

## DISCLOSURE INFORMATION TO SHAREHOLDERS

In relation with Affiliate Transaction of the PT BISI International Tbk, by way of investing in a new subsidiary with Key Innovation Co., Ltd. ("Transaction").

Transaction is an Affiliate Transaction which stipulated in OJK Regulation No. 42/POJK.04/2020 dated 1 July 2020 concerning Affiliate Transaction and Conflict of Interest on Certain Transaction.



### PT BISI International Tbk

("Company")

Domicile in Sidoarjo, Indonesia.

Head Office:

Jl. Raya Surabaya Mojokerto km 19,  
Desa Bringinbendo, Kecamatan Taman, Kabupaten Sidoarjo, East Java.  
Telp. (031) 7882528, Fax. (031) 7882856

[www.bisi.co.id](http://www.bisi.co.id)

#### STATEMENT OF DIRECTORS

The Company has and has carried out adequate procedures to ensure that Affiliate Transaction is carried out in accordance with generally accepted business practices and will keep documents related to the implementation of these procedures within the period of document storage in accordance with the provisions of the legislation.

#### STATEMENT OF BOARD OF COMMISSIONERS AND DIRECTORS

Affiliate Transaction does not contain a Conflict of Interest and all material information has been disclosed and the information is not misleading.

This Disclosure Information issued in Jakarta on 27 June 2024.

## DESCRIPTION OF THE TRANSACTION

### 1. Date and Object of Transaction

On June 25 2024, the Company signed a Joint Venture Agreement with Key Innovation Co., Ltd. ("KICL") to establish a joint venture company legally domiciled in Indonesia based on the provisions of the laws and regulations in Indonesia ("JV"). The JV's business activity is the distribution of agricultural equipment and machinery, especially agricultural drones. The JV will have issued and paid-up capital of IDR 20,000,000,000, where the Company will have 90% share ownership while KICL will have 10% share ownership.

### 2. Value of Transaction

The transaction value is IDR18,000,000,000 which is a capital contribution made by the Company or equivalent to 90% of JV shares ownership. The transaction is not a Material Transaction as stipulated in OJK Regulation No. 17/POJK.04/2020 dated 20 April 2020 concerning Material Transactions and Changes in Business Activities. This is because the transaction value is IDR18,000 million or less than 20% of the equity value of the Company and its Subsidiaries based on the Consolidated Financial Statements of the Company and its Subsidiaries for the year ended 31 December 2023 which has been audited by the Public Accounting Firm Purwantono, Sungkoro & Surja with an unmodified audit opinion of IDR 689,339 million.

### 3. Parties Conducting the Transaction and the Relationship with the Company

#### PT BISI International Tbk

##### *Brief History*

PT BISI International Tbk (the "Company") was established in Indonesia under the name PT Bright Indonesia Seed Industry, based on the Notarial Deed of Drs. Gde Ngurah Rai, S.H., No. 35 dated June 22, 1983, as amended by Deed No. 20 dated August 23, 1984 by the same Notary. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia with Decree No. C2-5415.HT.01.01.TH.84 dated 27 September 1984 and was published in the State Gazette No. 94, Supplement No. 4731, dated November 23, 1990.

The Articles of Association have been amended several times, most recently by Deed of Notary Marcivia Rahmani, S.H., M.Kn., No. 17 dated May 27, 2024. The Deed was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia with Decree No. AHU-0032326.AH.01.02.TAHUN 2024 dated June 3, 2024.

##### *Business Activities*

Based on the latest Articles of Association, the business activities of the Company are Corn Farming, Various Horticulture Farming, Hybrid Paddy Farming, Non-hybrid Paddy Farming, Leaf Vegetables Horticulture Farming, Fruit Horticulture Farming, Fruit Vegetables Horticulture Farming, Other Vegetables Horticulture Farming, Chili Farming, Plant Breeding Farming, After Harvest Services, Seed Selection for Breeding, Wholesale Trading of Paddy and Field Crop, Wholesale Trading of Fruits, Wholesale Trading of Vegetables, Research and Development on Technology and Agricultural Genetic Engineering, Research and Development on Biotechnology, Fruit and Vegetable Drying Industry, Corn Milling and Cleaning Industry, Wholesale of Agricultural Machinery, Equipment and Equipment, Wholesale of Fertilizers & Agrochemical Products, Agricultural and Forestry Machinery Industry, Natural/Non-Synthetic Fertilizer Industry Primary Macro Nutrients, Primary Macro Nutrient Single Artificial Fertilizer Industry, Primary Macro Nutrient Compound Artificial Fertilizer Industry, Artificial Fertilizer Industry Mixed Primary Macro Nutrients, Secondary Macro Nutrient Fertilizer Industry, Micro Nutrient Fertilizer Industry, Complementary Fertilizer Industry, Planting Media Industry, Other Fertilizer Industries, Retail Trade Through Media for Mixed Goods as Mentioned in 47911 to 47913, Retail Trade Through Media For Various Other Goods, Internet Trading Application Development Activities (E-Commerce), Head Office Activities.

### Shareholders Composition

Based on the Company's Register of Shareholders, the Company's shareholders as of December 31, 2023 are:

Shareholder	Number of Shares	Nominal Value (IDR)	%
PT Agrindo Pratama	930,000,000	93,000,000,000	31.00
Field Investment Holdings Pte. Ltd.	190,687,500	19,068,750,000	6.36
Valley Investment Holdings Pte. Ltd.	190,687,500	19,068,750,000	6.36
Vista Investment Holdings Pte. Ltd.	190,687,500	19,068,750,000	6.36
SJ BISI Holdings Pte. Ltd.	122,250,000	12,225,000,000	4.08
Tjiu Thomas Effendy – President Commissioner	2,748,900	274,890,000	0.09
Lie Suhanto – Vice President Commissioner	310,000	31,000,000	0.01
Ir. Andy Gumala – Director	174,000	17,400,000	0.01
Public (each ownership less than 5%)	1,372,454,600	137,245,460,000	45.73
<b>Total</b>	<b>3,000,000,000</b>	<b>300,000,000,000</b>	<b>100.00</b>

### Management

Based on Notarial Deed of Marcivia Rahmani, S.H., M.Kn. No. 17 dated 27 May 2024, which has been notified to the Ministry of Law and Human Rights of the Republic of Indonesia with the Acceptance of Notification No. AHU-AH.01.09-0209250 dated June 3, 2024, the Directors and Board of Commissioners of the Company are:

President Director	: Agus Saputra Wijaya
Director	: Putu Darsana
Director	: Arief Tonny Kusuma
Director	: Ir. Andy Gumala
Director	: Adhi Kristanto, STP, MP
President Commissioner	: Tjiu Thomas Effendy
Vice President Commissioner	: Lie Suhanto
Independent Commissioner	: Burhan Hidayat
Independent Commissioner	: Sunardi

### Key Innovation Co., Ltd.

#### Brief History

KICL was established in Thailand on June 18, 2019, with Business Registration Number 0105562106255 and has offices at 1, Soi Sukhumvit 60, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok, Thailand.

#### Business Activities

KICL has 28 business activities, one of which is the production and distribution of agricultural tools and machinery, including agricultural drones.

### Shareholders Composition

Based on the Company's Register of Shareholders, the KICL shareholders as of April 9, 2024 are:

Shareholder	Number of Shares	Nominal Value (THB)	%
South-East Agricultural Co., Ltd.	1.999.999	199.999.900	99,99
Supaporn Kietisirikajorn	1	100	0,01
<b>Total</b>	<b>2.000.000</b>	<b>200.000.000</b>	<b>100,00</b>

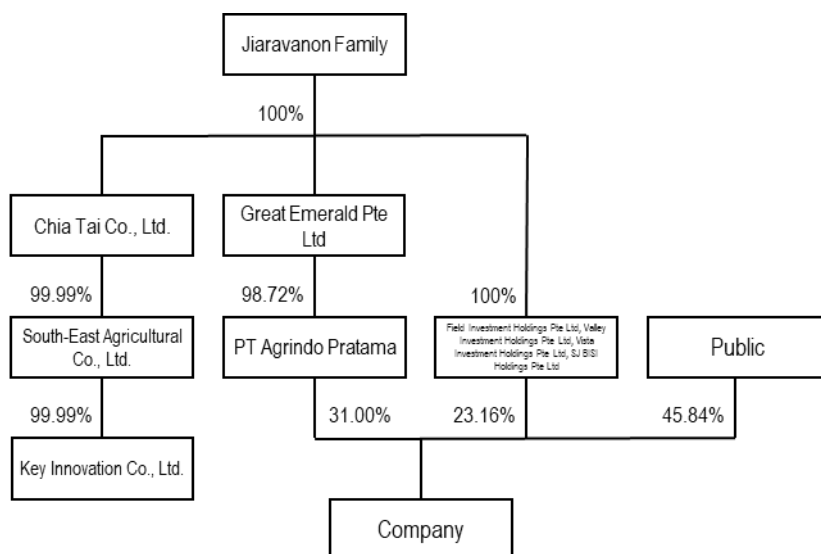
## Management

The Directors of KICL are:

Director : Manas Chiaravanond  
Director : Prawin Khurowat  
Director : Somkid Kingpetchroongruang  
Director : Supaporn Kietisirikajorn  
Director : Rata Suttimantanakul

## 4. Nature of Conflict of Interest among Parties Involved in Transaction with the Company

The Company and KICL have the same Controlling Shareholder, namely the Jiaravanon Family.



## 5. Explanation, Justification and Reason for Such Proposal of Transaction

Since operating until now, the Company has continued to carry out business innovations, one of which is developing agricultural technology. Apart from that, integrated business is still the Company's focus in developing agriculture in Indonesia.

As one of the business activities carried out by the Company, the agricultural equipment and machinery business will be an important contributor to the Company's sales. The development of agricultural technology in the agricultural equipment and machinery business will help to improve sustainable and efficient production methods for Indonesian farmers in producing agricultural products.

One of the agricultural equipment and machinery products that the Company will offer to increase farmer productivity is agricultural drones. Agricultural drone technology will be a new breakthrough, offering capabilities that are still rarely utilized by Indonesian farmers to manage and optimize the cultivation of their crops with precision and efficiency. Spraying crops with agricultural drone technology can overcome topographic challenges that are difficult for farmers to reach, more efficient because the number of workers for spraying is reduced and can mitigate human health risks because using agricultural drones can reduce direct exposure to fertilizer and agrochemical residues on workers. Apart from that, the Company can strengthen the one-stop shopping concept because it will offer a variety of products and services for farmers, from seeds, pesticides, fertilizers and agricultural equipment and machinery, one of which is agricultural drones.

The Company's consideration for carrying out transactions with affiliate parties, namely KICL, compared to when transactions are carried out with unaffiliated parties is because KICL is a subsidiary of Chia Tai Co., Ltd. who has more than 100 years of experience in the agricultural sector, including agricultural technology. Chia Tai Co., Ltd. is a leading company in the agribusiness sector in Thailand and has introduced agricultural drone products to farmers in Thailand. By collaborating with KICL, the Company will gain access to products, access to information and transfer of the latest technology in conducting the agricultural drone business.

The source of funds that will be used by the Company to carry out Transactions is internal funding sources.

## SUMMARY OF APPRAISAL REPORT

To ensure the Fairness of Transactions to be carried out by the Company, the Company has appointed the Toto Suharto & Rekan Public Appraisal Services Office ("KJPP"), to provide a Fairness Opinion on the Joint Venture Transaction Transaction Plan, as presented in the Fairness Opinion Report on the Joint Venture Transaction Transaction Plan No. 00238/2.0055-00/BS/04/0060/0/VI/2024 dated 24 June 2024, with the following summary:

### 1. Parties involved in the Transaction

The parties involved in the Transaction Plan are:

1. PT BISI International Tbk is hereinafter referred to as the ("Company") as the party that will carry out the joint venture cooperation transaction.
2. Key Innovation Co. Ltd, hereinafter referred to as ("KICL") as the party that will collaborate with the Company in joint venture cooperation transactions.

### 2. Affiliate Transaction

Based on information from management, it is known that the proposed transaction between the Company and KICL is an Affiliate Transaction as intended in POJK No. 42/POJK.04/2020 concerning Affiliate Transactions and Conflict of Interest Transactions. The Company and KICL have the same Controlling Shareholder, namely the Jiaravanon Family.

### 3. Object of Transaction Plan

The object of the transaction in this Fairness Opinion is that the Company plans to collaborate on a joint venture with KICL by establishing a company. The new business entity that will be formed by the Company and KICL will be established in Indonesia. The Joint Ventures' business activity is the distribution of agricultural drones.

### 4. Purpose and Objectives of the Fairness Opinion

The purpose and objective of preparing the Fairness Opinion Report is to provide an overview to the Company's Directors regarding the fairness of the Transaction Plan from a financial aspect and to comply with applicable regulations, namely POJK No 42/POJK.04/2020 concerning Affiliate Transactions and Conflict of Interest Transactions.

This Fairness Opinion Report was prepared in accordance with the provisions in POJK No. 35/POJK.04/2020, SEOJK No. 17/SEOJK.04/2020 and the Indonesian Assessment Standards (SPI) VII Edition of 2018 which were determined by the Indonesian Appraisal Professional Society (MAPPI).

### 5. Assessment Date

The effective date of the assessment is December 31, 2023, where the limit is taken based on consideration of the interests and objectives of the assessment. Fairness analysis is carried out using parameters and audited financial reports as of December 31, 2023.

### 6. Appraiser Independence

In preparing this Fairness Opinion Report, KJPP acted independently without any conflict of interest and is not affiliated with the Company or affiliated parties of the Company. KJPP also has no personal interests or profits related to this assignment.

## 7. Assessment Methodology on Fairness of Transaction Plan

This Fairness Opinion Report was prepared in accordance with POJK No. 35/POJK.04/2020, SEOJK No. 17/SEOJK.04/2020 and the Indonesian Assessment Standards (SPI) set by MAPPI, where the approach applied is in accordance with the complete assessment standards.

Fairness analysis is carried out by conducting qualitative analysis and quantitative analysis of the Transaction Plan. Where analysis of the Transaction Plan is carried out by identifying any linkages in the relationship between the parties to the transaction. In the transaction analysis there is an explanation of the benefits and risks of the Transaction Plan.

Qualitative analysis of the Transaction Plan is based on industry and environmental analysis where there is a description of macroeconomic conditions in the world and economic conditions in Indonesia as well as an overview of the national banking industry. Apart from that, qualitative analysis will explain in more detail the reasons and background as well as the advantages and disadvantages of the Transaction Plan.

Quantitative analysis of the Transaction Plan is carried out by identifying analysis of the Company's financial condition including assessment of historical performance and ratio analysis of the Company, trend analysis of the Company's historical financial reports and assessment of the company's financial projections, pro forma analysis of financial reports, sensitivity analysis of transactions and fairness analysis of Transaction Plan value.

## 8. Assumptions and Limiting Conditions

In preparing this Fairness Opinion Report, we used several assumptions, including:

1. This Fairness Opinion Report is a non-disclaimer opinion.
2. KJPP has reviewed the documents used in the assessment process.
3. The data and information obtained by KJPP comes from sources whose accuracy can be trusted.
4. KJPP uses adjusted financial projections that reflect the fairness of financial projections made by management with the ability to achieve them (fiduciary duty).
5. KJPP is responsible for implementing the assessment and fairness of adjusted financial projections.
6. KJPP produces a Business Assessment Report which is open to the public, unless there is confidential information that could affect the company's operations.
7. KJPP is responsible for the Business Assessment Report and Fairness Opinion Conclusion.
8. KJPP has obtained information on the legal status of the appraisal object from the task provider.
9. KJPP assumes that since the Transaction Plan until the issuance of this Fairness Opinion Report there have been no changes that have a material effect on the Transaction Plan.
10. KJPP assumes that the Company complies with all regulations set by the government, especially those related to the Company's operations, both in the past and in the future.
11. KJPP assumes that the legality of the Company is in accordance with applicable laws and regulations.

12. KJPP assumes that the Company has and will fulfill its obligations regarding taxes, levies and other levies in accordance with applicable regulations.
13. KJPP has obtained material information regarding the terms and conditions in the agreements related to the Transaction Plan from the Company.
14. The Fairness Opinion Report is prepared only for the purposes and objectives as stated in this Fairness Opinion Report. We are not responsible to any party other than the Company, so that other parties who use this Fairness Opinion Report are responsible for all risks that arise.
15. KJPP is not obliged to provide testimony or appear before a court or government official if this is not related to the aims and objectives of this Fairness Opinion Report and is outside the scope of the assignment.
16. If in the future KJPP is asked to provide explanations and presentations that are carried out outside the work area of our office or to parties other than the task provider and service users, then all forms of costs incurred will be borne by the Company.
17. This report is invalid if it does not have the leadership's signature and an office seal from KJPP.

## 9. Conclusion

### 1. Analysis of Transaction Plans

- Based on information from the Company's management, considering that the Company and KICL are affiliated parties, it refers to the provisions of POJK No.42/POJK.04/2020 that the Proposed Transaction is an Affiliate Transaction and not a conflict of interest transaction as intended in POJK No.42/ POJK.04/2020. This Transaction Plan is not a material transaction as intended in POJK No.17/POJK.04/2020 because the transaction value is below 20% (twenty percent) of the Company's total equity based on the audited financial report as of December 31, 2023.
- By carrying out the Transaction Plan, the Company can increase the market share of agricultural equipment and machinery products through the production method, namely drone agriculture. In joint venture cooperation transactions, the Company will reduce the level of financial or operational risk usually associated with new projects or investments. The Company can increase greater competitive advantage in the agricultural product and technology market.
- If the Transaction Plan fails, the Company will return to the Company's strategic plan which was prepared prior to the Transaction Plan.
- The Company's advantage from the planned joint venture transaction for establishing a Joint Venture Company is to strengthen the Company's commitment to exploring agricultural technology and solutions to overcome agricultural challenges in an effort to increase productivity and efficiency in Indonesia.
- While the losses that the Company will incur from this Proposed Transaction are due to the implementation of the Proposed Transaction, there are costs that arise as a result of this Proposed Transaction, which are not limited to costs of capital market supporting institutions such as KAP and KJPP costs with costs that arise, among others. KAP fees, transaction object appraisal fees, fees related to the appraisal profession and other obligations that may arise in the future.



## 2. Qualitative Analysis

- World economic growth slowed with financial market uncertainty easing. Global economic growth in 2023 is predicted to remain at 3.0%. This economic growth is supported by household consumption and investment. The decline in inflation in developed countries, including the US, continues, although it is still above target, while China's inflation is decreasing due to slowing economic growth.
- Economic growth in 2023 is predicted to be in the range of 4.5-5.3%, driven by consumption and investment in line with the acceleration of Government spending at the end of the year and the accelerated completion of several National Strategic Projects (PSN). In 2024, economic growth is predicted to increase in the range of 4.7-5.5% supported by domestic demand, especially continued consumption growth, including the positive impact of holding elections, as well as increased investment, especially buildings in line with the continued development of PSN including the Indonesian Capital City (IKN).
- Indonesia's Balance of Payments (NPI) 2023 is predicted to record a surplus, thereby supporting external resilience. The trade balance surplus continued in December 2023, which was recorded at 3.3 billion US dollars, influenced by the export performance of Indonesia's main commodities which remained strong, such as coal and iron and steel. This development supports the 2023 current account remaining healthy and is predicted to be in the range of a surplus of 0.4% to a deficit of 0.4% of GDP.
- Indonesia's foreign exchange reserve position at the end of December 2023 was recorded to have increased to 146.4 billion US dollars, equivalent to financing 6.7 months of imports or 6.5 months of imports and paying government foreign debt, and is above the international adequacy standard of around 3 months import.
- The Rupiah exchange rate until January 16 2024 was relatively stable, only weakening 1.24% from the end of December 2023, with Bank Indonesia's stabilization policy and the return of foreign portfolio flows, in line with the attractive returns on domestic financial assets and the positive outlook for the Indonesian economy.
- December 2023 CPI inflation was recorded at 2.61% (yoy), down from the previous year's 5.51% (yoy) so it was in the range of 3.0±1%. The decline in inflation was influenced by the maintenance of various components of inflation as a concrete result of the consistency of Bank Indonesia's pro-stability monetary policy as well as close synergy between Bank Indonesia's policies and the Central and Regional Governments.
- A number of international institutions, such as the IMF and World Bank and other institutions have published their outlook for 2024. As a result, most project that economic growth in 2024 will be lower than last year. The IMF, for example, on October 30 2023 estimated that global economic growth in 2024 would reach 2.9%, lower than the estimate for 2023 which would reach 3.0%. This slowdown in growth was influenced, among other things, by the economic slowdown in the United States (US), Europe and China.

- Based on the results of the 2023 Agricultural Census Phase I, the number of smallholder farmers reached 17.25 million people or 62.05% of the total number of land-using farmers, which means that the majority of farmers own less than 0.5 hectares of land. For this reason, increasing the production of agricultural commodities and increasing the competitiveness of agricultural products is not only directed at increasing Gross Domestic Product (GDP) in the agricultural sector, but also at the transmission of national GDP to increasing farmers' income which can ultimately improve farmers' welfare. This is in line with the 2020-2024 RPJMN, which directs development not only to be oriented towards economic growth, but how the quality and distribution of the economy (welfare) is more evenly distributed. One of the keys to achieving quality economic growth is through a structural transformation process.
- The volume of agricultural exports during the 2023 period increased by 3.45% compared to the export volume in 2022, which includes agricultural exports in fresh and processed form. The national Farmer Exchange Rate (NTP), throughout 2023 also shows an increasing trend, with an average NTP in 2023 of 112.46 or an average increase of 4.78 percent compared to the value in 2022 where the average NTP was amounting to 107.33.

### 3. Quantitative Analysis

- Based on the Company's historical financial analysis, it is known that the Company has good performance. Thus, the Company's plan to carry out a Transaction Plan to strengthen its financial position and increase its competitiveness is reasonable.
- Based on the Company's financial projections, it is estimated that there will be an increase in sales, gross profit and net profit, as well as increasing the number of assets and total equity, therefore the Company's proposed Transaction is reasonable.
- The impact of the Transaction Plan is, the average Operating Margin from 36.89% to 36.22%. Meanwhile, the average Net Margin has changed from 29.60% before the Transaction Plan to an average of 29.29% after the Transaction Plan.
- Based on the pro forma financial position above, there is an adjustment to cash and cash equivalents credited amounting to IDR 18,000,000,000.00. With the planned joint venture transaction, the Company made a capital deposit of IDR 18,000,000,000.00 taken from cash and cash equivalents. Apart from that, there is an adjustment for debit subsidiary investment amounting to IDR 18,000,000,000.00 as a form of participation or capital deposit in the joint venture company.
- Based on the Company's profit and loss proforma above, there are no adjustments between before and after the Proposed Transaction.

- Based on the added value analysis, the projected total assets of the Company before each Proposed Transaction is IDR 4,713.23 billion in 2024 to IDR 10,030.09 billion in 2028. Furthermore, the projected total assets of the Company after each Proposed Transaction is IDR 4,745.75 billion in 2024 to IDR 10,256.54 billion in 2028. The projected total liabilities of the Company before the Proposed Transaction are respectively IDR 496.57 billion in 2024 to IDR 508.68 billion in 2028. Furthermore, the projected total liabilities of the Company after the Proposed Transaction are respectively IDR 496.98 billion in 2024 to IDR 524.28 billion in 2028. The projected total equity of the Company before the Proposed Transaction is respectively IDR 4,216.66 billion in 2024 to IDR 9,521.41 billion in 2028. Furthermore, the projected total equity of the Company after the Transaction Plan is respectively IDR 4,248.77 billion in 2024 to IDR 9,732.25 billion in 2028.
- Based on the added value analysis, the projected total revenue of the Company before each Proposed Transaction is IDR 3,287.44 billion in 2024 to IDR 6,379.04 billion in 2028. Furthermore, the projected total revenue of the Company after each Proposed Transaction is amounting to IDR 3,315.34 billion in 2024 to IDR 6,780.84 billion in 2028. The Company's projected net profit before the Transaction Plan is respectively IDR 974.01 billion in 2024 to IDR 1,928.56 billion in 2028 . Furthermore, the Company's projected net profit after the Proposed Transaction is IDR 986.11 in 2024 to IDR 2,001.43 billion in 2028. There is a change in the Company's net profit which has increased after the Proposed Transaction.
- Based on the feasibility study report prepared by the Company's management, the plan to establish a Joint Venture Company meets the financial and economic feasibility of being implemented because it will make a positive contribution to the development of the Company.

#### 4. Analysis of the Fairness of the Transaction Plan

Based on the results of studies and analyzes that have been carried out on all related aspects including analysis of transaction plans, qualitative and quantitative analysis of positive impacts on planned transactions to be carried out as well as based on joint venture agreements and joint venture feasibility studies, KJPP is of the opinion that the Transaction Plan is Fair .

Based on the analyzes above, KJPP has the opinion that the Transaction Plan is **FAIR**.

## ADDITIONAL INFORMATION

If the shareholders wish to get additional information in regards to this Disclosure Information, shareholders may contact:

PT BISI International Tbk  
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Desa Bringinbendo, Kecamatan Taman, Kabupaten Sidoarjo, East Java.  
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