and expense to provide documentary evidence satisfactory to PT Adilmart that –

SALIENT TERMS OF THE SSA (Cont'd)

- (i) PT Bonanza has amended its articles of association for rectification of the nominal share value of Rp960,000 instead of Rp1 million following the reduction of its share capital on 1 April 2010;
 - (ii) PT Bonanza has obtained the approval of (A) the shareholders of PT Bonanza; and (B) the Minister of Law and Human Rights of Republic of Indonesia, for the increase of nominal share value to Rp2 million, which results in a total authorised issued and paid-up capital of Rp40 billion of PT Bonanza;
 - (iii) PT Bonanza has obtained a duly completed and executed deed of transfer entered into between Seven Star Enterprise Sdn Bhd and Miradewi Rosadi in respect of the transfer of 250 shares pursuant to a general meeting of shareholders of PT Bonanza held on 9 July 2004; and
 - (iv) PT Bonanza has effected the requisite updates to achieve a complete and up-to-date shareholders' register and special register; and
- (l) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties.

Notes:-

- *1 For purpose of clarification, in the event the NAV is less than USD4,266,591 as at the Management Accounts Date, the Purchase Consideration will not be subject to an adjustment mechanism. PT Adilmart is entitled to terminate the SSA for objections in any respect with the Management Accounts or the NAV Statement in accordance with the terms of the SSA.
- *2 "**Completion Date**" refers to the day falling within 30 days following the date when all the conditions precedent have been obtained/fulfilled or waived, or such other date as may be agreed between the parties, upon which the completion of the Proposed Acquisition is to take place and the parties' respective obligations are duly completed in accordance with the SSA (such occurrence being "**Completion**").
- *3 "**Force Majeure Event**" refers to occurrences of and consequences arising out of any unforeseeable events beyond the control of the parties, including acts of war or public enemy, civil commotion, riots, acts of God, strikes or lockouts and the following:
 - (a) industrial action specific to the employees of PT Bonanza which is not part of a national or regional labour dispute;
 - (b) adverse events or circumstances arising from or connected with the requirements of or compliance with any law, licence, consent or approval;
 - (c) the occurrence of any material adverse change in or events affecting operations or financial markets;
 - (d) unless caused by an event or circumstance which is itself a Force Majeure Event, the price or availability of equipment, materials, services or other resources in the market-place; and
 - (e) governmental regulations or directions or unreasonable or unanticipated exercise of discretionary powers vested in any government or public or local authority or any other similar action, law, judgment, order, decree, embargo or blockade, including control order imposed due to outbreak of pandemic or epidemic (including but not limited to a movement control order) which results in closure of government offices which are necessary for the parties to comply with their obligations under the SSA;

and any potential event or series of events which could trigger any of the abovementioned events would be referred to as a "**potential force majeure event**".

SALIENT TERMS OF THE SSA (Cont'd)

2. Purchase Consideration and manner of payment

- (a) The sale and purchase consideration for the Sale Shares is USD8.00 million (equivalent to RM33,844,000 based on the exchange rate of USD1:RM4.2305 as at 13 April 2022, which has been arrived at on a willing-buyer willing-seller basis.
- (b) The Purchase Consideration shall be satisfied by PT Adilmart or its nominee(s) in the following manner:
 - (i) USD800,000.00 ("**Deposit**") shall be paid on the date of the SSA to the Vendors as deposit towards part payment of the Purchase Consideration.
 - (ii) On the Completion Date, the balance of the Purchase Consideration amounting to USD7.2 million ("**Balance**") shall be settled by PT Adilmart in cash.

3. Basis of sale and purchase of Sale Shares

The Sale Shares are sold –

- (a) free from all claims, liens, charges and encumbrances and with full legal and beneficial title; and
 - (b) with all rights attaching thereto (including all dividends and distributions, whether declared or undeclared, in respect thereof),
- with effect from the Completion Date.

4. Termination

4.1 PT Adilmart's right to terminate

Without prejudice to the provisions in the SSA, PT Adilmart shall be entitled to issue a notice of termination to the Vendors if, at any time prior to Completion –

- (a) the Vendors commits any breach of any of their obligations under the SSA which–
 - (i) is incapable of remedy; or
 - (ii) if capable of remedy, is not remedied within 14 days of them being given notice to do so;
- (b) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of PT Bonanza and/or bankruptcy/winding-up (as the case may be) of the Vendors;
- (c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of PT Bonanza;
- (d) PT Bonanza becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;
- (e) PT Bonanza ceases or threatens to cease or carry on the whole or any substantial part of its business (except for the purposes of a bona fide reconstruction or amalgamation

SALIENT TERMS OF THE SSA (Cont'd)

which would not result or cause any failure or inability to duly perform or fulfil any obligation under the SSA); or

- (f) any of the warranties given by the Vendors is found at any time to be untrue or incorrect.*1

Note:-

*1 For purpose of clarification, warranties given by the Vendors include, amongst others, the following:

- (a) in the case where a Vendor is a company, it is duly incorporated and existing under, and by virtue of, the laws of its jurisdiction and –
 - (i) it has not been placed under receivership and there are no steps being commenced and/or institute by any person to place it under receivership; and
 - (ii) it has not been wound-up and is a going concern and there are no winding-up proceedings being commenced and/or instituted by any person against it;
- (b) in the case of a party which is an individual, he/she has not been adjudicated or found to be bankrupt or had any bankruptcy proceedings commenced against him/her;
- (c) the Vendors have the full power to enter into and carry out the provisions contained in the SSA; and
- (d) information and/or disclosures given by the Vendors pertaining to PT Bonanza including, but not limited to, the business, corporate statutory information, details relating to the accounting and/or financial statements, litigation and/or disputes involving PT Bonanza, as contained in Schedule 4 of the SSA.

4.2 Vendors' right to terminate

Without prejudice to the provisions in the SSA, the Vendors shall be entitled to issue a notice of termination to PT Adilmart if, at any time prior to Completion –

- (a) PT Adilmart commits any continuing or material breach of any of its obligations under the SSA which –
 - (i) is incapable of remedy; or
 - (ii) if capable of remedy, is not remedied within 14 days of it being given notice to do so;
- (b) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of PT Adilmart;
- (c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of PT Adilmart;
- (d) PT Adilmart becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;
- (e) PT Adilmart ceases or threatens to cease or carry on the whole or any substantial part of its business (except for the purposes of a bona fide reconstruction or amalgamation which would not result or cause any failure or inability to duly perform or fulfil any obligation under the SSA); or

SALIENT TERMS OF THE SSA (Cont'd)

- (f) any of the representations or warranties given by PT Adilmart is found at any time to be untrue or incorrect.*1

Note:-

*1 For purpose of clarification, warranties given by PT Adilmart include, amongst others, the following:

- (a) it is a company duly incorporated and existing under, and by virtue of, the laws of Republic of Indonesia and –
- (i) it has not been placed under receivership and there are no steps being commenced and/or institute by any person to place it under receivership; and
 - (ii) it has not been wound-up and is a going concern and there are no winding-up proceedings being commenced and/or instituted by any person against it; and
- (b) it has the full power to enter into and carry out the provisions contained in the SSA.

4.3 Consequences of termination

- (a) Following the giving of a notice of termination under item 4.1 above and if PT Adilmart elects not to pursue the remedies in item 4.6 –
- (i) the Vendors shall, within 14 days after receipt of the notice of termination–
 - (A) return to PT Adilmart all documents, if any, delivered to the Vendors by or on behalf of PT Adilmart;
 - (B) procure PT Bonanza to return to PT Adilmart all such documents, if any; and
 - (C) return, refund and repay to PT Adilmart any and all moneys received by it or deemed received by it or received on behalf of it towards account of the Purchase Consideration, together with any interest accrued thereon (if any);
 - (ii) PT Adilmart shall, in exchange for the performance by the Vendors of their obligations under item 4.3(a)(i) above, return to the Vendors all documents, if any, delivered to them by or on behalf of PT Bonanza or the Vendors; and
 - (iii) the Vendors must pay an additional sum equivalent to 10% of the Purchase Consideration as agreed liquidated damages to PT Adilmart.
- (b) Following the giving of a notice of termination under item 4.2 above –
- (i) PT Adilmart shall, within 14 days after its receipt of the notice of termination, return to the Vendors all documents, if any, delivered to it by or on behalf of PT Bonanza or the Vendors;
 - (ii) the Vendors shall in exchange with the performance by the Purchaser of its obligations under item 4.3(b)(i) above, –
 - (A) return, refund and repay to PT Adilmart any and all moneys received by it or deemed received by it or received on behalf of it as part of the Balance, free of interest; and
 - (B) return to PT Adilmart all documents, if any, delivered to them by or on behalf of PT Adilmart; and
 - (iii) the Deposit shall be absolutely forfeited in favour of the Vendors as agreed liquidated damages.

SALIENT TERMS OF THE SSA (Cont'd)

4.4 Termination arising from prohibition of law or regulation or directive

- (a) The Vendors on the one hand and PT Adilmart on the other shall each be entitled to issue a notice of termination to the other party if, at any time prior to Completion (other than arising from breach on the part of any party of the terms of the SSA) –
- (i) the due completion of the sale, purchase or transfer of the Sale Shares under the terms of the SSA is prohibited by any applicable law or regulation or in consequence of any order or directive of any court; or
 - (ii) there is any court order or action which adversely affects the sale, purchase or transfer of the Sale Shares which arises for any reason other than due to the breach or default of a party,
- and such state of affairs subsists for a period of 30 days or more.
- (b) Following the giving of a notice of termination under item 4.4(a) –
- (i) the Vendors shall, within 14 days after receipt of the notice of termination –
 - (A) return to PT Adilmart all documents, if any, delivered to it by or on behalf of PT Adilmart;
 - (B) procure PT Bonanza to return to PT Adilmart all such documents, if any; and
 - (C) return, refund and repay to PT Adilmart any and all moneys received by it or deemed received by it or received on behalf of it towards account of the Purchase Consideration, together with any interest accrued thereon (if any); and
 - (ii) PT Adilmart shall, in exchange with the performance by the Vendors of their obligations under item 4.4(b)(i) above, return all documents, if any, delivered to it by or on behalf of PT Bonanza or the Vendors.

4.5 Post-termination

Following the giving of a notice of termination under any of the provisions of the SSA, neither of the parties shall thereafter have any further rights or obligations under the SSA to the other party, except in respect of –

- (a) their respective obligations under the applicable provisions of items 4.3 or 4.4 above;
- (b) any rights or obligations under the SSA which are expressed to apply after the termination of the SSA; and
- (c) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SSA to either party prior to such termination.

4.6 Specific performance

Notwithstanding the foregoing provisions in item 4, PT Adilmart shall be at liberty to take such action in law as may be necessary to compel the Vendors by way of specific performance to complete the transaction contemplated in the SSA (in which respect the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default of a party in the performance of the terms and conditions of the SSA) or to claim damages for the breach of the Vendors.

BACKGROUND INFORMATION ON PT BONANZA

1. Background Information on PT Bonanza

PT Bonanza was established in Indonesia based on Notarial Deed No. 85 of Public Notary James Herman Rahardjo, S.H. dated 18 October 2001. The Deed of Establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in Decision Letter No. C-03578.HT.01.01.Th.2002 dated 5 March 2002. PT Bonanza commenced its business in October 2003 after acquiring its factory.

PT Bonanza is principally engaged in processing and freezing shrimp for local and export sales including principal products such as frozen raw shrimp, frozen cooked shrimp and frozen nobashi ebi shrimp.

The principal market for the products of PT Bonanza is Indonesia as well as other foreign markets including Europe, Hong Kong, Japan and Taiwan. All of PT Bonanza's raw materials are sourced locally in Indonesia. The breakdown of local and foreign sales of PT Bonanza for the FYE 31 December 2018 to 2020 is as below:

	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020
Local (Indonesia) sales (%)	1.62	9.58	9.17
Foreign sales (%)	98.38	90.42	87.45

PT Bonanza operates its factory located at Jalan P. Aji Iskandar RT.16, Kelurahan Juata Laut, Kecamatan Tarakan Kota Tarakan Provinsi Kalimantan Utara, Indonesia and is 45,621 square metres in size.

The annual production capacity of PT Bonanza for the FYE 31 December 2018 to 2020 is as below:

	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020
Production capacity (tonnes) *1	1,200	1,200	1,300
Production output (tonnes)	1,161	1,177	1,298

Note:-

*1 Based on single shift of operations

Following the Proposed Acquisition, the CCK Group does not intend to further expand the production capacity of PT Bonanza for the time being as any decision to do so will be determined at a later date after taking into consideration factors such as market conditions, demand from customers, capital costs and internal cash requirements.

Depending on the above factors, production output may be increased without the Company incurring material financial commitments to expand production facilities as it is able to increase the operating hours in addition to the current single shift of operations, as and when needed.

2. Share capital

As at the LPD, PT Bonanza has an issued share capital of Rp40 billion comprising 20,000 ordinary shares.

BACKGROUND INFORMATION ON PT BONANZA (Cont'd)**3. Directors**

As at the LPD, the Board of Directors of PT Bonanza and their respective direct and indirect shareholdings in PT Bonanza are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Fong Yuh Cheng	President Director	Malaysian	-	-	-	-
Tiong Chiong Hiiung	Director	Malaysian	-	-	*1 10,000	50.00
William Tiong Kung Thung	Director	Malaysian	-	-	-	-
Law Poon Chuang	Director	Malaysian	-	-	-	-

Note:-

*1 Deemed interested by virtue of his substantial shareholdings in Mitsumoto Corporation.

As at the LPD, the Board of Commissioners of PT Bonanza and their respective direct and indirect shareholdings in PT Bonanza are as follows:

Name	Position	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Quah Say Hong	President Commissioner	Malaysian	-	-	-	-
Lau Liong Kii	Commissioner	Malaysian	-	-	*1 16,500	82.50
Miradewi Rosadi	Commissioner	Indonesian	1,000	5.00	*2 10,000	50.00
Nelly	Commissioner	Indonesian	-	-	-	-

Notes:-

*1 Deemed interested by virtue of his substantial shareholdings in Seven Star and Mitsumoto Corporation.

*2 Deemed interested by virtue of her substantial shareholdings in Mitsumoto Corporation.

4. Shareholders

As at the LPD, the shareholders of PT Bonanza and their direct and indirect shareholding in PT Bonanza are as follows:

Name	Nationality / Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Mitsumoto Corporation	Hong Kong	10,000	50.00	-	-
Seven Star	Malaysia	6,500	32.50	-	-
Harvest Bonanza	Malaysia	2,500	12.50	-	-
Miradewi Rosadi	Indonesian	1,000	5.00	*1 10,000	50.00

BACKGROUND INFORMATION ON PT BONANZA (Cont'd)**Note:-**

*1 Deemed interested by virtue of her substantial shareholdings in Mitsumoto Corporation.

5. Subsidiaries and associate companies

As at the LPD, PT Bonanza has no subsidiaries or associate companies.

6. Financial information on PT Bonanza

A summary of the financial information of PT Bonanza for the past 3 FYEs 31 December 2018 to 31 December 2020 and the 9-month FPE 30 September 2020 and 30 September 2021 are set out below:

	Audited			Unaudited	Audited
	FYE 31 December 2018 (USD)	FYE 31 December 2019 (USD)	FYE 31 December 2020 (USD)	FPE 30 September 2020 (USD)	FPE 30 September 2021 (USD)
Revenue	13,864,881	15,343,666	14,825,542	10,484,676	13,291,702
Profit before tax	486,242	503,389	1,117,448	926,647	903,911
PAT attributable to owners of the company	216,903	305,873	919,310	722,785	687,704
NA attributable to the owners of the company	2,381,570	2,682,616	3,603,186	3,609,262	4,290,890
Total borrowings	769,095	425,876	20,316	-	785,556
Issued share capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Number of shares in issue	20,000	20,000	20,000	20,000	20,000
Earnings per share	10.85	15.29	45.97	36.14	34.39
NA per share	119.08	134.13	180.16	180.46	214.54
Current ratio (times) *1	3.61	5.64	8.47	3.60	4.11
Gearing (times) *2	0.32	0.16	0.01	N/A	0.18

Notes:-

*1 Computed based on total current assets divided by total current liabilities.

*2 Calculated based on total borrowings divided by the NA attributable to the owners of the company.

During the years and period under review:

- i. there were no exceptional and/or extraordinary items;
- ii. there have been no accounting policies adopted by PT Bonanza which are peculiar to PT Bonanza because of the nature of its business or the industry in which it is involved in; and
- iii. there have been no audit qualifications to the financial statements of PT Bonanza for the FYEs 31 December 2018 to 31 December 2020 and the FPE 30 September 2021.

BACKGROUND INFORMATION ON PT BONANZA (Cont'd)

Commentaries on financial performance**FPE 30 September 2021 vs FPE 30 September 2020**

PT Bonanza recorded revenue of approximately USD13.29 million for the 9-month FPE 30 September 2021 as compared to approximately USD10.48 million for the FPE 30 September 2020, representing an increase of approximately USD2.81 million or 26.82%. The revenue of the 9-month FPE 30 September 2021 was driven by higher demand for seafood products for the period.

PT Bonanza recorded PAT of approximately USD0.69 million for the 9-month FPE 30 September 2021 as compared to approximately USD0.72 million for the FPE 30 September 2020, representing a decrease of approximately USD0.03 million or 4.17%. The decrease in PAT were mainly also due to increases in revenue being offset by marginally higher cost of sales including raw materials.

FYE 31 December 2020 vs FYE 31 December 2019

PT Bonanza recorded revenue of approximately USD14.83 million for the FYE 31 December 2020 as compared to approximately USD15.34 million for the FYE 31 December 2019, representing a decrease of approximately USD0.51 million or 3.32%. The decrease in revenue was mainly attributable to lower revenue from local and export sales of seafood products resulting from reduced demand and prices for seafood products during the COVID-19 pandemic, as well as disrupted seafood trade flows due to COVID-19 lockdown and quarantine measures.

Notwithstanding the above, PT Bonanza recorded PAT of approximately USD0.92 million for the FYE 31 December 2020 as compared to approximately USD0.31 million for the FYE 31 December 2019, representing an increase of approximately USD0.61 million or 196.77%. The increase in PAT was attributable to the lower cost of sales including raw materials as well as other charges incurred during the FYE 31 December 2019 which did not repeat during the FYE 31 December 2020 including loss due to fire, impairment of inventories and loss on foreign exchange.

FYE 31 December 2019 vs FYE 31 December 2018

PT Bonanza recorded revenue of approximately USD15.34 million for the FYE 31 December 2019 as compared to approximately USD13.86 million for the FYE 31 December 2018, representing an increase of approximately USD1.48 million or 10.68%. The increase in revenue was mainly attributable to improved demand for seafood products from its local and export customers.

PT Bonanza recorded PAT of approximately USD0.31 million for the FYE 31 December 2019 as compared to approximately USD0.22 million for the FYE 31 December 2018, representing an increase of approximately USD0.09 million or 40.91%. The increase in PAT was attributable to the increased revenue relative to cost of sales as well as the adjustment to last year's income tax for the FYE 31 December 2018 resulting from underpayment of tax in prior years, which did not reoccur again in for the FYE 31 December 2019. The PAT for the FYE 31 December 2019 was also impacted by loss due to fire and impairment of inventories however this was partially offset by the insurance claimed in relation thereto.

7. Material contracts

PT Bonanza has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

BACKGROUND INFORMATION ON PT BONANZA (Cont'd)

8. Material commitments

As at the LPD, the board of directors of PT Bonanza is not aware of any material commitments incurred or known to be incurred by PT Bonanza which may have a material impact on the profits or NA of PT Bonanza.

9. Contingent liabilities

As at the LPD, the board of directors of PT Bonanza is not aware of any contingent liabilities incurred or known to be incurred by PT Bonanza, which upon becoming enforceable may have a material impact on the profits or NA of PT Bonanza.

10. Material litigation

As at the LPD, PT Bonanza is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of PT Bonanza has no knowledge of any proceedings pending or threatened against PT Bonanza or any facts which are likely to give rise to any proceedings which may materially and adversely affect the business or financial position of PT Bonanza.

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PT BONANZA PRATAMA ABADI

**LAPORAN KEUANGAN TANGGAL 31 DESEMBER 2020 DAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

***FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 AND
FOR THE YEAR THEN ENDED WITH INDEPENDENT AUDITOR'S REPORT***

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

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AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)



PT. BONANZA PRATAMA ABADI
 Jl. P. Aji Iskandar RT.16 Juata Laut Tarakan, Kalimantan Utara,
 Indonesia Telp.: +62-551 -2053666 / 2053688 Fax.: +62-551-2053677



**SURAT PERNYATAAN DIREKSI
 TENTANG
 TANGGUNG JAWAB ATAS
 LAPORAN KEUANGAN
 UNTUK TAHUN YANG BERAKHIR
 31 DESEMBER 2020
 PT BONANZA PRATAMA ABADI**

**DIRECTORS' STATEMENTS
 OF
 RESPONSIBILITIES ON
 THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED
 DECEMBER 31, 2020
 PT BONANZA PRATAMA ABADI**

Saya yang bertanda tangan di bawah ini :

N a m a : Fong Yuh Cheng
Alamat Kantor : Jl. Aji Iskandar RT 12 Juata Laut
 Tarakan – Kalimantan Timur

J a b a t a n : Direktur

I, the undersigned below, :

N a m e : Fong Yuh Cheng
Office Address : Jl. Aji Iskandar RT 12 Juata Laut
 Tarakan – Kalimantan Timur

P o s i t i o n : Director

menyatakan bahwa :

1. Bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan ;
2. Laporan Keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam Laporan Keuangan telah dimuat secara lengkap dan benar;
 b. Laporan Keuangan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Bertanggung jawab atas sistem pengendalian internal dalam Perusahaan.

Demikian pernyataan ini dibuat dengan sebenarnya.

declare that :

1. *I am responsible for the preparation and presentation of the Financial Statements ;*
2. *The Financial Statements have been prepared and presented in conformity with Indonesian Financial Accounting Standards;*
3. a. *All information presented in the Financial Statements has been completely and properly disclosed;*
 b. *The Financial Statements do not contain any incorrect material information or facts nor omit any material information or facts;*
4. *I am responsible for the internal control system of the Company.*

I certify that our Statements are true.

Tarakan, 31 Maret 2021/ *March 31, 2021*
 Atas nama dan mewakili Dewan Direksi
For and on behalf of the Board of Directors



Fong Yuh Cheng
 Direktur/Director

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

www.bakertilly.global

LAPORAN AUDITOR INDEPENDEN**INDEPENDENT AUDITOR'S REPORT**

Laporan No. 00100/2.0826/AU.1/04/0727-8/1/III/2021

Report No. 00100/2.0826/AU.1/04/0727-8/1/III/2021

Pemegang Saham, Komisaris dan Direktur
PT BONANZA PRATAMA ABADI

The Shareholders, Commissioners and Directors
PT BONANZA PRATAMA ABADI

Kami telah mengaudit Laporan Keuangan PT Bonanza Pratama Abadi (Perusahaan) terlampir, yang terdiri dari Laporan Posisi Keuangan tanggal 31 Desember 2020, serta Laporan Laba Rugi dan Penghasilan Komprehensif Lain, Laporan Perubahan Ekuitas, dan Laporan Arus Kas untuk tahun yang berakhir pada tanggal tersebut, serta ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying Financial Statements of PT Bonanza Pratama Abadi (the Company), which comprise the Statement of Financial Position as of December 31, 2020, and the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung Jawab Manajemen atas Laporan Keuangan**Management's Responsibility for the Financial Statements**

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

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

Tanggung Jawab Auditor**Auditor's Responsibility**

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

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

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)



JOHAN MALONDA MUSTIKA & REKAN

PT BONANZA PRATAMA ABADI
LAPORAN AUDITOR INDEPENDEN

PT BONANZA PRATAMA ABADI
INDEPENDENT AUDITOR'S REPORT

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

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

Opini

Menurut opini kami, Laporan Keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, Posisi Keuangan **PT Bonanza Pratama Abadi** tanggal 31 Desember 2020, Kinerja Keuangan dan Arus Kasnya untuk tahun yang berakhir pada tanggal tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia.

JOHAN MALONDA MUSTIKA & REKAN

NIU-KAP/Licence No. 951/KM.1/2010

H. Fuad Hasan, CPA, CA
NRAP/Public Accountant Registration AP.0727

31 Maret 2021/March 31, 2021



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

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

Opinion

*In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of **PT Bonanza Pratama Abadi** as of December 31, 2020 and its Financial Performance and Cash Flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.*

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN POSISI KEUANGAN
PER 31 DESEMBER 2020 DAN 2019
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019
(Expressed in United States Dollar, except
Otherwise Stated)

	ASET		ASSETS	
	Catatan/ Notes	2020	2019	
ASET LANCAR				CURRENT ASSETS
Kas dan Bank	2,3,20&21	662.761	899.396	Cash on Hand and in Banks
Piutang Usaha - Bersih	2,4,20&21	159.100	-	Trade Receivables - Net
Piutang Lain-lain - Bersih	2,5,20&21	114.217	309.107	Other Receivables - Net
Persediaan - Bersih	2,6&10	2.726.028	2.432.069	Inventories - Net
Uang Muka dan Biaya Dibayar di Muka	2&7	34.762	8.636	Advances and Prepayments
Pajak Dibayar di Muka	2 & 9	1.184	134	Prepaid Tax
Jumlah Aset Lancar		<u>3.698.052</u>	<u>3.649.342</u>	Total Current Assets
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Aset Tetap - Jumlah Tercatat	2,8&10	934.630	982.771	Property, Plant and Equipment - Net
Aset Pajak Tangguhan	2 & 9	58.970	70.295	Deferred Tax Assets
Uang Jaminan	2,20&21	9.043	9.004	Guarantee Deposits
Jumlah Aset Tidak Lancar		<u>1.002.643</u>	<u>1.062.070</u>	Total Non-Current Assets
JUMLAH ASET		<u>4.700.695</u>	<u>4.711.412</u>	TOTAL ASSETS

Catatan atas Laporan Keuangan merupakan bagian yang tidak terpisahkan dari Laporan Keuangan

The accompanying Notes to the Financial Statements form an integral part of these Financial Statements

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN POSISI KEUANGAN (Lanjutan)

PER 31 DESEMBER 2020 DAN 2019

(Dinyatakan dalam Dolar Amerika Serikat, kecuali Dinyatakan Lain)

STATEMENTS OF FINANCIAL POSITION

(Continued)

AS OF DECEMBER 31, 2020 AND 2019

(Expressed in United States Dollar, except Otherwise Stated)

LIABILITAS DAN EKUITAS		LIABILITIES AND EQUITY	
	Catatan/ Notes	2020	2019
LIABILITAS JANGKA PENDEK			
Utang Bank	2,10,20&21	20.316	425.876
Utang Usaha	2,20&21	67.490	4.839
Utang Pajak	2 & 9	176.323	74.854
Utang Lain-lain	2,20&21	116.723	92.130
Liabilitas Kontrak	2	2.325	1.338
Beban Akrua	2,11,20&21	53.339	47.439
Jumlah Liabilitas Jangka Pendek		<u>436.516</u>	<u>646.476</u>
LIABILITAS JANGKA PANJANG			
Utang Pihak Berelasi	2,12&20	500.000	1.250.000
Liabilitas Kontrak	2	8.331	-
Estimasi Liabilitas Imbalan Kerja	2 & 19	152.662	132.320
Jumlah Liabilitas Jangka Panjang		<u>660.993</u>	<u>1.382.320</u>
Jumlah Liabilitas		<u>1.097.509</u>	<u>2.028.796</u>
EKUITAS			
Modal Saham - nilai nominal USD 100 per saham			
Modal Dasar - 30.000 saham			
Modal Ditempatkan dan Disetor Penuh - 20.000 saham	13	2.000.000	2.000.000
Saldo Laba		<u>1.603.186</u>	<u>682.616</u>
Jumlah Ekuitas		<u>3.603.186</u>	<u>2.682.616</u>
JUMLAH LIABILITAS DAN EKUITAS		<u>4.700.695</u>	<u>4.711.412</u>
			TOTAL LIABILITIES AND EQUITY

Catatan atas Laporan Keuangan merupakan bagian yang tidak terpisahkan dari Laporan Keuangan

The accompanying Notes to the Financial Statements form an integral part of these Financial Statements

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL-TANGGAL 31 DESEMBER 2020 DAN 2019 (Dinyatakan dalam Dolar Amerika Serikat, kecuali Dinyatakan Lain)	Catatan/ Notes	2020	2019	STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (Expressed in United States Dollar, except Otherwise Stated)
PENJUALAN BERSIH	2 & 14	14.825.542	15.343.666	NET SALES
BEBAN POKOK PENJUALAN	2,15&16	(12.173.354)	(13.132.745)	COST OF GOODS SOLD
LABA KOTOR		2.652.188	2.210.921	GROSS PROFIT
BEBAN USAHA	2 & 17	(1.449.133)	(1.343.401)	OPERATING EXPENSES
BEBAN LAIN-LAIN - BERSIH	2 & 18	(85.607)	(364.131)	OTHER CHARGES - NET
LABA SEBELUM PAJAK FINAL		1.117.448	503.389	INCOME BEFORE FINAL TAX
PAJAK FINAL	2	(227)	(192)	FINAL TAX
LABA SEBELUM PAJAK PENGHASILAN		1.117.221	503.197	INCOME BEFORE INCOME TAX
PAJAK PENGHASILAN	2 & 9			INCOME TAX
Pajak Kini		(186.901)	(199.796)	Current Tax
Pajak Tangguhan		(11.010)	2.472	Deferred Tax
Jumlah Pajak Penghasilan		(197.911)	(197.324)	Total Income Tax
LABA BERSIH		919.310	305.873	NET INCOME
PENGHASILAN (BEBAN) KOMPREHENSIF LAIN Pos yang Tidak Akan Direklasifikasi ke Laba Rugi				OTHER COMPREHENSIVE INCOME (CHARGES) Items that Will Not Be Reclassified to Profit or Loss
Keuntungan (Kerugian) Pengukuran Kembali atas Liabilitas Imbalan Kerja	19	1.575	(6.435)	Remeasurement Gain (Loss) on Employee Benefits Liabilities
Manfaat (Beban) Pajak Penghasilan Terkait	9	(315)	1.608	Related Income Tax Benefit (Expense)
Jumlah		1.260	(4.827)	Total
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN		920.570	301.046	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Catatan atas Laporan Keuangan merupakan bagian yang tidak terpisahkan dari Laporan Keuangan

The accompanying Notes to the Financial Statements form an integral part of these Financial Statements

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2020 DAN 2019
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020
AND 2019
(Expressed in United States Dollar, except
Otherwise Stated)

	Catatan/ Notes	Modal Saham/ Share Capital	Saldo Laba/ Retained Earnings	Jumlah/ Total	
SALDO PER 31 DESEMBER 2018		2.000.000	381.570	2.381.570	BALANCE AS OF DECEMBER 2018
LABA BERSIH TAHUN 2019		-	305.873	305.873	NET INCOME IN 2019
BEBAN KOMPREHENSIF LAIN					OTHER COMPREHENSIVE CHARGES
Kerugian Pengukuran Kembali atas Liabilitas Imbalan Kerja - Bersih	9 & 19	-	(4.827)	(4.827)	Remasurement Loss on Employee Benefits Liabilities
SALDO PER 31 DESEMBER 2019		2.000.000	682.616	2.682.616	BALANCE AS OF DECEMBER 2019
LABA BERSIH TAHUN 2020		-	919.310	919.310	NET INCOME IN 2020
PENGHASILAN KOMPREHENSIF LAIN					OTHER COMPREHENSIVE INCOME
Keuntungan Pengukuran Kembali atas Liabilitas Imbalan Kerja - Bersih	9 & 19	-	1.260	1.260	Remasurement Gain on Employee Benefits Liabilities
SALDO PER 31 DESEMBER 2020		2.000.000	1.603.186	3.603.186	BALANCE AS OF DECEMBER 2020

Catatan atas Laporan Keuangan merupakan
bagian yang tidak terpisahkan dari Laporan Keuangan

The accompanying Notes to the Financial Statements
form an integral part of these Financial Statements

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2020 DAN 2019
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020
AND 2019
(Expressed in United States Dollar, except
Otherwise Stated)

	2020	2019	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Laba sebelum Pajak Final dan Pajak Penghasilan	1.117.448	503.389	<i>Income before Final Tax and Income Tax</i>
Penyesuaian untuk Merekonsiliasi Laba sebelum Pajak Final dan Pajak Penghasilan Menjadi Kas yang Diperoleh dari Aktivitas Operasi:			<i>Adjustments to Reconcile Income before Final Tax and Income Tax to Net Cash Provided by Operating Activities:</i>
Penyusutan	201.383	183.761	<i>Depreciation</i>
Estimasi Imbalan Kerja	24.764	21.368	<i>Estimated Employee Benefits</i>
Laba Selisih Kurs atas Estimasi Imbalan Kerja	6.324	4.201	<i>Gain on Foreign Exchange of Estimated Employee Benefits</i>
Laba (Rugi) Selisih Kurs atas Penurunan Nilai Piutang Lain-lain	(9)	2.216	<i>Gain (Loss) on Foreign Exchange of Impairment of Other Receivables</i>
Penurunan Nilai Piutang Lain-lain	84.663	14.025	<i>Impairment of Other Receivables</i>
Penurunan (Pemulihan) Nilai Persediaan	(1.768)	10.421	<i>Impairment (Recovery) of Inventories</i>
Penurunan (Peningkatan):			<i>Decrease (Increase) in:</i>
Piutang Usaha	(159.100)	-	<i>Trade Receivables</i>
Piutang Lain-lain	110.236	(134.491)	<i>Other Receivables</i>
Persediaan	(292.191)	209.503	<i>Inventories</i>
Uang Muka dan Biaya Dibayar di Muka	47	896	<i>Advances and Prepayments</i>
Uang Jaminan	(39)	(360)	<i>Guarantee Deposits</i>
Peningkatan (Penurunan):			<i>Increase (Decrease) in:</i>
Utang Usaha	62.651	(6.062)	<i>Trade Payables</i>
Utang Lain-lain	24.593	(31.983)	<i>Other Payables</i>
Utang Pajak	33.265	2.318	<i>Taxes Payable</i>
Liabilitas Kontrak	9.318	(1.909)	<i>Contract Liability</i>
Beban Akrual	5.900	3.143	<i>Accrued Expenses</i>
			<i>Cash Provided by Operating Activities</i>
Kas Diperoleh dari Aktivitas Operasi	1.227.485	780.436	
Pembayaran Pajak Penghasilan Badan	(118.697)	(262.781)	<i>Corporate Income Tax Payment</i>
Pembayaran Pajak Final	(1.277)	(2)	<i>Payments of Final Tax</i>
Pembayaran Imbalan Kerja	(9.171)	(595)	<i>Payments of Employee Benefits</i>
			<i>Net Cash Provided by Operating Activities</i>
Kas Bersih Diperoleh dari Aktivitas Operasi	1.098.340	517.058	

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN ARUS KAS (Lanjutan)
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2020 DAN 2019
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2020
AND 2019
(Expressed in United States Dollar, except
Otherwise Stated)

	<u>2020</u>	<u>2019</u>	
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Perolehan Aset Tetap	(153.242)	(92.807)	Acquisitions of Property and Equipment
Peningkatan Uang Muka Pembelian Aset Tetap	<u>(26.173)</u>	<u>(8.503)</u>	Increase in Advance - Purchase of Equipment
Kas Bersih Digunakan untuk Aktivitas Investasi	<u>(179.415)</u>	<u>(101.310)</u>	Net Cash Used in Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Peningkatan Utang Bank	7.877.701	18.578.228	Increase in Bank Loan
Pembayaran Utang Bank	(8.283.261)	(18.921.447)	Payment of Bank Loan
Pembayaran Utang Pihak Berelasi	<u>(750.000)</u>	<u>(250.000)</u>	Payment of Due from Related Party
Kas Bersih Digunakan untuk Aktivitas Pendanaan	<u>(1.155.560)</u>	<u>(593.219)</u>	Net Cash Used in Financing Activities
PENURUNAN BERSIH KAS DAN BANK	(236.635)	(177.471)	NET DECREASE IN CASH ON HAND AND IN BANKS
KAS DAN BANK, AWAL TAHUN	<u>899.396</u>	<u>1.076.867</u>	CASH ON HAND AND IN BANKS, BEGINNING
KAS DAN BANK, AKHIR TAHUN	<u><u>662.761</u></u>	<u><u>899.396</u></u>	CASH ON HAND AND IN BANKS, ENDING

Catatan atas Laporan Keuangan merupakan
bagian yang tidak terpisahkan dari Laporan Keuangan

The accompanying Notes to the Financial Statements
form an integral part of these Financial Statements

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2020 DAN 2019**
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**
(Expressed in United States Dollar, except
Otherwise Stated)

1. UMUM

PT Bonanza Pratama Abadi (Perusahaan) didirikan berdasarkan Akta Notaris James Herman Rahardjo, S.H., No. 85 tanggal 18 Oktober 2001. Akta Pendirian ini telah mendapat pengesahan dari Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No. C-03578.HT.01.01.Th.2002 tanggal 5 Maret 2002. Perubahan terakhir Anggaran Dasar Perusahaan berdasarkan Akta Risalah Rapat Oeij Jian Hiap, S.H. No. 24 tanggal 21 Desember 2006 tentang peningkatan modal ditempatkan dan disetor.

Atas peningkatan tersebut, perusahaan telah memperoleh persetujuan dari Kepala Badan Koordinasi Penanaman Modal (BKPM) berdasarkan Surat Keputusan No. 1235/III/PMA/2006 tanggal 11 September 2006 dengan No. kode proyek 1512-64-13.339.

Berdasarkan Akta No. 36 dari Notaris Yenni Agustinah, S.H., M.Kn., tanggal 12 Agustus 2009, Anggaran Dasar Perusahaan telah disesuaikan ke Undang-undang Perseroan Terbatas No. 40 tahun 2007 dan telah memperoleh pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-16769.AH.01.02 tahun 2010 tanggal 1 April 2010.

Perusahaan didirikan dalam rangka Undang-undang Penanaman Modal Asing No. 1 tahun 1967 yang telah diubah dengan Undang-undang No. 11 tahun 1970 dan No. 25 tahun 2007. Perusahaan telah memperoleh persetujuan fasilitas penanaman modal asing dari kepala Badan Koordinasi Penanaman Modal (BKPM) berdasarkan Surat Keputusan No. 738/I/PMA/2001 tanggal 21 September 2001 dengan No. Kode Proyek 1512-64-13.339.

Perusahaan berkedudukan di Kota Tarakan, Kalimantan Utara. Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan terutama meliputi bidang industri pengolahan dan pembekuan ikan dan biota perairan lainnya dan sekaligus menjual hasil industri baik ke dalam maupun ke luar negeri.

1. GENERAL

PT Bonanza Pratama Abadi (the Company) was established based on Notarial Deed No. 85 of Public Notary James Herman Rahardjo, S.H. dated October 18, 2001. The Deed of Establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in Decision Letter No. C-03578.HT.01.01.Th.2002 dated March 5, 2002. The Company's Articles of Association were last amended by Notarial Deed No. 24 of Public Notary Oeij Jian Hiap, S.H. dated December 21, 2006 concerning the increase in the subscribed and fully paid capital.

The Company has obtained the approval on the increase in the subscribed and fully paid capital from the Chief of Capital Investment Coordinating Board (BKPM) based on Decision Letter No. 1235/III/PMA/2006, dated September 11, 2006, Project No. 1512-64-13.339.

Based on Notarial Deed No. 36 dated August 12, 2009 of Public Notary Yenni Agustinah, S.H., M.Kn., the Company's Articles of Association have been amended to comply with Limited Liability Company Law No. 40 of 2007 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-16769.AH.01.02 dated April 1, 2010.

The Company was established within the framework of Foreign Capital Investment Law No. 1/1967, as amended by Law No. 11 of 1970 and No. 25 of 2007. The Company has obtained the approval from the Chief of Capital Investment Coordinating Board (BKPM) based on Decision Letter No. 738/I/PMA/2001 dated September 21, 2001, Project Code No. 1512-64-13.339.

The Company is domiciled in Tarakan, North Kalimantan. Based on Article 3 of the Company's Articles of Association, the Company's activities comprise processing and freezing fish and other sea products for local and export sales.

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PT BONANZA PRATAMA ABADI

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1. UMUM (Lanjutan)

Perusahaan berusaha dalam bidang industri pengolahan dan pembekuan udang dan biota perairan lainnya yang berlokasi di Juata Laut, Kotamadya Tarakan dan mulai beroperasi secara komersial sejak bulan Oktober 2003.

Susunan Dewan Direksi dan Komisaris Perusahaan per 31 Desember 2020 dan 2019 adalah sebagai berikut:

Presiden Komisaris	:	Quah Say Hong
Komisaris	:	Lau Liong Kii
		Inge Miradewi Rosadi
		Nelly
Presiden Direktur	:	Fong Yuh Cheng
Direktur	:	Tiong Chiong Hiung
		William Tiong Kung Thung
		Law Poon Chuang

Perusahaan mempekerjakan masing-masing 298 dan 306 karyawan pada tahun 2020 dan 2019.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN**a. Dasar Penyusunan Laporan Keuangan**

Laporan Keuangan telah disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia, yang meliputi Pernyataan dan Interpretasi yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Institut Akuntan Indonesia.

Mata uang pelaporan yang digunakan dalam penyusunan Laporan Keuangan adalah Dolar Amerika Serikat yang juga merupakan mata uang fungsional Perusahaan. Perusahaan mencatat pembukuannya dalam Dolar Amerika Serikat yang telah disetujui oleh Menteri Keuangan melalui Surat Keputusan No. KEP-2888/WPJ.07/2014 tanggal 16 Desember 2014.

1. GENERAL (Continued)

The Company conduct its activities of processing and freezing fish and other sea products in Juata Laut, Tarakan Regency. It commenced commercial operations in October 2003.

The Company's Commissioners and Directors as of December 31, 2020 and 2019 are as follows:

President Commissioner
Commissioners

President Director
Directors

The Company had 298 and 306 employees in 2020 and 2019, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of Financial Statement Presentation**

The Financial Statements have been prepared in accordance with Indonesian Financial Accounting Standards, which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants.

The reporting currency used in the preparation of the Financial Statements is United States Dollar which also represents the functional currency of the Company. The Company maintains its books in USD which has been approved by the Minister of Finance through Decision Letter No. KEP-2888/WPJ.07/2014 dated December 16, 2014.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**a. Dasar Penyusunan Laporan Keuangan
(Lanjutan)**

Laporan Keuangan Perusahaan disusun dalam mata uang Dollar Amerika Serikat dengan dasar biaya perolehan, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam Catatan atas Laporan Keuangan.

Laporan Keuangan disajikan atas dasar Akrua, kecuali untuk Laporan Arus Kas.

Laporan Arus Kas disusun dengan menggunakan metode Tidak Langsung dan arus kas dikelompokkan atas dasar kegiatan operasi, investasi dan pendanaan.

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK")

Perusahaan menerapkan Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) baru yang berlaku efektif pada atau setelah tanggal 1 Januari 2020:

- Kerangka Konseptual untuk Pelaporan Keuangan.
- PSAK No. 71, "Instrumen Keuangan".
- PSAK No. 72, "Pendapatan dari Kontrak dengan Pelanggan".
- PSAK No. 73, "Sewa"
- Amandemen PSAK No. 15, "Investasi pada Entitas Asosiasi dan Ventura Bersama tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama".
- Amandemen PSAK No. 62, "Kontrak Asuransi" tentang Menerapkan PSAK No. 71, "Instrumen Keuangan" dan PSAK No. 62, "Kontrak Asuransi".
- Amandemen PSAK No. 71, "Instrumen Keuangan tentang Fitur Percepatan Pelunasan dengan Kompensasi Negatif".
- Amandemen PSAK No. 1, "Penyajian Laporan Keuangan tentang Judul Laporan Keuangan".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Basis of Financial Statement Presentation (Continued)

The Financial Statements have been prepared in United States Dollar on the basis of Historical Cost, except for certain accounts which are measured on the bases described in the related Notes to Financial Statements.

The Financial Statements, except for the Statements of Cash Flows, are prepared under the Accrual basis of accounting.

The Statements of Cash Flows are prepared based on the Indirect method and cash flows are classified into operating, investing and financing activities.

Changes to Statements of Financial Accounting Standards ("SFAS") and Interpretations of Financial Accounting Standards ("IFAS")

The Company adopted the following new/revised Statements of Financial Accounting Standards (SFAS) and Interpretations of Financial Accounting Standards (IFAS) effective on or after January 1, 2020:

- *Conceptual Framework for Financial Reporting.*
- *SFAS No. 71, "Financial Instruments"*
- *SFAS No. 72, "Revenue from Contracts with Customers"*
- *SFAS No. 73, "Leases"*
- *SFAS No. 15 (Amendment), "Investment in Associates and Joint Ventures - Long Term Interest in Associates and Joint Ventures"*
- *SFAS No. 62 (Amendment), "Insurance Contract - Applying SFAS No. 71, "Financial Instruments" with SFAS No. 62, "Insurance Contract"*
- *SFAS No. 71 (Amendment), "Financial Instruments on Prepayment Features with Negative Compensation"*
- *SFAS No. 1 (Amendment), "Presentation of Financial Statements on Titles of Financial Statements"*

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**a. Dasar Penyusunan Laporan Keuangan
(Lanjutan)**

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") (Lanjutan)

- Amandemen PSAK No. 1, "Penyajian Laporan Keuangan dan Amandemen PSAK No. 25: Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan tentang Definisi Material".
- Amandemen PSAK No. 55, "Instrumen Keuangan: Pengakuan dan Pengukuran, Amandemen PSAK No. 60, Instrumen Keuangan: Pengungkapan dan Amandemen PSAK No. 71, Instrumen Keuangan tentang Reformasi Acuan Suku Bunga".
- Amandemen PSAK No. 73, "Sewa tentang Konsesi Sewa terkait Covid-19".
- PSAK No. 1 (Penyesuaian 2019), "Penyajian Laporan Keuangan"
- ISAK No. 35, "Penyajian Laporan Keuangan Entitas Berorientasi Nonlaba".
- ISAK No. 36, "Interpretasi atas Interaksi antara Ketentuan Mengenai Hak atas Tanah dalam PSAK No. 16: Aset Tetap dan PSAK No. 73, Sewa".

Standar baru, amandemen dan interpretasi yang telah diterbitkan, namun belum berlaku efektif untuk tahun buku yang dimulai pada tanggal 1 Januari 2020 adalah sebagai berikut:

- PSAK No. 74, "Kontrak Asuransi".
- Amandemen PSAK No. 22, "Kombinasi Bisnis tentang Definisi Bisnis".
- Amandemen PSAK No. 1, "Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Basis of Financial Statement Presentation (Continued)

Changes to Statements of Financial Accounting Standards ("SFAS") and Interpretations of Financial Accounting Standards ("IFAS") (Continued)

- SFAS No. 1 (Amendment), "Presentation of Financial Statements and Amendment to SFAS No. 25: Accounting Policies, Changes in Accounting Estimates, and Errors on Definition of Material"
- SFAS No. 55 (Amendment), "Financial Instruments: Recognition and Measurement, Amendment to SFAS No. 60: Financial Instruments: Disclosure and Amendment to SFAS No 71: Financial Instruments on Interest Rate Benchmark Reform"
- SFAS No. 73 (Amendment), "Leases on Covid-19-related Rent Concessions"
- SFAS No. 1 (2019 Improvement), "Presentation of Financial Statements"
- IFAS No. 35, "Presentation of Not-for-profit Oriented Entity Financial Statements"
- IFAS No. 36, "Interpretation of the Interaction between Provisions regarding Land Rights in SFAS No. 16: Property, Plant and Equipment and SFAS No. 73: Leases"

New standards, amendments and interpretations issued but not yet effective for the financial year beginning on or after January 1, 2020 are as follows:

- SFAS No. 74, "Insurance Contracts"
- SFAS No. 22 (Amendment), "Business Combinations on Definition of Business"
- SFAS No. 1 (Amendment), "Presentation of Financial Statements on Classification of Liabilities as Current or Non-current"

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**a. Dasar Penyusunan Laporan Keuangan
(Lanjutan)**

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") (Lanjutan)

- Amandemen PSAK No. 71, "Instrumen Keuangan, Amandemen PSAK No. 55, Instrumen Keuangan: Pengakuan dan Pengukuran, Amandemen PSAK No. 60, Instrumen Keuangan: Pengungkapan, Amandemen PSAK No. 62, Kontrak Asuransi dan Amandemen PSAK No. 73, Sewa tentang Reformasi Acuan Suku Bunga - Tahap 2".
- Amandemen PSAK No. 22, "Kombinasi Bisnis tentang Referensi ke Kerangka Konseptual".
- Amandemen PSAK No. 57, "Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak Memberatkan - Biaya Memenuhi Kontrak".
- PSAK No. 69 (Penyesuaian Tahunan 2020), "Agrikultur".
- PSAK No. 71 (Penyesuaian 2020), "Instrumen Keuangan".
- PSAK No. 73 (Penyesuaian 2020), "Sewa".

b. Kas dan Bank

Kas dan bank terdiri dari kas dan bank dengan jangka waktu tidak lebih dari 3 bulan yang tidak dibatasi penggunaannya.

c. Piutang Usaha dan Piutang Lain-lain

Piutang usaha dan piutang lain-lain pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif, kecuali jika efek diskontonya tidak material, setelah dikurangi penyisihan piutang ragu-ragu.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

**a. Basis of Financial Statement Presentation
(Continued)**

Changes to Statements of Financial Accounting Standards ("SFAS") and Interpretations of Financial Accounting Standards ("IFAS") (Continued)

- SFAS No. 71 (Amendment), "Financial Instruments, Amendment to SFAS No. 55: Financial Instruments: Recognition and Measurement, Amendment to SFAS No. 60: Financial Instruments: Disclosure, Amendment to SFAS No. 62: Insurance Contracts and Amendment to SFAS No. 73: Leases on Interest Rate Benchmark Reform - Phase 2"
- SFAS No. 22 (Amendment), "Business Combinations on Reference to the Conceptual Framework"
- SFAS No. 57 (Amendment), "Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts - Cost of Fulfilling the Contracts"
- SFAS No. 69 (2020 Annual Improvement), "Agriculture"
- SFAS No. 71 (2020 Improvement), "Financial Instruments"
- SFAS No. 73 (2020 Improvement), "Leases"

b. Cash on Hand and in Banks

Cash on hand and in banks consist of cash on hand and in banks with maturities of three months or less and unrestricted utilization.

c. Trade and Other Receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the Effective Interest Rate method, except where the effect of discounting would be immaterial, less provision for doubtful accounts.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

c. Piutang Usaha dan Piutang Lain-lain
(Lanjutan)

Sejak 1 Januari 2020, penyisihan piutang ragu-ragu diukur berdasarkan kerugian kredit ekspektasian dengan melakukan penelahaan atas kolektibilitas saldo secara individual atau kolektif sepanjang umur piutang usaha menggunakan pendekatan yang disederhanakan dengan mempertimbangkan informasi yang bersifat *forward-looking* yang dilakukan setiap akhir periode pelaporan. Piutang ragu-ragu dihapus pada saat piutang tersebut tidak akan tertagih.

d. Persediaan

Persediaan dibukukan berdasarkan nilai terendah antara biaya perolehan dengan nilai realisasi bersih. Biaya perolehan persediaan bahan baku dan bahan lain-lain dinilai berdasarkan metode Masuk Pertama Keluar Pertama (FIFO), sedangkan biaya perolehan persediaan barang jadi dinilai berdasarkan biaya produksi rata-rata.

e. Aset Tetap

Perusahaan memilih model Biaya sebagai akuntansi pengukuran aset tetap untuk penerapan PSAK No. 16 (Amandemen), "Aset Tetap".

Aset tetap dinilai sebesar biaya perolehan, dikurangi dengan akumulasi penyusutan. Aset tetap, disusutkan pertama kali pada saat aset tersebut mulai digunakan dengan metode Garis Lurus sesuai dengan taksiran masa manfaat keekonomian dari aset yang bersangkutan sebagai berikut:

Tanah	Tidak Disusutkan
Bangunan	20 tahun
Mesin-mesin	4 tahun
Peralatan Pabrik	4 - 8 tahun
Inventaris Kantor	4 tahun
Kendaraan	8 tahun

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

c. Trade and Other Receivables (Continued)

Since January 1, 2020, provision for doubtful accounts are measured based on expected credit losses by reviewing the collectability of individual or collective balances in a lifetime of trade receivables using a simplified approach with considering the forward-looking information at the end of each reporting period. Doubtful accounts are written off during the period in which they are determined to be not collectible.

d. Inventories

The Company determines the value of inventories at the lower of cost or net realizable value. Costs of raw materials and other materials are determined using the First In First Out method (FIFO), while the costs of finished goods are determined by the average production cost.

e. Property, Plant and Equipment

The Company applies the Cost model for the measurement of its property, plant and equipment in accordance for the implementation of SFAS No. 16 (Amendment), "Property, Plant and Equipment".

Property, plant and equipment are stated at cost less accumulated depreciation. Property, plant and equipment are depreciated from the time the assets are used using the Straight-line method over the estimated useful lives as follows:

Land	Not Depreciated
Buildings	20 years
Machinery	4 years
Factory Equipment	4 - 8 years
Office Equipment	4 years
Vehicles	8 years

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

e. Aset Tetap (Lanjutan)

**e. Property, Plant and Equipment
(Continued)**

Beban pemeliharaan dan perbaikan rutin dibebankan pada laba rugi pada saat terjadinya. Pemeliharaan dan perbaikan dalam jumlah besar dan menambah manfaat keekonomian di masa mendatang dikapitalisasi. Aset tetap yang sudah tidak digunakan lagi atau dijual dikeluarkan dari kelompok Aset Tetap berikut akumulasi penyusutannya. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laba rugi pada tahun yang bersangkutan.

The cost of ordinary repairs and maintenance is charged to profit or loss as incurred. Renewals and betterments are capitalized. When the assets are retired or disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Aset dalam penyelesaian dibukukan berdasarkan biaya perolehan dan akan dipindahkan dalam kelompok aset tetap pemilikan langsung pada saat selesai dikerjakan dan siap digunakan.

Assets under construction are stated at cost and will be reclassified to property, plant and equipment from direct acquisitions when the construction is completed and the asset is ready to be used.

Perusahaan menerapkan PSAK No. 48, "Penurunan Nilai Aset". Kerugian penurunan nilai aset diakui bila perusahaan mengidentifikasi bahwa aset secara potensial diindikasikan turun nilainya, dimana taksiran jumlah yang dapat diperoleh kembali dari aset tersebut lebih kecil daripada nilai tercatatnya.

The Company adopted SFAS No. 48, "Assets Impairment". The decline in value of assets is recognized when the Company's management identifies that the value of an asset will potentially decrease, in which the recoverable amount of the asset is lower than its carrying value.

f. Transaksi dengan Pihak Berelasi

f. Related Party Transactions

Pihak berelasi merupakan seseorang atau suatu entitas yang terkait dengan Perusahaan:

Related parties represent a person or an entity that is related to the Company:

- (a) Orang atau anggota keluarga dekatnya mempunyai relasi dengan Perusahaan jika orang tersebut:
- i) memiliki pengendalian atau pengendalian bersama atas Perusahaan;
 - ii) memiliki pengaruh signifikan atas Perusahaan; atau
 - iii) merupakan personil manajemen kunci Perusahaan atau entitas induk dari Perusahaan.

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

- i) has control or joint control over the Company;
- ii) has significant influence over the Company; or
- iii) is a member of the key management personnel of the Company or of a parent of the Company.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

f. Transaksi dengan Pihak Berelasi (Lanjutan)

- (b) Suatu entitas terkait dengan Perusahaan jika memenuhi salah satu hal berikut:
- i) Entitas dan Perusahaan adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan sesama entitas anak saling berelasi dengan entitas lainnya).
 - ii) Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, di mana entitas lain tersebut adalah anggotanya).
 - iii) Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.
 - iv) Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.
 - v) Entitas tersebut adalah suatu program imbalan pascakerja untuk imbalan kerja dari salah satu Perusahaan atau entitas yang terkait dengan Perusahaan. Jika Perusahaan adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan Perusahaan.
 - vi) Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a).
 - vii) Orang yang diidentifikasi dalam huruf (a)(i) memiliki pengaruh signifikan atas entitas atau merupakan personil manajemen kunci entitas (atau entitas induk dari entitas).
 - viii) Entitas, atau anggota dari kelompok di mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada Perusahaan atau kepada entitas induk dari Perusahaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

f. Related Party Transactions (Continued)

- (b) An entity is related to the Company if any of the following conditions applies:
- i) The entity and the Company are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - vi) The entity is controlled or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) The entity, or any member of a group in which the entity is part of the group, provides key management personnel services to the Company or to the parent of the Company.

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PT BONANZA PRATAMA ABADI

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g. Transaksi dan Saldo dalam Mata Uang Asing

Perusahaan menerapkan PSAK No. 10 (Revisi 2010), "Pengaruh Perubahan Kurs Valuta Asing". PSAK No. 10 yang direvisi tersebut terutama mengatur penentuan mata uang fungsional, penjabaran dalam mata uang asing ke mata uang fungsional dan penggunaan mata uang penyajian yang berbeda dengan mata uang fungsional. Perusahaan menentukan bahwa mata uang fungsional dan pelaporannya adalah Dolar Amerika Serikat (USD).

Transaksi mata uang asing dalam tahun berjalan dibukukan dalam Dollar Amerika Serikat berdasarkan kurs yang berlaku pada saat transaksi terjadi. Pada tanggal Laporan Posisi Keuangan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Dollar Amerika Serikat dengan menggunakan kurs tengah Bank Indonesia yang berlaku pada tanggal tersebut. Laba atau rugi kurs yang terjadi dikreditkan atau dibebankan dalam laba rugi tahun berjalan.

Kurs tengah Bank Indonesia pada tanggal 31 Desember, adalah sebagai berikut:

	2020
IDR 1	0,0000709
RM 1	4,039
JPY 1	103,355
HKD 1	7,753

h. Pengakuan Pendapatan dan Beban

Perusahaan menerapkan PSAK No. 72, "Pendapatan Kontrak". Pendapatan diukur berdasarkan pertimbangan yang ditentukan dalam kontrak dengan pelanggan dan tidak termasuk jumlah yang dikumpulkan atas nama pihak ketiga.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Foreign Currency Transactions and Balances

The Company adopted SFAS No. 10 (2010 Revision), "The Effects of Changes in Foreign Exchange Rates". The revised SFAS No. 10 principally establishes the functional currency determination, account translation in foreign currency to functional currency and the use of presentation currency which is different from the functional currency. The Company determined that its functional and reporting currency is United States Dollar (USD).

Transactions during the year involving foreign currencies are recorded in United States Dollar amounts at the rates of exchange prevailing at the time the transactions are made. At Statement of Financial Position dates, monetary assets and liabilities denominated in foreign currencies are converted into United States Dollar at the middle exchange rates as published by Bank Indonesia at those dates. Any resulting gains or losses are recognized in the current year's profit or loss.

The exchange rates as of December 31, are as follows:

	2019	
0,0000719		IDR 1
4,092		RM 1
108,630		JPY 1
7,787		HKD 1

h. Revenue and Expense Recognition

The Company adopted SFAS No. 72, "Contract Revenue". Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
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**h. Pengakuan Pendapatan dan Beban
(Lanjutan)**

Standar pelaporan keuangan atas pendapatan dari kontrak dengan pelanggan menetapkan model lima langkah untuk memperhitungkan pendapatan yang timbul dari kontrak dengan pelanggan sebagai berikut:

- i. Identifikasi kontrak dengan pelanggan, di mana Perusahaan mencatat kontrak dengan pelanggan hanya jika kriteria berikut dipenuhi:
 - Kontrak telah disepakati oleh pihak-pihak yang terlibat dalam kontrak.
 - Perusahaan dapat mengidentifikasi hak para pihak yang terlibat dan jangka waktu pembayaran barang yang akan ditransfer.
 - Kontrak memiliki substansi komersial.
 - Besar kemungkinan Perusahaan akan menerima manfaat atas barang yang ditransfer.
- ii. Identifikasi kewajiban kinerja dalam kontrak.
- iii. Tentukan harga transaksinya.
- iv. Alokasikan harga transaksi untuk setiap kewajiban kinerja.
- v. Mengakui pendapatan ketika kewajiban kinerja dipenuhi (pada suatu titik waktu atau seiring waktu).

Pendapatan diakui pada jumlah yang mencerminkan imbalan yang diharapkan entitas akan menjadi haknya sebagai imbalan untuk mentransfer barang atau jasa kepada pelanggan (yang mencakup antara lain estimasi imbalan variabel yang tunduk pada batasan, seperti adanya hak untuk kembali, diskon perdagangan, rabat volume, dan perubahan harga transaksi yang timbul dari modifikasi), setelah dikurangi pajak penjualan terkait, dan tidak termasuk jumlah yang dikumpulkan atas nama pihak ketiga. Aset (barang atau jasa) ditransfer ketika atau sebagai pelanggan memperoleh kendali atas aset itu.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

**h. Revenue and Expense Recognition
(Continued)**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers as follows:

- i. Identify contracts with customers, whereby the Company records contracts with customers only if the following criteria as are met:
 - The contract has been agreed by the parties involved in the contract.
 - The Company can identify the rights of the parties involved and the term of payment for the goods to be transferred.
 - The contract has commercial substance.
 - It is probable that the Company will receive benefits for the goods transferred.
- ii. Identify the performance obligations in the contract.
- iii. Determine the transaction price.
- iv. Allocate the transaction price to each performance obligation.
- v. Recognize revenue when performance obligations are satisfied (at a point in time or over time).

Revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which includes among others estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset.

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h. Pengakuan Pendapatan dan Beban
(Lanjutan)

Pembayaran harga transaksi berbeda untuk setiap kontrak. Aset kontrak diakui setelah imbalan yang dibayarkan oleh pelanggan kurang dari saldo kewajiban kinerja yang telah dipenuhi. Kewajiban kontrak diakui setelah imbalan yang dibayarkan oleh pelanggan melebihi saldo kewajiban kinerja yang telah dipenuhi.

Kriteria pengakuan khusus berikut ini juga harus dipenuhi sebelum pendapatan diakui.

Pendapatan dari penjualan diakui pada saat barang dikapalkan kepada pelanggan.

Pendapatan sewa ruang diakui sesuai dengan periode yang sudah berjalan pada tahun yang bersangkutan. Pendapatan sewa belum menjadi pendapatan pada tahun bersangkutan dibukukan sebagai "Liabilitas Kontrak".

Beban diakui pada saat terjadinya (basis Akrual).

i. Imbalan Kerja

Perusahaan menerapkan PSAK No. 24, "Imbalan Kerja", yang mengatur penentuan tingkat diskonto imbalan pasca kerja.

Imbalan Kerja Karyawan Jangka Pendek

Manfaat jangka pendek karyawan diakui pada saat terutang kepada karyawan berdasarkan metode Akrual.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

h. Revenue and Expense Recognition
(Continued)

Payment of the transaction price differs for each contract. A contract asset is recognized once the consideration paid by customer is less than the balance of performance obligation which has been satisfied. A contract liability is recognized once the consideration paid by customer is more than the balance of performance obligation which has been satisfied.

The following specific recognition criteria must also be met before revenue is recognized.

Revenue from sales is recognized when the goods are shipped to the customers.

Rental space revenue is recognized in accordance with the period already in place for the year. Rental income that has not become income in the year is recorded as "Contract Liability".

Expenses are recognized when incurred (Accrual basis).

i. Employee Benefits

The Company adopted SFAS No. 24, "Employee Benefits", which prescribes the determination of the discount rate for post-employment benefit obligation.

Short-term Employee Benefits

Short-term employee benefits are recognized when they are owed to the employees based on the Accrual method.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
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i. Imbalan Kerja (Lanjutan)

Imbalan Pascakerja

Manfaat jangka panjang dan imbalan pascakerja, seperti pensiun, uang pesangon, uang jasa dan imbalan lainnya, dihitung berdasarkan "Peraturan Perusahaan" yang sejalan dengan UU Ketenagakerjaan No. 13/2003.

Kewajiban untuk imbalan pascakerja yang diakui dalam Laporan Posisi Keuangan dihitung dengan nilai sekarang dari estimasi manfaat bahwa karyawan telah mendapatkan imbalan untuk jasa mereka dalam tahun berjalan dan sebelumnya, dikurangi dengan aset program. Perhitungan dilakukan oleh aktuaris independen dengan menggunakan metode Proyeksi Kredit Unit.

Nilai kini liabilitas imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas masa depan dengan menggunakan tingkat bunga obligasi pemerintah jangka panjang pada tanggal laporan posisi keuangan dalam mata uang Rupiah sesuai dengan mata uang di mana imbalan tersebut akan dibayarkan dan yang memiliki jangka waktu yang sama dengan liabilitas imbalan pensiun yang bersangkutan.

Keuntungan atau kerugian yang timbul dari penyesuaian dan perubahan asumsi aktuarial diakui secara langsung di dalam penghasilan komprehensif lain.

Biaya jasa lalu yang timbul dari perubahan atau pengurangan program diakui sebagai beban dalam laba rugi pada saat terjadinya.

Pesangon

Pesangon pemutusan kontrak terhutang ketika kerja karyawan dihentikan sebelum usia pensiun normal. Perusahaan mengakui pesangon pemutusan kontrak kerja ketika menunjukkan komitmennya untuk memutuskan kontrak kerja dengan karyawan berdasarkan suatu rencana formal terperinci dan terdapat kecil kemungkinan untuk menarik rencana tersebut. Pesangon yang akan dibayarkan lebih dari 12 bulan setelah tanggal Laporan Posisi Keuangan didiskontokan untuk mencerminkan nilai sekarang.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

i. Employee Benefits (Continued)

Post-Employment Benefits

Long-term and post-employment benefits, such as pension, severance pay, service pay and other benefits, are calculated in accordance with the "Company Regulation" which is in line with Labor Law No. 13/2003.

The obligation for post-employment benefits recognized in the Statements of Financial Position is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior years, deducted by any plan assets. The calculation is performed by an independent actuary using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield at the Statement of Financial Position date of government bonds that are denominated in Indonesian Rupiah in which the benefits will be paid and that have terms to maturity similar to the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are directly recognized in other comprehensive income.

Past service costs arising from amendment or curtailment programs are recognized as an expense in profit or loss when incurred.

Termination Benefits

Termination benefits are payable when the employment of an employee is terminated before the normal retirement age. The Company recognizes termination benefits when it demonstrates its commitment to terminate the employment of employees according to a detailed formal plan and the possibility to withdraw the plan is remote. Benefits falling due more than 12 months after the Statement of Financial Position date are discounted to reflect its present value.

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j. Pajak Penghasilan

Perusahaan mengklarifikasi persyaratan untuk mengakui aset pajak tangguhan atas kerugian yang belum direalisasi. Perusahaan mengklarifikasi akuntansi untuk pajak tangguhan dimana suatu aset diukur pada nilai wajar dan bahwa nilai wajarnya di bawah basis pajak aset. Perusahaan juga mengklarifikasi aspek-aspek tertentu lainnya dari akuntansi untuk pajak tangguhan.

Beban pajak untuk tahun ini terdiri dari pajak kini dan pajak tangguhan.

Penyisihan pajak penghasilan kini ditentukan berdasarkan taksiran penghasilan kena pajak untuk tahun yang bersangkutan.

Aset dan liabilitas pajak tangguhan diakui untuk perbedaan temporer antara dasar keuangan dan pajak untuk aset dan liabilitas pada setiap tanggal pelaporan. Manfaat pajak di masa mendatang, seperti akumulasi rugi pajak yang belum digunakan, juga diakui sejauh realisasi atas manfaat pajak tersebut dimungkinkan.

Pajak tangguhan dihitung dengan menggunakan tarif pajak yang berlaku atau secara substansial telah berlaku pada tanggal Laporan Posisi Keuangan. Perubahan dalam nilai tercatat aset dan liabilitas pajak tangguhan karena perubahan tarif pajak dibebankan pada operasi tahun berjalan, kecuali jika hal tersebut terkait dengan item-item yang sebelumnya telah dibebankan atau dikreditkan ke ekuitas.

Amandemen terhadap kewajiban perpajakan dicatat ketika surat ketetapan pajak diterima atau, jika diajukan banding oleh Perusahaan, ketika hasil banding ditentukan.

Perusahaan menyajikan penyesuaian atas pajak penghasilan dari tahun lalu, jika ada, sebagai bagian dari "Taksiran Pajak Penghasilan" dalam laba rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

j. Income Tax

The Company clarifies the requirements for recognizing deferred tax assets on unrealized losses. The Company clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The Company also clarifies certain other aspects of accounting for deferred tax.

The tax expense for the year comprises current and deferred tax.

Provision for current income tax is determined based on the estimated taxable income for the year.

Deferred tax assets and liabilities are recognized for temporary differences between the financial and tax bases of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at Statement of Financial Position dates. A change in the carrying amount of deferred tax assets and liabilities due to a change in tax rates is charged to current year operations, except to the extent that it relates to items previously charged or credited to equity.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company, when the result of the appeal is determined.

The Company presents income tax adjustments of income tax from previous years, if any, as part of "Current Tax (Expense) Benefit" in profit or loss.

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k. Pajak Final

Sesuai dengan peraturan perundangan perpajakan di Indonesia, pendapatan yang telah dikenakan pajak penghasilan final tidak lagi dilaporkan sebagai penghasilan kena pajak, dan semua beban sehubungan dengan penghasilan yang telah dikenakan pajak penghasilan final tidak boleh dikurangkan. Di lain pihak, baik penghasilan maupun beban tersebut digunakan dalam perhitungan laba rugi menurut akuntansi.

Beban pajak atas pendapatan yang dikenakan pajak penghasilan final diakui secara proporsional dengan jumlah pendapatan menurut akuntansi yang diakui pada tahun berjalan.

Selisih antara jumlah pajak penghasilan final terutang dengan jumlah yang dibebankan sebagai pajak kini pada laba rugi diakui sebagai pajak dibayar di muka atau utang pajak.

l. Instrumen Keuangan

Kebijakan Akuntansi setelah 1 Januari 2020

Perusahaan menerapkan PSAK No. 71, "Instrumen Keuangan". PSAK ini memberikan klasifikasi dan pengukuran instrumen keuangan berdasarkan karakteristik arus kas kontraktual dan model bisnis entitas, model penurunan nilai kredit yang diharapkan yang menghasilkan informasi yang lebih tepat waktu, relevan dan dapat dipahami oleh pengguna laporan keuangan, akuntansi untuk lindung nilai yang mencerminkan manajemen risiko entitas secara lebih baik dengan memperkenalkan persyaratan yang lebih umum berdasarkan pertimbangan manajemen.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

k. Final Tax

In accordance with Indonesian tax laws and regulations, income subject to final income tax is not to be reported as taxable income and all expenses related to income subject to final income tax are not deductible. However, such income and expenses are included in profit and loss calculation for accounting purposes.

The current tax expense on income subject to final income tax is recognized in proportion to the total income recognized during the year for accounting purposes.

The difference between the amount of final income tax payable and the amount charged as current tax in profit or loss is recognized either as prepaid taxes and taxes payable, accordingly.

l. Financial Instruments

Accounting Policies after January 1, 2020

The Company adopted SFAS No. 71, "Financial Instruments". This SFAS provides classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity, expected credit loss impairment model resulting in information that is more timely, relevant and understandable to users of financial statements, accounting for hedging that better reflects the entity's risk management by introducing more general requirements based on management's judgment.

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I. Instrumen Keuangan (Lanjutan)

**Kebijakan Akuntansi setelah 1 Januari 2020
(Lanjutan)**

Perusahaan mengklasifikasikan instrumen keuangan dalam bentuk aset keuangan dan liabilitas keuangan. Aset keuangan atau liabilitas keuangan diakui dalam Laporan Posisi Keuangan jika, dan hanya jika, Perusahaan menjadi salah satu pihak dalam ketentuan kontraktual instrumen tersebut. Aset keuangan (kecuali jika merupakan piutang usaha tanpa komponen pembiayaan yang signifikan) pada awalnya diukur pada nilai wajar, untuk item yang tidak diukur pada nilai wajar melalui laba rugi, biaya transaksi yang dapat diatribusikan secara langsung dengan akuisisi atau penerbitannya. Piutang usaha tanpa komponen pembiayaan pada awalnya diukur pada harga transaksi.

Aset Keuangan

Kategori aset keuangan ditentukan pada pengakuan awal dan tidak direklasifikasi setelah pengakuan awal kecuali Perusahaan mengubah model bisnis untuk pengelolaan aset keuangan di mana semua aset keuangan yang terkena dampak direklasifikasi pada hari pertama periode pelaporan pertama setelah perubahan model bisnis.

Perusahaan mengklasifikasikan aset keuangannya dalam kategori berikut: (i) biaya perolehan diamortisasi, (ii) nilai wajar melalui penghasilan komprehensif lain, dan (iii) nilai wajar melalui laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

I. Financial Instruments (Continued)

**Accounting Policies after January 1, 2020
(Continued)**

The Company classifies financial instruments in the form of financial assets and financial liabilities. A financial asset or a financial liability is recognized in the Statements of Financial Position when, and only when, the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without significant financing component) is initially measured at fair value, for an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

Financial Assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of business model.

The Company classifies its financial assets in the following categories: (i) amortized cost, (ii) fair value through other comprehensive income, and (iii) fair value through profit or loss.

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(Lanjutan)**

I. Instrumen Keuangan (Lanjutan)

**Kebijakan Akuntansi setelah 1 Januari 2020
(Lanjutan)**

Aset Keuangan (Lanjutan)

- (i) Aset Keuangan yang Diukur dengan Biaya Perolehan Diamortisasi

Biaya perolehan diamortisasi terdiri dari aset keuangan yang dimiliki dalam model bisnis yang bertujuan untuk memiliki aset untuk memperoleh arus kas kontraktual dan persyaratan kontraktualnya menimbulkan arus kas pada tanggal tertentu yang hanya merupakan pembayaran pokok dan bunga dari jumlah pokok terutang. Aset keuangan tidak dirancang sebagai nilai wajar melalui laba rugi. Setelah pengakuan awal, aset keuangan ini diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif. Biaya perolehan diamortisasi dikurangi dengan kerugian penurunan nilai. Pendapatan bunga, keuntungan dan kerugian selisih kurs, dan penurunan nilai diakui dalam laba rugi. Keuntungan atau kerugian penghentian pengakuan diakui dalam laba rugi.

Pendapatan bunga diakui dengan menerapkan suku bunga efektif pada nilai tercatat bruto kecuali untuk aset keuangan yang mengalami penurunan nilai kredit dimana tingkat bunga efektif diterapkan untuk biaya perolehan diamortisasi.

Kas dan bank, piutang usaha, piutang lain-lain dan uang jaminan Perusahaan termasuk dalam kategori ini.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

I. Financial Instruments (Continued)

**Accounting Policies after January 1, 2020
(Continued)**

Financial Assets (Continued)

- (i) *Financial Assets at Amortized Cost*

Amortized cost comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designed as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortized cost using the Effective Interest Rate method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Interest income is recognized by applying the effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortized cost.

The Company's cash on hand and in banks, trade receivables, other receivables and guarantee deposits were included in this category.

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(Lanjutan)**

I. Instrumen Keuangan (Lanjutan)

**Kebijakan Akuntansi setelah 1 Januari 2020
(Lanjutan)**

Aset Keuangan (Lanjutan)

- (ii) Aset Keuangan pada Nilai Wajar melalui Penghasilan Komprehensif Lain

Nilai wajar melalui penghasilan komprehensif lain terdiri dari aset keuangan yang dimiliki dalam model bisnis yang bertujuan untuk menjual aset keuangan untuk mengumpulkan arus kas kontraktual dan persyaratan kontraktualnya menimbulkan arus kas pada tanggal tertentu yang hanya merupakan pembayaran pokok dan bunga pada jumlah pokok terutang.

Perusahaan tidak memiliki aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain pada tanggal 31 Desember 2020 dan 2019.

- (iii) Aset Keuangan pada Nilai Wajar melalui Laba atau Rugi

Semua aset keuangan yang tidak diukur pada biaya perolehan diamortisasi atau nilai wajar melalui penghasilan komprehensif lain diukur pada nilai wajar melalui laba rugi. Ini termasuk aset keuangan derivatif (kecuali untuk derivatif yang merupakan kontrak jaminan keuangan atau instrumen lindung nilai yang ditunjuk dan efektif). Pada pengakuan awal, Perusahaan tidak dapat ditarik kembali menetapkan aset keuangan yang memenuhi persyaratan untuk diukur pada biaya perolehan diamortisasi atau pada nilai wajar melalui penghasilan komprehensif lain pada nilai wajar melalui laba atau rugi jika hal tersebut menghilangkan atau secara signifikan mengurangi ketidaksesuaian akuntansi yang jika tidak akan muncul. Aset keuangan yang dikategorikan sebagai nilai wajar melalui laba rugi selanjutnya diukur pada nilai wajarnya. Keuntungan atau kerugian bersih, termasuk pendapatan bunga atau dividen, diakui dalam laba rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

I. Financial Instruments (Continued)

**Accounting Policies after January 1, 2020
(Continued)**

Financial Assets (Continued)

- (ii) *Financial Assets at Fair Value through Other Comprehensive Income*

Fair value through other comprehensive income comprises financial assets that are held within a business model whose objective is to sell the financial assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company had no financial assets at fair value through other comprehensive income as of December 31, 2020 and 2019.

- (iii) *Financial Assets at Fair Value through Profit or Loss*

All financial assets not measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorized as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss.

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

I. Instrumen Keuangan (Lanjutan)

**Kebijakan Akuntansi setelah 1 Januari 2020
(Lanjutan)**

Aset Keuangan (Lanjutan)

(iii) Aset Keuangan pada Nilai Wajar melalui Laba atau Rugi (Lanjutan)

Perusahaan tidak memiliki aset keuangan yang diukur pada nilai wajar melalui laba rugi pada tanggal 31 Desember 2020 dan 2019.

Metode Suku Bunga Efektif

Metode Suku Bunga Efektif adalah metode yang menghitung biaya perolehan diamortisasi dari instrumen keuangan dan metode untuk mengalokasikan pendapatan bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi penerimaan kas di masa depan (termasuk semua biaya dan poin yang dibayarkan atau diterima yang merupakan bagian integral dari suku bunga efektif, biaya transaksi dan premi atau diskon lainnya) selama perkiraan umur instrumen keuangan atau, jika relevan, periode yang lebih singkat ke jumlah tercatat bersih pada pengakuan awal. Pendapatan diakui berdasarkan suku bunga efektif untuk instrumen keuangan selain yang diukur pada nilai wajar melalui laba rugi.

Kebijakan Akuntansi sebelum 1 Januari 2020

Perusahaan mengklasifikasikan aset keuangannya ke dalam kategori berikut: aset keuangan yang diukur pada nilai wajar melalui laba rugi, pinjaman yang diberikan dan piutang, aset keuangan yang dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual.

Perusahaan hanya memiliki aset keuangan yang diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

I. Financial Instruments (Continued)

**Accounting Policies after January 1, 2020
(Continued)**

Financial Assets (Continued)

(iii) Financial Assets at Fair Value through Profit or Loss (Continued)

The Company had no financial assets at fair value through profit or loss as of December 31, 2020 and 2019.

Effective Interest Rate Method

The Effective Interest Rate method is a method of calculating the amortized cost of financial instruments and a method of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipt (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount at initial recognition. Income is recognized on an effective interest rate basis for financial instruments other than those at fair value through profit or loss.

Accounting Policies before January 1, 2020

The Company classified its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale financial assets.

The Company only had financial assets classified as loans and receivables.

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

I. Instrumen Keuangan (Lanjutan)

**Kebijakan Akuntansi sebelum 1 Januari 2020
(Lanjutan)**

Aset Keuangan (Lanjutan)

Pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada biaya perolehan dan diamortisasi dengan menggunakan metode Suku Bunga Efektif, kecuali untuk pinjaman yang diberikan dan piutang jangka pendek di mana perhitungan bunga tidak material. Keuntungan dan kerugian diakui pada laba rugi ketika pinjaman yang diberikan dan piutang tidak diakui atau diturunkan nilainya, melalui amortisasi. Aset keuangan dihentikan pengakuannya saat hak kontraktual untuk menerima arus kas dari aset tersebut tidak ada lagi atau telah dialihkan dan Perusahaan telah mengalihkan secara substansial semua risiko dan manfaat kepemilikan.

Liabilitas Keuangan

Liabilitas keuangan dikelompokkan ke dalam kategori (i) liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dan (ii) liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

- (i) Liabilitas Keuangan yang Diukur pada nilai Wajar melalui Laba Rugi

Nilai wajar melalui kategori laba rugi terdiri dari liabilitas keuangan yang merupakan derivatif (kecuali untuk derivatif yang merupakan kontrak jaminan keuangan atau instrumen lindung nilai yang ditunjuk dan efektif), imbalan kontinjensi dalam kombinasi bisnis dan liabilitas keuangan yang secara khusus ditetapkan ke dalam kategori ini pada pengakuan awal.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

I. Financial Instruments (Continued)

**Accounting Policies before January 1,
2020 (Continued)**

Financial Assets (Continued)

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at their acquisition cost and amortized using the Effective Interest Rate method, except for short-term loans and receivables where the interest consumption is immaterial. Financial assets are derecognized when the rights to receive cash flows from the assets have ceased to exist or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial Liabilities

Financial liabilities are classified as (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost.

- (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instruments), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

I. Instrumen Keuangan (Lanjutan)

Liabilitas Keuangan (Lanjutan)

- (i) Liabilitas Keuangan yang Diukur pada nilai Wajar melalui Laba Rugi (Lanjutan)

Pada pengakuan awal, Perusahaan tidak dapat menarik kembali untuk menetapkan liabilitas keuangan yang memenuhi persyaratan untuk diukur pada biaya perolehan diamortisasi pada nilai wajar melalui laba rugi:

- a. Jika hal itu menghilangkan atau secara signifikan mengurangi ketidaksesuaian akuntansi yang sebaliknya akan timbul;
- b. Sekelompok liabilitas keuangan atau aset dan liabilitas keuangan dikelola dan kinerjanya dievaluasi berdasarkan nilai wajar, sesuai dengan manajemen risiko atau strategi investasi yang terdokumentasi, dan informasi tentang Perusahaan disediakan secara internal atas dasar itu kepada manajemen kunci Perusahaan, personil; atau
- c. Jika suatu kontrak mengandung satu atau lebih derivatif melekat dan kontrak tersebut bukan merupakan aset keuangan dalam ruang lingkup PSAK 71, di mana derivatif melekat secara signifikan mengubah arus kas dan pemisahan tidak dilarang.

Liabilitas keuangan yang dikategorikan sebagai nilai wajar melalui laba rugi selanjutnya diukur pada nilai wajarnya dengan keuntungan atau kerugian, termasuk biaya bunga yang diakui dalam laba rugi. Untuk liabilitas keuangan yang ditetapkan sebagai nilai wajar melalui laba rugi, Perusahaan mengakui jumlah perubahan nilai wajar liabilitas keuangan yang dapat diatribusikan pada perubahan risiko kredit dalam penghasilan komprehensif lain dan sisa jumlah perubahan nilai wajar laba atau rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

I. Financial Instruments (Continued)

Financial Liabilities (Continued)

- (i) *Financial Liabilities at Fair Value through Profit or Loss (Continued)*

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortized cost as at fair value through profit or loss:

- a. *If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;*
- b. *A group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the Company's key management personnel; or*
- c. *If a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of SFAS No. 71, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.*

Financial liabilities categorized as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expenses are recognized in profit or loss. For financial liabilities where it is designated as fair value through profit or loss, the Company recognizes the amount of change in fair value of the financial liabilities that is attributable to change in credit risk in other comprehensive income and remaining amount of the change in fair value in profit or loss.

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

I. Instrumen Keuangan (Lanjutan)

Liabilitas Keuangan (Lanjutan)

- (i) Liabilitas Keuangan yang Diukur pada nilai Wajar melalui Laba Rugi (Lanjutan)

Perusahaan tidak memiliki liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi per 31 Desember 2020 dan 2019.

- (ii) Liabilitas Keuangan yang Diukur dengan Biaya Perolehan Diamortisasi

Setelah pengakuan awal, liabilitas keuangan lainnya yang tidak dikategorikan sebagai nilai wajar melalui laba rugi selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif. Beban bunga dan keuntungan dan kerugian selisih kurs diakui pada laba rugi pada saat kewajiban dihentikan pengakuannya serta melalui proses amortisasi.

Utang bank, utang usaha, utang lain-lain, beban akrual dan utang pihak berelasi Perusahaan termasuk dalam kategori ini.

m. Penurunan Nilai Aset Keuangan

Kebijakan Akuntansi setelah 1 Januari 2020

Penerapan PSAK No. 71, "Instrumen Keuangan", telah mengubah metode penghitungan kerugian penurunan nilai dari pendekatan Kerugian yang Terjadi sesuai dengan PSAK No. 55, "Instrumen Keuangan: Pengakuan dan Pengukuran", dengan menggunakan metode Kerugian Kredit yang Diharapkan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

I. Financial Instruments (Continued)

Financial Liabilities (Continued)

- (i) *Financial Liabilities at Fair Value through Profit or Loss (Continued)*

The Company had no financial liabilities at fair value through profit or loss as of December 31, 2020 and 2019.

- (ii) *Financial Liabilities at Amortized Cost*

Subsequent to initial recognition, other financial liabilities not categorized as fair value through profit or loss are subsequently measured at amortized cost using the Effective Interest Rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

The Company's bank loan, trade payables, other payables, accrued expenses and due to related party were included in this category.

m. Impairment of Financial Assets

Accounting Policies after January 1, 2020

The adoption of SFAS No. 71, "Financial Instruments", has changed the method of calculating the impairment loss from the Incurred Loss approach in accordance with SFAS No. 55, "Financial Instruments: Recognition and Measurement", to the Expected Credit Loss method.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
 (Lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

m. Penurunan Nilai Aset Keuangan (Lanjutan)

m. Impairment of Financial Assets
(Continued)

Kebijakan Akuntansi setelah 1 Januari 2020
(Lanjutan)

Accounting Policies after January 1, 2020
(Continued)

Pada setiap tanggal pelaporan, Perusahaan menilai apakah risiko kredit atas instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal. Saat membuat penilaian, Perusahaan menggunakan perubahan risiko gagal bayar yang terjadi selama perkiraan umur instrumen keuangan, bukan perubahan jumlah kerugian kredit yang diharapkan. Untuk membuat penilaian tersebut, Perusahaan membandingkan risiko gagal bayar yang terjadi pada instrumen keuangan pada tanggal pelaporan dengan risiko gagal bayar yang terjadi pada instrumen keuangan pada tanggal pengakuan awal dan mempertimbangkan informasi yang wajar dan mendukung, yang tersedia tanpa biaya atau upaya yang tidak semestinya pada tanggal pelaporan tentang peristiwa masa lalu, kondisi saat ini, dan prakiraan kondisi ekonomi masa depan, yang merupakan indikasi peningkatan risiko kredit yang signifikan sejak pengakuan awal. Perusahaan menerapkan pendekatan yang disederhanakan dalam menghitung kerugian kredit ekspektasian, yaitu kerugian kredit ekspektasian sepanjang umur Perusahaan.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company 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 expected credit losses. To make that assessment, the Company 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 consider 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. The company applies a simplified approach in calculating expected credit losses, namely expected credit losses over the lifetime of the Company.

Kebijakan Akuntansi sebelum 1 Januari 2020

Accounting Policies before January 1, 2020

Pada akhir tahun, Perusahaan menilai apakah terdapat bukti obyektif bahwa suatu aset keuangan atau sekelompok aset keuangan mengalami penurunan nilai. Aset keuangan atau sekelompok aset keuangan mengalami penurunan nilai dan kerugian penurunan nilai terjadi hanya jika terdapat bukti obyektif penurunan nilai sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset (sebuah "peristiwa kerugian") dan bahwa peristiwa (atau peristiwa-peristiwa) kerugian berdampak pada estimasi arus kas masa depan dari aset keuangan atau kelompok aset keuangan yang dapat diestimasi dengan andal.

At the end of the year, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

n. Saling Hapus Instrumen Keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya disajikan dalam Laporan Posisi Keuangan, jika, dan hanya jika, terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dari aset keuangan dan liabilitas keuangan tersebut dan terdapat intensi untuk menyelesaikan dengan menggunakan dasar neto, atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara bersamaan.

o. Penurunan nilai Aset Non Keuangan

Penurunan nilai diakui dalam laba rugi ketika jumlah terpulihkan (nilai tertinggi antara harga jual bersih dan nilai pakai) aset dibawah nilai tercatat. Setiap peningkatan jumlah terpulihkan pada aset yang mengalami penurunan nilai sebelumnya, kerugian atas penurunan nilai baik sebagian atau seluruhnya dibalik pada tahun perubahan, selama pembalikan tersebut tidak menyebabkan nilai tercatat aset yang bersangkutan melebihi nilai tercatat yang akan diakui jika tidak terdapat kerugian penurunan nilai yang telah diakui pada tahun-tahun sebelumnya.

p. Sewa

Perusahaan mengadopsi PSAK No. 73, "Sewa". Pada awal kontrak, Perusahaan menilai apakah suatu kontrak merupakan, atau mengandung, suatu sewa. Suatu kontrak merupakan atau mengandung, suatu sewa jika kontrak tersebut memberikan hak untuk mengontrol penggunaan aset yang diidentifikasi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

n. Offsetting Financial Instruments

Financial assets and liabilities are offset and their net amounts are reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

o. Impairment of Non-Financial Assets

An impairment loss is recognized in profit or loss whenever the recoverable amount (the higher value of net selling price or value in use) of assets is below the carrying amount. Whenever there is improvement in the recoverable amount of previously impaired assets, the impairment losses are either partially or wholly reversed in the year of change, as long as such reversal does not cause the carrying amount of the related assets to exceed the carrying amount that would have been recognized if no impairment losses had been recognized in prior years.

p. Leases

The Company adopted SFAS No. 73, "Leases". At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

p. Sewa (Lanjutan)

Sebagai Penyewa

Pada tanggal insepri suatu kontrak, Perusahaan menilai apakah suatu kontrak merupakan, atau mengandung, sewa. Suatu kontrak merupakan, atau mengandung, sewa jika kontrak tersebut memberikan hak untuk mengendalikan penggunaan suatu aset identifikasian selama suatu jangka waktu untuk dipertukarkan dengan imbalan. Untuk menilai apakah suatu kontrak memberikan hak untuk mengendalikan suatu aset identifikasian, Perusahaan menilai apakah:

- Kontrak melibatkan penggunaan suatu aset identifikasian - ini dapat ditentukan secara eksplisit atau implisit dan secara fisik dapat dibedakan atau mewakili secara substansial seluruh kapasitas aset yang secara fisik dapat dibedakan. Jika pemasok memiliki hak substitusi substantif, maka aset tersebut tidak teridentifikasi.
- Perusahaan memiliki hak untuk memperoleh secara substansial seluruh manfaat ekonomik dari penggunaan aset selama periode penggunaan; dan
- Perusahaan memiliki hak untuk mengarahkan penggunaan aset identifikasian. Perusahaan memiliki hak ini ketika hak pengambilan keputusan yang paling relevan untuk mengubah bagaimana dan untuk tujuan apa aset tersebut digunakan. Dalam kondisi tertentu di mana semua keputusan tentang bagaimana dan untuk tujuan apa aset digunakan telah ditentukan sebelumnya, Perusahaan memiliki hak untuk mengarahkan penggunaan aset tersebut jika:
 - a. Perusahaan memiliki hak untuk mengoperasikan aset; atau
 - b. Perusahaan mendesain aset dengan cara menetapkan sebelumnya bagaimana dan untuk tujuan apa aset akan digunakan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

p. Leases (Continued)

As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- *The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has the substantive substitution right, then the asset is not identified.*
- *The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and*
- *The Company has the right to direct the use of the identified asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In certain circumstances where all the decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if either:*
 - a. *The Company has the right to operate the asset; or*
 - b. *The Company designed the asset in a way that predetermines how and for what purpose the asset will be used.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

p. Sewa (Lanjutan)

Sebagai Penyewa (Lanjutan)

Pada tanggal insepisi atau pada saat penilaian kembali suatu kontrak yang mengandung suatu komponen sewa, Perusahaan mengalokasikan imbalan dalam kontrak ke masing-masing komponen sewa berdasarkan harga tersendiri relatif dari komponen sewa.

Pembayaran sewa yang termasuk dalam pengukuran liabilitas sewa meliputi: pembayaran sewa tetap, sewa variabel yang bergantung pada indeks, jumlah yang akan dibayarkan dalam jaminan nilai residual dan harga eksekusi opsi beli, opsi perpanjangan atau penalti penghentian jika Perusahaan cukup pasti akan mengeksekusi opsi tersebut.

Perusahaan mengakui aset hak guna dan liabilitas sewa pada tanggal dimulainya sewa. Aset hak guna awalnya diukur pada biaya, yang terdiri dari jumlah awal dari liabilitas sewa disesuaikan untuk setiap pembayaran sewa yang dilakukan pada atau sebelum tanggal mulai, ditambah biaya langsung awal yang dikeluarkan dan perkiraan biaya untuk membongkar dan menghapus aset dasar atau untuk memulihkan aset dasar atau situs di mana ia berada, dikurangi insentif sewa yang diterima.

Aset hak guna kemudian disusutkan dengan menggunakan metode Garis Lurus dari tanggal dimulainya hingga awal dari akhir masa manfaat dari aset hak guna atau akhir masa sewa. Taksiran masa manfaat ekonomis dari aset hak guna ditentukan atas dasar yang sama dengan aset tetap. Selain itu, aset hak guna secara berkala dikurangi dengan kerugian penurunan nilai, jika ada, dan disesuaikan untuk pengukuran kembali tertentu dari liabilitas sewa.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

p. Leases (Continued)

As a Lessee (Continued)

At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Lease payments included in the measurement of the lease liability comprise the following: fixed payments, variable lease payments that depend on an index, amounts excepted to be payable under a residual value guarantee and the exercise price under a purchase option, optional renewal period or penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

p. Sewa (Lanjutan)

Sebagai Penyewa (Lanjutan)

Liabilitas sewa pada awalnya diukur pada nilai kini dari pembayaran sewa yang tidak dibayarkan pada tanggal dimulainya, didiskontokan menggunakan tingkat bunga yang tersirat dalam sewa atau, jika tarif itu tidak dapat ditentukan dengan mudah, tingkat pinjaman tambahan Perusahaan. Secara umum, Perusahaan menggunakan tingkat pinjaman tambahan sebagai tingkat diskonto.

Liabilitas sewa diukur pada biaya perolehan diamortisasi menggunakan metode Suku Bunga Efektif. Diukur kembali ketika ada perubahan pembayaran sewa masa depan yang timbul dari perubahan indeks atau kurs, jika ada perubahan estimasi Perusahaan dari jumlah yang diharapkan akan dibayarkan berdasarkan jaminan nilai residu, atau jika Perusahaan mengubah penilaian apakah akan melakukan opsi pembelian, perpanjangan atau pemutusan hubungan kerja.

Ketika liabilitas sewa diukur kembali dengan cara ini, penyesuaian yang sesuai dilakukan terhadap jumlah tercatat dari aset hak guna, atau dicatat dalam laba rugi jika jumlah tercatat aset hak guna telah berkurang ke nol.

**Sewa Jangka Pendek dan Sewa Aset
Berharga Rendah**

Perusahaan telah memilih untuk tidak mengakui aset hak guna dan liabilitas sewa untuk sewa jangka pendek yang memiliki jangka waktu sewa 12 bulan atau kurang dan sewa aset bernilai rendah. Perusahaan mengakui pembayaran sewa terkait dengan sewa ini sebagai beban dengan dasar Garis Lurus selama masa sewa.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

p. Leases (Continued)

As a Lessee (Continued)

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, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the Effective Interest Rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases and Leases of Low-Value Assets

The Company has selected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a Straight-line basis over the lease term.

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen**

Penyusunan Laporan Keuangan sesuai dengan prinsip akuntansi yang berlaku umum, menyebabkan manajemen perlu membuat taksiran dan asumsi-asumsi yang mempengaruhi jumlah-jumlah yang dilaporkan. Karena adanya ketidakpastian yang terkait dalam membuat taksiran, hasil sesungguhnya yang akan dilaporkan pada periode mendatang mungkin akan berbeda dari taksiran tersebut.

Pertimbangan

Pertimbangan-pertimbangan berikut dibuat oleh manajemen dalam proses penerapan kebijakan akuntansi Perusahaan yang memiliki dampak yang paling signifikan terhadap jumlah-jumlah yang diakui dalam Laporan Keuangan:

Klasifikasi Aset dan Liabilitas Keuangan

Perusahaan menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset dan liabilitas keuangan dengan menilai jika definisi yang ditetapkan PSAK No. 71 tersebut terpenuhi. Oleh karena itu, aset dan liabilitas keuangan tersebut dicatat sesuai dengan kebijakan akuntansi Perusahaan sebagaimana diungkapkan dalam Catatan 21.

Mata Uang Fungsional

Mata uang fungsional Perusahaan adalah mata uang lingkungan ekonomi utama dimana entitas beroperasi. Mata uang tersebut adalah yang mempengaruhi pendapatan dan beban dari jasa yang diberikan. Perusahaan menentukan bahwa mata uang fungsional Perusahaan adalah Dolar Amerika Serikat (USD).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

**q. Management's Use of Judgments,
Estimates and Assumptions**

The preparation of Financial Statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts that differ from those estimates.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the Financial Statements:

**Classification of Financial Assets and
Financial Liabilities**

The Company determines the classifications of certain assets and liabilities as financial assets and liabilities by judging if they meet the definition set forth in SFAS No. 71. Accordingly, the financial assets and liabilities are accounted for in accordance with the Company's accounting policies as disclosed in Note 21.

Determination of Functional Currency

Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The functional currency is a currency that affects the revenues and expenses of the services rendered. The Company's functional currency is United States Dollar (USD).

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PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)**

Estimasi dan Asumsi

Perusahaan mendasarkan asumsi dan estimasi pada parameter yang tersedia ketika Laporan Keuangan disiapkan. Keadaan dan asumsi yang ada mengenai perkembangan masa depan mungkin berubah terkait dengan perubahan pasar atau keadaan yang timbul di luar kendali Perusahaan. Perubahan tersebut tercermin di dalam asumsi ketika terjadi. Informasi tentang asumsi utama yang dibuat mengenai masa depan dan sumber utama dari estimasi ketidakpastian lain pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya, ditentukan sebagai berikut:

Penyisihan Penurunan Nilai Persediaan

Dalam menentukan penyisihan penurunan nilai persediaan, manajemen menggunakan estimasi mengenai tingkat penjualan serta permintaan pasar dimasa datang atas persediaannya. Perubahan signifikan atas asumsi ini akan berdampak secara material terhadap hasil usaha.

Taksiran Masa Manfaat Ekonomis Aset Tetap

Masa manfaat setiap aset tetap Perusahaan ditentukan berdasarkan kegunaan yang diharapkan. Estimasi ini ditentukan berdasarkan evaluasi teknis internal dan pengalaman Perusahaan atas aset sejenis.

Masa manfaat setiap aset direview secara periodik dan disesuaikan apabila prakiraan berbeda dengan estimasi sebelumnya karena keausan, keusangan teknis dan komersial, hukum atau keterbatasan lainnya atas pemakaian aset. Namun terdapat kemungkinan bahwa hasil operasi dimasa mendatang dapat dipengaruhi secara signifikan oleh perubahan atas jumlah serta periode pencatatan biaya yang diakibatkan karena faktor yang disebutkan diatas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

**q. Management's Use of Judgments,
Estimates and Assumptions (Continued)**

Estimates and Assumptions

The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below:

Allowance for Decline in Value of Inventories

Determining the allowance for decline in value of inventories requires management to estimate for the future saleability and market demand of the inventories. Significant changes in these assumptions may materially affect the results of the operations.

Estimated Useful Lives of Property, Plant and Equipment

The useful life of each item of the Company's property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluations and experience with similar assets.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible, however, that future results of the operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)**

**q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)**

Estimasi dan Asumsi (Lanjutan)

Taksiran Masa Manfaat Ekonomis Aset Tetap
(Lanjutan)

Perubahan masa manfaat aset tetap dapat mempengaruhi jumlah biaya penyusutan yang diakui dan penurunan nilai tercatat aset tetap. Tidak terdapat perubahan masa manfaat aset tetap selama periode berjalan. Aset tetap Perusahaan per 31 Desember 2020 dan 2019 masing-masing sebesar USD 934.630 dan USD 982.771 (Catatan 8).

Penurunan Nilai Aset

Reviu atas penurunan nilai dilakukan apabila terdapat indikasi penurunan nilai. Penentuan nilai pakai aset memerlukan estimasi mengenai arus kas yang diharapkan untuk dihasilkan dari penggunaan aset dan penjualan aset tersebut. Walaupun asumsi yang digunakan dalam mengestimasi nilai pakai aset yang tercermin dalam Laporan Keuangan dianggap tetap sesuai dan wajar, namun perubahan signifikan atas asumsi ini akan berdampak material terhadap penentuan jumlah yang dapat dipulihkan dan akibatnya kerugian penurunan nilai yang timbul akan berdampak terhadap hasil usaha.

Berdasarkan penilaian manajemen, tidak terdapat penurunan nilai aset tetap per 31 Desember 2020 dan 2019.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

**q. Management's Use of Judgments,
Estimates and Assumptions (Continued)**

Estimates and Assumptions (Continued)

*Estimated Useful Lives of Property, Plant and
Equipment (Continued)*

A change in the estimated useful life of any item of equipment would affect the recorded depreciation expense and decrease in the carrying values of the equipment. There was no change in the estimated useful life of the equipment during the period. The Company's property, plant and equipment as of December 31, 2020 and 2019 amounted to USD 934,630 and USD 982,771, respectively (Note 8).

Asset Impairment

Impairment review is performed when impairment indicators are present. Determining the value in use of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of the value in use of assets reflected in the Financial Statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable value and any resulting impairment loss could have a material adverse impact on the results of operations.

Based on management's assessment, there was no impairment of the property, plant and equipment as of December 31, 2020 and 2019.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)

Estimasi dan Asumsi (Lanjutan)

Pemulihan Aset Pajak Tangguhan

Nilai tercatat aset pajak tangguhan direview pada setiap akhir periode pelaporan dan diturunkan apabila besar kemungkinan bahwa laba fiskal pada masa depan akan tersedia untuk memulihkan sebagian atau seluruh aset pajak tangguhan. Namun, tidak terdapat kepastian bahwa laba fiskal akan dihasilkan untuk memulihkan sebagian atau seluruh aset pajak tangguhan.

Aset pajak tangguhan per 31 Desember 2020 dan 2019 masing-masing sebesar USD 58.970 dan USD 70.295.

Imbalan Kerja

Penentuan liabilitas imbalan pasca kerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Realisasi yang berbeda dari asumsi Perusahaan diakumulasi dan diamortisasi selama periode mendatang dan akibatnya akan berpengaruh terhadap jumlah biaya serta liabilitas yang diakui dimasa mendatang. Walaupun asumsi Perusahaan dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pascakerja perusahaan.

Liabilitas imbalan kerja adalah sebesar USD 152.662 dan USD 132.320 masing-masing pada tanggal 31 Desember 2020 dan 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

q. Management's Use of Judgments,
Estimates and Assumptions (Continued)

Estimates and Assumptions (Continued)

Realizability of Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets were carried at net value as of December 31, 2020 and 2019 amounting to USD 58,970 and USD 70,295, respectively.

Employee Benefits

The determination of post-employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. When it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's post-employment benefit obligation.

Employee benefits obligations amounted to USD 152,662 and USD 132,320 as of December 31, 2020 and 2019, respectively.

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(Lanjutan)q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)

Estimasi dan Asumsi (Lanjutan)

Nilai Wajar Instrumen Keuangan

Penentuan nilai wajar instrumen keuangan memerlukan adanya estimasi-estimasi tertentu. Dalam pasar yang tidak aktif, manajemen menggunakan teknik penilaian tertentu untuk menentukan nilai wajar. Manajemen memilih teknik penilaian yang dapat memaksimalkan penggunaan parameter yang dapat diamati dan meminimalkan penggunaan yang tidak dapat diamati dalam menentukan nilai wajar. Ketika menentukan nilai wajar dengan cara tersebut di atas, manajemen juga memasukkan unsur kondisi pasar saat ini serta membuat penyesuaian risiko yang dianggap tepat akan dibuat oleh pelaku pasar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)q. Management's Use of Judgments,
Estimates and Assumptions (Continued)

Estimates and Assumptions (Continued)

Fair Value of Financial Instruments

Measuring fair values of financial instruments has led to the use of key estimates. In markets that are not active, management makes use of valuation techniques to measure fair value. Management selects the valuations techniques that maximize the use of observable parameters and minimize the use of unobservable parameters to estimate the fair values. When estimating fair values in this way, management has taken into account current market conditions and included appropriate risk adjustments that market participants would make.

3. KAS DAN BANK

Rincian per 31 Desember sebagai berikut:

	2020	
Kas		
Rupiah	258.233	
Yen	4.180	
Dolar Amerika Serikat	385	
Dolar Hongkong	67	
Jumlah Kas	<u>262.865</u>	
Bank		
Rupiah		
PT Bank CIMB Niaga Tbk	21.656	
PT Bank Negara Indonesia (Persero) Tbk	-	
PT Bank Mandiri (Persero) Tbk	-	
Dolar Amerika Serikat		
PT Bank Negara Indonesia (Persero) Tbk	378.240	
PT Bank Mandiri (Persero) Tbk	-	
Jumlah Bank	<u>399.896</u>	
Jumlah Kas dan Bank	<u>662.761</u>	

3. CASH ON HAND AND IN BANKS

The details as of December 31, are as follows:

	2019	
Cash on Hand		
Indonesian Rupiah	90.746	
Yen	3.977	
United States Dollar	385	
Hongkong Dollar	67	
Total Cash on Hand	<u>95.175</u>	
Cash in Banks		
Indonesian Rupiah		
PT Bank CIMB Niaga Tbk	1.496	
PT Bank Negara Indonesia (Persero) Tbk	1.075	
PT Bank Mandiri (Persero) Tbk	29	
United States Dollar		
PT Bank Negara Indonesia (Persero) Tbk	795.835	
PT Bank Mandiri (Persero) Tbk	5.786	
Total Cash in Banks	<u>804.221</u>	
Total Cash on Hand and in Banks	<u>899.396</u>	

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4. PIUTANG USAHA - BERSIH

Rincian per 31 Desember 2020 sebagai berikut:

Cralay Co Ltd	151.371	Cralay Co Ltd
PT Misaja Mitra	7.729	PT Misaja Mitra
Jumlah	<u>159.100</u>	Total

4. TRADE RECEIVABLES - NET

The details as of December 31, 2020 are as follows:

5. PIUTANG LAIN-LAIN - BERSIH

Rincian per 31 Desember sebagai berikut:

	<u>2020</u>	<u>2019</u>	
H. Sabang	29.840	36.391	H. Sabang
H. Maming	22.920	38.697	H. Maming
H. Untung	15.243	19.783	H. Untung
Abdul Hamid	14.392	15.107	Abdul Hamid
H. Made	11.883	9.999	H. Made
Supriadi	11.344	11.510	Supriadi
Yunus Ramba	10.635	14.999	Yunus Ramba
Wawan	8.458	8.438	Wawan
Dedi	7.125	8.992	Dedi
Edi	7.090	1.798	Edi
P. Latif Bunyu	6.381	15.107	P. Latif Bunyu
Ibu Hamida	6.026	6.026	Ibu Hamida
Soo	5.892	5.892	Soo
P. Randan	5.317	2.877	P. Randan
PT Karya Mujur Prasetya	-	50.356	PT Karya Mujur Prasetya
H. Ince	-	20.705	H. Ince
Lain-lain (Saldo masing-masing di bawah USD 5.000)	<u>105.792</u>	<u>111.897</u>	Others (Accounts with balances below USD 5,000, each)
Jumlah	268.338	378.574	Total
Penurunan Nilai Piutang	<u>(154.121)</u>	<u>(69.467)</u>	Impairment of Other Receivables
Jumlah Piutang Lain-lain - Bersih	<u><u>114.217</u></u>	<u><u>309.107</u></u>	Total Other Receivables - Net

5. OTHER RECEIVABLES - NET

The details as of December 31, are as follows:

Mutasi penurunan nilai piutang per 31 Desember
sebagai berikut:

The changes in impairment of other receivables
as of December 31, are as follows:

	<u>2019</u>	<u>2018</u>	
Saldo Awal	69.467	53.226	Beginning Balance
Penambahan	84.663	14.025	Addition
Selisih Kurs atas Penurunan Nilai Piutang Lain-lain	<u>(9)</u>	<u>2.216</u>	Foreign Exchange Difference in Impairment of Other Receivables
Saldo Akhir	<u><u>154.121</u></u>	<u><u>69.467</u></u>	Ending Balance

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5. PIUTANG LAIN-LAIN (Lanjutan)

Perusahaan akan membebankan bunga sebesar 2% per tahun atas piutang dari pihak ketiga yang terlambat dibayar.

Manajemen Perusahaan berpendapat bahwa jumlah piutang yang dicadangkan cukup untuk menutupi kerugian dari tidak tertagihnya piutang lain-lain.

6. PERSEDIAAN - BERSIH

Rincian per 31 Desember sebagai berikut:

	<u>2 0 2 0</u>	<u>2 0 1 9</u>	
Barang Jadi	2.643.837	2.356.426	Finished Goods
Kemasan	153.819	147.212	Packaging
Lain-lain	<u>3.681</u>	<u>5.508</u>	Others
Jumlah	2.801.337	2.509.146	Total
Penurunan Nilai Persediaan	<u>(75.309)</u>	<u>(77.077)</u>	Impairment of Inventory Value
Jumlah Persediaan Bersih	<u><u>2.726.028</u></u>	<u><u>2.432.069</u></u>	Total Inventories - Net

Perusahaan melakukan pemulihan atas penurunan nilai persediaan sebesar USD 1.768 pada tahun 2020 dan cadangan penurunan nilai persediaan sebesar USD 10.421 pada tahun 2019.

Pada tanggal 30 Juni 2019, telah terjadi kebakaran di bagian ruang pendingin. Persediaan barang jadi milik Perusahaan dengan nilai sebesar USD 552.329 telah terbakar dan telah dihapuskan. Penggantian kerugian atas kebakaran oleh pihak asuransi sebesar USD 246.352.

Persediaan diasuransikan dengan nilai pertanggungan sebesar Rp 40.000.000.000 dan Rp 29.696.189.683 pada tahun 2020 dan 2019.

Persediaan dijadikan sebagai jaminan atas utang bank.

5. OTHER RECEIVABLES (Continued)

The Company will charge an interest of 2% per annum on its receivables if the third parties are late in their payment.

The Company's management believes that the impairment is adequate to cover possible losses on uncollectible other receivables.

6. INVENTORIES - NET

The details as of December 31, are as follows:

The Company made a recovery for impairment of inventories amounting to USD 1,768 in 2020 and allowance for impairment of inventories amounting to USD 10.421 in 2019.

On June 30, 2019, there was a fire in the cooling room. The Company's finished goods inventory amounting USD 552,329 was burned and had been written off. Compensation loss on fire by the insurance company amounted to USD 246,352.

Inventories were insured with insurance coverage amounting Rp 40,000,000,000 and Rp 29,696,189,683 in 2020 and 2019, respectively.

Inventories are used as collateral for the bank loan.

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7. UANG MUKA DAN BIAYA DIBAYAR DI MUKA

Rincian per 31 Desember sebagai berikut:

	2020	2019	
Uang Muka			Advances
Aset Tetap	34.676	8.503	Equipment
Pembelian	-	47	Purchases
Jumlah	34.676	8.550	Total
Biaya Dibayar di Muka			Prepayments
Lain-lain	86	86	Others
JUMLAH	34.762	8.636	TOTAL

7. ADVANCES AND PREPAYMENTS

The details as of December 31, are as follows:

8. ASET TETAP

Rincian per 31 Desember sebagai berikut:

	2020				
	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Disposals	Saldo Akhir/ Ending Balance	
Biaya Perolehan				At Cost	
Tanah	269.346		-	269.346	Land
Bangunan	1.082.756	23.090	-	1.105.846	Buildings
Peralatan Pabrik	637.523	36.576	-	674.099	Factory Equipment
Mesin	2.539.973	85.389	-	2.625.362	Machinery
Inventaris Kantor	213.004	6.937	-	219.941	Office Equipment
Kendaraan	186.854	1.250	-	188.104	Vehicles
Jumlah	4.929.456	153.242	-	5.082.698	Total
Akumulasi Penyusutan				Accumulated Depreciation	
Bangunan	690.590	54.557	-	745.147	Buildings
Peralatan Pabrik	543.999	39.793	-	583.792	Factory Equipment
Mesin	2.344.956	94.780	-	2.439.736	Machinery
Inventaris Kantor	194.979	8.624	-	203.603	Office Equipment
Kendaraan	172.161	3.629	-	175.790	Vehicles
Jumlah	3.946.685	201.383	-	4.148.068	Total
Jumlah Tercatat	982.771			934.630	Net

8. PROPERTY, PLANT AND EQUIPMENT

The details as of December 31, are as follows:

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8. ASET TETAP (Lanjutan)

8. PROPERTY, PLANT AND EQUIPMENT
(Continued)

	2 0 1 9			
	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Disposals</i>	Saldo Akhir/ <i>Ending Balance</i>
Biaya Perolehan				At Cost
Tanah	269.346	-	-	269.346 <i>Land</i>
Bangunan	1.065.118	17.638	-	1.082.756 <i>Buildings</i>
Peralatan Pabrik	609.721	27.802	-	637.523 <i>Factory Equipment</i>
Mesin	2.502.950	37.023	-	2.539.973 <i>Machinery</i>
Inventaris Kantor	202.660	10.344	-	213.004 <i>Office Equipment</i>
Kendaraan	186.854	-	-	186.854 <i>Vehicles</i>
Jumlah	4.836.649	92.807	-	4.929.456 <i>Total</i>
Akumulasi Penyusutan				Accumulated Depreciation
Bangunan	636.645	53.945	-	690.590 <i>Buildings</i>
Peralatan Pabrik	512.504	31.495	-	543.999 <i>Factory Equipment</i>
Mesin	2.260.634	84.322	-	2.344.956 <i>Machinery</i>
Inventaris Kantor	186.956	8.023	-	194.979 <i>Office Equipment</i>
Kendaraan	166.185	5.976	-	172.161 <i>Vehicles</i>
Jumlah	3.762.924	183.761	-	3.946.685 <i>Total</i>
Jumlah Tercatat	1.073.725			982.771 Net

Alokasi beban penyusutan selama 31 Desember 2020 dan 2019 adalah sebagai berikut:

The allocation of depreciation expense as of December 31, 2020 and 2019 is as follows:

	2 0 2 0	2 0 1 9	
Beban Pokok Penjualan	189.130	162.612	Cost of Goods Sold
Beban Usaha	12.253	21.149	Operating Expenses
Jumlah	201.383	183.761	Total

Tanah milik Perusahaan seluas ± 25.107 m² dengan sertifikat Hak Guna Bangunan (HGB) No. 470 terletak di Kelurahan Juata Laut, Kecamatan Tarakan Utara, Kota Tarakan, Kalimantan Timur.

The Company's 25,107 m² land with Building Use Right Certificate No. 470 is located in Juata Laut Village, North Tarakan Subdistrict, Tarakan, East Kalimantan.

Pada tahun 2010, Perusahaan membeli sebidang tanah seluas ± 1.997 m² dengan sertifikat Hak Guna Bangunan (HGB) No. 576 terletak di Kelurahan Juata Laut, Kecamatan Tarakan Utara, Kota Tarakan, Kalimantan Timur.

In 2010, the Company purchased 1,997 m² land with Building Use Right Certificate No. 576 located in Juata Laut Village, North Tarakan, Tarakan Subdistrict, East Kalimantan.

Tanah, bangunan, peralatan pabrik dan mesin dijadikan sebagai jaminan atas utang bank.

The land, buildings, factory equipment and machinery are used as collateral for the bank loan.

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8. ASET TETAP (Lanjutan)

Aset tetap bangunan dan mesin diasuransikan dengan nilai pertanggungan masing-masing sebesar Rp 17.908.209.850 pada tahun 2020 dan 2019. Manajemen Perusahaan berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi risiko kerugian yang mungkin terjadi atas aset tetap Perusahaan tersebut.

9. PERPAJAKAN**Pajak Dibayar di Muka**

Akun ini merupakan pajak dibayar di muka Pajak Penghasilan Pasal 4 (2) per 31 Desember 2020 dan 2019.

Utang Pajak

Rincian per 31 Desember sebagai berikut:

	<u>2020</u>	<u>2019</u>	
Pajak Penghasilan Pasal 21	80.145	48.966	<i>Income Tax Article 21</i>
Pajak Penghasilan Pasal 22	5.850	4.615	<i>Income Tax Article 22</i>
Pajak Penghasilan Pasal 23	1.738	806	<i>Income Tax Article 23</i>
Pajak Penghasilan Pasal 26	2.666	2.747	<i>Income Tax Article 26</i>
Pajak Penghasilan Pasal 25	4.782	16.920	<i>Income Tax Article 25</i>
Pajak Penghasilan Pasal 29	81.142	800	<i>Income Tax Article 29</i>
Jumlah	<u>176.323</u>	<u>74.854</u>	<i>Total</i>

Rekonsiliasi antara laba sebelum pajak penghasilan dengan laba fiskal untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

	<u>2020</u>	<u>2019</u>	
Laba sebelum Pajak Final dan Pajak Penghasilan	1.117.448	503.389	<i>Income before Final Tax and Income Tax</i>
Beda Waktu:			<i>Timing Differences:</i>
Imbalan Kerja	24.764	21.368	<i>Employee Benefits</i>
Pembayaran Imbalan Kerja	(9.171)	(595)	<i>Payment of Employee Benefits</i>
Selisih Kurs atas Imbalan Kerja	6.324	4.201	<i>Foreign Exchange Difference in Employee Benefits</i>
Selisih antara Penyusutan Komersial dan Fiskal	(6.675)	(15.086)	<i>Difference between Commercial and Fiscal Depreciation</i>
Jumlah Beda Waktu	<u>15.242</u>	<u>9.888</u>	<i>Total Timing Differences</i>

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

The buildings and machinery were insured with insurance coverage of Rp 17,908,209,850 in 2020 and 2019, each. Management believes that the insurance coverage is adequate to cover any possible losses that may arise from the insured risks.

9. TAXATION**Prepaid Tax**

This account represents prepaid Income Tax Article 4 (2) as of December 31, 2020 and 2019.

Taxes Payable

The details as of December 31, are as follows:

The reconciliation between income before income tax and fiscal gain for the years ended December 31, 2020 and 2019 is as follows:

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9. PERPAJAKAN (Lanjutan)

9. TAXATION (Continued)

	2020	2019	
Beda Tetap:			<i>Permanent Differences:</i>
Perbedaan Nilai Persediaan antara Komersial dan Fiskal	320.136	735.043	<i>Difference between Commercial and Fiscal Inventory Value</i>
Perjamuan dan Representasi	36.865	70.203	<i>Entertainment and Representation</i>
Perjalanan Dinas	12.465	33.832	<i>Traveling</i>
Kesejahteraan Karyawan	808	1.103	<i>Employee Welfare</i>
Hadiah dan Sumbangan	1.102	2.360	<i>Gifts and Donations</i>
Komunikasi	1.218	1.293	<i>Communications</i>
Penyusutan yang Tidak Diakui Fiskal	11	11	<i>Non-deductible Depreciation</i>
			<i>Allowance for Impairment of Receivables</i>
Penyisihan Penurunan Nilai Piutang	84.663	14.025	<i>Foreign Exchange Difference in Impairment of Receivables</i>
Selisih Kurs Penurunan Nilai Piutang	9	(2.216)	<i>Difference between Commercial and Fiscal Inventory Beginning Balance</i>
Perbedaan Nilai Saldo Awal Persediaan antara Komersial dan Fiskal	(735.043)	(570.393)	<i>Interest on Bank Current Accounts</i>
Jasa Giro	(4.094)	(1.320)	<i>Tax Expense</i>
Beban Pajak	595	3.891	<i>Rental Income</i>
Pendapatan Sewa	(1.875)	(1.924)	
Jumlah Beda Tetap	<u>(283.139)</u>	<u>285.908</u>	<i>Total Permanent Differences</i>
Laba Fiskal	<u>849.551</u>	<u>799.185</u>	<i>Fiscal Gain</i>
Pajak Penghasilan:			<i>Income Tax:</i>
2020: 22% x USD 849,551	186.901	-	<i>2020: 22% x USD 849,551</i>
2019: 25% x USD 799.185	-	199.796	<i>2019: 25% x USD 799,185</i>
Jumlah Pajak Penghasilan	<u>186.901</u>	<u>199.796</u>	<i>Total Income Tax</i>
Pajak Dibayar di Muka:			<i>Prepaid Taxes:</i>
Pajak Penghasilan Pasal 25	(105.633)	(198.156)	<i>Income Tax Article 25</i>
Pajak Penghasilan Pasal 22	(126)	(840)	<i>Income Tax Article 22</i>
Jumlah Pajak Dibayar di Muka	<u>(105.759)</u>	<u>(198.996)</u>	<i>Total Prepaid Taxes</i>
Pajak Penghasilan Pasal 29	<u>81.142</u>	<u>800</u>	<i>Income Tax Article 29</i>
Perhitungan manfaat pajak tangguhan dan saldo aset pajak tangguhan per 31 Desember adalah sebagai berikut:			<i>The computation of deferred tax benefit and deferred tax asset balance as of December 31, is as follows:</i>
	2020	2019	
Selisih antara Penyusutan Komersial dan Fiskal	(6.675)	(15.086)	<i>Difference between Commercial and Fiscal Depreciation</i>
Imbalan Kerja	24.764	21.368	<i>Employee Benefits</i>
Pembayaran Imbalan Kerja	(9.171)	(595)	<i>Payment of Employee Benefits</i>
Selisih Kurs atas Imbalan Kerja	6.324	4.201	<i>Foreign Exchange Difference in Employee Benefits</i>
Jumlah	<u>15.242</u>	<u>9.888</u>	<i>Total</i>

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9. PERPAJAKAN (Lanjutan)

	<u>2020</u>
Pajak Penghasilan Tangguhan (Pengaruh Beda Waktu pada Tarif Pajak Maksimum 20% di tahun 2020 dan 25 di tahun 2019)	3.048
(Keuntungan) Kerugian Aktuarial Dicatat di Penghasilan Komprehensif Lain	(315)
Penyesuaian Terkait pada Perubahan Tarif Pajak Maksimum	(14.058)
Aset Pajak Tangguhan, Awal Tahun	<u>70.295</u>
Aset Pajak Tangguhan, Akhir Tahun	<u><u>58.970</u></u>

Rincian aset pajak tangguhan sebagai berikut:

	<u>2020</u>
Aset Tetap	28.438
Imbalan Kerja	<u>30.532</u>
Jumlah	<u><u>58.970</u></u>

9. TAXATION (Continued)

	<u>2019</u>
Deferred Income Tax (The Effect on Timing Differences at Maximum Tax Rate of 20% in 2020 and 25% in 2019, each)	2.472
Actuarial (Gain) Loss Recorded in Other Comprehensive Income	1.608
Adjustment Related to Changes in Maximum Tax Rate	-
Deferred Tax Assets, Beginning	<u>66.215</u>
Deferred Tax Assets, Ending	<u><u>70.295</u></u>

The details of deferred tax assets are as follows:

	<u>2019</u>
Property, Plant and Equipment	37.215
Employee Benefits	<u>33.080</u>
Total	<u><u>70.295</u></u>

10. UTANG BANK

Perusahaan memperoleh fasilitas Kredit Modal Kerja Ekspor dari PT Bank Negara Indonesia Tbk dengan maksimum kredit sebesar Rp 12.150.000.000. Berdasarkan Perjanjian Kredit No. (14) 2003.102 tanggal 9 Oktober 2011, maksimum kredit masing-masing diubah menjadi Rp 4.860.000.000 untuk pinjaman Rupiah dan USD 852.532 (konversi fasilitas pinjaman Rp 10.605.498.080) untuk pinjaman Dollar.

Berdasarkan Perjanjian Kredit No. (24) 2003.102 dan No. (11) 2011/025 tanggal 3 Oktober 2019, perjanjian tersebut diperpanjang hingga tanggal 8 Oktober 2020 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah. Pinjaman tersebut dikenakan bunga masing-masing sebesar 7,25% dan 12,75% per tahun di tahun 2019.

Berdasarkan Perjanjian Kredit No. (25) 2003.102 dan No. (12) 2011/025 tanggal 6 Oktober 2020, perjanjian tersebut diperpanjang sementara hingga tanggal 8 Januari 2021 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah. Pinjaman tersebut dikenakan bunga masing-masing sebesar 7,25% dan 12% per tahun di tahun 2020.

10. BANK LOAN

The Company obtained a working capital credit facility from PT Bank Negara Indonesia Tbk with a maximum limit of Rp 12,150,000,000. Based on Loan Agreement No. (14) 2003.102 dated October 9, 2011, the maximum credit was changed into Rp 4,860,000,000 for the Indonesian Rupiah loan and USD 852,532 (loan conversion of Rp 10,605,498,080) for the Dollar loan.

Based on Loan Agreements No. (24) 2003.102 and No. (11) 2011/025 dated October 3, 2019, the loan period has been extended to October 8, 2020 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan. The loan bore interest at 7.25% and 12.75% per annum in 2019, respectively.

Based on Loan Agreements No. (25) 2003.102 and No. (12) 2011/025 dated October 6, 2020, the loan period has been temporarily extended to January 8, 2021 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan. The loan bore interest at 7.25% and 12% per annum in 2020, respectively.

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10. UTANG BANK (Lanjutan)

Berdasarkan Perjanjian Kredit No. (26) 2003.102 dan No. (13) 2011/025 tanggal 18 Desember 2020, perjanjian tersebut diperpanjang hingga tanggal 8 Oktober 2021 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah. Pinjaman tersebut dikenakan bunga masing-masing sebesar 7% dan 12% per tahun di tahun 2020.

Sesuai dengan perjanjian utang bank, Perusahaan telah memenuhi kewajiban-kewajiban tertentu seperti batasan rasio keuangan.

Jaminan atas pinjaman ini adalah tanah yang berlokasi di Juata Laut, Tarakan, Kalimantan Timur seluas 25.107 m² atas nama Perusahaan berikut bangunan dan sarana perlengkapan berupa jalan cor seluas 9.179 m² yang terdiri dari bangunan produksi/pengolahan, bangunan mess karyawan, bangunan Coldstorage, pabrik es, dan bangunan penunjang lainnya, mesin-mesin yang berada di atasnya dan persediaan berupa utang milik Perusahaan dengan jumlah nilai jaminan masing-masing sebesar Rp 55.817.230.000 dan Rp 58.359.750.000 pada tahun 2020 dan 2019.

Saldo utang bank sebesar USD 20.316 pada tahun 2020 dan Rp 5.920.032.771 (setara dengan USD 425.871) dan USD 5 pada tahun 2019.

11. BEBAN AKRUAL

Rincian per 31 Desember sebagai berikut:

	2020
Gaji	43.128
Jasa Profesional	7.819
Jasa Konsultasi Pajak	-
Lain-lain	2.392
Jumlah	<u>53.339</u>

12. UTANG KEPADA PIHAK BERELASI

Akun ini merupakan utang kepada Mitsumoto Co. Ltd. Masing-masing sebesar USD 500.000 dan USD 1.250.000 per 31 Desember 2020 dan 2019.

10. BANK LOAN (Continued)

Based on Loan Agreements No. (26) 2003.102 and No. (13) 2011/025 dated December 18, 2020, the loan period has been extended to October 8, 2021 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan. The loan bore interest at 7% and 12% per annum in 2020, respectively.

As specified by the loan agreements, the Company has been comply with certain covenants, such as financial ratio covenants.

The collateral for this loan consists of a plot of 25,107 m² land located in Juata Laut, Tarakan, East Kalimantan, registered under the name of the Company, including the 9,179 m² buildings and concrete roads thereon consisting of a production building, employee mess house, cold storage building, ice factory, and other infrastructure buildings, machinery and inventories of prawns with a total collateral value of Rp 55,817,230,000 and Rp 58,359,750,000 in 2020 and 2019, respectively.

The bank loan balance amounted to USD 20,316 in 2020 and Rp 5,920,032,771 (equivalent to USD 425,871) and USD 5 in 2019.

11. ACCRUED EXPENSES

The details as of December 31, are as follows:

	2020	2019	
	43.128	36.347	Salaries
	7.819	7.553	Professional Fees
	-	719	Tax Advisory Fees
	2.392	2.820	Others
Jumlah	<u>53.339</u>	<u>47.439</u>	Total

12. DUE TO RELATED PARTY

This account represents the payable to Mitsumoto Co. Ltd. amounting to USD 500,000 and USD 1,250,000 as of December 31, 2020 and 2019, respectively.

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12. UTANG KEPADA PIHAK BERELASI (Lanjutan)

Berdasarkan Akta Keputusan Rapat Umum Pemegang Saham Luar Biasa Perusahaan No. 84 tanggal 21 April 2016 yang dibuat dihadapan Notaris Sri Rahayuningsih, S.H. terdapat persetujuan yang menyatakan bahwa Perusahaan tidak membayarkan bunga atas pinjaman kepada Mitsumoto Co. Ltd. untuk tahun 2016 sampai dengan tahun 2020.

Perjanjian persetujuan tidak membayarkan bunga atas pinjaman kepada Mitsumoto Co. Ltd. ini telah diperpanjang sampai dengan tahun 2022.

12. DUE TO RELATED PARTY (Continued)

Based on Notarial Deed on Decision of the Extraordinary General Meeting of Shareholders of the Company No. 84 of Sri Rahayuningsih, S.H. dated April 21, 2016, there is an agreement stating that the Company does not pay the interest on loans to Mitsumoto Co. Ltd. for the years 2016 to 2020.

The agreement stating not to pay interest on the loan to Mitsumoto Co. Ltd. has been extended until 2022.

13. MODAL SAHAM

Susunan pemegang saham per 31 Desember 2020 dan 2019 sebagai berikut:

13. SHARE CAPITAL

The details of stock ownership as of December 31, 2020 and 2019 are as follows:

	Persentase Kepemilikan/ Percentage of Ownership	Jumlah Saham/ Number of Shares	Jumlah/ Amount	
Mitsumoto Corporation Limited	50,00 %	10.000	1.000.000	Mitsumoto Corporation Limited
Seven Star Enterprise, Sdn. Bhd	32,50 %	6.500	650.000	Seven Star Enterprise, Sdn. Bhd
Harvest Bonanza, Sdn. Bhd	12,50 %	2.500	250.000	Harvest Bonanza, Sdn. Bhd
Inge Miradewi Rosadi	5,00 %	1.000	100.000	Inge Miradewi Rosadi
Jumlah	100,00 %	20.000	2.000.000	Total

14. PENJUALAN

Akun ini merupakan pendapatan atas penjualan lokal dan ekspor pada tahun 2020 dan 2019.

14. SALES

This account represents the revenues from local and export sales in 2020 and 2019.

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15. BEBAN POKOK PENJUALAN

Rinciannya sebagai berikut:

	2020	2019
Persediaan Bahan Baku:		
Saldo Awal	-	-
Pembelian	11.058.870	12.231.235
Bahan Baku yang Tersedia untuk Dipakai	11.058.870	12.231.235
Saldo Akhir	-	-
Bahan Baku yang Digunakan	11.058.870	12.231.235
Upah Langsung	705.924	599.019
Biaya Produksi Tidak Langsung (Catatan 16)	695.971	634.354
Jumlah Biaya Produksi	12.460.765	13.464.608
Persediaan Barang Jadi:		
Saldo Awal	2.356.426	2.576.892
Saldo Akhir	(2.643.837)	(2.356.426)
Kerugian karena Kebakaran	-	(552.329)
Beban Pokok Penjualan	12.173.354	13.132.745

15. COST OF GOODS SOLD

The details are as follows:

Raw Material Inventory :
Beginning
Purchases
Raw Materials Available for Use
Ending
Raw Materials Used
Direct Labor
Factory Overhead (Note 16)
Cost of Goods Manufactured
Finished Goods Inventory :
Beginning
Ending
Loss due to Fire
Cost of Goods Sold

16. BIAYA PRODUKSI TIDAK LANGSUNG

Rinciannya sebagai berikut:

	2020	2019
Air dan Listrik	207.926	206.302
Bahan Pembungkus	194.210	164.926
Penyusutan	189.130	162.612
Laboratorium	31.791	21.459
Perlengkapan Pabrik	18.752	8.180
Perbaikan dan Pemeliharaan	18.499	26.286
Bahan Bakar	17.873	31.855
Pengolahan Air Bersih	10.778	4.927
Es	2.265	3.373
Kesejahteraan Karyawan	808	1.103
Lain-lain	3.939	3.331
Jumlah	695.971	634.354

16. FACTORY OVERHEAD

The details are as follows:

Water and Electricity
Packaging Materials
Depreciation
Laboratory
Factory Supplies
Repairs and Maintenance
Fuel
Water Treatment
Ice
Employee Welfare
Others
Total

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17. BEBAN USAHA

Rinciannya sebagai berikut:

	2020	2019	
Gaji dan Tunjangan	583.184	412.616	Salaries and Allowances
Pengiriman	452.710	430.533	Freight
Perijinan	69.061	60.613	Licenses and Permits
Jamsostek	51.618	44.212	Employee Social Security (Jamsostek)
Perbaikan dan Pemeliharaan	45.384	87.099	Repairs and Maintenance
Administrasi Bank	42.908	36.602	Bank Administration
Komisi	39.249	39.276	Commissions
Perjamuan dan Representasi	36.865	70.203	Entertainment and Representation
Imbalan Kerja	24.764	21.368	Employee Benefits
Jasa Profesional	21.708	22.315	Professional Fees
Keamanan dan Kebersihan	18.028	18.054	Security and Cleaning Services
Perjalanan Dinas	12.465	33.832	Traveling
Penyusutan	12.253	21.149	Depreciation
Transportasi	8.977	9.145	Transportation
Asuransi	5.671	3.120	Insurance
Telepon dan Faksimil	4.014	6.749	Telephone and Facsimile
Alat Tulis Kantor dan Cetak	3.417	8.806	Stationery and Printing
Pos dan Materai	2.506	3.085	Postage and Stamp Duty
Hadiah dan Sumbangan	1.102	2.360	Gifts and Donations
Pajak Bumi dan Bangunan	958	1.038	Land and Building Taxes
Lain-lain	12.291	11.226	Others
Jumlah	<u>1.449.133</u>	<u>1.343.401</u>	Total

17. OPERATING EXPENSES

The details are as follows:

18. BEBAN LAIN-LAIN - BERSIH

Rinciannya sebagai berikut:

	2020	2019	
Jasa Giro	4.094	1.320	Interest Income
Pemulihan (Penyisihan) Penurunan Persediaan	1.768	(10.421)	Recovery (Impairment) of Inventories
Rugi Selisih Kurs	1.681	(14.595)	Loss on Foreign Exchange
Penyisihan Penurunan Nilai Piutang Lain-lain	(84.663)	(14.025)	Allowance for Impairment of Other Receivables
Bunga Bank	(11.479)	(26.401)	Bank Interest
Beban Pajak	(595)	(3.891)	Tax Expense
Klaim Asuransi	-	246.352	Insurance Claimed
Kerugian karena Kebakaran	-	(552.329)	Loss due to Fire
Lain-lain	3.587	9.859	Others
Jumlah	<u>(85.607)</u>	<u>(364.131)</u>	Total

18. OTHER CHARGES - NET

The details are as follows:

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19. ESTIMASI LIABILITAS IMBALAN KERJA

Perusahaan menggunakan Laporan PT Bestama Aktuarial, aktuaris independen dengan Laporan Aktuarial No. 20062/BPA/EP/01/2021 tertanggal 25 Januari 2021 dan No. 19091/BPA/EP/02/2020 tertanggal 12 Februari 2020 untuk menghitung estimasi liabilitas imbalan kerja.

Perhitungan aktuarial untuk biaya imbalan pasti, menganut prinsip nilai sekarang dari jumlah pembayaran atas imbalan karena pensiun, imbalan karena meninggal dunia dan imbalan karena cacat. Perhitungan nilai sekarang diperoleh dari penggunaan berbagai asumsi aktuarial yang tidak hanya berdasarkan tingkat bunga tetapi juga berdasarkan atas kenaikan upah, tingkat kematian, cacat dan pengunduran diri.

Rincian di bawah merupakan ringkasan komponen beban imbalan kerja - bersih yang diakui pada Laporan Laba Rugi dan Penghasilan Komprehensif Lain dan Laporan Posisi Keuangan sebagai estimasi liabilitas imbalan kerja sebagaimana pada laporan aktuarial independen:

a. Beban Imbalan Kerja - Bersih

Imbalan Kerja

	2020	2019	
Beban Jasa Kini	14.108	11.797	Current Service Cost
Beban Bunga	10.655	9.571	Interest Cost
Beban Imbalan Kerja - Bersih	<u>24.764</u>	<u>21.368</u>	Net Employee Benefit Expense

b. Estimasi Liabilitas Imbalan Kerja

Imbalan Kerja

	2020	2019	
Nilai Kini Liabilitas yang Tidak Didanai	<u>152.662</u>	<u>132.320</u>	Present Value of Unfunded Obligation

19. ESTIMATED LIABILITIES FOR EMPLOYEE BENEFITS

The Company's estimated liabilities for employee benefits were made based on the calculation of PT Bestama Aktuarial, an Independent actuary, in its Reports No. 20062/BPA/EP/01/2021 dated January 25, 2021 and No. 19091/BPA/EP/02/2020 dated February 12, 2020.

The actuarial calculation in regard to the defined benefits expense adheres to the current value principle from the total payment of compensation due to retirement, demise and disability. The calculation of current value is obtained from the use of various actuarial assumptions, not only based on level of interest but also based on salary increment, mortality, disability and resignation levels.

The following tables summarize the components of net employee benefit expense recognized in the Statements of Profit or Loss and Other Comprehensive Income and in the Statements of Financial Position as estimated liabilities for employee benefits as determined by the independent actuary:

a. Net Employee Benefits Expense

Employee Benefits

	2020	2019	
Current Service Cost	14.108	11.797	
Interest Cost	10.655	9.571	
Net Employee Benefit Expense	<u>24.764</u>	<u>21.368</u>	

b. Estimated Liabilities for Employee Benefits

Employee Benefits

	2020	2019	
Present Value of Unfunded Obligation	<u>152.662</u>	<u>132.320</u>	

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19. ESTIMASI LIABILITAS IMBALAN KERJA (Lanjutan)		2020	2019	19. ESTIMATED LIABILITIES FOR EMPLOYEE BENEFITS (Continued)
c. Mutasi Estimasi Liabilitas Imbalan Kerja				c. Changes in Estimated Liabilities for Employee Benefits
		2020	2019	
Saldo Awal Tahun		132.320	100.911	Balance at Beginning of Year
Beban Imbalan Kerja		24.764	21.368	Employee Benefits Expense
Pembayaran Imbalan Kerja		(9.171)	(595)	Payment of Employee Benefits
Selisih Kurs		6.324	4.201	Foreign Exchange
Kerugian (Keuntungan) Aktuarial Dicatat di Penghasilan Komprehensif Lain		(1.575)	6.435	Actuarial Losses (Gain) Recorded in Other Comprehensive Income
Saldo Akhir Tahun		152.662	132.320	Balance at End of Year

Asumsi yang digunakan untuk menghitung estimasi liabilitas imbalan kerja dalam Laporan Posisi Keuangan adalah sebagai berikut:

The principal assumptions used in determining the estimated liabilities for employee benefits in the Statements of Financial Position are as follows:

	2020	2019	
Metode Perhitungan	Proyeksi Kredit Unit/ Projected Unit Credit (Prorate)	Proyeksi Kredit Unit/ Projected Unit Credit (Prorate)	Calculation Method
Usia Pensiun	60 tahun/years	60 tahun/years	Normal Pension Age
Tingkat Kenaikan Upah	10%	10%	Salary Increment Rate
Tingkat Diskonto Tahunan	7,7%	8,2%	Annual Discount Rate
Tingkat Mortalita	TMI 2019	TMI 2011	Mortality Level
Tingkat Cacat	10% dari Tingkat Mortalita/of Mortality Level	10% dari Tingkat Mortalita/of Mortality Level	Disability Level

Analisa Sensitivitas untuk Asumsi Tingkat Diskonto

Per 31 Desember 2020, jika tingkat diskonto mengalami kenaikan sebesar 0,50% dengan seluruh variabel lainnya tetap, nilai kini kewajiban imbalan pasti mengalami penurunan sebesar 6,87% sedangkan jika tingkat diskonto mengalami penurunan sebesar 0,50%, nilai kini kewajiban imbalan pasti mengalami peningkatan sebesar 7,61%.

Liabilitas imbalan kerja per 31 Desember 2020 dan 2019 masing-masing sebesar USD 152.662 dan USD 132.320.

Sensitivity Analysis for Discount Rate Assumption

As of December 31, 2020, if the discount rate had been 0.50% higher with all other variables held constant, the present value of defined benefits obligations would have been 6.87% lower, while if the discount rate had been 0.50% lower, the present value of defined benefits obligations would have been 7.61% higher.

The estimated liabilities for employee benefits as of December 31, 2020 and 2019 amounted to USD 152,662 and USD 132,320, respectively.

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20. ASET DAN LIABILITAS KEUANGAN**Manajemen Risiko Keuangan**

Risiko keuangan utama yang mungkin akan dihadapi Perusahaan adalah risiko kredit, risiko nilai tukar mata uang asing, risiko suku bunga, risiko likuiditas dan risiko harga. Perhatian atas pengelolaan risiko ini telah meningkat secara signifikan dengan mempertimbangan perubahan dan volatilitas pasar keuangan di Indonesia.

(i) Risiko Kredit

Risiko kredit adalah risiko dimana Perusahaan akan mengalami kerugian yang timbul dari pelanggan, klien atau pihak lawan yang gagal memenuhi liabilitas kontraktual mereka. Instrumen keuangan Perusahaan yang mempunyai potensi atas risiko kredit adalah kas dan bank, piutang usaha, piutang lain-lain dan uang jaminan.

(ii) Risiko Nilai Tukar Mata Uang

Risiko nilai tukar mata uang adalah risiko dimana nilai wajar atau arus kas masa mendatang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan nilai tukar mata uang asing. Instrumen keuangan Perusahaan yang mempunyai potensi atas risiko nilai tukar mata uang adalah kas dan bank, piutang usaha, piutang lain-lain, uang jaminan, utang bank, utang usaha, utang lain-lain dan beban akrual.

(iii) Risiko Suku Bunga

Risiko suku bunga adalah risiko dimana nilai wajar atau arus kas masa datang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan suku bunga pasar. Saat ini instrumen keuangan Perusahaan yang mempunyai nilai suku bunga adalah utang bank.

20. FINANCIAL ASSETS AND LIABILITIES**Financial Risk Management**

The main financial risks faced by the Company are credit risk, foreign exchange rate risk, interest rate risk, liquidity risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

(i) Credit Risk

Credit risk is the risk that the Company will incur a loss arising from its customers, clients or counterparties that fail to discharge their contractual obligations. The Company's financial instruments potentially exposed to credit risk were cash on hand and in banks, trade receivables, other receivables and guarantee deposits.

(ii) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial instruments potentially exposed to foreign exchange rate risk were cash on hand and in banks, trade receivables, other receivables, guarantee deposits, bank loan, trade payables, other payables and accrued expenses.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Company's financial instrument having an interest rate value is its bank loan.

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Manajemen Risiko Keuangan (Lanjutan)**(iv) Risiko Likuiditas**

Risiko likuiditas adalah risiko dimana posisi arus kas Perusahaan menunjukkan pendapatan jangka pendek tidak cukup untuk menutupi pengeluaran jangka pendek.

Perusahaan mengelola risiko likuiditas dengan mempertahankan kas dan bank yang mencukupi dalam memenuhi komitmen Perusahaan untuk operasi normal Perusahaan dan secara rutin mengevaluasi proyeksi arus kas dan arus kas aktual.

(v) Risiko Harga

Risiko harga adalah risiko fluktuasi nilai instrumen keuangan sebagai akibat perubahan harga pasar. Saat ini, Perusahaan tidak menghadapi risiko harga.

Klasifikasi Aset dan Liabilitas Keuangan

Pada tabel berikut ini, instrumen keuangan telah dialokasikan berdasarkan klasifikasinya. Kebijakan akuntansi penting pada Catatan 21 menjelaskan bagaimana setiap kategori aset keuangan dan liabilitas keuangan diukur dan bagaimana pendapatan dan beban, termasuk keuntungan dan kerugian (perubahan nilai wajar instrumen keuangan) atas nilai wajar diakui.

20. FINANCIAL ASSETS AND LIABILITIES (Continued)

Financial Risk Management (Continued)**(iv) Liquidity Risk**

Liquidity risk is the risk when the cash flow position of the Company indicates that the short-term revenue is not enough to cover the short-term expenditure.

The Company manages liquidity risk by maintaining sufficient cash on hand and in banks to meet the Company's commitment for the Company's normal operations and continuously evaluating forecast and actual cash flows.

(v) Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Currently, the Company did not encounter any price risk.

Classification of Financial Assets and Liabilities

In the following table, the financial instruments have been allocated based on the classification. Significant accounting policies in Note 21 describe how each category of financial assets and liabilities are measured and how revenues and expenses, including gains and losses (changes in fair value of financial instruments) on the fair value are recognized.

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

20. FINANCIAL ASSETS AND LIABILITIES
(Continued)

Nilai Wajar Aset dan Liabilitas Keuangan

The Fair Values of Financial Assets and Liabilities

Tabel berikut menyatakan nilai tercatat dan estimasi nilai wajar untuk setiap kategori dari instrumen keuangan Perusahaan yang tercatat dalam Laporan Posisi Keuangan per tanggal 31 Desember 2020 dan 2019 sebagai berikut:

The following table sets forth the carrying amount and estimated fair value of each category of the Company's financial instruments that are carried in the Statements of Financial Position as of December 31, 2020 and 2019:

	2 0 2 0		
	Jumlah Tercatat/ Carrying Amount	Nilai Wajar/ Fair Value	
Aset Keuangan			Financial Assets
Nilai Wajar melalui Laba Rugi	-	-	Fair Value through Profit or Loss
Biaya Perolehan Diamortisasi			Amortized Cost
Kas dan Bank	662.761	662.761	Cash on Hand and in Banks
Piutang Usaha	159.100	159.100	Trade Receivables
Piutang Lain-lain	114.217	114.217	Other Receivables
Uang Jaminan	9.043	9.043	Guarantee Deposits
Nilai Wajar melalui Penghasilan Komprehensif Lain	-	-	Fair Value through Other Comprehensive Income
Jumlah Aset Keuangan	<u>945.121</u>	<u>945.121</u>	Total Financial Assets
Liabilitas Keuangan			Financial Liabilities
Liabilitas Keuangan yang Diukur pada Nilai Wajar melalui Laba Rugi	-	-	Fair Value through Profit or Loss
Liabilitas Keuangan yang Diukur pada Biaya Perolehan Diamortisasi			Amortized Cost
Utang Bank	20.316	20.316	Bank Loans
Utang Usaha	67.490	67.490	Trade Payables
Utang Lain-lain	116.723	116.723	Other Payables
Beban Akrua	53.339	53.339	Accrued Expenses
Utang Pihak Berelasi	500.000	500.000	Due to Related Party
Jumlah Liabilitas Keuangan	<u>757.868</u>	<u>757.868</u>	Total Financial Liabilities

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

20. FINANCIAL ASSETS AND LIABILITIES
(Continued)

Nilai Wajar Aset dan Liabilitas Keuangan
(Lanjutan)

The Fair Values of Financial Assets and
Liabilities (Continued)

	2 0 1 9		
	Jumlah Tercatat/ Carrying Amount	Nilai Wajar/ Fair Value	
Aset Keuangan			Financial Assets
Nilai Wajar melalui Laba Rugi	-	-	Fair Value through Profit or Loss
Biaya Perolehan Diamortisasi			Amortized Cost
Kas dan Bank	899.396	899.396	Cash on Hand and in Banks
Piutang Lain-lain	309.107	309.107	Other Receivables
Uang Jaminan	9.004	9.004	Guarantee Deposits
Nilai Wajar melalui Penghasilan Komprehensif Lain	-	-	Fair Value through Other Comprehensive Income
Jumlah Aset Keuangan	1.217.507	1.217.507	Total Financial Assets
Liabilitas Keuangan			Financial Liabilities
Liabilitas Keuangan yang Diukur pada Nilai Wajar melalui Laba Rugi	-	-	Fair Value through Profit or Loss
Liabilitas Keuangan yang Diukur pada Biaya Perolehan Diamortisasi			Amortized Cost
Utang Bank	425.876	425.876	Bank Loans
Utang Usaha	4.839	4.839	Trade Payables
Utang Lain-lain	92.130	92.130	Other Payables
Beban Akrua	47.439	47.439	Accrued Expenses
Utang Pihak Berelasi	1.250.000	1.250.000	Due to Related Party
Jumlah Liabilitas Keuangan	1.820.284	1.820.284	Total Financial Liabilities

Metode dan asumsi yang digunakan untuk estimasi nilai wajar adalah sebagai berikut:

- Nilai wajar kas dan bank, piutang usaha, piutang lain-lain, utang bank, utang usaha, utang lain-lain dan beban akrual mendekati nilai tercatat karena jangka waktu jatuh tempo yang singkat atas instrumen keuangan tersebut.
- Nilai wajar atas uang jaminan dan utang pihak berelasi tidak dapat diukur secara andal dimana aset keuangan tersebut tidak memiliki jangka waktu penyelesaian secara kontraktual.

The following methods and assumptions are used to estimate the fair value:

- The fair values of cash on hand and in banks, trade receivables, other receivables, bank loan, trade payables, other payables and accrued expenses approximated their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of guarantee deposits and due to related party could not be measured reliably because such financial assets do not have a contractual maturity date.

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21. ASET DAN LIABILITAS DALAM MATA UANG ASING

Aset dan liabilitas dalam mata uang asing adalah sebagai berikut:

21. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Assets and liabilities denominated in various foreign currencies are as follows:

2 0 2 0					
	Rp	Yen	HKD	Ekuivalen/ Equivalent USD	
Aset					Assets
Kas dan Bank	3.661.279.109	432.000	520	263.820	Cash on Hand and in Banks
Piutang Usaha	108.832.204	-	-	7.716	Trade Receivables
Piutang Lain-lain	3.784.879.908	-	-	268.338	Other Receivables
Uang Jaminan	127.549.500	-	-	9.043	Guarantee Deposits
Jumlah Aset	<u>7.682.540.721</u>	<u>432.000</u>	<u>520</u>	<u>548.917</u>	Total Assets
Liabilitas					Liabilities
Utang Bank	-	-	-	-	Bank Loan
Utang Usaha	952.012.000	-	-	67.490	Trade Payables
Utang Lain-lain	505.691.215	-	-	35.852	Other Payables
Beban Akrua	752.352.801	-	-	53.339	Accrued Expenses
Jumlah Liabilities	<u>2.210.056.016</u>	<u>-</u>	<u>-</u>	<u>156.681</u>	Total Liabilities
Aset (Liabilitas) - Bersih	<u>5.472.484.705</u>	<u>432.000</u>	<u>520</u>	<u>392.236</u>	Net Assets (Liabilities)
2 0 1 9					
	Rp	Yen	HKD	Ekuivalen/ Equivalent USD	
Aset					Assets
Kas dan Bank	1.297.602.746	432.000	520	97.390	Cash on Hand and in Banks
Piutang Lain-lain	5.262.557.174	-	-	378.574	Other Receivables
Uang Jaminan	125.169.500	-	-	9.004	Guarantee Deposits
Jumlah Aset	<u>6.685.329.420</u>	<u>432.000</u>	<u>520</u>	<u>484.968</u>	Total Assets
Liabilitas					Liabilities
Utang Bank	5.920.032.771	-	-	425.871	Bank Loan
Utang Usaha	67.266.939	-	-	4.839	Trade Payables
Utang Lain-lain	605.386.155	-	-	43.550	Other Payables
Beban Akrua	659.449.539	-	-	47.439	Accrued Expenses
Jumlah Liabilities	<u>7.252.135.404</u>	<u>-</u>	<u>-</u>	<u>521.699</u>	Total Liabilities
Aset (Liabilitas) - Bersih	<u>(566.805.984)</u>	<u>432.000</u>	<u>520</u>	<u>(36.731)</u>	Net Assets (Liabilities)

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2020 DAN 2019**
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**
(Expressed in United States Dollar, except
Otherwise Stated)

**21. ASET DAN LIABILITAS DALAM MATA UANG
ASING (Lanjutan)**

Pada tanggal 31 Maret 2021, kurs yang berlaku adalah sebesar USD 0,00069 (Rp 14.572), USD 110,675 (Yen 131,66), USD 7,775 (HKD 1.874,18) terhadap USD 1. Jika aset moneter dalam mata uang asing pada tanggal 31 Desember 2020 dijabarkan ke dalam Dolar Amerika Serikat menggunakan kurs yang berlaku pada tanggal 31 Maret 2021, maka aset moneter akan turun sebesar USD 12.711.

**21. ASSETS AND LIABILITIES DENOMINATED IN
FOREIGN CURRENCIES (Continued)**

As of March 31, 2021, the exchange rate was USD 0.00069 (Rp 14,572), USD 110.675 (Yen 131.66), USD 7.775 (HKD 1,187.18) for USD 1. If the monetary assets in foreign currencies as of December 31, 2020 had been converted to United States Dollar, using the exchange rate as of March 31, 2021, the monetary assets would have decreased by USD 12,711.

**22. REKONSILIASI LIABILITAS YANG TIMBUL DARI
AKTIVITAS PENDANAAN**

**22. RECONCILIATION OF LIABILITIES ARISING
FROM FINANCING ACTIVITIES**

2 0 2 0					
	2 0 1 9	Arus Kas/ Cash Flows	Perubahan Non Kas/ Non-Cash Changes	2 0 2 0	
Utang Bank	425.876	(405.560)	-	20.316	Bank Loan
Utang kepada Pihak Berelasi	1.250.000	(750.000)	-	500.000	Due to Related Party
2 0 1 9					
	2 0 1 8	Arus Kas/ Cash Flows	Perubahan Non Kas/ Non-Cash Changes	2 0 1 9	
Utang Bank	769.095	(343.219)	-	425.876	Bank Loan
Utang kepada Pihak Berelasi	1.500.000	(250.000)	-	1.250.000	Due to Related Party

23. LIABILITAS BERSYARAT

Perusahaan tidak memiliki liabilitas bersyarat pada tanggal 31 Desember 2020 dan 2019.

23. CONTINGENT LIABILITIES

The Company had no contingent liabilities as of December 31, 2020 and 2019.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FYE 31 DECEMBER 2020 (Cont'd)

PT BONANZA PRATAMA ABADI

**CATATAN ATAS LAPORAN KEUANGAN
31 DESEMBER 2020 DAN 2019**
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**
(Expressed in United States Dollar, except
Otherwise Stated)

24. KETIDAKPASTIAN KONDISI EKONOMI

Pandemi COVID-19 di tahun 2020 telah menyebabkan terjadinya perlambatan ekonomi global dan domestik. Luas dampak tersebut tergantung pada beberapa perkembangan tertentu di masa depan yang tidak dapat diprediksi pada saat ini, termasuk durasi penyebaran wabah, kebijakan ekonomi dan kebijakan lainnya yang diterapkan Pemerintah untuk memberantas ancaman COVID-19. Manajemen terus memantau secara seksama operasi, likuiditas dan sumber daya yang dimiliki Perusahaan, serta bekerja secara aktif untuk mengurangi dampak saat ini dan dampak masa depan dari situasi ini yang belum pernah dialami sebelumnya. Laporan Keuangan ini tidak mencakup penyesuaian yang mungkin timbul dari ketidakpastian yang diungkapkan di atas.

Meskipun demikian, setelah tanggal Laporan Keuangan, manajemen Perusahaan berpendapat bahwa sampai saat ini wabah COVID-19 tidak berdampak signifikan terhadap kegiatan operasi Perusahaan.

25. PERISTIWA SETELAH PERIODE PELAPORAN

Sampai dengan tanggal Laporan Keuangan diselesaikan oleh manajemen Perusahaan, tidak ada peristiwa setelah periode pelaporan yang signifikan, kecuali Pemerintah Indonesia resmi menandatangani Undang-undang No. 11 tahun 2020 tentang Cipta Kerja ("UU Cipta Kerja") pada bulan November 2020. Pemerintah secara resmi mengesahkan 51 peraturan pelaksana UU Cipta Kerja, diantaranya Peraturan Pemerintah No. 35 tahun 2021 tentang perjanjian kerja waktu tertentu, alih daya, waktu kerja dan waktu istirahat dan pemutusan hubungan kerja yang diundangkan dan diberlakukan pada tanggal 2 Februari 2021. Perusahaan masih melakukan penilaian atas potensi dampak dari peraturan pelaksana UU Cipta Kerja terhadap estimasi liabilitas imbalan pascakerja dan Laporan Keuangan Perusahaan secara keseluruhan.

26. PENYELESAIAN LAPORAN KEUANGAN

Manajemen Perusahaan bertanggung jawab terhadap penyusunan Laporan Keuangan yang diselesaikan pada tanggal 31 Maret 2021.

24. ECONOMIC ENVIRONMENT UNCERTAINTY

The COVID-19 pandemic in 2020 has caused global and domestic economic slowdown. The extent of such impact will depend on certain future development which cannot be predicted at this moment, including the duration of the spread of the outbreak, economic and social measures that are being taken by the government authorities to eradicate the COVID-19 threat. Management is closely monitoring the Company's operations, liquidity and resources, and is actively working to minimize the current and future impact of this unprecedented situation. These Financial Statements do not include any adjustment that might result from the outcome of the aforementioned uncertainty.

Nevertheless, after the date of the Financial Statements, the Company's management is of the opinion that the COVID-19 outbreak had no significant impact on the Company's operating activities.

25. EVENT AFTER THE REPORTING PERIOD

Up to the date the Financial Statements were completed by the Company's management, there was no significant event after the reporting period, except that the Government of Indonesia officially ratified Law No. 11 year 2020 concerning Job Creation ("Job Creation Law") in November 2020. The Government officially enacted 51 implementing regulations of the Job Creation Law, among others, Government Regulation No. 35 year 2021 on specified time work agreement, outsourcing, working time and time off and work termination promulgated and put into effect on February 2, 2021. The Company is still evaluating the potential impact of the implementing regulations of the Job Creation Law on the Company's estimated liabilities for post-employment benefits and the overall Financial Statements.

26. COMPLETION OF THE FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of the accompanying Financial Statements that were completed on March 31, 2021.

PT BONANZA PRATAMA ABADI

**LAPORAN KEUANGAN INTERIM
PER 30 SEPTEMBER 2021 DAN 31 DESEMBER 2020 DAN
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL-TANGGAL
30 SEPTEMBER 2021 DAN 2020
BESERTA LAPORAN REVIU INFORMASI KEUANGAN INTERIM**

***INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020 AND
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
WITH INTERIM FINANCIAL INFORMATION REVIEW REPORT***

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)**PT BONANZA PRATAMA ABADI
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AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)



PT. BONANZA PRATAMA ABADI
 Jl. P. Aji Iskandar RT.16 Juata Laut Tarakan, Kalimantan Utara,
 Indonesia Telp.: +62-551-2053666 / 2053688 Fax.: +62-551-2053677



**SURAT PERNYATAAN DIREKSI
 TENTANG
 TANGGUNG JAWAB ATAS
 LAPORAN KEUANGAN INTERIM
 PER DAN UNTUK PERIODE SEMBILAN BULAN
 YANG BERAKHIR PADA TANGGAL
 30 SEPTEMBER 2021
 PT BONANZA PRATAMA ABADI**

**DIRECTORS' STATEMENTS
 OF
 RESPONSIBILITIES ON INTERIM
 FINANCIAL STATEMENTS
 OF
 PT BONANZA PRATAMA ABADI
 AS OF AND FOR THE NINE-MONTH PERIOD
 ENDED SEPTEMBER 30, 2021**

Saya yang bertanda tangan di bawah ini :

N a m a : Fong Yuh Cheng
Alamat Kantor : Jl. Aji Iskandar RT 12 Juata Laut
 Tarakan – Kalimantan Timur

J a b a t a n : Direktur

I, the undersigned below, :

N a m e : Fong Yuh Cheng
Office Address : Jl. Aji Iskandar RT 12 Juata Laut
 Tarakan – Kalimantan Timur

P o s i t i o n : Director

menyatakan bahwa :

1. Bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan Interim ;
2. Laporan Keuangan Interim telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam Laporan Keuangan Interim telah dimuat secara lengkap dan benar;
- b. Laporan Keuangan Interim tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Bertanggung jawab atas sistem pengendalian internal dalam Perusahaan.

Demikian pernyataan ini dibuat dengan sebenarnya.

declare that :

1. *I am responsible for the preparation and presentation of the Interim Financial Statements ;*
2. *The Interim Financial Statements have been prepared and presented in conformity with Indonesian Financial Accounting Standards;*
3. a. *All information presented in the Interim Financial Statements has been completely and properly disclosed;*
- b. *The Interim Financial Statements do not contain any incorrect material information or facts nor omit any material information or facts;*
4. *I am responsible for the internal control system of the Company.*

I certify that our Statements are true.

Tarakan, 14 Oktober 2021/ *October 14, 2021*

Atas nama dan mewakili Dewan Direksi
For and on behalf of the Board of Directors



Fong Yuh Cheng
 Direktur/Director

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)



KANTOR AKUNTAN PUBLIK
JOHAN MALONDA MUSTIKA & REKAN
 Certified Public Accountants
 License No. : 951/KM.1/2010

Jl. Pluit Raya 200 Blok V No. 1-5 Jakarta - 14440 Indonesia
 Tel. : (62-21) 661-7155 Fax. : (62-21) 663-0455
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 With Offices in Surabaya, Medan and Bali



www.bakertilly.global

LAPORAN REVIU INFORMASI KEUANGAN INTERIM

Laporan No. 00095/2.0826/REV/04/0727-9/1/X/2021

Pemegang Saham, Komisaris dan Direktur
PT BONANZA PRATAMA ABADI

Pendahuluan

Kami telah mereviu Laporan Keuangan Interim **PT Bonanza Pratama Abadi** terlampir yang terdiri dari Laporan Posisi Keuangan Interim tanggal 30 September 2021, Laporan Laba Rugi dan Penghasilan Komprehensif Lain Interim, Laporan Perubahan Ekuitas Interim dan Laporan Arus Kas Interim untuk periode sembilan bulan yang berakhir pada tanggal tersebut, serta ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab kami adalah untuk menyatakan suatu kesimpulan atas Laporan Keuangan Interim ini berdasarkan reviu kami.

Ruang Lingkup Reviu

Kami melaksanakan reviu kami sesuai dengan Standar Perikatan Reviu 2410, "Reviu atas Informasi Keuangan Interim yang Dilaksanakan oleh Auditor Independen Entitas", yang ditetapkan oleh Institut Akuntan Publik Indonesia. Suatu reviu atas informasi keuangan interim terdiri dari mengajukan pertanyaan, terutama kepada pihak yang bertanggung jawab atas bidang keuangan dan akuntansi, serta menerapkan prosedur analitis dan prosedur reviu lainnya. Suatu reviu memiliki ruang lingkup yang secara substansial kurang daripada suatu audit yang dilaksanakan berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia dan sebagai konsekuensinya, tidak memungkinkan kami untuk memperoleh keyakinan bahwa kami akan mengetahui seluruh hal signifikan yang mungkin teridentifikasi dalam suatu audit. Oleh karena itu, kami tidak menyatakan suatu opini audit.

INTERIM FINANCIAL INFORMATION REVIEW REPORT

Report No. 00095/2.0826/REV/04/0727-9/1/X/2021

The Shareholders, Commissioners and Directors
PT BONANZA PRATAMA ABADI

Introduction

We have reviewed the accompanying Interim Financial Statements of **PT Bonanza Pratama Abadi**, which comprise the Interim Statement of Financial Position as of September 30, 2021, and the Interim Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Our responsibility is to express a conclusion on these Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing issued by the Indonesian Institute of Certified Public Accountants and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)**JOHAN MALONDA MUSTIKA & REKAN**

PT BONANZA PRATAMA ABADI
LAPORAN REVIU INFORMASI KEUANGAN
INTERIM

PT BONANZA PRATAMA ABADI
INTERIM FINANCIAL INFORMATION REVIEW
REPORT

Kesimpulan

Berdasarkan reviu kami, tidak ada hal-hal yang menjadi perhatian kami yang menyebabkan kami percaya bahwa Laporan Keuangan Interim terlampir tidak menyajikan secara wajar, dalam semua hal yang material, Posisi Keuangan Interim **PT Bonanza Pratama Abadi** per 30 September 2021, serta Kinerja Keuangan dan Arus Kas Interim untuk periode sembilan bulan yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Conclusion

*Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements do not present fairly, in all material respects, the Interim Statement of Financial Position of **PT Bonanza Pratama Abadi** as of September 30, 2021 and its Interim Financial Performance and Cash Flows for the nine-month period then ended, in accordance with Indonesia Financial Accounting Standards.*

JOHAN MALONDA MUSTIKA & REKAN
NIU-KAP/Licence No. 951/KM.1/2010

H. Fuad Hasan, CPA, CA
NRAP/Public Accountant Registration AP.0727

14 Oktober 2021/October 14, 2021

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN POSISI KEUANGAN INTERIM
PER 30 SEPTEMBER 2021 DAN 31 DESEMBER 2020(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND
DECEMBER 31, 2020
(Expressed in United States Dollar, except
Otherwise Stated)

	ASET		ASSETS	
	Catatan/ Notes	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
ASET LANCAR				CURRENT ASSETS
Kas dan Bank	2,3,20&21	1.701.845	662.761	Cash on Hand and in Banks
Piutang Usaha - Bersih	2,4,20&21	590.248	159.100	Trade Receivables - Net
Piutang Lain-lain - Bersih	2,5,20&21	100.094	114.217	Other Receivables - Net
Persediaan - Bersih	2,6&10	2.326.784	2.726.028	Inventories - Net
Uang Muka dan Biaya Dibayar di Muka	2&7	34.762	34.762	Advances and Prepayments
Pajak Dibayar di Muka	2 & 9	1.184	1.184	Prepaid Tax
Jumlah Aset Lancar		<u>4.754.917</u>	<u>3.698.052</u>	Total Current Assets
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Aset Tetap - Jumlah Tercatat	2,8&10	787.483	934.630	Property, Plant and Equipment - Net
Aset Pajak Tangguhan	2 & 9	66.418	58.970	Deferred Tax Assets
Uang Jaminan	2,20&21	9.043	9.043	Guarantee Deposits
Jumlah Aset Tidak Lancar		<u>862.944</u>	<u>1.002.643</u>	Total Non-Current Assets
JUMLAH ASET		<u><u>5.617.861</u></u>	<u><u>4.700.695</u></u>	TOTAL ASSETS

Lihat Laporan Reviu Informasi Keuangan Interim

See Report on Review of Interim Financial Information

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN POSISI KEUANGAN INTERIM (Lanjutan)
PER 30 SEPTEMBER 2021 DAN 31 DESEMBER 2020

(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

INTERIM STATEMENTS OF FINANCIAL POSITION
(Continued)

AS OF SEPTEMBER 30, 2021 AND
DECEMBER 31, 2020

(Expressed in United States Dollar, except
Otherwise Stated)

LIABILITAS DAN EKUITAS		LIABILITIES AND EQUITY		
	Catatan/ Notes	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang Bank	2,10,20&21	785.556	20.316	Bank Loans
Utang Usaha	2,20&21	2.308	67.490	Trade Payables
Utang Pajak	2 & 9	132.472	176.323	Taxes Payable
Utang Lain-lain	2,20&21	180.109	116.723	Other Payables
Liabilitas Kontrak	2	8.913	2.325	Contract Liability
Beban Akrua	2,11,20&21	46.378	53.339	Accrued Expenses
Jumlah Liabilitas Jangka Pendek		1.155.736	436.516	Total Current Liabilities
LIABILITAS JANGKA PANJANG				NON-CURRENT LIABILITIES
Utang Pihak Berelasi	2,12&20	-	500.000	Due to Related Party
Liabilitas Kontrak	2	-	8.331	Contract Liability
Estimasi Liabilitas Imbalan Kerja	2 & 19	171.235	152.662	Estimated Liabilities for Employee Benefits
Jumlah Liabilitas Jangka Panjang		171.235	660.993	Total Non-Current Liabilities
Jumlah Liabilitas		1.326.971	1.097.509	Total Liabilities
EKUITAS				EQUITY
Modal Saham - nilai nominal USD 100 per saham				Share Capital - par value of USD 100 per share
Modal Dasar - 30.000 saham				Authorized - 30,000 shares
Modal Ditempatkan dan Disetor Penuh - 20.000 saham	13	2.000.000	2.000.000	Subscribed and Fully Paid - 20,000 shares
Saldo Laba		2.290.890	1.603.186	Retained Earnings
Jumlah Ekuitas		4.290.890	3.603.186	Total Equity
JUMLAH LIABILITAS DAN EKUITAS		5.617.861	4.700.695	TOTAL LIABILITIES AND EQUITY

Lihat Laporan Reviu Informasi Keuangan Interim

See Report on Review of Interim Financial Information

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG
BERAKHIR PADA TANGGAL-TANGGAL
30 SEPTEMBER 2021 DAN 2020
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

INTERIM STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2021 AND 2020

(Expressed in United States Dollar, except
Otherwise Stated)

	Catatan/ Notes	2021	2020 (Tidak Direviu/ Unreviewed)	
PENJUALAN BERSIH	2 & 14	13.291.702	10.484.676	NET SALES
BEBAN POKOK PENJUALAN	2,15&16	(11.473.563)	(8.797.221)	COST OF GOODS SOLD
LABA KOTOR		1.818.139	1.687.455	GROSS PROFIT
BEBAN USAHA	2 & 17	(897.019)	(754.724)	OPERATING EXPENSES
BEBAN LAIN-LAIN - BERSIH	2 & 18	(17.209)	(6.084)	OTHER CHARGES - NET
LABA SEBELUM PAJAK PENGHASILAN		903.911	926.647	INCOME BEFORE INCOME TAX
PAJAK PENGHASILAN	2 & 9			INCOME TAX
Pajak Kini		(223.655)	-	Current Tax
Pajak Tangguhan		7.448	-	Deferred Tax
Jumlah Pajak Penghasilan		(216.207)	-	Total Income Tax
LABA BERSIH		687.704	926.647	NET INCOME
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos yang Tidak Akan Direklasifikasi ke Laba Rugi				Items that Will Not Be Reclassified to Profit or Loss
Keuntungan (Kerugian) Pengukuran Kembali atas Liabilitas Imbalan Kerja	19	-	-	Remeasurement Gain (Loss) on Employee Benefits Liabilities
Manfaat (Beban) Pajak Penghasilan Terkait	9	-	-	Related Income Tax Benefit (Expense)
Jumlah		-	-	Total
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN		687.704	926.647	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Lihat Laporan Reviu Informasi Keuangan Interim

See Report on Review of Interim Financial Information

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN PERUBAHAN EKUITAS INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG
BERAKHIR PADA TANGGAL-TANGGAL
30 SEPTEMBER 2021 DAN 2020
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2021 AND 2020

(Expressed in United States Dollar, except
Otherwise Stated)

	Modal Saham/ Share Capital	Saldo Laba/ Retained Earnings	Jumlah/ Total	
SALDO PER 31 DESEMBER 2019	2.000.000	682.616	2.682.616	BALANCE AS OF DECEMBER 31, 2019
LABA KOMPREHENSIF UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL 30 SEPTEMBER 2020 (Tidak Direviu)	-	926.647	926.647	NET COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 (Unreviewed)
SALDO PER 30 SEPTEMBER 2020 (Tidak Direviu)	<u>2.000.000</u>	<u>1.609.263</u>	<u>3.609.263</u>	BALANCE AS OF SEPTEMBER 30, 2020 (Unreviewed)
SALDO PER 31 DESEMBER 2020	2.000.000	1.603.186	3.603.186	BALANCE AS OF DECEMBER 31, 2020
LABA KOMPREHENSIF UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL 30 SEPTEMBER 2021	-	687.704	687.704	NET COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021
SALDO PER 30 SEPTEMBER 2021	<u>2.000.000</u>	<u>2.290.890</u>	<u>4.290.890</u>	BALANCE AS OF SEPTEMBER 30, 2021

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PT BONANZA PRATAMA ABADI

LAPORAN ARUS KAS INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG
BERAKHIR PADA TANGGAL-TANGGAL
30 SEPTEMBER 2021 DAN 2020
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Dinyatakan Lain)

INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2021 AND 2020

(Expressed in United States Dollar, except
Otherwise Stated)

	2021	2020 (Tidak Direviu/ (Unreviewed))	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Laba sebelum Pajak Penghasilan	903.911	926.647	<i>Income before Income Tax</i>
Penyesuaian untuk Merekonsiliasi Laba sebelum Pajak Penghasilan Menjadi Kas yang Diperoleh dari Aktivitas Operasi:			<i>Adjustments to Reconcile Income before Income Tax to Net Cash Provided by Operating Activities:</i>
Penyusutan	163.147	148.141	<i>Depreciation</i>
Estimasi Imbalan Kerja	18.573	-	<i>Estimated Employee Benefits</i>
Penurunan (Peningkatan):			<i>Decrease (Increase) in:</i>
Piutang Usaha	(431.148)	(123.899)	<i>Trade Receivables</i>
Piutang Lain-lain	14.123	58.545	<i>Other Receivables</i>
Persediaan	399.244	(2.011)	<i>Inventories</i>
Uang Muka dan Biaya Dibayar di Muka	-	47	<i>Advances and Prepayments</i>
Uang Jaminan	-	(145)	<i>Guarantee Deposits</i>
Peningkatan (Penurunan):			<i>Increase (Decrease) in:</i>
Utang Usaha	(65.182)	1.714	<i>Trade Payables</i>
Utang Lain-lain	63.386	2.742	<i>Other Payables</i>
Utang Pajak	(76.759)	(46.250)	<i>Taxes Payable</i>
Liabilitas Kontrak	(1.743)	(1.338)	<i>Contract Liability</i>
Beban Akrua	(6.961)	(5.176)	<i>Accrued Expenses</i>
			<i>Cash Provided by Operating Activities</i>
Kas Diperoleh dari Aktivitas Operasi	980.591	959.017	
Pembayaran Pajak Penghasilan Badan	(190.747)	(104.351)	<i>Corporate Income Tax Payment</i>
Pembayaran Imbalan Kerja	-	(4.780)	<i>Payments of Employee Benefits</i>
			<i>Net Cash Provided by Operating Activities</i>
Kas Bersih Diperoleh dari Aktivitas Operasi	789.844	849.886	
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Perolehan Aset Tetap	(16.000)	(78.159)	<i>Acquisitions of Property and Equipment</i>
Peningkatan Uang Muka Pembelian Aset Tetap	-	(26.173)	<i>Increase in Advance - Purchase of Equipment</i>
			<i>Net Cash Used in Investing Activities</i>
Kas Bersih Digunakan untuk Aktivitas Investasi	(16.000)	(104.332)	

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

LAPORAN ARUS KAS INTERIM (Lanjutan)
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INTERIM STATEMENTS OF CASH FLOWS
(Continued)
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SEPTEMBER 30, 2021 AND 2020
(Expressed in United States Dollar, except
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	<u>2021</u>	<u>2020</u> (Tidak Direviu/ (Unreviewed))	
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Peningkatan Utang Bank	10.104.633	1.857.396	Increase in Bank Loan
Pembayaran Utang Bank	(9.839.393)	(2.283.272)	Payment of Bank Loan
Pembayaran Utang Pihak Berelasi	-	(500.000)	Payment of Due from Related Party
Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	<u>265.240</u>	<u>(925.876)</u>	Net Cash Provided by (Used in) Financing Activities
KENAIKAN (PENURUNAN) BERSIH KAS DAN BANK	1.039.084	(180.322)	NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS
KAS DAN BANK, AWAL TAHUN	<u>662.761</u>	<u>899.396</u>	CASH ON HAND AND IN BANKS, BEGINNING
KAS DAN BANK, AKHIR TAHUN	<u><u>1.701.845</u></u>	<u><u>719.074</u></u>	CASH ON HAND AND IN BANKS, ENDING

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PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
PER 30 SEPTEMBER 2021 DAN 31 DESEMBER 2020
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1. UMUM

PT Bonanza Pratama Abadi (Perusahaan) didirikan berdasarkan Akta Notaris James Herman Rahardjo, S.H., No. 85 tanggal 18 Oktober 2001. Akta Pendirian ini telah mendapat pengesahan dari Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No. C-03578.HT.01.01.Th.2002 tanggal 5 Maret 2002. Perubahan terakhir Anggaran Dasar Perusahaan berdasarkan Akta Risalah Rapat Oeij Jian Hiap, S.H. No. 24 tanggal 21 Desember 2006 tentang peningkatan modal ditempatkan dan disetor.

Atas peningkatan tersebut, perusahaan telah memperoleh persetujuan dari Kepala Badan Koordinasi Penanaman Modal (BKPM) berdasarkan Surat Keputusan No. 1235/III/PMA/2006 tanggal 11 September 2006 dengan No. kode proyek 1512-64-13.339.

Berdasarkan Akta No. 36 dari Notaris Yenni Agustinah, S.H., M.Kn., tanggal 12 Agustus 2009, Anggaran Dasar Perusahaan telah disesuaikan ke Undang-undang Perseroan Terbatas No. 40 tahun 2007 dan telah memperoleh pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-16769.AH.01.02 tahun 2010 tanggal 1 April 2010.

Perusahaan didirikan dalam rangka Undang-undang Penanaman Modal Asing No. 1 tahun 1967 yang telah diubah dengan Undang-undang No. 11 tahun 1970 dan No. 25 tahun 2007. Perusahaan telah memperoleh persetujuan fasilitas penanaman modal asing dari kepala Badan Koordinasi Penanaman Modal (BKPM) berdasarkan Surat Keputusan No. 738/I/PMA/2001 tanggal 21 September 2001 dengan No. Kode Proyek 1512-64-13.339.

Perusahaan berkedudukan di Kota Tarakan, Kalimantan Utara. Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan terutama meliputi bidang industri pengolahan dan pembekuan ikan dan biota perairan lainnya dan sekaligus menjual hasil industri baik ke dalam maupun ke luar negeri.

1. GENERAL

PT Bonanza Pratama Abadi (the Company) was established based on Notarial Deed No. 85 of Public Notary James Herman Rahardjo, S.H. dated October 18, 2001. The Deed of Establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in Decision Letter No. C-03578.HT.01.01.Th.2002 dated March 5, 2002. The Company's Articles of Association were last amended by Notarial Deed No. 24 of Public Notary Oeij Jian Hiap, S.H. dated December 21, 2006 concerning the increase in the subscribed and fully paid capital.

The Company has obtained the approval on the increase in the subscribed and fully paid capital from the Chief of Capital Investment Coordinating Board (BKPM) based on Decision Letter No. 1235/III/PMA/2006, dated September 11, 2006, Project No. 1512-64-13.339.

Based on Notarial Deed No. 36 dated August 12, 2009 of Public Notary Yenni Agustinah, S.H., M.Kn., the Company's Articles of Association have been amended to comply with Limited Liability Company Law No. 40 of 2007 and approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-16769.AH.01.02 dated April 1, 2010.

The Company was established within the framework of Foreign Capital Investment Law No. 1/1967, as amended by Law No. 11 of 1970 and No. 25 of 2007. The Company has obtained the approval from the Chief of Capital Investment Coordinating Board (BKPM) based on Decision Letter No. 738/I/PMA/2001 dated September 21, 2001, Project Code No. 1512-64-13.339.

The Company is domiciled in Tarakan, North Kalimantan. Based on Article 3 of the Company's Articles of Association, the Company's activities comprise processing and freezing fish and other sea products for local and export sales.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
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1. UMUM (Lanjutan)

Perusahaan berusaha dalam bidang industri pengolahan dan pembekuan udang dan biota perairan lainnya yang berlokasi di Juata Laut, Kotamadya Tarakan dan mulai beroperasi secara komersial sejak bulan Oktober 2003.

Susunan Dewan Direksi dan Komisaris Perusahaan per 30 September 2021 dan 31 Desember 2020 adalah sebagai berikut:

Presiden Komisaris	:	Quah Say Hong	President Commissioner
Komisaris	:	Lau Liong Kii	Commissioners
		Inge Miradewi Rosadi	
		Nelly	
Presiden Direktur	:	Fong Yuh Cheng	President Director
Direktur	:	Tiong Chiong Hiung	Directors
		William Tiong Kung Thung	
		Law Poon Chuang	

Perusahaan mempekerjakan masing-masing 311 dan 298 karyawan per 30 September 2021 dan 31 Desember 2020.

1. GENERAL (Continued)

The Company conduct its activities of processing and freezing fish and other sea products in Juata Laut, Tarakan Regency. It commenced commercial operations in October 2003.

The Company's Commissioners and Directors as of September 30, 2021 and December 31, 2020 are as follows:

President Commissioner	Commissioners
President Director	Directors

The Company had 311 and 298 employees as of September 30, 2021 and December 31, 2020, respectively.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN**a. Dasar Penyusunan Laporan Keuangan Interim**

Laporan Keuangan Interim telah disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia, yang meliputi Pernyataan dan Interpretasi yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Institut Akuntan Indonesia.

Mata uang pelaporan yang digunakan dalam penyusunan Laporan Keuangan Interim adalah Dolar Amerika Serikat yang juga merupakan mata uang fungsional Perusahaan. Perusahaan mencatat pembukuannya dalam Dolar Amerika Serikat yang telah disetujui oleh Menteri Keuangan melalui Surat Keputusan No. KEP-2888/WPJ.07/2014 tanggal 16 Desember 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of the Interim Financial Statement Presentation**

The Interim Financial Statements have been prepared in accordance with Indonesian Financial Accounting Standards, which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants.

The reporting currency used in the preparation of the Interim Financial Statements is United States Dollar which also represents the functional currency of the Company. The Company maintains its books in USD which has been approved by the Minister of Finance through Decision Letter No. KEP-2888/WPJ.07/2014 dated December 16, 2014.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

a. Dasar Penyusunan Laporan Keuangan
Interim (Lanjutan)

Laporan Keuangan Interim Perusahaan disusun dalam mata uang Dollar Amerika Serikat dengan dasar biaya perolehan, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam Catatan atas Laporan Keuangan Interim.

Laporan Keuangan Interim disajikan atas dasar Akrua, kecuali untuk Laporan Arus Kas.

Laporan Arus Kas Interim disusun dengan menggunakan metode Tidak Langsung dan arus kas dikelompokkan atas dasar kegiatan operasi, investasi dan pendanaan.

Penambahan dan Perubahan atas
Pernyataan Standar Akuntansi Keuangan
(“PSAK”) dan Interpretasi Standar
Akuntansi Keuangan (“ISAK”)

Perusahaan menerapkan standar akuntansi baru yang berlaku efektif pada tanggal 1 Januari 2021. Perubahan kebijakan akuntansi Perusahaan dibuat sesuai dengan yang disyaratkan, sesuai dengan ketentuan transisi masing-masing standar.

Penerapan dari standar baru, interpretasi, amandemen dan penyesuaian tahunan terhadap standar akuntansi, yang berlaku efektif sejak tanggal 1 Januari 2021 tidak menyebabkan perubahan signifikan atas kebijakan akuntansi Perusahaan dan tidak memberikan dampak yang material terhadap jumlah yang dilaporkan di Laporan Keuangan Interim pada tahun berjalan

- PSAK 22 (Amandemen 2019): Kombinasi Bisnis
- PSAK 55 (Amandemen 2020): Instrumen Keuangan: Pengakuan dan Pengukuran
- PSAK 60 (Amandemen 2020): Instrumen Keuangan: Pengungkapan

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

a. Basis of the Interim Financial Statement
Presentation (Continued)

The Interim Financial Statements have been prepared in United States Dollar on the basis of Historical Cost, except for certain accounts which are measured on the bases described in the related Notes to the Interim Financial Statements.

The Interim Financial Statements, except for the Statements of Cash Flows, are prepared under the Accrual basis of accounting.

The Interim Statements of Cash Flows are prepared based on the Indirect method and cash flows are classified into operating, investing and financing activities.

Additions and Changes to Statements of
Financial Accounting Standards (“SFAS”)
and Interpretations of Financial
Accounting Standards (“IFAS”)

The Company adopted new accounting standards effective on January 1, 2021. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective standards.

The adoption of the following new standards, interpretations, amendments and annual improvements to accounting standards which are effective from January 1, 2021 did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported in the Interim Financial Statements for the current year:

- SFAS 22 (2019 Amendment): Business Combinations
- SFAS 55 (2020 Amendment): Financial Instruments: Recognition and Measurement
- SFAS 60 (2020 Amendment): Financial Instruments: Disclosures

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)a. Dasar Penyusunan Laporan Keuangan
Interim (Lanjutan)

Penambahan dan Perubahan atas
Pernyataan Standar Akuntansi Keuangan
("PSAK") dan Interpretasi Standar
Akuntansi Keuangan ("ISAK") (Lanjutan)

- PSAK 62 (Amandemen 2020): Kontrak Asuransi
- PSAK 71 (Amandemen 2020): Instrumen Keuangan
- PSAK 73 (Amandemen 2020): Sewa
- PSAK 112: Akuntansi Wakaf

Standar baru, amandemen dan penyesuaian tahunan yang telah diterbitkan, namun belum berlaku efektif untuk tahun buku yang dimulai pada 1 Januari 2021 adalah sebagai berikut:

- PSAK 1 (Amandemen 2020): Penyajian Laporan Keuangan
- PSAK 16 (Amandemen 2021): Aset Tetap
- PSAK 57 (Amandemen 2020): Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak Memberatkan - Biaya Memenuhi Kontrak
- PSAK 69 (Penyesuaian Tahunan 2020): Agrikultur

Pada saat penerbitan Laporan Keuangan Interim, manajemen Perusahaan masih mempelajari dampak yang mungkin timbul dari penerapan standar dan interpretasi baru dan amandemen standar tersebut serta pengaruhnya pada Laporan Keuangan Interim Perusahaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)a. Basis of the Interim Financial Statement
Presentation (Continued)

*Additions and Changes to Statements of
Financial Accounting Standards ("SFAS")
and Interpretations of Financial
Accounting Standards ("IFAS")
(Continued)*

- SFAS 62 (2020 Amendment): Insurance Contracts
- SFAS 71 (2020 Amendment): Financial Instruments
- SFAS 73 (2020 Amendment): Leases
- SFAS 112: Accounting for Endowments

*New standards, amendments and
interpretations issued but not yet effective for
the financial year beginning on or after
January 1, 2021 are as follows:*

- SFAS 1 (2020 Amendment): Presentation of Financial Statements
- SFAS 16 (2021 Amendment): Property, Plant and Equipment
- SFAS 57 (2020 Amendment): Provision, Contingent Liabilities and Contingent Assets on Onerous Contracts - Cost of Fulfilling Contract
- SFAS 69 (2020 Annual Improvement): Agriculture

*As of the authorization date of the Interim
Financial Statements, the Company is still
evaluating the potential impact of these new
and amended standards and interpretation on
the Company's Interim Financial Statements.*

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
 (Lanjutan)

b. Kas dan Bank

Kas dan bank terdiri dari kas dan bank dengan jangka waktu tidak lebih dari 3 bulan yang tidak dibatasi penggunaannya.

c. Piutang Usaha dan Piutang Lain-lain

Piutang usaha dan piutang lain-lain pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif, kecuali jika efek diskontonya tidak material, setelah dikurangi penyisihan piutang ragu-ragu.

Penyisihan piutang ragu-ragu diukur berdasarkan kerugian kredit ekspektasian dengan melakukan penelaahan atas kolektibilitas saldo secara individual atau kolektif sepanjang umur piutang usaha menggunakan pendekatan yang disederhanakan dengan mempertimbangkan informasi yang bersifat *forward-looking* yang dilakukan setiap akhir periode pelaporan. Piutang ragu-ragu dihapus pada saat piutang tersebut tidak akan tertagih.

d. Persediaan

Persediaan dibukukan berdasarkan nilai terendah antara biaya perolehan dengan nilai realisasi bersih. Biaya perolehan persediaan bahan baku dan bahan lain-lain dinilai berdasarkan metode Masuk Pertama Keluar Pertama (FIFO), sedangkan biaya perolehan persediaan barang jadi dinilai berdasarkan biaya produksi rata-rata.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
 POLICIES (Continued)

b. Cash on Hand and in Banks

Cash on hand and in banks consist of cash on hand and in banks with maturities of three months or less and unrestricted utilization.

c. Trade and Other Receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the Effective Interest Rate method, except where the effect of discounting would be immaterial, less provision for doubtful accounts.

Provision for doubtful accounts are measured based on expected credit losses by reviewing the collectability of individual or collective balances in a lifetime of trade receivables using a simplified approach with considering the forward-looking information at the end of each reporting period. Doubtful accounts are written off during the period in which they are determined to be not collectible.

d. Inventories

The Company determines the value of inventories at the lower of cost or net realizable value. Costs of raw materials and other materials are determined using the First In First Out method (FIFO), while the costs of finished goods are determined by the average production cost.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

e. Aset Tetap

Perusahaan memilih model Biaya sebagai akuntansi pengukuran aset tetap untuk penerapan PSAK 16 (Amandemen): Aset Tetap.

Aset tetap dinilai sebesar biaya perolehan, dikurangi dengan akumulasi penyusutan. Aset tetap, disusutkan pertama kali pada saat aset tersebut mulai digunakan dengan metode Garis Lurus sesuai dengan taksiran masa manfaat keekonomian dari aset yang bersangkutan sebagai berikut:

Tanah	Tidak Disusutkan
Bangunan	20 tahun
Mesin-mesin	4 tahun
Peralatan Pabrik	4 - 8 tahun
Inventaris Kantor	4 tahun
Kendaraan	8 tahun

Beban pemeliharaan dan perbaikan rutin dibebankan pada laba rugi pada saat terjadinya. Pemeliharaan dan perbaikan dalam jumlah besar dan menambah manfaat keekonomian di masa mendatang dikapitalisasi. Aset tetap yang sudah tidak digunakan lagi atau dijual dikeluarkan dari kelompok Aset Tetap berikut akumulasi penyusutannya. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laba rugi pada tahun yang bersangkutan.

Aset dalam penyelesaian dibukukan berdasarkan biaya perolehan dan akan dipindahkan dalam kelompok aset tetap pemilikan langsung pada saat selesai dikerjakan dan siap digunakan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

e. Property, Plant and Equipment

The Company applies the Cost model for the measurement of its property, plant and equipment in accordance for the implementation of SFAS 16 (Amendment): Property, Plant and Equipment.

Property, plant and equipment are stated at cost less accumulated depreciation. Property, plant and equipment are depreciated from the time the assets are used using the Straight-line method over the estimated useful lives as follows:

<i>Land</i>	<i>Not Depreciated</i>
<i>Buildings</i>	<i>20 years</i>
<i>Machinery</i>	<i>4 years</i>
<i>Factory Equipment</i>	<i>4 - 8 years</i>
<i>Office Equipment</i>	<i>4 years</i>
<i>Vehicles</i>	<i>8 years</i>

The cost of ordinary repairs and maintenance is charged to profit or loss as incurred. Renewals and betterments are capitalized. When the assets are retired or disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Assets under construction are stated at cost and will be reclassified to property, plant and equipment from direct acquisitions when the construction is completed and the asset is ready to be used.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

e. Aset Tetap (Lanjutan)

Perusahaan menerapkan PSAK 48: Penurunan Nilai Aset. Kerugian penurunan nilai aset diakui bila perusahaan mengidentifikasi bahwa aset secara potensial diindikasikan turun nilainya, dimana taksiran jumlah yang dapat diperoleh kembali dari aset tersebut lebih kecil daripada nilai tercatatnya.

f. Transaksi dengan Pihak Berelasi

Pihak berelasi merupakan seseorang atau suatu entitas yang terkait dengan Perusahaan:

- (a) Orang atau anggota keluarga dekatnya mempunyai relasi dengan Perusahaan jika orang tersebut:
- i) memiliki pengendalian atau pengendalian bersama atas Perusahaan;
 - ii) memiliki pengaruh signifikan atas Perusahaan; atau
 - iii) merupakan personil manajemen kunci Perusahaan atau entitas induk dari Perusahaan.
- (b) Suatu entitas terkait dengan Perusahaan jika memenuhi salah satu hal berikut:
- i) Entitas dan Perusahaan adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan sesama entitas anak saling berelasi dengan entitas lainnya).
 - ii) Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, di mana entitas lain tersebut adalah anggotanya).

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

e. Property, Plant and Equipment
(Continued)

The Company adopted SFAS 48: Asset Impairment. The decline in value of assets is recognized when the Company's management identifies that the value of an asset will potentially decrease, in which the recoverable amount of the asset is lower than its carrying value.

f. Related Party Transactions

Related parties represent a person or an entity that is related to the Company:

- (a) A person or a close member of the person's family is related to the Company if that person:
- i) has control or joint control over the Company;
 - ii) has significant influence over the Company; or
 - iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
- i) The entity and the Company are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).

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f. Transaksi dengan Pihak Berelasi (Lanjutan)

- iii) Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.
- iv) Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.
- v) Entitas tersebut adalah suatu program imbalan pascakerja untuk imbalan kerja dari salah satu Perusahaan atau entitas yang terkait dengan Perusahaan. Jika Perusahaan adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan Perusahaan.
- vi) Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a).
- vii) Orang yang diidentifikasi dalam huruf (a)(i) memiliki pengaruh signifikan atas entitas atau merupakan personil manajemen kunci entitas (atau entitas induk dari entitas).
- viii) Entitas, atau anggota dari kelompok di mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada Perusahaan atau kepada entitas induk dari Perusahaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

f. Related Party Transactions (Continued)

- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)g. Transaksi dan Saldo dalam Mata Uang
Asing

Perusahaan menerapkan PSAK 10 (Revisi 2010): Pengaruh Perubahan Kurs Valuta Asing. PSAK 10 yang direvisi tersebut terutama mengatur penentuan mata uang fungsional, penjabaran dalam mata uang asing ke mata uang fungsional dan penggunaan mata uang penyajian yang berbeda dengan mata uang fungsional. Perusahaan menentukan bahwa mata uang fungsional dan pelaporannya adalah Dolar Amerika Serikat (USD).

Transaksi mata uang asing dalam tahun berjalan dibukukan dalam Dollar Amerika Serikat berdasarkan kurs yang berlaku pada saat transaksi terjadi. Pada tanggal Laporan Posisi Keuangan Interim, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Dollar Amerika Serikat dengan menggunakan kurs tengah Bank Indonesia yang berlaku pada tanggal tersebut. Laba atau rugi kurs yang terjadi dikreditkan atau dibebankan dalam laba rugi tahun berjalan.

Kurs tengah Bank Indonesia pada tanggal 30 September 2021 dan 31 Desember 2020 adalah sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
IDR 1	0,0000699	0,0000709	IDR 1
RM 1	4,184	4,039	RM 1
JPY 1	111,325	103,355	JPY 1
HKD 1	7,784	7,753	HKD 1

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)g. Foreign Currency Transactions and
Balances

The Company adopted SFAS 10 (2010 Revision): The Effects of Changes in Foreign Exchange Rates. The revised SFAS 10 principally establishes the functional currency determination, account translation in foreign currency to functional currency and the use of presentation currency which is different from the functional currency. The Company determined that its functional and reporting currency is United States Dollar (USD).

Transactions during the year involving foreign currencies are recorded in United States Dollar amounts at the rates of exchange prevailing at the time the transactions are made. At Interim Statement of Financial Position dates, monetary assets and liabilities denominated in foreign currencies are converted into United States Dollar at the middle exchange rates as published by Bank Indonesia at those dates. Any resulting gains or losses are recognized in the current year's profit or loss.

The exchange rates as of September 30, 2021 and December 31, 2020 are as follows:

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

h. Pengakuan Pendapatan dan Beban

Perusahaan menerapkan PSAK 72: Pendapatan Kontrak. Pendapatan diukur berdasarkan pertimbangan yang ditentukan dalam kontrak dengan pelanggan dan tidak termasuk jumlah yang dikumpulkan atas nama pihak ketiga.

Standar pelaporan keuangan atas pendapatan dari kontrak dengan pelanggan menetapkan model lima langkah untuk memperhitungkan pendapatan yang timbul dari kontrak dengan pelanggan sebagai berikut:

- i. Identifikasi kontrak dengan pelanggan, di mana Perusahaan mencatat kontrak dengan pelanggan hanya jika kriteria berikut dipenuhi:
 - Kontrak telah disepakati oleh pihak-pihak yang terlibat dalam kontrak.
 - Perusahaan dapat mengidentifikasi hak para pihak yang terlibat dan jangka waktu pembayaran barang yang akan ditransfer.
 - Kontrak memiliki substansi komersial.
 - Besar kemungkinan Perusahaan akan menerima manfaat atas barang yang ditransfer.
- ii. Identifikasi kewajiban kinerja dalam kontrak.
- iii. Tentukan harga transaksinya.
- iv. Alokasikan harga transaksi untuk setiap kewajiban kinerja.
- v. Mengakui pendapatan ketika kewajiban kinerja dipenuhi (pada suatu titik waktu atau seiring waktu).

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

h. Revenue and Expense Recognition

The Company adopted SFAS 72: Contract Revenue. Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties.

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers as follows:

- i. Identify contracts with customers, whereby the Company records contracts with customers only if the following criteria as are met:
 - The contract has been agreed by the parties involved in the contract.
 - The Company can identify the rights of the parties involved and the term of payment for the goods to be transferred.
 - The contract has commercial substance.
 - It is probable that the Company will receive benefits for the goods transferred.
- ii. Identify the performance obligations in the contract.
- iii. Determine the transaction price.
- iv. Allocate the transaction price to each performance obligation.
- v. Recognize revenue when performance obligations are satisfied (at a point in time or over time).

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)h. Pengakuan Pendapatan dan Beban
(Lanjutan)

Pendapatan diakui pada jumlah yang mencerminkan imbalan yang diharapkan entitas akan menjadi haknya sebagai imbalan untuk mentransfer barang atau jasa kepada pelanggan (yang mencakup antara lain estimasi imbalan variabel yang tunduk pada batasan, seperti adanya hak untuk kembali, diskon perdagangan, rabat volume, dan perubahan harga transaksi yang timbul dari modifikasi), setelah dikurangi pajak penjualan terkait, dan tidak termasuk jumlah yang dikumpulkan atas nama pihak ketiga. Aset (barang atau jasa) ditransfer ketika atau sebagai pelanggan memperoleh kendali atas aset itu.

Pembayaran harga transaksi berbeda untuk setiap kontrak. Aset kontrak diakui setelah imbalan yang dibayarkan oleh pelanggan kurang dari saldo kewajiban kinerja yang telah dipenuhi. Kewajiban kontrak diakui setelah imbalan yang dibayarkan oleh pelanggan melebihi saldo kewajiban kinerja yang telah dipenuhi.

Kriteria pengakuan khusus berikut ini juga harus dipenuhi sebelum pendapatan diakui.

Pendapatan dari penjualan diakui pada saat barang dikapalkan kepada pelanggan.

Pendapatan sewa ruang diakui sesuai dengan periode yang sudah berjalan pada tahun yang bersangkutan. Pendapatan sewa belum menjadi pendapatan pada tahun bersangkutan dibukukan sebagai "Liabilitas Kontrak".

Beban diakui pada saat terjadinya (basis Akrual).

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)h. Revenue and Expense Recognition
(Continued)

Revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which includes among others estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset.

Payment of the transaction price differs for each contract. A contract asset is recognized once the consideration paid by customer is less than the balance of performance obligation which has been satisfied. A contract liability is recognized once the consideration paid by customer is more than the balance of performance obligation which has been satisfied.

The following specific recognition criteria must also be met before revenue is recognized.

Revenue from sales is recognized when the goods are shipped to the customers.

Rental space revenue is recognized in accordance with the period already in place for the year. Rental income that has not become income in the year is recorded as "Contract Liability".

Expenses are recognized when incurred (Accrual basis).

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

i. Imbalan Kerja

Perusahaan menerapkan PSAK 24: Imbalan Kerja, yang mengatur penentuan tingkat diskonto imbalan pasca kerja.

Imbalan Kerja Karyawan Jangka Pendek

Manfaat jangka pendek karyawan diakui pada saat terutang kepada karyawan berdasarkan metode Akrual.

Imbalan Pascakerja

Manfaat jangka panjang dan imbalan pascakerja, seperti pensiun, uang pesangon, uang jasa dan imbalan lainnya, dihitung berdasarkan "Peraturan Perusahaan" yang sejalan dengan UU Ketenagakerjaan No. 13/2003.

Kewajiban untuk imbalan pascakerja yang diakui dalam Laporan Posisi Keuangan Interim dihitung dengan nilai sekarang dari estimasi manfaat bahwa karyawan telah mendapatkan imbalan untuk jasa mereka dalam tahun berjalan dan sebelumnya, dikurangi dengan aset program. Perhitungan dilakukan oleh aktuaris independen dengan menggunakan metode Proyeksi Kredit Unit.

Nilai kini liabilitas imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas masa depan dengan menggunakan tingkat bunga obligasi pemerintah jangka panjang pada tanggal Laporan Posisi Keuangan dalam mata uang Rupiah sesuai dengan mata uang di mana imbalan tersebut akan dibayarkan dan yang memiliki jangka waktu yang sama dengan liabilitas imbalan pensiun yang bersangkutan.

Keuntungan atau kerugian yang timbul dari penyesuaian dan perubahan asumsi aktuarial diakui secara langsung di dalam penghasilan komprehensif lain.

Biaya jasa lalu yang timbul dari perubahan atau pengurangan program diakui sebagai beban dalam laba rugi pada saat terjadinya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

i. Employee Benefits

The Company adopted SFAS 24: Employee Benefits, which prescribes the determination of the discount rate for post-employment benefit obligation.

Short-term Employee Benefits

Short-term employee benefits are recognized when they are owed to the employees based on the Accrual method.

Post-Employment Benefits

Long-term and post-employment benefits, such as pension, severance pay, service pay and other benefits, are calculated in accordance with the "Company Regulation" which is in line with Labor Law No. 13/2003.

The obligation for post-employment benefits recognized in the Interim Statements of Financial Position is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior years, deducted by any plan assets. The calculation is performed by an independent actuary using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield at the Statement of Financial Position date of government bonds that are denominated in Indonesian Rupiah in which the benefits will be paid and that have terms to maturity similar to the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are directly recognized in other comprehensive income.

Past service costs arising from amendment or curtailment programs are recognized as an expense in profit or loss when incurred.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (Lanjutan)

i. Imbalan Kerja (Lanjutan)

Pesangon

Pesangon pemutusan kontrak terhutang ketika kerja karyawan dihentikan sebelum usia pensiun normal. Perusahaan mengakui pesangon pemutusan kontrak kerja ketika menunjukkan komitmennya untuk memutuskan kontrak kerja dengan karyawan berdasarkan suatu rencana formal terperinci dan terdapat kecil kemungkinan untuk menarik rencana tersebut. Pesangon yang akan dibayarkan lebih dari 12 bulan setelah tanggal Laporan Posisi Keuangan Interim didiskontokan untuk mencerminkan nilai sekarang.

j. Pajak Penghasilan

Perusahaan mengklarifikasi persyaratan untuk mengakui aset pajak tangguhan atas kerugian yang belum direalisasi. Perusahaan mengklarifikasi akuntansi untuk pajak tangguhan dimana suatu aset diukur pada nilai wajar dan bahwa nilai wajarnya di bawah basis pajak aset. Perusahaan juga mengklarifikasi aspek-aspek tertentu lainnya dari akuntansi untuk pajak tangguhan.

Beban pajak untuk tahun ini terdiri dari pajak kini dan pajak tangguhan.

Penyisihan pajak penghasilan kini ditentukan berdasarkan taksiran penghasilan kena pajak untuk tahun yang bersangkutan.

Aset dan liabilitas pajak tangguhan diakui untuk perbedaan temporer antara dasar keuangan dan pajak untuk aset dan liabilitas pada setiap tanggal pelaporan. Manfaat pajak di masa mendatang, seperti akumulasi rugi pajak yang belum digunakan, juga diakui sejauh realisasi atas manfaat pajak tersebut dimungkinkan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Employee Benefits (Continued)

Termination Benefits

Termination benefits are payable when the employment of an employee is terminated before the normal retirement age. The Company recognizes termination benefits when it demonstrates its commitment to terminate the employment of employees according to a detailed formal plan and the possibility to withdraw the plan is remote. Benefits falling due more than 12 months after the Interim Statement of Financial Position date are discounted to reflect its present value.

j. Income Tax

The Company clarifies the requirements for recognizing deferred tax assets on unrealized losses. The Company clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The Company also clarifies certain other aspects of accounting for deferred tax.

The tax expense for the year comprises current and deferred tax.

Provision for current income tax is determined based on the estimated taxable income for the year.

Deferred tax assets and liabilities are recognized for temporary differences between the financial and tax bases of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

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(Lanjutan)

j. Pajak Penghasilan (Lanjutan)

Pajak tangguhan dihitung dengan menggunakan tarif pajak yang berlaku atau secara substansial telah berlaku pada tanggal Laporan Posisi Keuangan Interim. Perubahan dalam nilai tercatat aset dan liabilitas pajak tangguhan karena perubahan tarif pajak dibebankan pada operasi tahun berjalan, kecuali jika hal tersebut terkait dengan item-item yang sebelumnya telah dibebankan atau dikreditkan ke ekuitas.

Amandemen terhadap kewajiban perpajakan dicatat ketika surat ketetapan pajak diterima atau, jika diajukan banding oleh Perusahaan, ketika hasil banding ditentukan.

Perusahaan menyajikan penyesuaian atas pajak penghasilan dari tahun lalu, jika ada, sebagai bagian dari "Taksiran Pajak Penghasilan" dalam laba rugi.

k. Pajak Final

Sesuai dengan peraturan perundangan perpajakan di Indonesia, pendapatan yang telah dikenakan pajak penghasilan final tidak lagi dilaporkan sebagai penghasilan kena pajak, dan semua beban sehubungan dengan penghasilan yang telah dikenakan pajak penghasilan final tidak boleh dikurangkan. Di lain pihak, baik penghasilan maupun beban tersebut digunakan dalam perhitungan laba rugi menurut akuntansi.

Beban pajak atas pendapatan yang dikenakan pajak penghasilan final diakui secara proporsional dengan jumlah pendapatan menurut akuntansi yang diakui pada tahun berjalan.

Selisih antara jumlah pajak penghasilan final terutang dengan jumlah yang dibebankan sebagai pajak kini pada laba rugi diakui sebagai pajak dibayar di muka atau utang pajak.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

j. Income Tax (Continued)

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at Interim Statement of Financial Position dates. A change in the carrying amount of deferred tax assets and liabilities due to a change in tax rates is charged to current year operations, except to the extent that it relates to items previously charged or credited to equity.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company, when the result of the appeal is determined.

The Company presents income tax adjustments of income tax from previous years, if any, as part of "Current Tax (Expense) Benefit" in profit or loss.

k. Final Tax

In accordance with Indonesian tax laws and regulations, income subject to final income tax is not to be reported as taxable income and all expenses related to income subject to final income tax are not deductible. However, such income and expenses are included in profit and loss calculation for accounting purposes.

The current tax expense on income subject to final income tax is recognized in proportion to the total income recognized during the year for accounting purposes.

The difference between the amount of final income tax payable and the amount charged as current tax in profit or loss is recognized either as prepaid taxes and taxes payable, accordingly.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (Lanjutan)

I. Instrumen Keuangan

Perusahaan menerapkan PSAK 71: Instrumen Keuangan. PSAK ini memberikan klasifikasi dan pengukuran instrumen keuangan berdasarkan karakteristik arus kas kontraktual dan model bisnis entitas, model penurunan nilai kredit yang diharapkan yang menghasilkan informasi yang lebih tepat waktu, relevan dan dapat dipahami oleh pengguna laporan keuangan, akuntansi untuk lindung nilai yang mencerminkan manajemen risiko entitas secara lebih baik dengan memperkenalkan persyaratan yang lebih umum berdasarkan pertimbangan manajemen.

Perusahaan mengklasifikasikan instrumen keuangan dalam bentuk aset keuangan dan liabilitas keuangan. Aset keuangan atau liabilitas keuangan diakui dalam Laporan Posisi Keuangan Interim jika, dan hanya jika, Perusahaan menjadi salah satu pihak dalam ketentuan kontraktual instrumen tersebut. Aset keuangan (kecuali jika merupakan piutang usaha tanpa komponen pembiayaan yang signifikan) pada awalnya diukur pada nilai wajar, untuk item yang tidak diukur pada nilai wajar melalui laba rugi, biaya transaksi yang dapat diatribusikan secara langsung dengan akuisisi atau penerbitannya. Piutang usaha tanpa komponen pembiayaan pada awalnya diukur pada harga transaksi.

Aset Keuangan

Kategori aset keuangan ditentukan pada pengakuan awal dan tidak direklasifikasi setelah pengakuan awal kecuali Perusahaan mengubah model bisnis untuk pengelolaan aset keuangan di mana semua aset keuangan yang terkena dampak direklasifikasi pada hari pertama periode pelaporan pertama setelah perubahan model bisnis.

Perusahaan mengklasifikasikan aset keuangannya dalam kategori berikut: (i) biaya perolehan diamortisasi, (ii) nilai wajar melalui penghasilan komprehensif lain, dan (iii) nilai wajar melalui laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Financial Instruments

The Company adopted SFAS 71: Financial Instruments. This SFAS provides classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity, expected credit loss impairment model resulting in information that is more timely, relevant and understandable to users of financial statements, accounting for hedging that better reflects the entity's risk management by introducing more general requirements based on management's judgment.

The Company classifies financial instruments in the form of financial assets and financial liabilities. A financial asset or a financial liability is recognized in the Interim Statements of Financial Position when, and only when, the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without significant financing component) is initially measured at fair value, for an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

Financial Assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of business model.

The Company classifies its financial assets in the following categories: (i) amortized cost, (ii) fair value through other comprehensive income, and (iii) fair value through profit or loss.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

I. Instrumen Keuangan (Lanjutan)

Aset Keuangan (Lanjutan)

- (i) Aset Keuangan yang Diukur dengan Biaya Perolehan Diamortisasi

Biaya perolehan diamortisasi terdiri dari aset keuangan yang dimiliki dalam model bisnis yang bertujuan untuk memiliki aset untuk memperoleh arus kas kontraktual dan persyaratan kontraktualnya menimbulkan arus kas pada tanggal tertentu yang hanya merupakan pembayaran pokok dan bunga dari jumlah pokok terutang. Aset keuangan tidak dirancang sebagai nilai wajar melalui laba rugi. Setelah pengakuan awal, aset keuangan ini diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif. Biaya perolehan diamortisasi dikurangi dengan kerugian penurunan nilai. Pendapatan bunga, keuntungan dan kerugian selisih kurs, dan penurunan nilai diakui dalam laba rugi. Keuntungan atau kerugian penghentian pengakuan diakui dalam laba rugi.

Pendapatan bunga diakui dengan menerapkan suku bunga efektif pada nilai tercatat bruto kecuali untuk aset keuangan yang mengalami penurunan nilai kredit dimana tingkat bunga efektif diterapkan untuk biaya perolehan diamortisasi.

Kas dan bank, piutang usaha, piutang lain-lain dan uang jaminan Perusahaan termasuk dalam kategori ini.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

I. Financial Instruments (Continued)

Financial Assets (Continued)

- (i) Financial Assets at Amortized Cost

Amortized cost comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designed as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortized cost using the Effective Interest Rate method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Interest income is recognized by applying the effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortized cost.

The Company's cash on hand and in banks, trade receivables, other receivables and guarantee deposits were included in this category.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (Lanjutan)

I. Instrumen Keuangan (Lanjutan)

Aset Keuangan (Lanjutan)

- (ii) Aset Keuangan pada Nilai Wajar melalui Penghasilan Komprehensif Lain

Nilai wajar melalui penghasilan komprehensif lain terdiri dari aset keuangan yang dimiliki dalam model bisnis yang bertujuan untuk menjual aset keuangan untuk mengumpulkan arus kas kontraktual dan persyaratan kontraktualnya menimbulkan arus kas pada tanggal tertentu yang hanya merupakan pembayaran pokok dan bunga pada jumlah pokok terutang.

Perusahaan tidak memiliki aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain pada tanggal 30 September 2021 dan 31 Desember 2020.

- (iii) Aset Keuangan pada Nilai Wajar melalui Laba atau Rugi

Semua aset keuangan yang tidak diukur pada biaya perolehan diamortisasi atau nilai wajar melalui penghasilan komprehensif lain diukur pada nilai wajar melalui laba rugi. Ini termasuk aset keuangan derivatif (kecuali untuk derivatif yang merupakan kontrak jaminan keuangan atau instrumen lindung nilai yang ditunjuk dan efektif). Pada pengakuan awal, Perusahaan tidak dapat ditarik kembali menetapkan aset keuangan yang memenuhi persyaratan untuk diukur pada biaya perolehan diamortisasi atau pada nilai wajar melalui penghasilan komprehensif lain pada nilai wajar melalui laba atau rugi jika hal tersebut menghilangkan atau secara signifikan mengurangi ketidaksesuaian akuntansi yang jika tidak akan muncul. Aset keuangan yang dikategorikan sebagai nilai wajar melalui laba rugi selanjutnya diukur pada nilai wajarnya. Keuntungan atau kerugian bersih, termasuk pendapatan bunga atau dividen, diakui dalam laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Financial Instruments (Continued)

Financial Assets (Continued)

- (ii) Financial Assets at Fair Value through Other Comprehensive Income

Fair value through other comprehensive income comprises financial assets that are held within a business model whose objective is to sell the financial assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company had no financial assets at fair value through other comprehensive income as of September 30, 2021 and December 31, 2020.

- (iii) Financial Assets at Fair Value through Profit or Loss

All financial assets not measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorized as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
 (Lanjutan)

I. Instrumen Keuangan (Lanjutan)

Aset Keuangan (Lanjutan)

- (iii) Aset Keuangan pada Nilai Wajar melalui
 Laba atau Rugi (Lanjutan)

Perusahaan tidak memiliki aset keuangan
 yang diukur pada nilai wajar melalui laba
 rugi pada tanggal 30 September 2021 dan
 31 Desember 2020.

Metode Suku Bunga Efektif

Metode Suku Bunga Efektif adalah metode
 yang menghitung biaya perolehan diamortisasi
 dari instrumen keuangan dan metode untuk
 mengalokasikan pendapatan bunga selama
 periode yang relevan. Suku bunga efektif
 adalah suku bunga yang secara tepat
 mendiskontokan estimasi penerimaan kas di
 masa depan (termasuk semua biaya dan poin
 yang dibayarkan atau diterima yang merupakan
 bagian integral dari suku bunga efektif, biaya
 transaksi dan premi atau diskon lainnya)
 selama perkiraan umur instrumen keuangan
 atau, jika relevan, periode yang lebih singkat ke
 jumlah tercatat bersih pada pengakuan awal.
 Pendapatan diakui berdasarkan suku bunga
 efektif untuk instrumen keuangan selain yang
 diukur pada nilai wajar melalui laba rugi.

Liabilitas Keuangan

Liabilitas keuangan dikelompokkan ke dalam
 kategori (i) liabilitas keuangan yang diukur
 pada nilai wajar melalui laba rugi dan (ii)
 liabilitas keuangan yang diukur dengan biaya
 perolehan diamortisasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
 POLICIES (Continued)

I. Financial Instruments (Continued)

Financial Assets (Continued)

- (iii) Financial Assets at Fair Value through
 Profit or Loss (Continued)

The Company had no financial assets
 at fair value through profit or loss as of
 September 30, 2021 and December 31,
 2020.

Effective Interest Rate Method

The Effective Interest Rate method is a
 method of calculating the amortized cost of
 financial instruments and a method of
 allocating interest income over the relevant
 period. The effective interest rate is the rate
 that exactly discounts the estimated future
 cash receipt (including all fees and points
 paid or received that form an integral part of
 the effective interest rate, transaction costs
 and other premiums or discounts) through the
 expected life of the financial instrument, or,
 where appropriate, a shorter period to the net
 carrying amount at initial recognition. Income
 is recognized on an effective interest rate
 basis for financial instruments other than
 those at fair value through profit or loss.

Financial Liabilities

Financial liabilities are classified as (i)
 financial liabilities at fair value through profit
 or loss and (ii) financial liabilities at
 amortized cost.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

I. Instrumen Keuangan (Lanjutan)

Liabilitas Keuangan (Lanjutan)

- (i) Liabilitas Keuangan yang Diukur pada nilai Wajar melalui Laba Rugi

Nilai wajar melalui kategori laba rugi terdiri dari liabilitas keuangan yang merupakan derivatif (kecuali untuk derivatif yang merupakan kontrak jaminan keuangan atau instrumen lindung nilai yang ditunjuk dan efektif), imbalan kontinjensi dalam kombinasi bisnis dan liabilitas keuangan yang secara khusus ditetapkan ke dalam kategori ini pada pengakuan awal.

Pada pengakuan awal, Perusahaan tidak dapat menarik kembali untuk menetapkan liabilitas keuangan yang memenuhi persyaratan untuk diukur pada biaya perolehan diamortisasi pada nilai wajar melalui laba rugi:

- a. Jika hal itu menghilangkan atau secara signifikan mengurangi ketidaksesuaian akuntansi yang sebaliknya akan timbul;
- b. Sekelompok liabilitas keuangan atau aset dan liabilitas keuangan dikelola dan kinerjanya dievaluasi berdasarkan nilai wajar, sesuai dengan manajemen risiko atau strategi investasi yang terdokumentasi, dan informasi tentang Perusahaan disediakan secara internal atas dasar itu kepada manajemen kunci Perusahaan. personil; atau
- c. Jika suatu kontrak mengandung satu atau lebih derivatif melekat dan kontrak tersebut bukan merupakan aset keuangan dalam ruang lingkup PSAK 71, di mana derivatif melekat secara signifikan mengubah arus kas dan pemisahan tidak dilarang.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

I. Financial Instruments (Continued)

Financial Liabilities (Continued)

- (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instruments), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortized cost as at fair value through profit or loss:

- a. If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- b. A group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the Company's key management personnel; or
- c. If a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of SFAS 71, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

I. Instrumen Keuangan (Lanjutan)

Liabilitas Keuangan (Lanjutan)

- (i) Liabilitas Keuangan yang Diukur pada nilai Wajar melalui Laba Rugi (Lanjutan)

Liabilitas keuangan yang dikategorikan sebagai nilai wajar melalui laba rugi selanjutnya diukur pada nilai wajarnya dengan keuntungan atau kerugian, termasuk biaya bunga yang diakui dalam laba rugi. Untuk liabilitas keuangan yang ditetapkan sebagai nilai wajar melalui laba rugi, Perusahaan mengakui jumlah perubahan nilai wajar liabilitas keuangan yang dapat diatribusikan pada perubahan risiko kredit dalam penghasilan komprehensif lain dan sisa jumlah perubahan nilai wajar laba atau rugi.

Perusahaan tidak memiliki liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi per 30 September 2021 dan 31 Desember 2020.

- (ii) Liabilitas Keuangan yang Diukur dengan Biaya Perolehan Diamortisasi

Setelah pengakuan awal, liabilitas keuangan lainnya yang tidak dikategorikan sebagai nilai wajar melalui laba rugi selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif. Beban bunga dan keuntungan dan kerugian selisih kurs diakui pada laba rugi pada saat kewajiban dihentikan pengakuannya serta melalui proses amortisasi.

Utang bank, utang usaha, utang lain-lain, beban akrual dan utang pihak berelasi Perusahaan termasuk dalam kategori ini.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

I. Financial Instruments (Continued)

Financial Liabilities (Continued)

- (i) Financial Liabilities at Fair Value through Profit or Loss (Continued)

Financial liabilities categorized as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expenses are recognized in profit or loss. For financial liabilities where it is designated as fair value through profit or loss, the Company recognizes the amount of change in fair value of the financial liabilities that is attributable to change in credit risk in other comprehensive income and remaining amount of the change in fair value in profit or loss.

The Company had no financial liabilities at fair value through profit or loss as of September 30, 2021 and December 31, 2020.

- (ii) Financial Liabilities at Amortized Cost

Subsequent to initial recognition, other financial liabilities not categorized as fair value through profit or loss are subsequently measured at amortized cost using the Effective Interest Rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

The Company's bank loan, trade payables, other payables, accrued expenses and due to related party were included in this category.

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PT BONANZA PRATAMA ABADI

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (Lanjutan)

m. Penurunan Nilai Aset Keuangan

Penerapan PSAK 71: Instrumen Keuangan, telah mengubah metode penghitungan kerugian penurunan nilai dari pendekatan Kerugian yang Terjadi sesuai dengan PSAK 55: Instrumen Keuangan: Pengakuan dan Pengukuran, dengan menggunakan metode Kerugian Kredit yang Diharapkan.

Pada setiap tanggal pelaporan, Perusahaan menilai apakah risiko kredit atas instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal. Saat membuat penilaian, Perusahaan menggunakan perubahan risiko gagal bayar yang terjadi selama perkiraan umur instrumen keuangan, bukan perubahan jumlah kerugian kredit yang diharapkan. Untuk membuat penilaian tersebut, Perusahaan membandingkan risiko gagal bayar yang terjadi pada instrumen keuangan pada tanggal pelaporan dengan risiko gagal bayar yang terjadi pada instrumen keuangan pada tanggal pengakuan awal dan mempertimbangkan informasi yang wajar dan mendukung, yang tersedia tanpa biaya atau upaya yang tidak semestinya pada tanggal pelaporan tentang peristiwa masa lalu, kondisi saat ini, dan prakiraan kondisi ekonomi masa depan, yang merupakan indikasi peningkatan risiko kredit yang signifikan sejak pengakuan awal. Perusahaan menerapkan pendekatan yang disederhanakan dalam menghitung kerugian kredit ekspektasian, yaitu kerugian kredit ekspektasian sepanjang umur Perusahaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Impairment of Financial Assets

The adoption of SFAS 71: Financial Instruments, has changed the method of calculating the impairment loss from the Incurred Loss approach in accordance with SFAS 55: Financial Instruments: Recognition and Measurement, to the Expected Credit Loss method.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company 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 expected credit losses. To make that assessment, the Company 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 consider 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. The company applies a simplified approach in calculating expected credit losses, namely expected credit losses over the lifetime of the Company.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (Lanjutan)

n. Saling Hapus Instrumen Keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya disajikan dalam Laporan Posisi Keuangan Interim, jika, dan hanya jika, terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dari aset keuangan dan liabilitas keuangan tersebut dan terdapat intensi untuk menyelesaikan dengan menggunakan dasar neto, atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara bersamaan.

o. Penurunan nilai Aset Non Keuangan

Penurunan nilai diakui dalam laba rugi ketika jumlah terpulihkan (nilai tertinggi antara harga jual bersih dan nilai pakai) aset dibawah nilai tercatat. Setiap peningkatan jumlah terpulihkan pada aset yang mengalami penurunan nilai sebelumnya, kerugian atas penurunan nilai baik sebagian atau seluruhnya dibalik pada tahun perubahan, selama pembalikan tersebut tidak menyebabkan nilai tercatat aset yang bersangkutan melebihi nilai tercatat yang akan diakui jika tidak terdapat kerugian penurunan nilai yang telah diakui pada tahun-tahun sebelumnya.

p. Sewa

Perusahaan mengadopsi PSAK 73: Sewa. Pada awal kontrak, Perusahaan menilai apakah suatu kontrak merupakan, atau mengandung, suatu sewa. Suatu kontrak merupakan atau mengandung, suatu sewa jika kontrak tersebut memberikan hak untuk mengontrol penggunaan aset yang diidentifikasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Offsetting Financial Instruments

Financial assets and liabilities are offset and their net amounts are reported in the Interim Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

o. Impairment of Non-Financial Assets

An impairment loss is recognized in profit or loss whenever the recoverable amount (the higher value of net selling price or value in use) of assets is below the carrying amount. Whenever there is improvement in the recoverable amount of previously impaired assets, the impairment losses are either partially or wholly reversed in the year of change, as long as such reversal does not cause the carrying amount of the related assets to exceed the carrying amount that would have been recognized if no impairment losses had been recognized in prior years.

p. Leases

The Company adopted SFAS 73: Leases. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

p. Sewa (Lanjutan)

Sebagai Penyewa

Pada tanggal inisiasi suatu kontrak, Perusahaan menilai apakah suatu kontrak merupakan, atau mengandung, sewa. Suatu kontrak merupakan, atau mengandung, sewa jika kontrak tersebut memberikan hak untuk mengendalikan penggunaan suatu aset identifikasian selama suatu jangka waktu untuk dipertukaran dengan imbalan. Untuk menilai apakah suatu kontrak memberikan hak untuk mengendalikan suatu aset identifikasian, Perusahaan menilai apakah:

- Kontrak melibatkan penggunaan suatu aset identifikasian - ini dapat ditentukan secara eksplisit atau implisit dan secara fisik dapat dibedakan atau mewakili secara substansial seluruh kapasitas aset yang secara fisik dapat dibedakan. Jika pemasok memiliki hak substitusi substantif, maka aset tersebut tidak teridentifikasi.
- Perusahaan memiliki hak untuk memperoleh secara substansial seluruh manfaat ekonomik dari penggunaan aset selama periode penggunaan; dan
- Perusahaan memiliki hak untuk mengarahkan penggunaan aset identifikasian. Perusahaan memiliki hak ini ketika hak pengambilan keputusan yang paling relevan untuk mengubah bagaimana dan untuk tujuan apa aset tersebut digunakan. Dalam kondisi tertentu di mana semua keputusan tentang bagaimana dan untuk tujuan apa aset digunakan telah ditentukan sebelumnya, Perusahaan memiliki hak untuk mengarahkan penggunaan aset tersebut jika:
 - a. Perusahaan memiliki hak untuk mengoperasikan aset; atau
 - b. Perusahaan mendesain aset dengan cara menetapkan sebelumnya bagaimana dan untuk tujuan apa aset akan digunakan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

p. Leases (Continued)

As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has the substantive substitution right, then the asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the identified asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In certain circumstances where all the decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if either:
 - a. The Company has the right to operate the asset; or
 - b. The Company designed the asset in a way that predetermines how and for what purpose the asset will be used.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

p. Sewa (Lanjutan)

Sebagai Penyewa (Lanjutan)

Pada tanggal inisiasi atau pada saat penilaian kembali suatu kontrak yang mengandung suatu komponen sewa, Perusahaan mengalokasikan imbalan dalam kontrak ke masing-masing komponen sewa berdasarkan harga tersendiri relatif dari komponen sewa.

Pembayaran sewa yang termasuk dalam pengukuran liabilitas sewa meliputi: pembayaran sewa tetap, sewa variabel yang bergantung pada indeks, jumlah yang akan dibayarkan dalam jaminan nilai residual dan harga eksekusi opsi beli, opsi perpanjangan atau penalti penghentian jika Perusahaan cukup pasti akan mengeksekusi opsi tersebut.

Perusahaan mengakui aset hak guna dan liabilitas sewa pada tanggal dimulainya sewa. Aset hak guna awalnya diukur pada biaya, yang terdiri dari jumlah awal dari liabilitas sewa disesuaikan untuk setiap pembayaran sewa yang dilakukan pada atau sebelum tanggal mulai, ditambah biaya langsung awal yang dikeluarkan dan perkiraan biaya untuk membongkar dan menghapus aset dasar atau untuk memulihkan aset dasar atau situs di mana ia berada, dikurangi insentif sewa yang diterima.

Aset hak guna kemudian disusutkan dengan menggunakan metode Garis Lurus dari tanggal dimulainya hingga awal dari akhir masa manfaat dari aset hak guna atau akhir masa sewa. Taksiran masa manfaat ekonomis dari aset hak guna ditentukan atas dasar yang sama dengan aset tetap. Selain itu, aset hak guna secara berkala dikurangi dengan kerugian penurunan nilai, jika ada, dan disesuaikan untuk pengukuran kembali tertentu dari liabilitas sewa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

p. Leases (Continued)

As a Lessee (Continued)

At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Lease payments included in the measurement of the lease liability comprise the following: fixed payments, variable lease payments that depend on an index, amounts excepted to be payable under a residual value guarantee and the exercise price under a purchase option, optional renewal period or penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

p. Sewa (Lanjutan)

Sebagai Penyewa (Lanjutan)

Liabilitas sewa pada awalnya diukur pada nilai kini dari pembayaran sewa yang tidak dibayarkan pada tanggal dimulainya, didiskontokan menggunakan tingkat bunga yang tersirat dalam sewa atau, jika tarif itu tidak dapat ditentukan dengan mudah, tingkat pinjaman tambahan Perusahaan. Secara umum, Perusahaan menggunakan tingkat pinjaman tambahan sebagai tingkat diskonto.

Liabilitas sewa diukur pada biaya perolehan diamortisasi menggunakan metode Suku Bunga Efektif. Diukur kembali ketika ada perubahan pembayaran sewa masa depan yang timbul dari perubahan indeks atau kurs, jika ada perubahan estimasi Perusahaan dari jumlah yang diharapkan akan dibayarkan berdasarkan jaminan nilai residu, atau jika Perusahaan mengubah penilaian apakah akan melakukan opsi pembelian, perpanjangan atau pemutusan hubungan kerja.

Ketika liabilitas sewa diukur kembali dengan cara ini, penyesuaian yang sesuai dilakukan terhadap jumlah tercatat dari aset hak guna, atau dicatat dalam laba rugi jika jumlah tercatat aset hak guna telah berkurang ke nol.

Sewa Jangka Pendek dan Sewa Aset
Berharga Rendah

Perusahaan telah memilih untuk tidak mengakui aset hak guna dan liabilitas sewa untuk sewa jangka pendek yang memiliki jangka waktu sewa 12 bulan atau kurang dan sewa aset bernilai rendah. Perusahaan mengakui pembayaran sewa terkait dengan sewa ini sebagai beban dengan dasar Garis Lurus selama masa sewa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

p. Leases (Continued)

As a Lessee (Continued)

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, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the Effective Interest Rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases and Leases of Low-Value Assets

The Company has selected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a Straight-line basis over the lease term.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen

Penyusunan Laporan Keuangan Interim sesuai dengan prinsip akuntansi yang berlaku umum, menyebabkan manajemen perlu membuat taksiran dan asumsi-asumsi yang mempengaruhi jumlah-jumlah yang dilaporkan. Karena adanya ketidakpastian yang terkait dalam membuat taksiran, hasil sesungguhnya yang akan dilaporkan pada periode mendatang mungkin akan berbeda dari taksiran tersebut.

Pertimbangan

Pertimbangan-pertimbangan berikut dibuat oleh manajemen dalam proses penerapan kebijakan akuntansi Perusahaan yang memiliki dampak yang paling signifikan terhadap jumlah-jumlah yang diakui dalam Laporan Keuangan Interim:

Klasifikasi Aset dan Liabilitas Keuangan

Perusahaan menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset dan liabilitas keuangan dengan menilai jika definisi yang ditetapkan PSAK 71 tersebut terpenuhi. Oleh karena itu, aset dan liabilitas keuangan tersebut dicatat sesuai dengan kebijakan akuntansi Perusahaan sebagaimana diungkapkan dalam Catatan 2I.

Mata Uang Fungsional

Mata uang fungsional Perusahaan adalah mata uang lingkungan ekonomi utama dimana entitas beroperasi. Mata uang tersebut adalah yang mempengaruhi pendapatan dan beban dari jasa yang diberikan. Perusahaan menentukan bahwa mata uang fungsional Perusahaan adalah Dolar Amerika Serikat (USD).

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)q. Management's Use of Judgments,
Estimates and Assumptions

The preparation of the Interim Financial Statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts that differ from those estimates.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the Interim Financial Statements:

*Classification of Financial Assets and
Financial Liabilities*

The Company determines the classifications of certain assets and liabilities as financial assets and liabilities by judging if they meet the definition set forth in SFAS 71. Accordingly, the financial assets and liabilities are accounted for in accordance with the Company's accounting policies as disclosed in Note 2I.

Determination of Functional Currency

Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The functional currency is a currency that affects the revenues and expenses of the services rendered. The Company's functional currency is United States Dollar (USD).

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)

Estimasi dan Asumsi

Perusahaan mendasarkan asumsi dan estimasi pada parameter yang tersedia ketika Laporan Keuangan disiapkan. Keadaan dan asumsi yang ada mengenai perkembangan masa depan mungkin berubah terkait dengan perubahan pasar atau keadaan yang timbul di luar kendali Perusahaan. Perubahan tersebut tercermin di dalam asumsi ketika terjadi. Informasi tentang asumsi utama yang dibuat mengenai masa depan dan sumber utama dari estimasi ketidakpastian lain pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya, ditentukan sebagai berikut:

Penyisihan Penurunan Nilai Persediaan

Dalam menentukan penyisihan penurunan nilai persediaan, manajemen menggunakan estimasi mengenai tingkat penjualan serta permintaan pasar dimasa datang atas persediaannya. Perubahan signifikan atas asumsi ini akan berdampak secara material terhadap hasil usaha.

Taksiran Masa Manfaat Ekonomis Aset Tetap

Masa manfaat setiap aset tetap Perusahaan ditentukan berdasarkan kegunaan yang diharapkan. Estimasi ini ditentukan berdasarkan evaluasi teknis internal dan pengalaman Perusahaan atas aset sejenis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

q. Management's Use of Judgments,
Estimates and Assumptions (Continued)

Estimates and Assumptions

The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below:

Allowance for Decline in Value of Inventories

Determining the allowance for decline in value of inventories requires management to estimate for the future saleability and market demand of the inventories. Significant changes in these assumptions may materially affect the results of the operations.

Estimated Useful Lives of Property, Plant and Equipment

The useful life of each item of the Company's property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluations and experience with similar assets.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)

Estimasi dan Asumsi (Lanjutan)

Taksiran Masa Manfaat Ekonomis Aset Tetap
 (Lanjutan)

Masa manfaat setiap aset direviu secara periodik dan disesuaikan apabila prakiraan berbeda dengan estimasi sebelumnya karena keausan, keusangan teknis dan komersial, hukum atau keterbatasan lainnya atas pemakaian aset. Namun terdapat kemungkinan bahwa hasil operasi dimasa mendatang dapat dipengaruhi secara signifikan oleh perubahan atas jumlah serta periode pencatatan biaya yang diakibatkan karena faktor yang disebutkan diatas.

Perubahan masa manfaat aset tetap dapat mempengaruhi jumlah biaya penyusutan yang diakui dan penurunan nilai tercatat aset tetap. Tidak terdapat perubahan masa manfaat aset tetap selama periode berjalan. Aset tetap Perusahaan per 30 September 2021 dan 31 Desember 2020 masing-masing sebesar USD 787.483 dan USD 934.630 (Catatan 8).

Penurunan Nilai Aset

Reviu atas penurunan nilai dilakukan apabila terdapat indikasi penurunan nilai. Penentuan nilai pakai aset memerlukan estimasi mengenai arus kas yang diharapkan untuk dihasilkan dari penggunaan aset dan penjualan aset tersebut. Walaupun asumsi yang digunakan dalam mengestimasi nilai pakai aset yang tercermin dalam Laporan Keuangan Interim dianggap telah sesuai dan wajar, namun perubahan signifikan atas asumsi ini akan berdampak material terhadap penentuan jumlah yang dapat dipulihkan dan akibatnya kerugian penurunan nilai yang timbul akan berdampak terhadap hasil usaha.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

q. Management's Use of Judgments,
Estimates and Assumptions (Continued)

Estimates and Assumptions (Continued)

*Estimated Useful Lives of Property, Plant and
 Equipment (Continued)*

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible, however, that future results of the operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of equipment would affect the recorded depreciation expense and decrease in the carrying values of the equipment. There was no change in the estimated useful life of the equipment during the period. The Company's property, plant and equipment as of September 30, 2021 and December 31, 2020 amounted to USD 787,483 and USD 934,630, respectively (Note 8).

Asset Impairment

Impairment review is performed when impairment indicators are present. Determining the value in use of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of the value in use of assets reflected in the Interim Financial Statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable value and any resulting impairment loss could have a material adverse impact on the results of operations.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)

q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)

Estimasi dan Asumsi (Lanjutan)

Penurunan Nilai Aset (Lanjutan)

Berdasarkan penilaian manajemen, tidak terdapat penurunan nilai aset tetap per 30 September 2021 dan 31 Desember 2020.

Pemulihan Aset Pajak Tangguhan

Nilai tercatat aset pajak tangguhan direviu pada setiap akhir periode pelaporan dan diturunkan apabila besar kemungkinan bahwa laba fiskal pada masa depan akan tersedia untuk memulihkan sebagian atau seluruh aset pajak tangguhan. Namun, tidak terdapat kepastian bahwa laba fiskal akan dihasilkan untuk memulihkan sebagian atau seluruh aset pajak tangguhan.

Aset pajak tangguhan per 30 September 2021 dan 31 Desember 2020 masing-masing sebesar USD 66.418 dan USD 58.970.

Imbalan Kerja

Penentuan liabilitas imbalan pasca kerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Realisasi yang berbeda dari asumsi Perusahaan diakumulasi dan diamortisasi selama periode mendatang dan akibatnya akan berpengaruh terhadap jumlah biaya serta liabilitas yang diakui dimasa mendatang. Walaupun asumsi Perusahaan dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pascakerja perusahaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

q. Management's Use of Judgments,
Estimates and Assumptions (Continued)

Estimates and Assumptions (Continued)

Asset Impairment (Continued)

Based on management's assessment, there was no impairment of the property, plant and equipment as of September 30, 2021 and December 31, 2020.

Realizability of Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets were carried at net value as of September 30, 2021 and December 31, 2020 amounting to USD 66,418 and USD 58,970, respectively.

Employee Benefits

The determination of post-employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. When it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual experience or significant charges in assumptions may materially affect the Company's post-employment benefit obligation.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(Lanjutan)q. Penggunaan Pertimbangan, Estimasi dan
Asumsi Manajemen (Lanjutan)

Estimasi dan Asumsi (Lanjutan)

Imbalan Kerja (Lanjutan)

Liabilitas imbalan kerja adalah sebesar USD 171.235 dan USD 152.662 masing-masing pada tanggal 30 September 2021 dan 31 Desember 2020.

Nilai Wajar Instrumen Keuangan

Penentuan nilai wajar instrumen keuangan memerlukan adanya estimasi-estimasi tertentu. Dalam pasar yang tidak aktif, manajemen menggunakan teknik penilaian tertentu untuk menentukan nilai wajar. Manajemen memilih teknik penilaian yang dapat memaksimalkan penggunaan parameter yang dapat diamati dan meminimalkan penggunaan yang tidak dapat diamati dalam menentukan nilai wajar. Ketika menentukan nilai wajar dengan cara tersebut di atas, manajemen juga memasukkan unsur kondisi pasar saat ini serta membuat penyesuaian risiko yang dianggap tepat akan dibuat oleh pelaku pasar.

3. KAS DAN BANK

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Kas			Cash on Hand
Rupiah	120.699	258.233	Indonesian Rupiah
Yen	3.881	4.180	Yen
Dolar Amerika Serikat	385	385	United States Dollar
Dolar Hongkong	67	67	Hongkong Dollar
Jumlah Kas	<u>125.032</u>	<u>262.865</u>	Total Cash on Hand

2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)q. Management's Use of Judgments,
Estimates and Assumptions (Continued)

Estimates and Assumptions (Continued)

Employee Benefits (Continued)

Employee benefits obligations amounted to USD 171,235 and USD 152,662 as of September 30, 2021 and December 31, 2020, respectively.

Fair Value of Financial Instruments

Measuring fair values of financial instruments has led to the use of key estimates. In markets that are not active, management makes use of valuation techniques to measure fair value. Management selects the valuations techniques that maximize the use of observable parameters and minimize the use of unobservable parameters to estimate the fair values. When estimating fair values in this way, management has taken into account current market conditions and included appropriate risk adjustments that market participants would make.

3. CASH ON HAND AND IN BANKS

The details are as follows:

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3. KAS DAN BANK (Lanjutan)

	30 September/ September 30, 2021	31 Desember/ December 31, 2020
Bank		
Rupiah		
PT Bank Negara Indonesia (Persero) Tbk	1.014.865	-
PT Bank Central Asia Tbk	540.577	-
PT Bank CIMB Niaga Tbk	19.136	21.656
Dolar Amerika Serikat		
PT Bank Central Asia Tbk	1.348	-
PT Bank Negara Indonesia (Persero) Tbk	887	378.240
Jumlah Bank	1.576.813	399.896
Jumlah Kas dan Bank	1.701.845	662.761

3. CASH ON HAND AND IN BANKS (Continued)

	30 September/ September 30, 2021	31 Desember/ December 31, 2020
Cash in Banks		
Indonesian Rupiah		
PT Bank Negara Indonesia (Persero) Tbk	1.014.865	-
PT Bank Central Asia Tbk	540.577	-
PT Bank CIMB Niaga Tbk	19.136	21.656
United States Dollar		
PT Bank Central Asia Tbk	1.348	-
PT Bank Negara Indonesia (Persero) Tbk	887	378.240
Total Cash in Banks	1.576.813	399.896
Total Cash on Hand and in Banks	1.701.845	662.761

4. PIUTANG USAHA - BERSIH

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020
Shokuryu Co., Ltd.	416.062	-
Fu Feng Products Co., Ltd.	73.609	-
PT Mustika Minanusa Aurora	72.729	-
PT Misaja Mitra	27.848	7.729
Cralay Co., Ltd.	-	151.371
Jumlah	590.248	159.100

4. TRADE RECEIVABLES - NET

The details are as follows:

Shokuryu Co., Ltd.	-
Fu Feng Products Co., Ltd.	-
PT Mustika Minanusa Aurora	-
PT Misaja Mitra	7.729
Cralay Co., Ltd.	151.371
Total	159.100

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5. PIUTANG LAIN-LAIN - BERSIH

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
H. Sabang	23.741	29.840	<i>H. Sabang</i>
Abdul Hamid	19.920	14.392	<i>Abdul Hamid</i>
H. Untung	11.882	15.243	<i>H. Untung</i>
H. Made	11.572	11.883	<i>H. Made</i>
Supriadi	11.183	11.344	<i>Supriadi</i>
P. Randan	9.226	5.317	<i>P. Randan</i>
Wawan	8.339	8.458	<i>Wawan</i>
H. Maming	7.138	22.920	<i>H. Maming</i>
Anton Tangke	6.990	-	<i>Anton Tangke</i>
P. Sonda	6.990	-	<i>P. Sonda</i>
Dedi	5.906	7.125	<i>Dedi</i>
Soo	5.892	5.892	<i>Soo</i>
Ibu Hamida	5.242	6.026	<i>Ibu Hamida</i>
Lain-lain (Saldo masing-masing di bawah USD 5.000)	120.194	129.898	<i>Others (Accounts with balances below USD 5,000, each)</i>
Jumlah	254.215	268.338	<i>Total</i>
Penurunan Nilai Piutang	(154.121)	(154.121)	<i>Impairment of Other Receivables</i>
Jumlah Piutang Lain-lain - Bersih	100.094	114.217	<i>Total Other Receivables - Net</i>

5. OTHER RECEIVABLES - NET

The details are as follows:

Mutasi penurunan nilai piutang adalah sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Saldo Awal	154.121	69.467	<i>Beginning Balance</i>
Penambahan	-	84.663	<i>Addition</i>
Selisih Kurs atas Penurunan Nilai Piutang Lain-lain	-	(9)	<i>Foreign Exchange Difference in Impairment of Other Receivables</i>
Saldo Akhir	154.121	154.121	<i>Ending Balance</i>

The changes in impairment of other receivables are as follows:

Perusahaan akan membebankan bunga sebesar 2% per tahun atas piutang dari pihak ketiga yang terlambat membayar.

The Company will charge an interest of 2% per annum on its receivables if the third parties are late in their payment.

Manajemen Perusahaan berpendapat bahwa jumlah piutang yang dicadangkan cukup untuk menutupi kerugian dari tidak tertagihnya piutang lain-lain.

The Company's management believes that the impairment is adequate to cover possible losses on uncollectible other receivables.

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6. PERSEDIAAN - BERSIH

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Barang Jadi	2.220.366	2.643.837	Finished Goods
Kemasan	176.274	153.819	Packaging
Lain-lain	5.453	3.681	Others
Jumlah	2.402.093	2.801.337	Total
Penurunan Nilai Persediaan	(75.309)	(75.309)	Impairment of Inventory Value
Jumlah Persediaan Bersih	<u>2.326.784</u>	<u>2.726.028</u>	Total Inventories - Net

Persediaan diasuransikan dengan nilai pertanggungan masing-masing sebesar Rp 43.317.230.000 dan Rp 40.000.000.000 per 30 September 2021 dan 31 Desember 2020.

Persediaan dijadikan sebagai jaminan atas utang bank.

6. INVENTORIES - NET

The details are as follows:

Inventories were insured with insurance coverage amounting to Rp 43,317,230,000 and Rp 40,000,000,000 as of September 30, 2021 and December 31, 2020, respectively.

Inventories are used as collateral for the bank loan.

7. UANG MUKA DAN BIAYA DIBAYAR DI MUKA

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Uang Muka			Advances
Aset Tetap	34.676	34.676	Equipment
Biaya Dibayar di Muka			Prepayments
Lain-lain	86	86	Others
Jumlah	<u>34.762</u>	<u>34.762</u>	Total

7. ADVANCES AND PREPAYMENTS

The details are as follows:

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8. ASET TETAP

Rinciannya sebagai berikut:

8. PROPERTY, PLANT AND EQUIPMENT

The details are as follows:

		30 September 2021/September 30, 2021				
	Saldo Awal/ <i>Beginning</i> <i>Balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Disposals</i>	Saldo Akhir/ <i>Ending</i> <i>Balance</i>		
Biaya Perolehan					At Cost	
Tanah	269.346	-	-	269.346	Land	
Bangunan	1.105.846	2.463	-	1.108.309	Buildings	
Peralatan Pabrik	674.099	12.676	-	686.775	Factory Equipment	
Mesin	2.625.362	-	-	2.625.362	Machinery	
Inventaris Kantor	219.941	861	-	220.802	Office Equipment	
Kendaraan	188.104	-	-	188.104	Vehicles	
Jumlah	5.082.698	16.000	-	5.098.698	Total	
Akumulasi Penyusutan					Accumulated Depreciation	
Bangunan	745.147	41.479	-	786.626	Buildings	
Peralatan Pabrik	583.792	31.805	-	615.597	Factory Equipment	
Mesin	2.439.736	81.242	-	2.520.978	Machinery	
Inventaris Kantor	203.603	5.801	-	209.404	Office Equipment	
Kendaraan	175.790	2.820	-	178.610	Vehicles	
Jumlah	4.148.068	163.147	-	4.311.215	Total	
Jumlah Tercatat	934.630			787.483	Net	
		31 Desember 2020/December 31, 2020				
	Saldo Awal/ <i>Beginning</i> <i>Balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Disposals</i>	Saldo Akhir/ <i>Ending</i> <i>Balance</i>		
Biaya Perolehan					At Cost	
Tanah	269.346	-	-	269.346	Land	
Bangunan	1.082.756	23.090	-	1.105.846	Buildings	
Peralatan Pabrik	637.523	36.576	-	674.099	Factory Equipment	
Mesin	2.539.973	85.389	-	2.625.362	Machinery	
Inventaris Kantor	213.004	6.937	-	219.941	Office Equipment	
Kendaraan	186.854	1.250	-	188.104	Vehicles	
Jumlah	4.929.456	153.242	-	5.082.698	Total	
Akumulasi Penyusutan					Accumulated Depreciation	
Bangunan	690.590	54.557	-	745.147	Buildings	
Peralatan Pabrik	543.999	39.793	-	583.792	Factory Equipment	
Mesin	2.344.956	94.780	-	2.439.736	Machinery	
Inventaris Kantor	194.979	8.624	-	203.603	Office Equipment	
Kendaraan	172.161	3.629	-	175.790	Vehicles	
Jumlah	3.946.685	201.383	-	4.148.068	Total	
Jumlah Tercatat	982.771			934.630	Net	

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8. ASET TETAP (Lanjutan)

Alokasi beban penyusutan untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2021 dan 2020 adalah sebagai berikut:

	2021
Beban Pokok Penjualan	154.526
Beban Usaha	8.621
Jumlah	163.147

Tanah milik Perusahaan seluas ± 25.107 m² dengan sertifikat Hak Guna Bangunan (HGB) No. 470 terletak di Kelurahan Juata Laut, Kecamatan Tarakan Utara, Kota Tarakan, Kalimantan Timur.

Pada tahun 2010, Perusahaan membeli sebidang tanah seluas ± 1.997 m² dengan sertifikat Hak Guna Bangunan (HGB) No. 576 terletak di Kelurahan Juata Laut, Kecamatan Tarakan Utara, Kota Tarakan, Kalimantan Timur.

Tanah, bangunan, peralatan pabrik dan mesin dijadikan sebagai jaminan atas utang bank.

Aset tetap bangunan dan mesin diasuransikan dengan nilai pertanggungan masing-masing sebesar Rp 8.980.300.000 dan Rp 17.908.209.850 per 30 September 2021 dan 31 Desember 2020. Manajemen Perusahaan berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi risiko kerugian yang mungkin terjadi atas aset tetap Perusahaan tersebut.

9. PERPAJAKAN**Pajak Dibayar di Muka**

Akun ini merupakan pajak dibayar di muka Pajak Penghasilan Pasal 4 (2) per 30 September 2021 dan 31 Desember 2020.

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

The allocation of depreciation expense for the nine-month periods ended September 30, 2021 and 2020 is as follows:

	2020	
	138.788	Cost of Goods Sold
	9.353	Operating Expenses
Total	148.141	

The Company's 25,107 m² land with Building Use Right Certificate No. 470 is located in Juata Laut Village, North Tarakan Subdistrict, Tarakan, East Kalimantan.

In 2010, the Company purchased 1,997 m² land with Building Use Right Certificate No. 576 located in Juata Laut Village, North Tarakan, Tarakan Subdistrict, East Kalimantan.

The land, buildings, factory equipment and machinery are used as collateral for the bank loan.

The buildings and machinery were insured with insurance coverage of Rp 8,980,300,000 and Rp 17,908,209,850 as of September 30, 2021 and December 30, 2020, respectively. Management believes that the insurance coverage is adequate to cover any possible losses that may arise from the insured risks.

9. TAXATION**Prepaid Tax**

This account represents prepaid Income Tax Article 4 (2) as of September 30, 2021 and December 31, 2020.

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9. PERPAJAKAN (Lanjutan)

Utang Pajak

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Pajak Penghasilan Pasal 21	3.010	80.145	<i>Income Tax Article 21</i>
Pajak Penghasilan Pasal 22	6.847	5.850	<i>Income Tax Article 22</i>
Pajak Penghasilan Pasal 23	905	1.738	<i>Income Tax Article 23</i>
Pajak Penghasilan Pasal 25	15.226	4.782	<i>Income Tax Article 25</i>
Pajak Penghasilan Pasal 26	2.878	2.666	<i>Income Tax Article 26</i>
Pajak Penghasilan Pasal 29	103.606	81.142	<i>Income Tax Article 29</i>
Jumlah	<u>132.472</u>	<u>176.323</u>	<i>Total</i>

Rekonsiliasi antara laba sebelum pajak penghasilan dengan laba fiskal untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2021 dan untuk tahun yang berakhir pada tanggal 31 Desember 2020 adalah sebagai berikut:

9. TAXATION (Continued)

Taxes Payable

The details are as follows:

The reconciliation between income before income tax and fiscal gain for the nine-month period ended September 30, 2021 and for the year ended December 31, 2020 is as follows:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Laba sebelum Pajak Penghasilan	<u>903.911</u>	<u>1.117.448</u>	<i>Income before Income Tax</i>
Beda Waktu:			<i>Timing Differences:</i>
Imbalan Kerja	18.573	24.764	<i>Employee Benefits</i>
Pembayaran Imbalan Kerja	-	(9.171)	<i>Payment of Employee Benefits</i>
Selisih Kurs atas Imbalan Kerja	-	6.324	<i>Foreign Exchange Difference in Employee Benefits</i>
Selisih antara Penyusutan Komersial dan Fiskal	18.669	(6.675)	<i>Difference between Commercial and Fiscal Depreciation</i>
Jumlah Beda Waktu	<u>37.242</u>	<u>15.242</u>	<i>Total Timing Differences</i>

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9. PERPAJAKAN (Lanjutan)

9. TAXATION (Continued)

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Beda Tetap:			<i>Permanent Differences:</i>
Perbedaan Nilai Persediaan antara Komersial dan Fiskal	377.267	320.136	<i>Difference between Commercial and Fiscal Inventory Value</i>
Perjamuan dan Representasi	24.130	36.865	<i>Entertainment and Representation</i>
Perjalanan Dinas	936	12.465	<i>Traveling</i>
Kesejahteraan Karyawan	804	808	<i>Employee Welfare</i>
Hadiah dan Sumbangan	470	1.102	<i>Gifts and Donations</i>
Komunikasi	1.054	1.218	<i>Communications</i>
Penyusutan yang Tidak Diakui Fiskal	8	11	<i>Non-deductible Depreciation</i>
Penyisihan Penurunan Nilai Piutang	-	84.663	<i>Allowance for Impairment of Receivables</i>
Selisih Kurs Penurunan Nilai Piutang	-	9	<i>Foreign Exchange Difference in Impairment of Receivables</i>
Perbedaan Nilai Saldo Awal Persediaan antara Komersial dan Fiskal	(320.136)	(735.043)	<i>Difference between Commercial and Fiscal Inventory Beginning Balance</i>
Jasa Giro	(7.327)	(4.094)	<i>Interest on Bank Current Accounts</i>
Beban Pajak	-	595	<i>Tax Expense</i>
Pendapatan Sewa	(1.744)	(1.875)	<i>Rental Income</i>
Jumlah Beda Tetap	<u>75.462</u>	<u>(283.139)</u>	<i>Total Permanent Differences</i>
Laba Fiskal	<u>1.016.615</u>	<u>849.551</u>	<i>Fiscal Gain</i>
Pajak Penghasilan:			<i>Income Tax:</i>
2021: 22% x USD 1.016.615	223.655	-	<i>2021: 22% x USD 1,016,615</i>
2020: 22% x USD 849.551	-	186.901	<i>2020: 22% x USD 849,551</i>
Jumlah Pajak Penghasilan	<u>223.655</u>	<u>186.901</u>	<i>Total Income Tax</i>
Pajak Dibayar di Muka:			<i>Prepaid Taxes:</i>
Pajak Penghasilan Pasal 25	(120.049)	(105.633)	<i>Income Tax Article 25</i>
Pajak Penghasilan Pasal 22	-	(126)	<i>Income Tax Article 22</i>
Jumlah Pajak Dibayar di Muka	<u>(120.049)</u>	<u>(105.759)</u>	<i>Total Prepaid Taxes</i>
Pajak Penghasilan Pasal 29	<u>103.606</u>	<u>81.142</u>	<i>Income Tax Article 29</i>

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9. PERPAJAKAN (Lanjutan)

Perhitungan manfaat pajak tangguhan dan saldo aset pajak tangguhan adalah sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020
Selisih antara Penyusutan Komersial dan Fiskal	18.669	(6.675)
Imbalan Kerja	18.573	24.764
Pembayaran Imbalan Kerja	-	(9.171)
Selisih Kurs atas Imbalan Kerja	-	6.324
Jumlah	<u>37.242</u>	<u>15.242</u>
Pajak Penghasilan Tangguhan (Pengaruh Beda Waktu pada Tarif Pajak Maksimum 20%)	7.448	3.048
Keuntungan Aktuaria Dicatat di Penghasilan Komprehensif Lain	-	(315)
Penyesuaian Terkait pada Perubahan Tarif Pajak Maksimum	-	(14.058)
Aset Pajak Tangguhan, Awal Tahun	<u>58.970</u>	<u>70.295</u>
Aset Pajak Tangguhan, Akhir Tahun	<u>66.418</u>	<u>58.970</u>

Rincian aset pajak tangguhan sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020
Aset Tetap	32.171	28.438
Imbalan Kerja	<u>34.247</u>	<u>30.532</u>
Jumlah	<u>66.418</u>	<u>58.970</u>

9. TAXATION (Continued)

The computation of deferred tax benefit and deferred tax asset balance is as follows:

<i>Difference between Commercial and Fiscal Depreciation</i>
<i>Employee Benefits</i>
<i>Payment of Employee Benefits</i>
<i>Foreign Exchange Difference in Employee Benefits</i>
<i>Total</i>
<i>Deferred Income Tax (The Effect on Timing Differences at Maximum Tax Rate of 20%)</i>
<i>Actuarial Gain Recorded in Other Comprehensive Income</i>
<i>Adjustment Related to Changes in Maximum Tax Rate</i>
<i>Deferred Tax Assets, Beginning</i>
<i>Deferred Tax Assets, Ending</i>

The details of deferred tax assets are as follows:

<i>Property, Plant and Equipment</i>
<i>Employee Benefits</i>
<i>Total</i>

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10. UTANG BANK

Perusahaan memperoleh fasilitas Kredit Modal Kerja Ekspor dari PT Bank Negara Indonesia Tbk dengan maksimum kredit sebesar Rp 12.150.000.000. Berdasarkan Perjanjian Kredit No. (14) 2003.102 tanggal 9 Oktober 2011, maksimum kredit masing-masing diubah menjadi Rp 4.860.000.000 untuk pinjaman Rupiah dan USD 852.532 (konversi fasilitas pinjaman Rp 10.605.498.080) untuk pinjaman Dollar.

Berdasarkan Perjanjian Kredit No. (24) 2003.102 dan No. (11) 2011/025 tanggal 3 Oktober 2019, perjanjian tersebut diperpanjang hingga tanggal 8 Oktober 2020 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah.

Berdasarkan Perjanjian Kredit No. (25) 2003.102 dan No. (12) 2011/025 tanggal 6 Oktober 2020, perjanjian tersebut diperpanjang sementara hingga tanggal 8 Januari 2021 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah. Pinjaman tersebut dikenakan bunga masing-masing sebesar 7,25% dan 12% per tahun di tahun 2020.

Berdasarkan Perjanjian Kredit No. (26) 2003.102 dan No. (13) 2011/025 tanggal 18 Desember 2020, perjanjian tersebut diperpanjang hingga tanggal 8 Oktober 2021 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah. Pinjaman tersebut dikenakan bunga masing-masing sebesar 7% dan 12% per tahun di tahun 2020.

Berdasarkan Perjanjian Kredit No. (27) 2003.102 dan No. (14) 2011/025 tanggal 7 Oktober 2021, perjanjian tersebut diperpanjang hingga tanggal 8 Januari 2022 dengan nilai maksimum kredit USD 475.000 untuk pinjaman Dolar Amerika Serikat dan Rp 4.860.000.000 untuk pinjaman Rupiah. Pinjaman tersebut dikenakan bunga masing-masing sebesar 7% dan 12% per tahun di tahun 2021.

Sesuai dengan perjanjian utang bank, Perusahaan telah memenuhi kewajiban-kewajiban tertentu seperti batasan rasio keuangan.

10. BANK LOAN

The Company obtained a working capital credit facility from PT Bank Negara Indonesia Tbk with a maximum limit of Rp 12,150,000,000. Based on Loan Agreement No. (14) 2003.102 dated October 9, 2011, the maximum credit was changed into Rp 4,860,000,000 for the Indonesian Rupiah loan and USD 852,532 (loan conversion of Rp 10,605,498,080) for the Dollar loan.

Based on Loan Agreements No. (24) 2003.102 and No. (11) 2011/025 dated October 3, 2019, the loan period has been extended to October 8, 2020 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan.

Based on Loan Agreements No. (25) 2003.102 and No. (12) 2011/025 dated October 6, 2020, the loan period has been temporarily extended to January 8, 2021 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan. The loan bore interest at 7.25% and 12% per annum in 2020, respectively.

Based on Loan Agreements No. (26) 2003.102 and No. (13) 2011/025 dated December 18, 2020, the loan period has been extended to October 8, 2021 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan. The loan bore interest at 7% and 12% per annum in 2020, respectively.

Based on Loan Agreements No. (27) 2003.102 and No. (14) 2011/025 dated October 7, 2021, the loan period has been extended to January 8, 2022 with a maximum credit of USD 475,000 for the United States Dollar loan and Rp 4,860,000,000 for the Indonesian Rupiah loan. The loan bore interest at 7% and 12% per annum in 2021, respectively.

As specified by the loan agreements, the Company has been comply with certain covenants, such as financial ratio covenants.

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10. UTANG BANK (Lanjutan)

Jaminan atas pinjaman ini adalah tanah yang berlokasi di Juata Laut, Tarakan, Kalimantan Timur seluas 25.107 m² atas nama Perusahaan berikut bangunan dan sarana perlengkapan berupa jalan cor seluas 9.179 m² yang terdiri dari bangunan produksi/pengolahan, bangunan mess karyawan, bangunan Coldstorage, pabrik es, dan bangunan penunjang lainnya, mesin-mesin yang berada di atasnya dan persediaan berupa utang milik Perusahaan dengan jumlah nilai jaminan masing-masing sebesar Rp 58.359.750.000 dan Rp 55.817.230.000 per 30 September 2021 dan 31 Desember 2020.

Saldo utang bank sebesar USD 471.025 dan Rp 4.500.000.000 (setara dengan USD 314.531) per 30 September 2021 dan USD 20.316 per 31 Desember 2020.

11. BEBAN AKRUAL

Rinciannya sebagai berikut:

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Gaji	39.051	43.128	Salaries
Jasa Profesional	4.543	7.819	Professional Fees
Lain-lain	2.784	2.392	Others
Jumlah	46.378	53.339	Total

12. UTANG KEPADA PIHAK BERELASI

Akun ini merupakan utang kepada Mitsumoto Co. Ltd. sebesar USD 500.000 per 31 Desember 2020.

Berdasarkan Akta Keputusan Rapat Umum Pemegang Saham Luar Biasa Perusahaan No. 84 tanggal 21 April 2016 yang dibuat dihadapan Notaris Sri Rahayuningsih, S.H. terdapat persetujuan yang menyatakan bahwa Perusahaan tidak membayarkan bunga atas pinjaman kepada Mitsumoto Co. Ltd. untuk tahun 2016 sampai dengan tahun 2020.

10. BANK LOAN (Continued)

The collateral for this loan consists of a plot of 25,107 m² land located in Juata Laut, Tarakan, East Kalimantan, registered under the name of the Company, including the 9,179 m² buildings and concrete roads thereon consisting of a production building, employee mess house, cold storage building, ice factory, and other infrastructure buildings, machinery and inventories of prawns with a total collateral value of Rp 58,359,750,000 and Rp 55,817,230,000 as of September 30, 2021 and December 31, 2020, respectively.

The bank loan balance amounted to USD 471,025 and Rp 4,500,000,000 (equivalent to USD 314,531) as of September 30, 2021 and USD 20,316 as of December 31, 2020.

11. ACCRUED EXPENSES

The details are as follows:

12. DUE TO RELATED PARTY

This account represents the payable to Mitsumoto Co. Ltd. amounting to USD 500,000 as of December 31, 2020.

Based on Notarial Deed on Decision of the Extraordinary General Meeting of Shareholders of the Company No. 84 of Sri Rahayuningsih, S.H. dated April 21, 2016, there is an agreement stating that the Company does not pay the interest on loans to Mitsumoto Co. Ltd. for the years 2016 to 2020.

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12. UTANG KEPADA PIHAK BERELASI (Lanjutan)

Perjanjian persetujuan tidak membayarkan bunga atas pinjaman kepada Mitsumoto Co. Ltd. ini telah diperpanjang sampai dengan tahun 2022.

Pada tanggal 20 Mei 2021, Perusahaan telah melunasi seluruh utangnya kepada Mitsumoto Co. Ltd.

12. DUE TO RELATED PARTY (Continued)

The agreement stating not to pay interest on the loan to Mitsumoto Co. Ltd. has been extended until 2022.

On May 20, 2021, the Company settled the payable to Mitsumoto Co. Ltd.

13. MODAL SAHAM

Susunan pemegang saham per 30 September 2021 dan 31 Desember 2020 sebagai berikut:

13. SHARE CAPITAL

The details of stock ownership as of September 30, 2021 and December 31, 2020 are as follows:

	Persentase Kepemilikan/ Percentage of Ownership	Jumlah Saham/ Number of Shares	Jumlah/ Amount	
Mitsumoto Corporation Limited	50,00 %	10.000	1.000.000	Mitsumoto Corporation Limited
Seven Star Enterprise, Sdn. Bhd	32,50 %	6.500	650.000	Seven Star Enterprise, Sdn. Bhd
Harvest Bonanza, Sdn. Bhd	12,50 %	2.500	250.000	Harvest Bonanza, Sdn. Bhd
Inge Miradewi Rosadi	5,00 %	1.000	100.000	Inge Miradewi Rosadi
Jumlah	100,00 %	20.000	2.000.000	Total

14. PENJUALAN

Akun ini merupakan pendapatan atas penjualan lokal dan ekspor untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2021 dan 2020 (tidak direviu).

14. SALES

This account represents the revenues from local and export sales for the nine-month periods ended September 30, 2021 and 2020 (unreviewed).

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15. BEBAN POKOK PENJUALAN

Rincian untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September sebagai berikut:

	2 0 2 1	2 0 2 0 (Tidak Direviu/ (Unreviewed))
Persediaan Bahan Baku:		
Saldo Awal	-	-
Pembelian	9.963.968	8.533.464
Bahan Baku yang Tersedia untuk Dipakai	9.963.968	8.533.464
Saldo Akhir	-	-
Bahan Baku yang Digunakan	9.963.968	8.533.464
Upah Langsung	541.577	522.040
Biaya Produksi Tidak Langsung (Catatan 16)	544.547	519.382
Jumlah Biaya Produksi	11.050.092	9.574.886
Persediaan Barang Jadi:		
Saldo Awal	2.643.837	2.356.426
Saldo Akhir	(2.220.366)	(3.134.091)
Beban Pokok Penjualan	11.473.563	8.797.221

15. COST OF GOODS SOLD

The details for the nine-month periods ended September 30, are as follows:

	2 0 2 0 (Tidak Direviu/ (Unreviewed))
Raw Material Inventory :	
Beginning	-
Purchases	8.533.464
Raw Materials Available for Use	8.533.464
Ending	-
Raw Materials Used	8.533.464
Direct Labor	522.040
Factory Overhead (Note 16)	519.382
Cost of Goods Manufactured	9.574.886
Finished Goods Inventory :	
Beginning	2.356.426
Ending	(3.134.091)
Cost of Goods Sold	8.797.221

16. BIAYA PRODUKSI TIDAK LANGSUNG

Rincian untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September sebagai berikut:

	2 0 2 1	2 0 2 0 (Tidak Direviu/ (Unreviewed))
Bahan Pembungkus	176.455	144.000
Air dan Listrik	166.902	154.424
Penyusutan	154.526	138.788
Laboratorium	12.835	27.324
Perbaikan dan Pemeliharaan	11.410	8.346
Bahan Bakar	6.189	14.976
Es	4.554	1.657
Pengolahan Air Bersih	4.439	8.230
Perlengkapan Pabrik	3.879	17.928
Kesejahteraan Karyawan	804	628
Lain-lain	2.554	3.081
Jumlah	544.547	519.382

16. FACTORY OVERHEAD

The details for the nine-month periods ended September 30, are as follows:

	2 0 2 0 (Tidak Direviu/ (Unreviewed))
Packaging Materials	144.000
Water and Electricity	154.424
Depreciation	138.788
Laboratory	27.324
Repairs and Maintenance	8.346
Fuel	14.976
Ice	1.657
Water Treatment	8.230
Factory Supplies	17.928
Employee Welfare	628
Others	3.081
Total	519.382

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17. BEBAN USAHA

Rincian untuk periode sembilan bulan yang berakhir
pada tanggal-tanggal 30 September sebagai berikut:

	2021	2020 (Tidak Direviu/ (Unreviewed))	
Pengiriman	424.705	321.526	Freight
Gaji dan Tunjangan	167.746	157.315	Salaries and Allowances
Perijinan	54.997	51.494	Licenses and Permits
Jamsostek	43.882	38.849	Employee Social Security (Jamsostek)
Komisi	42.580	26.121	Commissions
Administrasi Bank	37.350	26.463	Bank Administration
Perjamuan dan Representasi	24.130	26.281	Entertainment and Representation
Perbaikan dan Pemeliharaan	19.446	35.038	Repairs and Maintenance
Imbalan Kerja	18.573	-	Employee Benefits
Keamanan dan Kebersihan	12.397	13.833	Security and Cleaning Services
Penyusutan	8.621	9.353	Depreciation
Jasa Profesional	8.304	7.713	Professional Fees
Asuransi	5.181	5.619	Insurance
Transportasi	5.086	6.782	Transportation
Alat Tulis Kantor dan Cetak	3.937	2.538	Stationery and Printing
Telepon dan Faksimil	3.268	2.988	Telephone and Facsimile
Pos dan Materai	2.559	1.775	Postage and Stamp Duty
Pajak Bumi dan Bangunan	1.022	958	Land and Building Taxes
Perjalanan Dinas	936	9.551	Traveling
Hadiah dan Sumbangan	470	722	Gifts and Donations
Lain-lain	11.829	9.805	Others
Jumlah	<u>897.019</u>	<u>754.724</u>	Total

17. OPERATING EXPENSES

The details for the nine-month periods ended
September 30, are as follows:

18. BEBAN LAIN-LAIN - BERSIH

Rincian untuk periode sembilan bulan yang berakhir
pada tanggal-tanggal 30 September sebagai berikut:

	2021	2020 (Tidak Direviu/ (Unreviewed))	
Jasa Giro	7.327	3.438	Interest Income
Rugi Selisih Kurs	(17.231)	(1.129)	Loss on Foreign Exchange
Bunga Bank	(9.406)	(9.906)	Bank Interest
Lain-lain	2.101	1.513	Others
Jumlah	<u>(17.209)</u>	<u>(6.084)</u>	Total

18. OTHER CHARGES - NET

The details for the nine-month periods ended
September 30, are as follows:

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19. ESTIMASI LIABILITAS IMBALAN KERJA

Perusahaan menggunakan Laporan PT Bestama Aktuaria, aktuaris independen dengan Laporan Aktuaria No. 20062/BPA/EP/01/2021 tertanggal 25 Januari 2021 untuk menghitung estimasi liabilitas imbalan kerja tahun 2020.

Perhitungan aktuarial untuk biaya imbalan pasti, menganut prinsip nilai sekarang dari jumlah pembayaran atas imbalan karena pensiun, imbalan karena meninggal dunia dan imbalan karena cacat. Perhitungan nilai sekarang diperoleh dari penggunaan berbagai asumsi aktuarial yang tidak hanya berdasarkan tingkat bunga tetapi juga berdasarkan atas kenaikan upah, tingkat kematian, cacat dan pengunduran diri.

Rincian di bawah merupakan ringkasan komponen beban imbalan kerja - bersih yang diakui pada Laporan Laba Rugi dan Penghasilan Komprehensif Lain Interim dan Laporan Posisi Keuangan Interim sebagai estimasi liabilitas imbalan kerja sebagaimana pada laporan aktuaris independen:

a. Beban Imbalan Kerja - Bersih

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Beban Jasa Kini	10.582	14.109	Current Service Cost
Beban Bunga	7.991	10.655	Interest Cost
Beban Imbalan Kerja - Bersih	<u>18.573</u>	<u>24.764</u>	Net Employee Benefit Expense

b. Estimasi Liabilitas Imbalan Kerja

	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Nilai Kini Liabilitas yang Tidak Didanai	<u>171.235</u>	<u>152.662</u>	Present Value of Unfunded Obligation

19. ESTIMATED LIABILITIES FOR EMPLOYEE BENEFITS

The Company's estimated liabilities for employee benefits were made based on the calculation of PT Bestama Aktuaria, an Independent actuary, in its Report No. 20062/BPA/EP/01/2021 dated January 25, 2021 for the year 2020.

The actuarial calculation in regard to the defined benefits expense adheres to the current value principle from the total payment of compensation due to retirement, demise and disability. The calculation of current value is obtained from the use of various actuarial assumptions, not only based on level of interest but also based on salary increment, mortality, disability and resignation levels.

The following tables summarize the components of net employee benefit expense recognized in the Interim Statements of Profit or Loss and Other Comprehensive Income and in the Interim Statements of Financial Position as estimated liabilities for employee benefits as determined by the independent actuary:

a. Net Employee Benefits Expense

b. Estimated Liabilities for Employee Benefits

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19. ESTIMASI LIABILITAS IMBALAN KERJA (Lanjutan)			19. ESTIMATED LIABILITIES FOR EMPLOYEE BENEFITS (Continued)
c. Mutasi Estimasi Liabilitas Imbalan Kerja	30 September/ September 30, 2021	31 Desember/ December 31, 2020	
Saldo Awal Tahun	152.662	132.320	Balance at Beginning of Year
Beban Imbalan Kerja	18.573	24.764	Employee Benefits Expense
Pembayaran Imbalan Kerja	-	(9.171)	Payment of Employee Benefits
Selisih Kurs	-	6.324	Foreign Exchange
Keuntungan Aktuaria Dicatat di Penghasilan Komprehensif Lain	-	(1.575)	Actuarial Gain Recorded in Other Comprehensive Income
Saldo Akhir Tahun	<u>171.235</u>	<u>152.662</u>	Balance at End of Year

Asumsi yang digunakan untuk menghitung estimasi liabilitas imbalan kerja dalam Laporan Posisi Keuangan Interim adalah sebagai berikut:

The principal assumptions used in determining the estimated liabilities for employee benefits in the Interim Statements of Financial Position are as follows:

	30 September 2021/ September 30, 2021	31 Desember 2020/ December 31, 2020	
Metode Perhitungan	Proyeksi Kredit Unit/ Projected Unit Credit (Prorate)	Proyeksi Kredit Unit/ Projected Unit Credit (Prorate)	Calculation Method
Usia Pensiun	60 tahun/years	60 tahun/years	Normal Pension Age
Tingkat Kenaikan Upah	10%	10%	Salary Increment Rate
Tingkat Diskonto Tahunan	7,7%	7,7%	Annual Discount Rate
Tingkat Mortalita	TMI 2019	TMI 2019	Mortality Level
Tingkat Cacat	10% dari Tingkat Mortalita/of Mortality Level	10% dari Tingkat Mortalita/of Mortality Level	Disability Level

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19. ESTIMASI LIABILITAS IMBALAN KERJA
(Lanjutan)

Analisa Sensitivitas untuk Asumsi Tingkat Diskonto

Per 31 Desember 2020, jika tingkat diskonto mengalami kenaikan sebesar 0,50% dengan seluruh variabel lainnya tetap, nilai kini kewajiban imbalan pasti mengalami penurunan sebesar 6,87% sedangkan jika tingkat diskonto mengalami penurunan sebesar 0,50%, nilai kini kewajiban imbalan pasti mengalami peningkatan sebesar 7,61%.

Liabilitas imbalan kerja per 30 September 2021 dan 31 Desember 2020 masing-masing sebesar USD 171.235 dan USD 152.662.

20. ASET DAN LIABILITAS KEUANGAN

Manajemen Risiko Keuangan

Risiko keuangan utama yang mungkin akan dihadapi Perusahaan adalah risiko kredit, risiko nilai tukar mata uang asing, risiko suku bunga, risiko likuiditas dan risiko harga. Perhatian atas pengelolaan risiko ini telah meningkat secara signifikan dengan mempertimbangan perubahan dan volatilitas pasar keuangan di Indonesia.

(i) Risiko Kredit

Risiko kredit adalah risiko dimana Perusahaan akan mengalami kerugian yang timbul dari pelanggan, klien atau pihak lawan yang gagal memenuhi liabilitas kontraktual mereka. Instrumen keuangan Perusahaan yang mempunyai potensi atas risiko kredit adalah kas dan bank, piutang usaha, piutang lain-lain dan uang jaminan.

19. ESTIMATED LIABILITIES FOR EMPLOYEE BENEFITS (Continued)

Sensitivity Analysis for Discount Rate Assumption

As of December 31, 2020, if the discount rate had been 0.50% higher with all other variables held constant, the present value of defined benefits obligations would have been 6.87% lower, while if the discount rate had been 0.50% lower, the present value of defined benefits obligations would have been 7.61% higher.

The estimated liabilities for employee benefits as of September 30, 2021 and December 31, 2020 amounted to USD 171,235 and USD 152,662, respectively.

20. FINANCIAL ASSETS AND LIABILITIES

Financial Risk Management

The main financial risks faced by the Company are credit risk, foreign exchange rate risk, interest rate risk, liquidity risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

(i) Credit Risk

Credit risk is the risk that the Company will incur a loss arising from its customers, clients or counterparties that fail to discharge their contractual obligations. The Company's financial instruments potentially exposed to credit risk were cash on hand and in banks, trade receivables, other receivables and guarantee deposits.

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Manajemen Risiko Keuangan (Lanjutan)

(ii) Risiko Nilai Tukar Mata Uang Asing

Risiko nilai tukar mata uang asing adalah risiko dimana nilai wajar atau arus kas masa mendatang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan nilai tukar mata uang asing. Instrumen keuangan Perusahaan yang mempunyai potensi atas risiko nilai tukar mata uang adalah kas dan bank, piutang usaha, piutang lain-lain, uang jaminan, utang bank, utang usaha, utang lain-lain dan beban akrual.

(iii) Risiko Suku Bunga

Risiko suku bunga adalah risiko dimana nilai wajar atau arus kas masa datang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan suku bunga pasar. Saat ini instrumen keuangan Perusahaan yang mempunyai nilai suku bunga adalah utang bank.

(iv) Risiko Likuiditas

Risiko likuiditas adalah risiko dimana posisi arus kas Perusahaan menunjukkan pendapatan jangka pendek tidak cukup untuk menutupi pengeluaran jangka pendek.

Perusahaan mengelola risiko likuiditas dengan mempertahankan kas dan bank yang mencukupi dalam memenuhi komitmen Perusahaan untuk operasi normal Perusahaan dan secara rutin mengevaluasi proyeksi arus kas dan arus kas aktual.

(v) Risiko Harga

Risiko harga adalah risiko fluktuasi nilai instrumen keuangan sebagai akibat perubahan harga pasar. Saat ini, Perusahaan tidak menghadapi risiko harga.

20. FINANCIAL ASSETS AND LIABILITIES (Continued)

Financial Risk Management (Continued)

(ii) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial instruments potentially exposed to foreign exchange rate risk were cash on hand and in banks, trade receivables, other receivables, guarantee deposits, bank loans, trade payables, other payables and accrued expenses.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Company's financial instrument having an interest rate value is its bank loan.

(iv) Liquidity Risk

Liquidity risk is the risk when the cash flow position of the Company indicates that the short-term revenue is not enough to cover the short-term expenditure.

The Company manages liquidity risk by maintaining sufficient cash on hand and in banks to meet the Company's commitment for the Company's normal operations and continuously evaluating forecast and actual cash flows.

(v) Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Currently, the Company did not encounter any price risk.

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Klasifikasi Aset dan Liabilitas Keuangan

Pada tabel berikut ini, instrumen keuangan telah dialokasikan berdasarkan klasifikasinya. Kebijakan akuntansi penting pada Catatan 21 menjelaskan bagaimana setiap kategori aset keuangan dan liabilitas keuangan diukur dan bagaimana pendapatan dan beban, termasuk keuntungan dan kerugian (perubahan nilai wajar instrumen keuangan) atas nilai wajar diakui.

Nilai Wajar Aset dan Liabilitas Keuangan

Tabel berikut menyatakan nilai tercatat dan estimasi nilai wajar untuk setiap kategori dari instrumen keuangan Perusahaan yang tercatat dalam Laporan Posisi Keuangan Interim per tanggal 30 September 2021 dan 31 Desember 2020 sebagai berikut:

	30 September 2021/ September 30, 2021		
	Jumlah Tercatat/ Carrying Amount	Nilai Wajar/ Fair Value	
Aset Keuangan			Financial Assets
Aset Keuangan yang Diukur Pada Nilai Wajar melalui Laba Rugi	-	-	Financial Assets at Fair Value through Profit or Loss
Aset Keuangan yang Diukur Dengan Biaya Perolehan Diamortisasi			Financial Assets at Amortized Cost
Kas dan Bank	1.701.845	1.701.845	Cash on Hand and in Banks
Piutang Usaha	590.248	590.248	Trade Receivables
Piutang Lain-lain	100.094	100.094	Other Receivables
Uang Jaminan	9.043	9.043	Guarantee Deposits
Aset Keuangan yang Diukur Pada Nilai Wajar melalui Penghasilan Komprehensif Lain	-	-	Financial Assets at Fair Value through Other Comprehensive Income
Jumlah Aset Keuangan	2.401.230	2.401.230	Total Financial Assets

20. FINANCIAL ASSETS AND LIABILITIES
(Continued)Classification of Financial Assets and
Liabilities

In the following table, the financial instruments have been allocated based on the classification. Significant accounting policies in Note 21 describe how each category of financial assets and liabilities are measured and how revenues and expenses, including gains and losses (changes in fair value of financial instruments) on the fair value are recognized.

The Fair Values of Financial Assets and
Liabilities

The following table sets forth the carrying amount and estimated fair value of each category of the Company's financial instruments that are carried in the Interim Statements of Financial Position as of September 30, 2021 and December 31, 2020:

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)			20. FINANCIAL ASSETS AND LIABILITIES (Continued)
Nilai Wajar Aset dan Liabilitas Keuangan (Lanjutan)			The Fair Values of Financial Assets and Liabilities (Continued)
	30 September 2021/ September 30, 2021		
	Jumlah Tercatat/ Carrying Amount	Nilai Wajar/ Fair Value	
Liabilitas Keuangan			Financial Liabilities
Liabilitas Keuangan yang Diukur pada Nilai Wajar melalui Laba Rugi	-	-	Financial Liabilities at Fair Value through Profit or Loss
Liabilitas Keuangan yang Diukur pada Biaya Perolehan Diamortisasi			Financial Liabilities at Amortized Cost
Utang Bank	785.556	785.556	Bank Loans
Utang Usaha	2.308	2.308	Trade Payables
Utang Lain-lain	180.109	180.109	Other Payables
Beban Akrua	46.378	46.378	Accrued Expenses
Jumlah Liabilitas Keuangan	1.014.351	1.014.351	Total Financial Liabilities
	31 Desember 2020/ December 31, 2020		
	Jumlah Tercatat/ Carrying Amount	Nilai Wajar/ Fair Value	
Aset Keuangan			Financial Assets
Aset Keuangan yang Diukur pada Nilai Wajar melalui Laba Rugi	-	-	Financial Assets at Fair Value through Profit or Loss
Aset Keuangan yang Diukur dengan Biaya Perolehan Diamortisasi			Financial Assets at Amortized Cost
Kas dan Bank	662.761	662.761	Cash on Hand and in Banks
Piutang Usaha	159.100	159.100	Trade Receivables
Piutang Lain-lain	114.217	114.217	Other Receivables
Uang Jaminan	9.043	9.043	Guarantee Deposits
Aset Keuangan yang Diukur pada Nilai Wajar melalui Penghasilan Komprehensif Lain	-	-	Financial Assets at Fair Value through Other Comprehensive Income
Jumlah Aset Keuangan	945.121	945.121	Total Financial Assets

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

20. FINANCIAL ASSETS AND LIABILITIES
(Continued)

Nilai Wajar Aset dan Liabilitas Keuangan
(Lanjutan)

The Fair Values of Financial Assets and
Liabilities (Continued)

	31 Desember 2020/ December 31, 2020		
	Jumlah Tercatat/ Carrying Amount	Nilai Wajar/ Fair Value	
Liabilitas Keuangan			Financial Liabilities
Liabilitas Keuangan yang Diukur pada Nilai Wajar melalui Laba Rugi	-	-	Financial Liabilities at Fair Value through Profit or Loss
Liabilitas Keuangan yang Diukur pada Biaya Perolehan Diamortisasi			Financial Liabilities at Amortized Cost
Utang Bank	20.316	20.316	Bank Loans
Utang Usaha	67.490	67.490	Trade Payables
Utang Lain-lain	116.723	116.723	Other Payables
Beban Akrua	53.339	53.339	Accrued Expenses
Utang Pihak Berelasi	500.000	500.000	Due to Related Party
Jumlah Liabilitas Keuangan	757.868	757.868	Total Financial Liabilities

Metode dan asumsi yang digunakan untuk estimasi
nilai wajar adalah sebagai berikut:

The following methods and assumptions are used
to estimate the fair value:

- Nilai wajar kas dan bank, piutang usaha, piutang lain-lain, utang bank, utang usaha, utang lain-lain dan beban akrual mendekati nilai tercatat karena jangka waktu jatuh tempo yang singkat atas instrumen keuangan tersebut.
- Nilai wajar atas uang jaminan dan utang pihak berelasi tidak dapat diukur secara andal dimana aset keuangan tersebut tidak memiliki jangka waktu penyelesaian secara kontraktual.

- The fair values of cash on hand and in banks, trade receivables, other receivables, bank loan, trade payables, other payables and accrued expenses approximated their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of guarantee deposits and due to related party could not be measured reliably because such financial assets do not have a contractual maturity date.

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Perkiraan Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual aset atau nilai yang dibayar untuk mengalihkan liabilitas dalam transaksi yang teratur antara pelaku pasar pada tanggal pengukuran.

Semua aset dan liabilitas yang diukur dengan nilai wajar atau diungkapkan dalam Laporan Keuangan dapat diklasifikasikan berdasarkan hierarki pengukuran nilai wajar berikut:

- (i) Harga penawaran di pasar aktif untuk aset atau liabilitas yang identik (level 1);
- (ii) Input selain harga kuotasian yang termasuk dalam level 1 yang dapat diamati untuk aset atau liabilitas, baik secara langsung atau tidak langsung (level 2) dan;
- (iii) Input untuk aset atau liabilitas yang tidak didasarkan pada data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (level 3).

Nilai wajar instrumen keuangan yang diperdagangkan di pasar aktif didasarkan pada harga pasar yang dikutip pada tanggal pelaporan. Harga pasar kuotasi yang digunakan untuk aset keuangan yang dipegang oleh Perusahaan adalah harga penawaran saat ini, sedangkan liabilitas keuangan menggunakan harga permintaan. Instrumen-instrumen ini termasuk dalam level 1.

Nilai wajar instrumen keuangan yang tidak diperdagangkan di pasar aktif ditentukan dengan menggunakan teknik penilaian. Teknik penilaian ini memaksimalkan penggunaan data pasar yang dapat diobservasi jika tersedia dan sesedikit mungkin mengandalkan perkiraan. Jika semua input signifikan yang diperlukan untuk nilai wajar pada instrumen dapat diobservasi, instrumen tersebut termasuk dalam level 2.

Jika satu atau lebih input signifikan tidak didasarkan pada data pasar yang dapat diobservasi, instrumen termasuk dalam level 3. Ini adalah kasus untuk sekuritas ekuitas yang tidak terdaftar.

20. FINANCIAL ASSETS AND LIABILITIES (Continued)

Fair Value Estimate

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.

All assets and liabilities which fair value is measured or disclosed in the Financial Statements can be classified by the following fair value measurement hierarchy:

- (i) *Quoted prices in active markets for identical assets or liabilities (level 1);*
- (ii) *Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2) and;*
- (iii) *Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).*

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price, while financial liabilities use the ask price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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20. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Perkiraan Nilai Wajar (Lanjutan)

Teknik penilaian khusus yang digunakan untuk instrumen keuangan nilai meliputi:

- Penggunaan kuotasi harga pasar atau kuotasi dealer untuk instrumen serupa; dan
- Teknik lain, seperti analisis arus kas diskonto, digunakan untuk menentukan nilai wajar untuk instrumen keuangan yang tersisa.

20. FINANCIAL ASSETS AND LIABILITIES (Continued)

Fair Value Estimate (Continued)

Specific valuation techniques used for value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

21. ASET DAN LIABILITAS DALAM MATA UANG ASING

Aset dan liabilitas dalam mata uang asing adalah sebagai berikut:

21. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Assets and liabilities denominated in various foreign currencies are as follows:

	30 September 2021/September 30, 2021				Ekuivalen/ Equivalent USD	
	Rp	Yen	HKD			
Aset						Assets
Kas dan Bank	24.254.344.992	432.000	520	1.699.225		Cash on Hand and in Banks
Piutang Usaha	1.431.212.986	-	-	100.577		Trade Receivables
Piutang Lain-lain	3.511.677.205	-	-	245.452		Other Receivables
Uang Jaminan	127.549.500	-	-	9.043		Guarantee Deposits
Jumlah Aset	29.324.784.683	432.000	520	2.054.297		Total Assets
Liabilitas						Liabilities
Utang Bank	4.500.000.000	-	-	314.531		Bank Loan
Utang Usaha	33.006.000	-	-	2.308		Trade Payables
Utang Lain-lain	1.105.582.800	-	-	77.276		Other Payables
Beban Akrua	663.530.510	-	-	46.378		Accrued Expenses
Jumlah Liabilities	6.302.119.310	-	-	440.493		Total Liabilities
Aset (Liabilitas) - Bersih	23.022.665.373	432.000	520	1.613.804		Net Assets (Liabilities)

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21. ASET DAN LIABILITAS DALAM MATA UANG ASING (Lanjutan)

21. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (Conitnued)

	31 Desember 2020/December 31, 2020				Ekuivalen/ Equivalent USD	
	Rp	Yen	HKD			
Aset						Assets
Kas dan Bank	3.947.834.345	432.000	520	284.136		Cash on Hand and in Banks
Piutang Usaha	108.832.204	-	-	7.716		Trade Receivables
Piutang Lain-lain	3.784.879.908	-	-	268.338		Other Receivables
Uang Jaminan	127.549.500	-	-	9.043		Guarantee Deposits
Jumlah Aset	7.969.095.957	432.000	520	569.233		Total Assets
Liabilitas						Liabilities
Utang Usaha	952.012.000	-	-	67.490		Trade Payables
Utang Lain-lain	505.691.215	-	-	35.852		Other Payables
Beban Akrual	752.352.801	-	-	53.339		Accrued Expenses
Jumlah Liabilities	2.210.056.016	-	-	156.681		Total Liabilities
Aset (Liabilitas) - Bersih	5.759.039.941	432.000	520	412.552		Net Assets (Liabilities)

Pada tanggal 14 Oktober 2021, kurs yang berlaku adalah sebesar USD 0,000070 (Rp 14.221), USD 114,262 (Yen 125,21), USD 7,827 (HKD 1.827,97) terhadap USD 1. Jika aset moneter dalam mata uang asing pada tanggal 30 September 2021 dijabarkan ke dalam Dolar Amerika Serikat menggunakan kurs yang berlaku pada tanggal 14 Oktober 2021, maka aset moneter akan naik sebesar USD 5.356.

As of October 14, 2021, the exchange rates were USD 0.000070 (Rp 14,221), USD 114.262 (Yen 125.21), USD 7.827 (HKD 1,827.97) for USD 1. If the monetary assets in foreign currencies as of September 30, 2021 had been converted to United States Dollar, using the exchange rates as of October 14, 2021, the monetary assets would have increased by USD 5,356.

22. INFORMASI TAMBAHAN UNTUK LAPORAN ARUS KAS

22. SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF CASH FLOWS

a. Aktivitas Non Kas yang Signifikan

a. Significant Non-Cash Activities

Rincian untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September sebagai berikut:

The details for the nine-month periods ended September 30, are as follows:

	2021	2020 (Tidak Direviu/ (Unreviewed))	
Penurunan Utang Pihak Berelasi melalui Utang Bank	500.000	-	Decrease in Due to Related Party through Bank Loan
	59		
	212		

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
PER 30 SEPTEMBER 2021 DAN 31 DESEMBER 2020
DAN UNTUK PERIODE SEMBILAN BULAN YANG
BERAKHIR PADA TANGGAL-TANGGAL
30 SEPTEMBER 2021 DAN 2020
(Dinyatakan dalam Dolar Amerika Serikat, kecuali
Dinyatakan Lain)

NOTES TO THE INTERIM FINANCIAL
STATEMENTS
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31,
2020
AND FOR THE NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2021 AND 2020
(Expressed in United States Dollar, except
Otherwise Stated)

22. INFORMASI TAMBAHAN UNTUK LAPORAN ARUS KAS

b. Perubahan Liabilitas yang Timbul dari Aktivitas Pendanaan

Rincian untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September sebagai berikut:

	2021			2021	
	2020	Arus Kas/ Cash Flows	Perubahan Non Kas/ Non-Cash Changes		
Utang Bank	20.316	265.240	500.000	785.556	Bank Loan
Utang kepada Pihak Berelasi	500.000	-	(500.000)	-	Due to Related Party
2020 (Tidak Direviu)/(Unreviewed)					
	2019	Arus Kas/ Cash Flows	Perubahan Non Kas/ Non-Cash Changes	2020	
Utang Bank	425.876	(425.876)	-	-	Bank Loan
Utang kepada Pihak Berelasi	1.250.000	(500.000)	-	750.000	Due to Related Party

23. LIABILITAS BERSYARAT

Perusahaan tidak memiliki liabilitas bersyarat pada tanggal 30 September 2021 dan 31 Desember 2020.

22. SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF CASH FLOWS

b. Changes in Liabilities Arising from Financing Activities

The details for the nine-month periods ended September 30, are as follows:

23. CONTINGENT LIABILITIES

The Company had no contingent liabilities as of September 30, 2021 and December 31, 2020.

AUDITED FINANCIAL STATEMENTS OF PT BONANZA FOR FPE 30 SEPTEMBER 2021 (Cont'd)

PT BONANZA PRATAMA ABADI

CATATAN ATAS LAPORAN KEUANGAN INTERIM
PER 30 SEPTEMBER 2021 DAN 31 DESEMBER 2020
DAN UNTUK PERIODE SEMBILAN BULAN YANG
BERAKHIR PADA TANGGAL-TANGGAL
30 SEPTEMBER 2021 DAN 2020
 (Dinyatakan dalam Dolar Amerika Serikat, kecuali
 Dinyatakan Lain)

NOTES TO THE INTERIM FINANCIAL
STATEMENTS
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31,
2020
AND FOR THE NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2021 AND 2020
 (Expressed in United States Dollar, except
 Otherwise Stated)

24. KETIDAKPASTIAN KONDISI EKONOMI

Pandemi COVID-19 di tahun 2020 telah menyebabkan terjadinya perlambatan ekonomi global dan domestik. Luas dampak tersebut tergantung pada beberapa perkembangan tertentu di masa depan yang tidak dapat diprediksi pada saat ini, termasuk durasi penyebaran wabah, kebijakan ekonomi dan kebijakan lainnya yang diterapkan Pemerintah untuk memberantas ancaman COVID-19. Manajemen terus memantau secara seksama operasi, likuiditas dan sumber daya yang dimiliki Perusahaan, serta bekerja secara aktif untuk mengurangi dampak saat ini dan dampak masa depan dari situasi ini yang belum pernah dialami sebelumnya. Laporan Keuangan ini tidak mencakup penyesuaian yang mungkin timbul dari ketidakpastian yang diungkapkan di atas.

Meskipun demikian, setelah tanggal Laporan Keuangan, manajemen Perusahaan berpendapat bahwa sampai saat ini wabah COVID-19 tidak berdampak signifikan terhadap kegiatan operasi Perusahaan.

25. PERISTIWA SETELAH PERIODE PELAPORAN

Sampai dengan tanggal Laporan Keuangan Interim diselesaikan oleh manajemen Perusahaan, tidak ada peristiwa setelah periode pelaporan yang signifikan.

26. PENYELESAIAN LAPORAN KEUANGAN INTERIM

Manajemen Perusahaan bertanggung jawab terhadap penyusunan Laporan Keuangan Interim yang diselesaikan pada tanggal 14 Oktober 2021.

24. ECONOMIC ENVIRONMENT UNCERTAINTY

The COVID-19 pandemic in 2020 has caused global and domestic economic slowdown. The extent of such impact will depend on certain future development which cannot be predicted at this moment, including the duration of the spread of the outbreak, economic and social measures that are being taken by the government authorities to eradicate the COVID-19 threat. Management is closely monitoring the Company's operations, liquidity and resources, and is actively working to minimize the current and future impact of this unprecedented situation. These Financial Statements do not include any adjustment that might result from the outcome of the aforementioned uncertainty.

Nevertheless, after the date of the Financial Statements, the Company's management is of the opinion that the COVID-19 outbreak had no significant impact on the Company's operating activities.

25. EVENT AFTER THE REPORTING PERIOD

Up to the date the Interim Financial Statements were completed by the Company's management, there was no significant event after the reporting period.

26. COMPLETION OF THE INTERIM FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of the accompanying Interim Financial Statements that were completed on October 14, 2021.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

All statements and information in relation to the Vendors and PT Bonanza contained in this Circular were obtained from and confirmed by the directors and management of the Vendors and/or PT Bonanza respectively. The sole responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

2. CONSENTS AND CONFLICT OF INTEREST**2.1 Kenanga IB**

Kenanga IB, being the Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form, manner and context in which they appear in this Circular.

Kenanga IB has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposed Acquisition.

2.2 Mercury Securities

Mercury Securities, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and the IAL of its name and all references thereto in the form, manner and context in which they appear in this Circular and the IAL.

Mercury Securities has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisition.

2.3 Smith Zander

Smith Zander, being the Independent Market Researcher for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form, manner and context in which they appear in this Circular. Further, Smith Zander has also given and has not subsequently withdrawn its written consent for the inclusion of the extract of the Independent Market Research Report on the frozen seafood industry in Indonesia in this Circular.

Smith Zander has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Market Researcher for the Proposed Acquisition.

2.4 DFDL (in association with Mataram Partners)

DFDL (in association with Mataram Partners), being the foreign legal due diligence solicitors for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form, manner and context in which they appear in this Circular.

FURTHER INFORMATION (Cont'd)

DFDL (in association with Mataram Partners) has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the foreign legal due diligence solicitors for the Proposed Acquisition.

3. MATERIAL LITIGATION

As at the LPD, neither the Company nor any of the subsidiaries are involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company and/or the Group and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the Company's and/or Group's financial position or business.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

As at the LPD, save for the Proposed Acquisition, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have material impact on the Group's financial position.

4.2 Contingent liabilities

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the Group's financial position.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak during business hours from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the constitution of CCK and PT Bonanza, respectively;
- (ii) the audited consolidated financial statements of CCK for the past two FYE 31 December 2020 and FYE 31 December 2021 as well as the latest unaudited results of the Group for the FPE 31 March 2022;
- (iii) the audited consolidated financial statements of PT Bonanza for the past two FYE 31 December 2019; and 31 December 2020; and the 9-month FPE 30 September 2021, as well as the latest unaudited consolidated financial statements for the FYE 31 December 2021;
- (iv) the Independent Market Research Report prepared by Smith Zander International Sdn Bhd;
- (v) the SSA; and
- (vi) letters of consent and conflict of interest as referred to in Section 2 of this Appendix.



CCK CONSOLIDATED HOLDINGS BERHAD

(Registration No.: 199601024340 (396692-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of CCK Consolidated Holdings Berhad (“**CCK**” or “**the Company**”) will be held at Conference Room, CCK Fresh Mart Sdn Bhd, Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Wednesday, 29 June 2022, at 2.00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY PT ADILMART, A WHOLLY OWNED SUBSIDIARY OF CCK, OF THE ENTIRE EQUITY INTEREST OF PT BONANZA PRATAMA ABADI FOR A TOTAL CASH CONSIDERATION OF USD8 MILLION (EQUIVALENT TO RM33.74 MILLION) (“PROPOSED ACQUISITION”)

“**THAT** subject to the approvals of all the relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Company to acquire the entire equity interest of PT Bonanza Pratama Abadi, through PT Adilmart, from Mitsumoto Corporation Limited, Seven Star Enterprise Sdn Bhd, Harvest Bonanza Sdn Bhd and Miradewi Rosadi (collectively, the “**Vendors**”) on the terms and conditions as stipulated in the conditional share sale agreement dated 14 April 2022 entered into between PT Adilmart and the Vendors for the Proposed Acquisition (“**SSA**”);

AND THAT the Board of Directors of the Company be and is hereby authorised to sign and execute all documents and to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or persons and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Acquisition.”

BY ORDER OF THE BOARD

VOON JAN MOI (MAICSA 7021367)
(SSM Practising Certificate No. 202008001906)
YAP HUI YIH (MAICSA 7048748)
(SSM Practising Certificate No. 202008000570)
Joint Company Secretaries

Kuching, Sarawak
8 June 2022

Notes:

1. A proxy or attorney or a duly authorised representative may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. To be valid, the duly completed form of proxy must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. Depositors whose names appear in the Record of Depositors as at 22 June 2022 shall be regarded as members of the Company entitled to attend this Extraordinary General Meeting or appoint proxy to attend, speak and vote on their behalf.



FORM OF PROXY

Number of shares held	
CDS Account No.	

*I/We, _____ (full name) _____ (I.C./Passport/Company No.)
of _____ (full address)
being a member of CCK Consolidated Holdings Berhad (“the Company”) hereby appoint _____

_____ (full name) _____ (I.C./passport No.)
of _____ (full address)

*and/or failing *him/her, _____ (full name) _____ (I.C./passport No.)
of _____ (full address)

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held at the Conference Room, CCK Fresh Mart Sdn Bhd, Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Wednesday, 29 June 2022, at 2.00 p.m.

*My/our proxy shall vote as indicated with an “X” below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion:

Ordinary Resolution	For	Against
Proposed Acquisition by PT Adilmart, a wholly owned subsidiary of CCK Consolidated Holdings Berhad, of the entire equity interest of PT Bonanza Pratama Abadi for a total consideration of USD8 million		

The proportions of *my/our holdings to be presented by *my/our proxy are as follows:

	No. of shares	%
First named proxy :	_____	_____
Second named proxy :	_____	_____
Total:	_____	_____

In case of a vote taken by a show of hands, the first named proxy shall vote on *my/our behalf.

Dated this _____ day of _____ 2022

*Signature / common seal of shareholder(s)

* Strike out whichever is not applicable.

Notes:

1. A proxy or attorney or a duly authorised representative may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. To be valid, the duly completed form of proxy must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. Depositors whose names appear in the Record of Depositors as at 22 June 2022 shall be regarded as members of the Company entitled to attend this Extraordinary General Meeting or appoint proxy to attend, speak and vote on their behalf.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
CCK CONSOLIDATED HOLDINGS BERHAD
Registration no. 199601024340 (396692-T)

Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching
Sarawak, Malaysia

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