

# PT JAPFA COMFEED INDONESIA Tbk

## ANNUAL REPORT

2001

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## FINANCIAL HIGHLIGHTS

( in millions of rupiah )

Description	2001	2000	1999	1998	1997
<b>Operational Activity in One Year</b>					
Net Sales	3,884,390.8	3,299,453.4	2,402,590.6	1,810,102.3	1,290,703.6
Gross Margin	530,036.7	393,800.9	397,114.0	273,755.9	139,628.5
Income from Operations	30,552.5	5,517.3	144,125.1	75,163.2	5,393.2
Foreign Exchange Gain (Loss)	(373,371.4)	(1,109,191.7)	371,337.7	(1,095,322.3)	(11,670.8)
Net Income ( Loss )	(493,696.1)	(969,605.3)	202,589.4	(979,970.6)	(334,967.1)
Capital Stock	148.9	148.9	148.9	148.9	148.9
Earnings ( Loss ) Rp per Share	(3,315.0)	(6,510.0)	1,360.0	(6,580.0)	(2,249.0)
<b>At Year End</b>					
Total Assets	3,486,314.1	3,460,626.3	2,933,868.2	3,007,729.5	2,520,027.5
Total Liabilities	5,656,395.7	5,140,134.3	3,683,584.3	3,935,171.3	2,462,720.5
Total Equity ( Capital Deficiency )	(2,183,706.2)	(1,693,091.8)	(759,858.7)	(937,236.7)	37,421.5
<b>Financial Ratios</b>					
Gross Margin Ratio (%)	13.6%	11.9%	16.5%	15.1%	10.8%
Return on Total Assets (%)	-14.2%	-28.0%	6.9%	-32.6%	-13.3%
Current Ratio (x)	0.3x	0.3x	0.4x	0.3x	0.6x
Leverage (x)	NA	NA	NA	NA	65.5x
Debt Ratio (x)	1.6x	1.5x	1.3x	1.3x	1.0x
Exchange Rate (Rp / US \$)	10,400	9,595	7,100	8,025	5,100

## SHARE TRADING INFORMATION

The Company shares are listed on the Jakarta Stock Exchange and Surabaya Stock Exchange. The share trading information below is from the Jakarta Stock Exchange.

QUARTER ENDED	2001				2000			
	SHARE PRICE			VOLUME (UNIT)	SHARE PRICE			VOLUME (UNIT)
HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)	HIGHEST (Rp)		LOWEST (Rp)	CLOSING (Rp)		
MARCH	200	175	175	118,500	725	600	675	448,000
JUNE	190	140	160	1,745,500	425	250	375	5,110,500
SEPTEMBER	210	140	165	2,620,500	360	275	285	767,500
DECEMBER	120	120	120	23,000	300	285	285	32,000

## REPORT FROM COMMISSIONERS AND DIRECTORS

Japfa has successfully navigated through another challenging year, achieving a growth in sales and improving slightly compared to its performance in the year 2000. Japfa's market presence has not waned and the Company remains one of the top operators in its industry. The Company has made some progress but there remains much more to do.

Consolidated sales for the year of Rp 3.9 trillion is an increase of 17.7% over the previous year. A gross profit margin of 13.6% and an Operating Profit of Rp 30.5 billion were definite improvements over the year 2000.

Operating Profit however was kept low by the higher operational costs arising from inflationary increases, accrued pension benefits due to new regulations and bad debt write-offs recognized during the year.

Net Profit remained negative as 2001 continued to be a difficult year for business. The Indonesian economy has not shown any significant improvements after four years of economic crisis and this has not been helped by the slowdown in the global economy. These factors combined and in particular, the depreciation of the Rupiah, resulted in Net Loss of Rp 500 billion. Although the year-end bottom line results did not meet expectations, Japfa has made important progress in many areas of the business and continued to strengthen its foundation for the future.

Throughout the year, Japfa emphasized quality and worked on improving efficiencies in production, in the supply chain and in purchasing. Japfa has continued to find better ways to make, move and sell its products.

This was essentially reflected by the increase in the gross profit margin for the year 2001.

Japfa's business relies on the strength of the ordinary person's purchasing power. The purchasing power has weakened as a result of the continuing crisis and the situation will only get worse with the increase in prices of fuel, electricity and telephone services in 2002.

The Company hopes that the work it has done to improve the quality of its products and the efficiency and productivity of its operations will provide the platform for consistent and stable results even in difficult times ahead.

The Company realizes that the balance sheet still reflects a negative equity position which keeps getting worse with a depreciation of the Rupiah, as a result of the foreign exchange loss arising from the conversion of the USD denominated debt. These exchange losses are unrealized accounting losses, which do not impact the actual cash flows of the Company in the 2001 year. It is hoped that the balance sheet will be significantly improved once its debt is restructured.

Although the Company is disappointed that the debt restructuring process has still not been finalized, the Company realizes that it is important to approach the restructuring process carefully and prudently. Japfa wants to be sure that it will be able to meet its obligations and commitments under the new restructured terms, especially as those terms will apply for a number of years going forward.

Though the restructuring discussions have dragged on into its fourth year, this has not dented Japfa's commitment to see it through to the end.

The constant pressure of the unsettled economic, political and business environment have made enormous demands on management and people. They responded outstandingly, remaining focused on markets and customers, and growing the business.

**HANDOJO SANTOSA**, *President Director*

**BAMBANG BUDI HENDARTO**, *Vice President Director*

**IGNATIUS HERRY WIBOWO**, *Director*

Without exceptional teamwork, this could not have been achieved successfully and the Company wishes to thank everyone for maintaining their commitment in terms of hard work.

The shareholders continuing support with realistic expectations have allowed management to focus on its key objective of surviving through these turbulent times. Despite these obstacles, Japfa still managed to deliver, demonstrating the solid support of its people, suppliers and customers.

Japfa wishes to express its gratitude to all its stakeholders who have contributed with their hard work, patience and loyalty.

The Company's survival under these conditions reflects the resilience of its business to protracted economic downturns. Japfa will emerge from this difficult period strengthened. The long-term outlook remains promising and the Company is confident that it is on track to face the future.

**SYAMSIR SIREGAR**, *President Commissioner*

**OSA MASONG**, *Vice President Commissioner*

**HARIONO SOEMARSONO**, *Commissioner*

## MANAGEMENT AND OPERATIONAL ANALYSIS

Japfa, like the rest of corporate Indonesia, has been adversely affected by the continued depreciation of the Rupiah which increased the costs of imported raw materials in respect of its predominantly Rupiah sales. This was compounded by continued social and political uncertainties as well as by the shifts in consumption patterns and a stagnation in purchasing power.

Despite the continued uncertainties in the external operating environment, Japfa has managed to improve its Operating Profit to Rp 30.5 billion in Year 2001 from Rp 5.5 billion in Year 2000. Gross Profit increased to Rp 530 billion in Year 2001 from Rp 394 billion in Year 2000. This was achieved through a combination of actions taken to conserve cash, reduce levels of imported raw materials, improve operational efficiencies and enhance product and service quality. This allowed Japfa's products to command better prices in the market place. In addition to an increase in margins, Japfa recorded an increase in consolidated sales of 17.7 % to Rp 3.9 trillion in Year 2001, compared to Rp 3.3 trillion in Year 2000.



Japfa's first priority has been the conservation of cash.

In addition to maximizing price increases, the Company has also tried to improve its Account Receivables position as well as minimizing capital investments. The priority has been on a rigorous process of capital budgeting and monitoring, allowing investments only when they are absolutely necessary and which can be funded by existing operations. There have not been any major commitments other than that required by on-going operations and as reported in the financial statements.

### FEED DIVISION

The Feed Division continued as the cornerstone of the Japfa business. The Feed Division reduced its purchases of imported corn by buying a lot more locally. The ability to purchase competitively-priced local raw materials as well as active inventory management in the supply chain has enabled the Division to mitigate the effect of the cost increases caused by a weakening Rupiah.

In addition, by maintaining its position as one of the quality leaders in Indonesia's feed industry, the Division was able to increase its selling prices without substantially affecting sales volumes. This has been the main driver in the increase of Japfa's consolidated gross profit margins from 11.9% in the year 2000 to 13.6% in 2001.

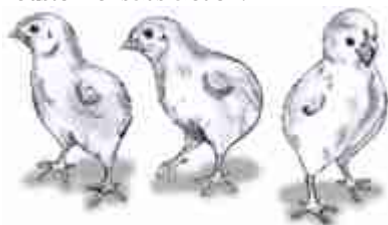
## BREEDING FARMS DIVISION

The year 2001 saw the re-emergence of a number of competitors who have been lying dormant in the immediate aftermath of the monetary crisis. Supply of Day Old Chicks have increased substantially in the market place, thereby putting downward pressure on selling prices.

In the light of an industry oversupply, Japfa's focus on quality has paid off as this has dampened the downward pressure on its selling prices. Day Old Chicks produced by the Breeding Farms Division have become one of the most sought after in the country, commanding a price premium over most other breeds available. In the Year 2001, more than 168 million chicks were sold, an increase of 19% over Year 2000's 141 million chicks.

The focus on quality is supported by the transformation of all its hen houses into the "closed house" system of farm management. In addition, the Division introduced the "single age" policy as well as implementing Total Quality Management concepts in the field. The overall effect has been to substantially improve bio-security, hence increasing output and improving chick quality.

Efforts to improve the supply chain by focusing on improving co-ordination between Production and Sales has enhanced delivery performance leading to higher levels of customer satisfaction.



## COMMERCIAL POULTRY DIVISION

In the Commercial Poultry Division, several initiatives were implemented during 2001 to further improve the quality of its products. The Division made improvements to its system of farming, increased the quality of its finished birds and lifted exports of chicken meat to markets with strict standards and precise specifications.

The Division continued to develop its program to provide training and advice to its customers on how to improve farming techniques. In the area of further processing of poultry, a high standard of hygiene and food safety has become an integral part of Japfa's production culture so that it occurs naturally in day-to-day operations.

As a result of a change in Value Added Tax regulations, the Company had no choice but to close down those commercial farms and layer farms that cater for the local market. This has redirected the Company's focus to the export market and in this respect, Japfa has been successful in its program to breed and export antibiotic-free chicken in the year 2002. As the only company in Indonesia (and one of just a handful in Asia) to be able to do so is evidence of Japfa's ability to meet stringent international quality standards. The breeding of antibiotic-free chicken for the specialized export market, though now in small volumes, improves the Company's competitive edge and positions Japfa for future opportunities in overseas markets.

## AQUACULTURE DIVISION

The Aquaculture Division went through yet another difficult year due mainly to the reduction in prices and volumes of its shrimp exports. There was a global reduction in demand for shrimp with an economic slowdown in the main export markets and this situation was made worse as supply from other producer countries continued to increase. In 2002, with the strengthening Rupiah, there is likely to be a continuing impact on margins and volumes for shrimp exports.

The shrimp feed and fish feed operations of this Division performed well during 2001. In past years, it has been the shrimp ponds operations that have dragged down the performance of this Division. In 2001, corrective action was taken to shut down those ponds that were unprofitable. Accordingly, the Division is currently operating only about 25% of its ponds.



## Other Divisions

For the Consumer Products Division, the value added meat segment of the business has shown significant growth in 2001. The Division's focus on quality is reflected in the "SO GOOD" brand of chicken nuggets which has emerged as the quality leader in the country. With the implementation of SAP software in this Division, management is now able to track information on-line allowing for immediate action to improve operational efficiencies and to respond to changes to the market place.

The International Division has made significant strides in enhancing their financial health. The Division has been able to achieve market leadership in certain market segments it competes in, generating the cash flows required to support its growth programs.

## **FINANCIAL REPORTING**

In February 2002, Jakarta was hit by major floods that caused extensive damage throughout the city. The Company's Head Office was directly affected which necessitated the temporary relocation of the accounting department while restoration work was underway. This regrettably pushed back the year-end financial reporting timetable.

## **TRAINING AND WELFARE**

In anticipation of an ever-changing business environment, the Company's in-house training department conducts programs to keep up with the latest trends in the industry. Consistent with the belief that people are one of its most precious resources, the Company maintains its efforts to attract and retain the best people available.

Employee welfare has always been of importance. The Company has successfully implemented a program for the evaluation and rewarding of employees based in their individual performance. The Company has consistently maintained its compensation packages at a competitive level.



## **COMMUNITY SUPPORT**

As a responsible corporate citizen, Japfa has invested heavily in developing and improving farming and fishery methods, thus creating employment opportunities for many Indonesians. The Company also works closely and actively supports a number of government programs, especially those organized by the Department of Agriculture. The Company continues to support a number of prominent universities in the country. Its employees also participate in a blood donor program on a regular quarterly basis organized by the Company

In addition, Japfa also supports the community through its sponsorship of national chess events. The Company has been credited as being the driving force for the revival of chess in Indonesia.

## **OUTLOOK**

Looking forward, Japfa expects at least the same degree of uncertainty to confront the business in the near future. The hurdles of an unstable exchange rate, increases in taxes and the stagnation in purchasing power are likely to be compounded by increased competition and a more demanding work force and market place.

Notwithstanding all these hurdles, Japfa believes that it should be able to maintain its market presence and operational performance through consistent efforts to maintain quality and achieve operational excellence. The Company expects its overall operating margins to remain stable even in the face of increasing price competition through its efforts to improve efficiency and differentiate its products and services.

## AUDITED FINANCIAL STATEMENT

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2001 AND 2000

	Notes	2001 Rp	2000 Rp
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2d,3	195,124,700,302	320,219,290,093
Temporary investments	2e,4,18	172,897,653,176	172,699,799,608
Trade accounts receivable	2f,5,18,19		
Related parties		5,049,085,737	1,442,332,964
Third parties - net of allowance for doubtful accounts of Rp 80,218,371,881 in 2001 and Rp 23,113,796,149 in 2000		349,402,327,994	414,688,275,788
Other accounts receivable		42,589,318,488	64,906,456,461
Inventories	2g,6,18,19	640,876,343,328	516,011,716,056
Advances		22,176,088,873	19,150,481,050
Prepaid taxes	2q,7	63,287,932,973	53,850,692,336
Prepaid expenses	2h	14,557,759,539	17,592,105,210
<b>Total Current Assets</b>		<b>1,505,961,210,410</b>	<b>1,580,561,149,566</b>
<b>NONCURRENT ASSETS</b>			
Restricted cash in bank	19	114,291,788,000	63,944,102,425
Deferred tax assets	2q,30	596,003,577,560	480,461,856,364
Investments in shares of stock	2e,8	3,327,598,433	7,878,622,553
Plantations - net of accumulated depreciation of Rp 822,690,085 in 2001 and Rp 668,983,045 in 2000	2i,9	3,837,716,802	3,991,423,842
Property, plant and equipment - net of accumulated depreciation of Rp 520,537,839,990 in 2001 and Rp 414,539,000,083 in 2000	2j,2k,10,18,19	1,213,175,109,346	1,258,355,475,575
Real estate assets		3,263,294,925	7,459,681,207
Advances for the purchase of property, plant and equipment		-	219,319,467
Long-term rental on land		9,900,263,464	11,000,292,736
Deferred charges for landrights - net	2l	468,129,644	482,308,216
Goodwill - net	2b	2,816,036,463	3,096,207,110
Unused property, plant and equipment - net	2j,10	15,761,065,678	16,120,641,202
Security deposits		3,860,602,021	3,450,299,570
Intangible assets - net	2m,11	13,647,694,020	14,519,103,868
Forward receivable from company under liquidation - net	2f,12	-	9,085,810,046
<b>Total Noncurrent Assets</b>		<b>1,980,352,876,356</b>	<b>1,880,065,144,181</b>
<b>TOTAL ASSETS</b>		<b>3,486,314,086,766</b>	<b>3,460,626,293,747</b>

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2001 AND 2000 (Continued)

	Notes	2001 Rp	2000 Rp
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>			
<b>CURRENT LIABILITIES</b>			
Trade accounts payable to third parties	13	143,118,332,612	150,013,984,141
Other accounts payable to third parties	14	319,916,104,988	208,350,043,715
Taxes payable	2q,15	10,837,715,168	15,392,060,828
Accrued expenses	16	1,095,839,206,102	807,158,007,294
Advances received		3,520,445,741	17,231,004,256
Unearned revenue		607,147,187	2,570,073,383
Notes payable	17	91,471,896,984	87,345,606,990
Bank loans	18	744,753,824,533	756,420,996,070
Current maturities of long-term liabilities			
Bank loans	19	3,183,050,175,484	2,951,976,044,085
Liability for the purchase of property, plant and equipment	20	3,558,201,712	585,023,079
Lease liabilities	2k,21	400,708,502	22,167,055
<b>Total Current Liabilities</b>		<b>5,597,073,759,013</b>	<b>4,997,065,010,896</b>
<b>NONCURRENT LIABILITIES</b>			
Deferred tax liabilities	2q,30	2,486,065,229	-
Employee benefits obligation	2o,32	27,808,622,239	6,773,043,592
Long-term liabilities - net of current maturities			
Bank loans	19	28,876,659,770	133,598,473,541
Liability for the purchase of property, plant and equipment	20	-	2,697,759,673
Lease liabilities	2k,21	150,564,946	-
<b>Total Noncurrent Liabilities</b>		<b>59,321,912,184</b>	<b>143,069,276,806</b>
<b>MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES</b>	<b>22</b>	<b>13,624,656,860</b>	<b>13,583,766,369</b>
<b>CAPITAL DEFICIENCY</b>			
Capital stock - Rp 1,000 par value per share			
Authorized - 200,000,000 shares			
Subscribed and paid-up - 148,941,466 shares	23	148,941,466,000	148,941,466,000
Additional paid-in capital	24	42,423,905,800	42,423,905,800
Translation adjustment	2c	76,984,273,453	72,847,358,414
Difference due to change in equity in subsidiary	2e	1,380,552,616	1,380,552,616
Unrealized loss on decrease in value of securities	2e,4	(8,263,407,462)	(7,208,920,962)
Difference in value of restructuring transactions among entities under common control	2b	5,798,519,720	5,798,519,720
Deficit		(2,450,971,551,418)	(1,957,274,641,912)
<b>Total Capital Deficiency</b>		<b>(2,183,706,241,291)</b>	<b>(1,693,091,760,324)</b>
<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCY</b>		<b>3,486,314,086,766</b>	<b>3,460,626,293,747</b>

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	Notes	2001 Rp	2000 Rp
NET SALES	2n,25	3,884,390,776,561	3,299,453,359,493
COST OF GOODS SOLD	2n,26	3,354,354,044,887	2,905,652,481,341
GROSS PROFIT		530,036,731,674	393,800,878,152
OPERATING EXPENSES	2n,27		
Selling		139,945,306,080	120,248,307,145
General and administrative		359,538,945,484	268,035,255,546
Total Operating Expenses		499,484,251,564	388,283,562,691
INCOME FROM OPERATIONS		30,552,480,110	5,517,315,461
OTHER INCOME (CHARGES)			
Loss on foreign exchange - net	2c,36	(373,371,440,582)	(1,109,191,676,387)
Interest expense	28	(311,873,207,560)	(291,579,181,459)
Equity in net income (loss) of associated companies	2e,8	(4,208,024,120)	1,284,899,615
Interest income	29	28,816,164,781	30,373,887,626
Gain from sale of claim on forward receivable from company under liquidation	12	17,531,386,561	-
Rental income		5,913,212,401	4,320,713,343
Sale of raw materials and indirect materials		2,025,815,832	1,225,194,435
Unrealized gain (loss)	2e,4	1,567,391,329	(44,828,911,102)
Receipts from claim on forward receivable from company under liquidation	12	-	98,160,120,028
Others - net		(2,870,665,866)	10,989,618,520
Other Income (Charges) - Net		(636,469,367,224)	(1,299,245,335,381)
LOSS BEFORE TAX		(605,916,887,114)	(1,293,728,019,920)
TAX BENEFIT	2q,30	112,260,868,099	312,786,157,435
LOSS FROM ORDINARY ACTIVITIES		(493,656,019,015)	(980,941,862,485)
EXTRAORDINARY ITEM	2p,31	-	8,074,718,085
LOSS BEFORE MINORITY INTERESTS IN NET INCOME (LOSSES) OF SUBSIDIARIES		(493,656,019,015)	(972,867,144,400)
MINORITY INTERESTS IN NET INCOME (LOSSES) OF SUBSIDIARIES	22	40,890,491	(3,261,841,248)
NET LOSS		(493,696,909,506)	(969,605,303,152)
LOSS PER SHARE			
Basic	2r	(3,315)	(6,510)

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	Notes	Paid-up Capital	Additional Paid-in Capital	Translation Adjustment	Difference due to change in equity in subsidiary	Unrealized Loss on Decrease in Value of Securities	Difference in Value of Restructuring Transactions among Entities Under Common Control	Deficit	Total Capital Deficiency
		Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Balance as of January 1, 2000		148,941,486,000	42,423,905,800	36,765,983,586	-	(6,119,284,912)	5,798,519,720	(987,669,338,760)	(759,858,748,566)
Translation adjustment	2c	-	-	36,081,374,828	-	-	-	-	36,081,374,828
Difference due to change in equity in subsidiary	2e	-	-	-	1,380,552,616	-	-	-	1,380,552,616
Unrealized loss on decrease in value of securities	2e,4	-	-	-	-	(1,089,636,050)	-	-	(1,089,636,050)
Net loss for the year		-	-	-	-	-	-	(969,605,303,152)	(969,605,303,152)
Balance as of December 31, 2000		148,941,486,000	42,423,905,800	72,847,358,414	1,380,552,616	(7,208,920,962)	5,798,519,720	(1,957,274,641,912)	(1,693,091,760,324)
Translation adjustment	2c	-	-	4,136,915,039	-	-	-	-	4,136,915,039
Unrealized loss on decrease in value of securities	2e,4	-	-	-	-	(1,054,486,500)	-	-	(1,054,486,500)
Net loss for the year		-	-	-	-	-	-	(493,696,909,506)	(493,696,909,506)
Balance as of December 31, 2001		148,941,486,000	42,423,905,800	76,984,273,453	1,380,552,616	(8,263,407,462)	5,798,519,720	(2,450,971,551,418)	(2,183,708,241,291)

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	2001	2000
	Rp	Rp
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	3,952,461,953,619	3,106,377,651,302
Cash paid to suppliers and employees	(3,892,440,152,238)	(3,192,417,566,209)
Cash generated from operations	60,021,801,381	(86,039,914,907)
Interest paid	(12,803,953,152)	(7,731,495,104)
Income tax paid	(19,966,078,330)	(24,448,252,503)
Cash receipts from restitution of income taxes	11,969,778,029	6,982,706,041
Other operating cash received	4,521,688,576	74,822,005,925
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>43,743,236,504</b>	<b>(36,414,950,548)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Withdrawals of temporary investments	263,000,000	30,238,931,638
Proceeds from sale of temporary investments	1,004,669,694	-
Receipts from related parties	-	12,116,032,398
Dividends received (see Note 8)	-	4,500,000,000
Decrease (increase) in security deposits	(410,302,451)	943,706,801
Interest received	29,067,836,006	30,635,612,480
Increase in plantations	-	(14,139,050)
Proceeds from sale of property, plant and equipment	12,153,884,528	31,151,133,693
Acquisitions of property, plant and equipment	(77,772,974,806)	(188,366,901,541)
Proceeds from sale of forward receivable from company under liquidation (see Note 12)	26,617,196,607	-
Decrease in advances for the purchase of property, plant and equipment	-	26,780,181,460
<b>Net Cash Used in Investing Activities</b>	<b>(9,076,690,422)</b>	<b>(52,015,442,121)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in (payments of) bank loans	(100,954,258,683)	16,410,495,285
Payments of other accounts payable to third parties	(6,795,093,322)	(1,980,746,396)
Payments of lease liabilities	(615,154,101)	(4,733,335,623)
Payments of notes payable	(3,522,001,798)	(1,426,424,349)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(111,886,507,904)</b>	<b>8,269,988,917</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(77,219,961,822)</b>	<b>(80,160,403,752)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
Restricted cash in bank	320,219,290,093	399,996,521,145
Effect of foreign exchange rate changes	(50,347,685,575)	(63,944,102,425)
	2,473,057,606	64,327,275,125
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>195,124,700,302</b>	<b>320,219,290,093</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
<b>Noncash investing and financing activities:</b>		
Increase in leased assets through lease liabilities	1,151,944,361	-
Reclassification of bank loans to other accounts payable to third parties	112,138,375,000	-
Reclassification of advances for the purchase of property, plant and equipment to property, plant and equipment	219,319,467	-

## BOARD OF COMMISSIONERS

### **SYAMSIR SIREGAR,**

*President Commissioner*

Born in Pematang Siantar, Indonesia, in 1941. Finished education in National Military Academy and School of Army Staff Command (Seskoad) and had a military career. Joined PT Japfa Comfeed Indonesia Tbk since 1998 as President Commissioner.

### **OSA MASONG,**

*Vice President Commissioner*

Born in Solo, Indonesia, in 1940. Hold a degree in Accounting from University of Indonesia. Worked as chief accountant for 10 years in PT PNI - a United States, Canada and Holland joint venture company. Completed extensive management training and financial studies in the United States and Canada. Served as Vice President Commissioner of PT Japfa Comfeed Indonesia Tbk since 1998.

### **HARIONO SOEMARSONO,**

*Commissioner*

Born in Magetan, Indonesia, in 1936. Graduated from Technische Universitaet Dresden, Germany as Diplom Ingenieur in Mechanical Engineering and from the American World University Iowa, USA as Doctor of Philosophy in Human Resources Management. Previous experiences include Dean of Engineering Faculty ITS, Surabaya. Joined Group in 1981.

## BOARD OF DIRECTORS

### **HANDOJO SANTOSA,**

*President Director*

Born in Surabaya, Indonesia, in 1964. Educated at Pepperdine University, USA. Served as President Director of PT Japfa Comfeed Indonesia Tbk since 1997.

### **BAMBANG BUDI HENDARTO,**

*Vice President Director*

Born in Bondowoso, Indonesia, in 1945. Graduated from Animal Husbandary from Brawijaya University Malang, Indonesia. Completed overseas training in Holland, Taiwan and The United States. Served as Director of PT Japfa Comfeed Indonesia Tbk since 1989 before serving as Vice President Director of PT Japfa Comfeed Indonesia Tbk since 1997.

### **IGNATIUS HERRY WIBOWO,**

*Director*

Born in Tuban, Indonesia, in 1949. Hold graduated degree in Economics from University of Diponegoro Semarang, Indonesia. Experienced in Banking business since 1977, with last position as President Director. Served as Director of PT Japfa Comfeed Indonesia Tbk since 1998.