

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

**IMPORTANT: You must read the following before continuing.** The following applies to the Preliminary Offering Circular following this page (the "**Preliminary Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Preliminary Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE FOLLOWING OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

**THE FOLLOWING PRELIMINARY OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS**

The following Preliminary Offering Circular is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area.

**CONFIRMATION OF YOUR REPRESENTATION:** IN ORDER TO BE ELIGIBLE TO VIEW THE PRELIMINARY OFFERING CIRCULAR, INVESTORS MUST COMPLY WITH THE FOLLOWING PROVISIONS. YOU HAVE BEEN SENT THIS DOCUMENT AT YOUR REQUEST AND ON THE BASIS THAT YOU HAVE CONFIRMED TO PT BAHANA SEKURITAS, PT BCA SEKURITAS AND PT CIMB SEKURITAS INDONESIA (TOGETHER, THE "**JOINT LEAD UNDERWRITERS**") THAT YOU (1) ARE OUTSIDE THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) AND, TO THE EXTENT THAT YOU PURCHASE THE SECURITIES DESCRIBED IN THE FOLLOWING PRELIMINARY OFFERING CIRCULAR, YOU WILL BE DOING SO IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S; AND (2) CONSENT TO DELIVERY OF THE FOLLOWING PRELIMINARY OFFERING CIRCULAR AND ANY AMENDMENTS OR SUPPLEMENTS THERETO BY ELECTRONIC TRANSMISSION.

You are reminded that this Preliminary Offering Circular has been delivered to you on the basis that you are a person into whose possession this Preliminary Offering Circular may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorized to, deliver this Preliminary Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Underwriters or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Underwriters or such affiliate on behalf of PT Panca Budi Idaman Tbk (the "**Company**") in such jurisdiction.

The Preliminary Offering Circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Company or the Joint Lead Underwriters or any person who controls any of them or any of their respective commissioners, directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Preliminary Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Underwriters.

**NOT FOR DISTRIBUTION IN THE UNITED STATES**  
**PRELIMINARY OFFERING CIRCULAR**  
**DATED OCTOBER 31, 2017**

**Subject to Completion**



**PT Panca Budi Idaman Tbk**

*(incorporated with limited liability under the laws of the Republic of Indonesia)*

**Initial Public Offering of up to 738,806,000 Ordinary Shares**

**Offer Price: Rp. [●] per Ordinary Share**

This is the initial public offering (the "IPO") of up to 738,806,000 new ordinary shares of PT Panca Budi Idaman Tbk (the "Company") of par value Rp.100 per share in (the "Shares" or "IPO Shares").

The Shares are being offered outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "International Offering"), including in the Republic of Indonesia through an initial public offering on the Indonesia Stock Exchange (the "Indonesian Offering" and, together with the International Offering, the "Offering").

This Preliminary Offering Circular is being made available with respect to the International Offering only. In connection with the International Offering, PT Bahana Sekuritas, PT BCA Sekuritas and PT CIMB Sekuritas Indonesia (the "Joint Lead Underwriters") are soliciting applications from eligible investors resident outside Indonesia. The Indonesian Offering will be conducted by a group of underwriters (the "Underwriters") in Indonesia, represented by and including the Joint Lead Underwriters.

As used in this international supplement, the term "Preliminary Offering Circular" means this international supplement in combination with the Preliminary Prospectus. This international supplement and the Preliminary Prospectus should be read together prior to making an investment decision to buy our Shares.

We have applied to have the Company's shares (including the Shares) listed on the Indonesia Stock Exchange (the "IDX") on completion of the Indonesian Offering. The Offering is the Company's initial public offering, and no public market currently exists for the Company's shares. The Offer Price may not reflect the market price of the Shares after the closing of the Offering.

**This Preliminary Offering Circular may only be distributed outside Indonesia to persons who are neither citizens of Indonesia (wherever located) nor residents of Indonesia.**

Investing in our Shares involves risks. See "Risk Factors" in Chapter VI of the Preliminary Prospectus and "Additional Risk Factors for International Investors" beginning on page W-1 of this Preliminary Offering Circular.

Indonesian regulations permit the cancellation of the Offering only in limited circumstances, and you may be required to complete your acquisition of the Shares if the Offering is required to proceed despite the occurrence of a material adverse change in conditions. See "Plan of Distribution" and "Risk Factors—Risks Relating to Ownership of Our Shares—You may be required to complete your acquisition of the Shares if the Offering is required to proceed and complete despite the occurrence of a material adverse change in international or national monetary, financial, political or economic conditions or other force majeure events or any material adverse change in matters including our business or financial condition" beginning on pages W-14 and W-5, respectively, of the Preliminary Offering Circular.

The Joint Lead Underwriters expect to deliver the Shares to purchasers on or about [●], 2017. The Shares will begin trading on the IDX on the listing date (the "Listing Date"), which is expected to be [●], 2017.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Shares are being offered and sold only outside the United States in offshore transactions in accordance with and in reliance on the exemption from registration provided by Regulation S under the Securities Act ("Regulation S"). The Shares are not transferable except in accordance with certain restrictions on transfer described under "Plan of Distribution" and "Transfer Restrictions" of this Preliminary Offering Circular.

**Joint Lead Underwriters**



**Underwriters**

*[To be determined]*

The date of this Offering Circular is [●], 2017.

## NOTICE TO INVESTORS

You should rely only on the information contained in this Preliminary Offering Circular. Neither we nor any of our respective affiliates have authorized anyone to provide you with different information, and if anyone provides you with different or inconsistent information, you should not rely on it. None of us nor the Joint Lead Underwriters nor any of our or their affiliates are making an offer of these securities in any jurisdiction where the offer is not permitted. Unless otherwise indicated, you should not assume that the information contained in this Preliminary Offering Circular is accurate as of any date other than the date on the front of this Preliminary Offering Circular.

In addition, the Indonesian Financial Services Authority or *Otoritas Jasa Keuangan* ("**OJK**") does not declare its approval or disapproval of the Offer Shares, nor does it declare the accuracy or adequacy of this Preliminary Offering Circular. Any statement to the contrary is a violation of Indonesian law. With effect from December 31, 2012, OJK replaced and assumed the function, duty and authority of the Indonesian Capital Markets and Financial Supervisory Agency (*Badan Pengawas Pasar Modal dan Lembaga Keuangan*) ("**BAPEPAM-LK**"). For the purposes of the Indonesian Offering, the formal offering document is the Indonesian prospectus.

This Preliminary Offering Circular is strictly confidential and has been prepared by us solely for use in connection with the proposed offer of the Shares to eligible investors outside of the Republic of Indonesia by way of the International Offering. This Preliminary Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase, or otherwise acquire, the Shares. Distribution of this Preliminary Offering Circular to any person other than the offeree is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective purchaser, by accepting delivery of this Preliminary Offering Circular, agrees to the foregoing.

The Company has prepared this Preliminary Offering Circular and is solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Offer Shares. By purchasing the Shares, you will be deemed to have made the acknowledgements, representations and agreements forth under "*Plan of Distribution*" and "*Transfer Restrictions*."

No representation or warranty, expressed or implied, is made by the Joint Lead Underwriters nor any of their respective affiliates as to the accuracy or completeness of the information contained in this Preliminary Offering Circular. Neither the delivery of this Preliminary Offering Circular nor the offer of the Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Preliminary Offering Circular or that any information contained herein is correct as of any date subsequent to the date hereof.

None of us, the Joint Lead Underwriters, nor any affiliate or representative of ours or the Joint Lead Underwriters, are making any representation to any purchaser of shares regarding the legality of an investment by such purchaser under applicable laws. In addition, you should not construe the contents of this Preliminary Offering Circular as legal, business or tax advice. You should be aware that you may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. You should consult with your own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

In making an investment decision, each prospective purchaser must rely on its own examination of us and the terms of the International Offering, including the merits and risks involved. By receiving this Preliminary Offering Circular, each prospective purchaser acknowledges that (i) it has been afforded an opportunity to request from us and has received all information considered necessary to verify the accuracy of, or to supplement, the information contained in this Preliminary Offering Circular, (ii) it has not relied on any of the Joint Lead Underwriters in connection with its investigation of the accuracy of any information in this Preliminary Offering Circular or its investment decision, and (iii) no person has been authorized to give any information or to make any representation concerning us or the Company's shares other than as contained in this Preliminary Offering Circular, and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, or the Joint Lead Underwriters.

This Preliminary Offering Circular does not constitute an offer to sell or an invitation by or on behalf of us or the Joint Lead Underwriters or any affiliate or representative of any of ours or the Joint Lead Underwriters to purchase any of the Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone, in each case, in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or is unlawful. There are restrictions on the distribution of this Preliminary Offering Circular and the making of solicitations pursuant thereto in certain jurisdictions, further details of which are set out under "Plan of Distribution." Recipients of this Preliminary Offering Circular are required to inform themselves about and observe any applicable restrictions.

Each purchaser of the Shares must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such shares or possesses or distributes this Preliminary Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such shares under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of us, or the Joint Lead Underwriters shall have any responsibility therefor.

The Shares have not been, and will not be, registered under the Securities Act or any United States state securities laws. Unless so registered, the Shares may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable United States state securities laws. The Shares are being offered or sold outside the United States in reliance on Regulation S. Each purchaser of the Shares in making its purchase will be required to make or will be deemed to have made certain acknowledgements, representations and agreements. For a description of these and certain further restrictions on offers, sales and transfers of our shares, see "*Plan of Distribution*" and "*Transfer Restrictions*."

Capitalised terms used in this international wrap that are not otherwise defined herein shall have the same meaning ascribed to such terms as in the Preliminary Prospectus. All references to "we", "us", "our" and "ourselves" are to our Company and where the context requires, our Company, our subsidiaries and joint ventures, taken as a whole.

## ENFORCEABILITY OF CIVIL LIABILITIES

We are a limited liability company incorporated in Indonesia. All of our commissioners, directors and executive officers reside in Indonesia. Most of our assets and substantially most of the assets of our Indonesian-citizen/resident commissioners, directors and executive officers are located in Indonesia. As a result, it may be difficult for purchasers to effect service of process upon such persons or to enforce against us or any of them any court judgments obtained in courts outside of Indonesia.

We have been advised by our Indonesian legal counsel, Makes & Partners, that judgments of courts outside Indonesia, are not recognized or directly enforceable in Indonesia, although such judgments could be admissible as evidence in a proceeding on the underlying claim in an Indonesian court with respect to the matter of law of the jurisdiction of such non-Indonesian court and may be given evidentiary weight if the Indonesian court, in its sole discretion, deems it appropriate. Accordingly, in order to obtain an order of an Indonesian court in respect of a claim, a successful party in a foreign proceeding must commence a new action in an Indonesian court and reargue the matter on its merits on the basis of Indonesian laws. Re-examination of the underlying claim *de novo* would be required before an Indonesian court. There can be no assurance that the claims or remedies available under Indonesian law will be the same, or as extensive, as those available in other jurisdictions.

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## **ADDITIONAL RISK FACTORS FOR INTERNATIONAL INVESTORS**

*Prospective international investors are urged to consider the following risk factors and the factors set forth under "Risk Factors" in Chapter VI of the Preliminary Prospectus prior to purchasing our Shares. These risks and uncertainties are not the only ones that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our financial condition or business. The occurrence of any or a combination of the following events could have a material adverse effect on our business, financial condition, results of operations and prospects and cause the market price of our Shares to fall significantly and you to lose all or part of your investment. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

### **Risks Relating to Indonesia**

Since we are incorporated, and all of our operations and assets are located, in Indonesia, we could be adversely affected by changes in Government policies, social instability, natural disasters or other political, economic, legal, social, regulatory or international developments in or affecting Indonesia which are not within our control, examples of which are described below. These could, in turn, have an adverse effect on our business, financial condition, results of operations and prospects.

#### ***Domestic, regional or global economic changes may adversely affect our business.***

The economic crisis which affected Southeast Asia, including Indonesia, from mid-1997 was characterised in Indonesia by, among other things, currency depreciation, negative economic growth, high interest rates, social unrest and extraordinary political events. These conditions had a material adverse effect on Indonesian businesses. In addition, the economic crisis resulted in the failure of many Indonesian companies to meet their debt obligations. More recently, the global financial crisis, which was triggered in part by the subprime mortgage crisis in the United States, caused failures of large U.S. financial institutions and rapidly evolved into a global credit crisis. U.S. bank failures were followed by failures of a number of European banks and declines in various stock indexes, as well as large reductions in the market value of equities and commodities worldwide, including in Indonesia. According to the IMF, the world economic downturn adversely affected the economic performance of Indonesia, slowing real GDP growth to 5.6%, 5.0% and 4.8% in 2013, 2014 and 2015, before strengthening to 4.9% in 2016. A loss of investor confidence in the financial systems of emerging or other markets may cause increased volatility in Indonesian financial markets which may, in turn, adversely affect the Indonesian economy in general. Any worldwide financial instability could also have a negative impact on the Indonesian economy, which could have an adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that the recent improvement in economic condition will continue or that adverse economic conditions will not recur. Such developments could have a material adverse effect on us and our business, financial condition, results of operations and prospects.

An economic downturn in Indonesia could also lead to additional defaults by Indonesian borrowers and could have a material adverse effect on our business, financial condition and results of operations and prospects. A loss of investor confidence in the financial systems of emerging and other markets, or other factors, including the deterioration of the global economic situation, may cause increased volatility in the Indonesian financial markets and a slowdown in economic growth or negative economic growth in Indonesia. Any such increased volatility or slowdown or negative growth could have a material adverse effect on our business, financial condition, results of operations and prospects.

#### ***Terrorist attacks and activities could cause economic and social volatility, which may materially and adversely affect our business.***

Terrorist attacks and associated military responses have resulted in substantial and continuing economic volatility and social unrest in the world. During the last several years and as recently as January 14, 2016, there have been various terrorist attacks directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners in Indonesia, which killed and injured a number of people. There can be no assurance that further terrorist acts will not occur in the future. Terrorist acts could destabilise Indonesia and increase internal divisions within the Government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence

in, and the performance of, the Indonesian economy, which could have a material adverse effect on our results of operations, financial condition and prospects.

***Labour activism and legislation could adversely affect us, our customers and Indonesian companies in general, which in turn could affect our business, financial condition and results of operations.***

Laws and regulations which facilitate the forming of labour unions, combined with weak economic conditions, have resulted, and may continue to result, in labour unrest and activism in Indonesia.

In 2000, the Indonesian Parliament enacted Law No. 21 of 2000 on Labour Unions ("**Labour Union Law**"). The Labour Union Law, which took effect on August 4, 2000, permits employees to form unions without employer intervention. In March 2003, the Indonesian Parliament enacted Law No. 13 of 2003 on Employment ("**Labour Law**"), which, among other things, increased the amount of severance, service and compensation payments payable to employees upon termination of employment. Based on the Labour Law, companies that have 50 employees or more are required to have a bilateral forum consisting of both management and employees. The Labour Law also requires a labour union with more than half of a company's employees participating as members and who may represent the employees to negotiate the collective labour agreements with the employers. The law also established more permissive procedures for staging strikes. Under the Labour Law, employers have the right to terminate their employees in the event of a change of status, change of ownership or merger or consolidation, and employees have the right to receive severance pay, tenure appreciation pay and other compensation, as calculated based on their basic salary and fixed allowances, as well as their length of employment with such employer. Following its enactment, several labour unions moved the Indonesian Constitutional Court to declare certain provisions of the Labour Law unconstitutional and ordered the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labour Law valid except for certain provisions, including those relating to the right of an employer to unilaterally terminate an employee who committed a serious violation and the imposition of criminal sanctions against an employee who instigates or participates in an illegal labour strike. As a result, we may not be able to rely on certain provisions of the Labour Law.

Labour unrest and activism in Indonesia could disrupt our, our customers' and/or our suppliers' operations and could have a material adverse effect on the financial condition of Indonesian companies in general, which in turn could adversely affect prices of Indonesian securities on the IDX and the value of the Indonesian Rupiah relative to other currencies. Such events could have a material adverse effect on our business, cash flows, results of operations, financial condition or prospects. In addition, general inflationary pressures or changes in applicable laws and regulations could increase labour costs, which could have a material adverse effect on our business, cash flows, results of operations, financial condition and prospects.

The Labour Law provides that the employer is not allowed to pay an employee wages below the minimum wage stipulated annually by the provincial or regional/city government. The minimum wage is set in accordance with the need for a decent standard of living and taking into consideration the productivity and growth of economy. However, as there are no specific provisions on how to determine the amount of a minimum wage increase, minimum wage increases can be unpredictable. Recently, the provincial government of Jakarta through the Governor of DKI Jakarta Regulation No. 227 of 2016, which became effective on 1 January 2017, stipulated that the minimum wage of Jakarta for 2017 is Rp3,355,750 per month, an increase from Rp3,100,000 previously. In addition to directly increasing wages for lower-level employees, these minimum wage increases indirectly apply upward pressure on the wages of higher-level employees over time. As a result, any significant increase in the minimum wage in Indonesia may increase our manpower costs and have a material adverse effect on our business, cash flows and financial condition.

Furthermore, the recent change in the social security program from "Jamsostek" to "BPJS" in accordance with Law No. 24 of 2011 on Social Security Administrator also increased our costs, and any further changes to social security arrangements could have an adverse effect on our business, cash flows, financial condition and prospects.



***Outbreak of an infectious disease, or fear of an outbreak, or any other serious public health concerns in Asia (including Indonesia) and elsewhere may adversely impact our business and financial conditions.***

The outbreak of an infectious disease in Asia, including Indonesia, or elsewhere, or fear of an outbreak, together with any resulting travel restrictions or quarantines could have a negative impact on the economy and business activity in Indonesia and thereby adversely impact our revenue.

An outbreak of an infectious disease, including the avian flu, SARS, H1N1, MERS, the Ebola virus, the Zika virus or another contagious disease or measures taken by the governments of affected countries, including Indonesia, against potential or actual outbreaks, could seriously interrupt our operations or those of our distributors, suppliers and customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. The perception that an outbreak of a contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia, and thereby adversely affect our business, financial condition, results of operations and prospects.

***Growing regional autonomy creates an uncertain business environment for us and may increase our costs of doing business.***

In response to a rise in demand for and assertion of autonomy in local governments in Indonesia, the Government has recently devolved some autonomy to local governments, allowing the imposition by such local governments of taxes and other charges on businesses within their jurisdiction and often requiring local participation and investment in such businesses. Increased regional autonomy may increase regulation of our business, disrupt sources of raw materials, require organisational restructuring to be undertaken and increase taxes and other costs of doing business, all of which could have material and adverse effect upon our business, prospects, financial condition, cash flows and results of operations.

***Fluctuations in the value of the Rupiah may materially and adversely affect our financial conditions and results of operations.***

One of the most important immediate causes of the economic crisis which began in Indonesia in mid-1997 was the depreciation and volatility of the value of the Rupiah as measured against other currencies, such as the U.S. dollar. Although the Rupiah has appreciated considerably from the low point of approximately Rp17,000 per one U.S. dollar in January 1998, the Rupiah continues to experience significant volatility. More recently, the Rupiah depreciated from approximately Rp9,670 per U.S. dollar as of December 31, 2012 to approximately Rp13,447 per U.S. dollar as of December 31, 2016. See "*Exchange Rates and Exchange Controls*" for further information on changes in the value of the Rupiah as measured against the U.S. dollar in recent periods. There can be no assurance that the Rupiah will not be subject to depreciation and continued volatility, that the current exchange rate policy will remain the same, or that the Government will, or will be able to, act when necessary to stabilise, maintain or increase the value of the Rupiah, and will not act to devalue the Rupiah, or that any such action, if taken, will be successful.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia and may not conduct certain transactions with non-residents). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. We cannot assure you that the Rupiah will not be subject to depreciation and continued volatility, that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur, or that the Government will take additional action to stabilise, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful. Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customers, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategy. Any of the foregoing consequences could have a material adverse effect on our business, financial conditions, results of operations and prospects.

***Downgrades of credit ratings of the Government or Indonesian companies could materially and adversely affect our business.***

Beginning in 1997, certain recognised statistical rating organisations, including Moody's, S&P and Fitch, downgraded Indonesia's sovereign rating and the credit ratings of various credit instruments of the Government and a large number of Indonesian banks and other companies. As of the date of this Offering Memorandum, Indonesia's sovereign foreign currency long-term debt was rated "Baa3" by Moody's, "BBB-" by S&P and "BBB- (Positive)" by Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

We cannot assure you that Moody's, S&P, Fitch or any other statistical rating organisation will not downgrade the sovereign rating and credit ratings of Indonesia or Indonesian companies. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. Such events could have material adverse effects on our business, financial condition, results of operations and prospects.

***Indonesian law contains provisions which may cause us to forego transactions that are in our best interests.***

In November 2009, Bapepam-LK issued Rule No. IX.E.1 on Affiliated Party Transaction and Conflict of Interest of Certain Transaction which replaced the previous rule issued in 2008 ("**Rule No. IX.E.1**"). This rule was issued to provide more legal certainty and protection to shareholders, particularly independent shareholders, in connection with affiliated party transactions or conflict of interest transactions conducted by an issuer or an Indonesian public company.

Rule No. IX.E.1 requires an issuer or the Indonesian public company to publish information to the public or to submit a report to OJK on its affiliated party transaction (as applicable) by the end of the second working day following such a transaction and further stipulates that any conflict of interest transaction conducted by Indonesian public companies would require prior independent shareholders' approval of the issuer or the said Indonesian public company, unless such affiliated party transaction or conflict of interest transaction meets certain exemptions stipulated under this rule.

Transactions between us and other persons could potentially constitute an affiliated party transaction or conflict of interest transaction under Rule No. IX.E.1. If such a transaction is considered a conflict of interest transaction, the approval of holders of a majority of shares owned by independent shareholders must be obtained prior to conducting such a transaction. OJK has the power to enforce this rule and our shareholders may also be entitled to seek enforcement or bring enforcement actions based on Rule No. IX.E.1. The approval of independent shareholders is designed to curtail abuse by controlling shareholders. However, the requirement to obtain independent shareholder approval may be burdensome to us in terms of time and expense and may cause us to forego entering into certain transactions which we may otherwise consider to be in our best interests. Moreover, we cannot assure you that approval of the independent shareholders will be obtained if sought.

***Regional authorities may impose additional and/or conflicting local restrictions, taxes and levies.***

Indonesia is a nation with diverse customs and culture. During the Soeharto administration, the central government controlled and exercised decision-making authority on almost all aspects of national and regional administration, which led to a demand for greater regional autonomy. In response, the Indonesian Parliament passed Law No. 22 of 1999 on Regional Government ("**Law No. 22/1999**") and Law No. 25 of 1999 on Fiscal Balance between the Central and the Regional Governments ("**Law No. 25/1999**"). Law No. 22/1999 has been revoked and replaced by the provisions of Regional Government Law No. 32 of 2004 ("**Law No. 32/2004**") as amended by Law No. 8 of 2005 on the First Amendment of Law No. 32/2004 and Law No. 12 of 2008 on the Second Amendment of Law No. 32/2004 which has been revoked by Law No. 23 of 2014 on Regional Government, as further amended by Government Regulation in lieu of Law No. 2 of 2014 on Amendment of Law No. 23 of 2014 and Law No. 9 of 2015 regarding Second Amendment of Law No. 23 of 2014. Law No. 25/1999 has been revoked and replaced by Law No. 33 of 2004 on the Fiscal Balance between the Central and the Regional Governments. These regional autonomy laws are expected to give the regions greater power and responsibility over the use of national

assets and to create a balanced and equitable financial relationship between central and local governments. Although there are few developments within the regional autonomy laws and regulations, uncertainty on autonomy still exists, specifically with respect to issues of certain regulatory, taxing and other powers transferred from the central government to regional governments. These uncertainties include a lack of implementing regulations on areas of regional autonomy and a lack of government personnel with relevant sector experience at some regional government levels. Moreover, limited precedent or other guidance exists on the interpretation and implementation of the regional autonomy laws and regulations.

Moreover, the various restrictions, taxes and levies put in place by one regional government may differ than those put in place by other regional governments and may even differ than those put in place by the Government. Conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities may have a material adverse effect on our business and operations.

***Indonesia may suffer from governmental or business corruption.***

We operate and conduct our business and operations in Indonesia, a country that is ranked 90 out of 176 in Transparency International's 2016 Corruption Perception Index. While we do not currently conduct any business with government-related entities, we interact with government officials in the ordinary course of business to, among other things, apply for and obtain the necessary licenses, permits and other approvals for our business and operations. Corrupt practices by government officials may have a material adverse effect on our business, results of operations or financial condition. For example, in the event that a government official requests us for a payment or promise of benefit beyond those required or permitted by law, we will not be able to comply with the request and the issuance of the license, permit or approval may be delayed, which may prevent us from conducting our business and operations, which may materially and adversely affect our business, results of operations and financial condition.

***Indonesian accounting standards differ from those in other jurisdictions.***

Our financial statements are prepared in accordance with Indonesian FAS, which differ in certain respects from IFRS. As a result, our financial statements and reported earnings could be different from those which would be reported under IFRS. Such differences may be material. This Preliminary Offering Circular does not contain a reconciliation of our financial statements to IFRS. Had our financial statements and other financial information been prepared in accordance with IFRS, the results of operations and financial position may have been materially different. Because differences exist between Indonesian FAS and IFRS, the financial information in respect of us contained in the Preliminary Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS. See “*Summary of Certain Differences Between Indonesian FAS and IFRS.*” In making an investment decision, investors must rely upon their own examination of us, the terms of the Offering and the financial information contained in this Preliminary Offering Circular. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and IFRS, and how such differences might affect the financial information contained herein.

**Additional Risks Relating to us and our Shares**

***You may be required to complete your acquisition of the Shares if the Offering is required to proceed and complete despite the occurrence of a material adverse change in international or national monetary, financial, political or economic conditions or other force majeure events or any material adverse change in matters including our business or financial condition.***

Indonesian regulations permit the cancellation of the Offering only in limited circumstances. See “*Plan of Distribution*” for a discussion of these circumstances. If a material adverse change in the international or national monetary, financial, political or economic conditions or other force majeure events were to occur, or any material adverse change in matters including our business or financial condition were to arise after we have obtained the OJK effective statement and prior to the completion of the Offering and the listing of our common shares, the Company may request permission from OJK to cancel the Offering. However, there can be no assurance that the Company will request such a cancellation or that OJK will grant the cancellation, and OJK may require the Offering to proceed and be completed pursuant to Indonesian regulations. In this situation, investors who have been allocated Offer Shares may be required to complete their acquisition of the Offer Share even if such events may limit their ability to sell the shares after the

Offering or cause the trading price of the shares after the Offering to be at prices significantly below the Offer Price.

***Judgments of a foreign court may not be enforceable against us.***

We are a limited liability company incorporated under the laws of Indonesia. All of our commissioners, directors and executive officers reside in Indonesia. All of our assets and most of the assets of our commissioners, directors and executive officers are located in Indonesia.

It may not be possible for investors to effect service of process outside Indonesia upon us or such persons to enforce against us or such persons outside Indonesia. In addition, judgments obtained in non-Indonesian courts are not enforceable in Indonesian courts. As a result, holders of our shares may be required to pursue claims against us in Indonesia under Indonesian law. Re-examination of the issue of *de novo* would be required before an Indonesian court in order to enforce a foreign judgment in Indonesia.

The claims and remedies available under Indonesian law may not be as extensive as those available in other jurisdictions. There can be no assurance that the Indonesian courts would protect the interests of investors in the same manner or to the same extent as would courts in more developed countries outside Indonesia.

Indonesia's legal system is a civil law system based on written statutes, in which judicial and administrative decisions do not constitute binding precedent and are not systematically published. The application of Indonesian law depends, in large part, upon subjective criteria such as the parties' good faith and public policy. Indonesian judges operate in an inquisitorial legal system and have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. The administration of laws and regulations by courts and Government agencies may be subject to considerable discretion and uncertainty. In addition, because relatively few disputes relating to commercial matters and modern financial transactions and instruments are brought before Indonesia's courts, such courts do not necessarily have the expertise and experience in dealing with such matters, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. There is no certainty as to how long it will take for proceedings in Indonesian courts to be concluded, and the outcome of proceedings in Indonesian courts may be more uncertain than that of similar proceedings in other jurisdictions. Accordingly, it may not be possible for purchasers to obtain swift and equitable enforcement of their legal rights.

***You may be subject to limitations on minority shareholders rights.***

The obligations under Indonesian law of the majority shareholders, commissioners and directors with respect to minority shareholders may be more limited than those in other countries. Consequently, minority shareholders may not be able to protect their interests under current Indonesian law to the same extent as in other countries. Principles of corporate law relating to such matters as the validity of corporate procedures, the fiduciary duties of our management, commissioners, directors and controlling shareholders, and the rights of our minority shareholders are governed by Indonesian Company Law No. 40 of 2007 (the "**Company Law**") and its accompanying regulations, the regulations of OJK, the rules of the IDX and our Articles of Association. Such principles of law differ from those that would apply if we were incorporated in a jurisdiction other than Indonesia. In particular, concepts relating to the fiduciary duties of management are untested in Indonesian courts. Derivative actions brought in connection with the activities of directors and commissioners have almost never been brought on behalf of companies or been tested in Indonesian courts, and minority shareholders' rights have only been defined since 1995 and are unproven in practice. Even if the conduct were actionable under Indonesian law, the absence of judicial precedents could make prosecution of such civil proceedings considerably more difficult. Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

***Corporate governance standards in Indonesia may differ from those in certain other countries.***

Corporate governance standards in Indonesia differ from those applicable in other jurisdictions in significant ways including the independence of the board of directors, the board of commissioners and the audit committee, and internal and external reporting standards. Corporate governance standards and

practices may not be as strict, particularly with regard to the independence of boards of directors, the board of commissioners and audit and other committees. Because of this, the directors of Indonesian companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of shareholders.

***There may be less company information available on Indonesian securities markets than on securities markets in developed countries.***

There is a difference between the level of regulation and monitoring of the Indonesian securities markets and the activities of investors, brokers and other participants and that of certain developed economies. OJK and the stock exchanges are responsible for improving disclosure and other regulatory standards for the Indonesian securities markets. OJK has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may still, however, be less publicly available information about Indonesian companies than is regularly made available by public companies in developed countries.

In addition, corporate governance standards and practices may not be as strict, including with regard to the independence of boards of directors and audit and other committees. Because of this, the directors of Indonesian companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of shareholders.

***Your rights to participate in any future rights offerings by us could be limited, which would cause dilution to your shareholding.***

Under OJK Regulation No. 32/POJK.04/2015 on Capital Increases in Public Company with Pre-emptive Rights, a publicly listed company must offer the holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentage prior to the issuance of any new shares.

To the extent that we offer our shareholders pre-emptive rights to purchase or subscribe for new shares or otherwise distribute shares to our holders, you may be unable to exercise such rights or we may be unable to extend to holders such rights for the shares unless securities laws in your jurisdiction are complied with. For instance, holders from certain jurisdictions may be unable to exercise such rights or we may be unable to extend to holder such rights for the shares unless a registration statement under the relevant securities laws of such jurisdictions is effective with respect to the new shares or an exemption from registration under such laws is available.

Whenever we make a rights or similar offering of shares, we will evaluate the costs and potential liabilities associated with, and our ability and financial viability to comply with, non-Indonesian regulations, as well as any other factors we consider appropriate. However, we may choose not to comply with the securities laws in some jurisdictions and if we do so, and no exemption from registration or filing requirements are available, then holders of the Shares in such jurisdictions would be unable to participate in rights or similar offerings and would suffer dilution of their shareholdings. Consequently, we cannot assure you that you will be able to maintain your proportional equity interests in us. Because rights issues in Indonesia generally enable participants to purchase shares at a large discount to the recent trading price, the inability to participate could cause holders of the Offer Shares material economic harm.

***Indonesian law may operate differently from the laws of other jurisdictions with regards to the convening of, and the right of shareholders to attend and vote at general meetings of shareholders.***

We are subject to Indonesian law and the continuing listing requirements of the IDX. In particular, the convening and conduct of general meetings of our shareholders will continue to be governed by Indonesian law.

The procedure and notice periods in relation to the convening of general meetings of our shareholders, as well as the ability of our shareholders to attend and vote at such general meetings, may be different from those of jurisdictions outside Indonesia. For instance, our shareholders who would be entitled to attend and vote at general meetings of shareholders are, by operation of Indonesian law, those shareholders appearing in our register of shareholders on the market day immediately preceding the day, or record date, on which the notice of general meeting is issued, regardless of whether such shareholders may have disposed of their shares following the record date and prior to the general meeting of the shareholders. In

addition, investors who may have acquired their Shares after the record date (and before the day of the general meeting) would not be entitled to attend and vote at the general meeting. Accordingly, potential investors should note that they may be subject to procedures and rights with regards to general meetings of our shareholders that are different from those to which they may be accustomed in other jurisdictions.

## EXCHANGE RATES AND FOREIGN EXCHANGE REGULATIONS

### Exchange Rates

The table below shows the exchange rate of Rupiah to U.S. dollars based on the closing rates of the last trading day of the year or month, the average of the daily closing rate for the period and the high and low daily closing rate for the year or month. None of us, or the Joint Lead Underwriters makes any representations that the Rupiah or U.S. dollar amounts referred to in this Preliminary Offering Circular could have been or could be converted into U.S. dollars or Rupiah, as the case may be, at the rate indicated or any other rate or at all.

	<u>Period End</u>	<u>Period Average<sup>(1)</sup></u>	<u>High<sup>(2)</sup></u>	<u>Low<sup>(2)</sup></u>
	<b>Rp per US\$</b>			
2014.....	12,385	11,875	12,698	11,288
2015.....	13,788	13,394	14,698	12,473
2016.....	13,473	13,305	13,960	12,948
2017				
January.....	13,352	13,361	13,480	13,290
February.....	13,336	13,338	13,373	13,297
March.....	13,326	13,345	13,387	13,310
April.....	13,329	13,304	13,336	13,256
May.....	13,323	13,321	13,358	13,295
June.....	13,328	13,298	13,328	13,283
July.....	13,325	13,298	13,328	13,283
August.....	13,351	13,342	13,374	13,318
September.....	13,492	13,303	13,492	13,154
October (through to 30 October).....	13,580	13,524	13,630	13,483

Source: Bloomberg, Bank of Indonesia

(1) The average exchange rate shown for the periods indicated are based on the average of the daily closing rate.

(2) The high and low amounts for each year and month are based on the daily closing rate for the periods indicated.

### Exchange Controls

Indonesia has limited foreign exchange controls. The Indonesian Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilisation of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah from (i) banks within Indonesia to banks domiciled outside of Indonesia or to offshore branches of Indonesian banks, or (ii) any Rupiah-denominated investment with foreign parties or Indonesian parties domiciled or permanently residing outside of Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all persons and legal entities that are domiciled, or plan to domicile, in Indonesia for at least one year. Bank Indonesia regulations also require resident banks and companies that have total assets or total annual gross revenues of at least Rp100 billion to report to Bank Indonesia all data concerning their foreign currency activities involving transactions not conducted via a domestic bank or domestic non-bank financial institution (for example, insurance companies, securities companies, finance companies, or venture capital companies). However, if such transactions are conducted via a domestic bank or a domestic non-bank financial institution, the requirement to report to Bank Indonesia is imposed on the relevant Indonesian bank or non-bank financial institution that carried out the transaction. The transactions that must be reported include receipt and payment of foreign currency through bank accounts outside of Indonesia.

### Foreign Exchange Transactions

Pursuant to Bank Indonesia Regulation No. 16/22/PBI/2014 on Reporting of Foreign Exchange Activities and Reporting of the Implementation of Prudential Principles in the Management of Non-Bank Corporation Offshore Borrowings ("**PBI 16/22/2014**"), all Indonesian residents who are engaged in foreign exchange traffic activities, whether individuals or legal entities, must report to Bank Indonesia: (i) trade activities in goods, services and other transactions between residents and non-residents of Indonesia, (ii) the position and changes in the balance of offshore financial assets and/or offshore financial liabilities

and/or (iii) any offshore borrowing plan and/or its realisation. Bank Indonesia requires reports to be submitted monthly through an online system by the 15th day of the following month, at the latest. In the event that a correction is required, the correction must be submitted through the online system no later than the 20th day of the reporting month. For offshore borrowings, the report must be submitted at the beginning of each year, no later than 15 March, and any amendment thereto by no later than 1 July.

In addition to reporting on foreign exchange activities, for the purpose of implementing prudential principles in relation to offshore borrowings as required by Bank Indonesia Regulation No. 16/21/PBI/2014 dated December 29, 2014 on the Implementation of Prudential Principles in the Management of Non Bank Corporation Offshore Borrowings as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated April 22, 2016 ("**PBI 16/21/2014**"), which is implemented by the Circular Letter of Bank Indonesia No. 17/3/DStA dated March 6, 2015 on the Reporting of Implementation of Prudential Principles in the Management of Non-Bank Corporation Offshore Borrowings as amended by Circular Letter of Bank Indonesia No. 17/24/DStA dated October 12, 2015, Indonesian non-bank corporations are required to provide the following documents:

1. the prudential principle implementation activity report ("**KPPK Report**"), to be submitted on a quarterly basis, no later than the end of the third month after the end of the relevant quarter;
2. the KPPK Report, attested by a public accountant, to be submitted no later than the end of June after the end of the current financial year;
3. information on the fulfilment of credit ratings, to be submitted by the end of the month following the execution or the issuance of the offshore borrowings; and
4. the financial statements of the company, consisting of (i) unaudited financial statements, which must be submitted quarterly and no later than the end of the third month, and (ii) annual audited financial statements which must be submitted by no later than the end of June in the following year.

Bank Indonesia examines the accuracy of the foreign exchange traffic reports and the prudential principles implementation activity reports and may impose administrative sanctions, such as written warnings. It may also report violations to other authorities due to any delay or failure regarding the submission of such reports.

Submissions of and corrections to the prudential principles implementation activity report must be made online.

#### **Indonesian Law on Currency and Obligation to Use Rupiah in Indonesian Territory**

On 28 June 2011, the Indonesian House of Representatives passed Law No. 7 of 2011 on the use of Rupiah (the "**Currency Law**") and, on March 31, 2015, Bank Indonesia issued Bank Indonesia Regulation No. 17/3/PBI/2015 on the Obligation to Use Rupiah in the Territory of Indonesia ("**PBI 17/3/2015**") which was implemented by Circular Letter of Bank Indonesia No. 17/11/DKSP on June 1, 2015 ("**SEBI 17/11/2015**"). Under the Currency Law and PBI 17/3/2015, each party is required to use Rupiah for cash and non-cash transactions conducted within Indonesia, including for (i) each transaction with the purpose of payment, (ii) settlement of other obligations which must be satisfied with money and/or (iii) other financial transactions (including deposits of Rupiah in various amounts and types from customers to banks).

Subject to further requirements under PBI 17/3/2015, the obligation to use Rupiah does not apply to:

1. certain transactions relating to the implementation of state revenue and expenditure;
2. the receipt of provision of grants whether from or to an overseas source;
3. international trade transactions, including (a) export or import of goods to or from outside Indonesia, (b) activities relating to cross border trade in services and (c) bank deposits denominated in foreign currencies;
4. international financing transactions; and



5. transactions in a currency other than Rupiah conducted in accordance with applicable laws, including, among others (a) a bank's business activities in a currency other than Rupiah conducted based on applicable laws regarding conventional and Shari'a banks, (b) securities in a currency other than Rupiah issued by the Government in a primary or secondary market based on the applicable laws and (c) other transactions in a currency other than Rupiah based on applicable laws, including the law on Bank Indonesia, the law on investment and the law on Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank).

The Currency Law and PBI 17/3/2015 also prohibit any party from rejecting Rupiah that is used as a means of payment to settle obligations with respect to other financial transactions within Indonesia, unless there is uncertainty regarding the authenticity of the Rupiah that is received in respect to cash transactions, or the parties to the transactions have agreed in writing to the payment or settlement obligations in a foreign currency. Article 10 of PBI 17/3/2015 further provides that the exemption based on such written agreement between the parties is only applicable to an agreement made with respect to one of the exempted transactions described above or transactions related to a strategic infrastructure project.

PBI 17/3/2015 took effect from March 31, 2015 and the requirement to use Rupiah for non-cash transactions was effective from July 1, 2015. Written agreements signed prior to July 1, 2015 that contain provisions for the payment or settlement of obligations in a currency other than Rupiah for non-cash transactions will remain effective until the expiration of such agreements. However, any extension or amendment of such agreements must comply with PBI and prohibitions from undertaking payment activities.

According to SEBI 17/11/2015, a business operator in Indonesia must quote the price of goods and/or services in Rupiah and is prohibited from conducting dual quotations where the price of goods and/or services is listed both in Rupiah and a foreign currency, anywhere including on electronic media. The restriction applies to, among other things, (i) price tags, (ii) service fees, such as agent fees in the sale and purchase of property, tourism services fee or consultancy services fee, (iii) leasing fees, such as apartment leases, housing leases, office leases, building leases, land leases, warehouse leases or vehicle leases, (iv) tariffs, such as loading/unloading tariff for cargo at the seaport or airplane ticket tariff, (v) price lists, such as a restaurant menu price list, (vi) contracts, such as clauses for pricing or fees, (vii) documents of offer, order, invoice, such as the price clause in an invoice, purchase order or delivery order, and/or (viii) payment evidence, such as the price listed on a receipt.

SEBI 17/11/2015 also stipulates that conditional exemptions may apply to certain infrastructure projects, among other things (i) transportation infrastructure, including airport services, seaport procurement and/or services, railway infrastructure and facilities, (ii) road infrastructure, including toll roads and toll bridges, (iii) watering infrastructure, including standard water bearer channel, (iv) drinking water infrastructure, including standard water bearer building, transmission channels, distribution channels, drinking water treatment installation, (v) sanitation infrastructure, including waste water treatment installation, collector channel and main channel, and waste facility which includes transporter and waste storage, (vi) informatics and technology infrastructure, including telecommunication network and e-government infrastructure, (vii) electricity infrastructure, including power plant, which includes power development sourcing from geothermal, transmission or distribution of electricity, and (viii) oil and gas infrastructure, including transmission and/or distribution of natural oil and gas. These exemptions apply if (a) the projects have been declared by the central or regional government as a strategic infrastructure project, as evidenced by a formal confirmation letter from the relevant ministry/institution with regards to the project owner; and (b) an exemption approval has been obtained from Bank Indonesia.

Failure to comply with the obligation to use Rupiah in cash transactions will result in criminal sanctions against the offender which is punishable by up to one year of imprisonment and a fine of up to 200 million Rupiah, and any non-compliance for non-cash transactions will be subject to administrative sanctions in the form of (i) written warning, (ii) a fine up to Rp 1 billion and/or a restriction on undertaking further payment activities. Non-compliance with the Currency Law is punishable by up to one year of imprisonment and a fine of up to Rp 200 million. Bank Indonesia may also recommend the relevant authorities and institutions to conduct certain action such as revoking the business license or stopping the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

## **Purchasing Foreign Currencies Against Rupiah Through Banks**

On 5 September 2016, Bank Indonesia issued Bank Indonesia Regulation No. 18/18/PBI/2016 on the Foreign Exchange Transactions Against Rupiah Between Banks and Domestic Parties ("**PBI 18/18/2016**") as implemented by the Circular Letter of Bank Indonesia No. 18/34/DPPK dated December 13, 2016. Under PBI 18/18/2016, the conversion of Rupiah to one or more foreign currencies or the purchase of a currency other than Rupiah in an amount exceeding certain thresholds by an Indonesian company must be based on an underlying transaction, which is defined as an underlying activity on which the purchase of currencies other than Rupiah are made. The amount of currencies other than Rupiah that will be purchased may not exceed the nominal value of the underlying transaction. For the following purchase of foreign currency, there must be an underlying transaction:

1. the purchase of foreign currency in the form of a spot transaction is in amount exceeding US\$25,000 per month (or its equivalent);
2. the purchase of foreign currency in the form of derivative transaction is in the amount exceeding US\$100,000 per month (or its equivalent);
3. the sale and purchase of foreign currencies against Rupiah through option transactions exceed US\$1 million (or its equivalent); or
4. the sale and purchase of foreign currencies against Rupiah through forward transactions exceed US\$5 million (or its equivalent),

per transaction per domestic customer.

The following transactions are deemed as underlying transactions under PBI 18/18/2016: (i) domestic and international trade of goods and services or (ii) investments such as direct investments, portfolio investments, loans, capital and other investments inside and outside Indonesia. Underlying transactions do not include (i) the placement of funds in banks in the form of, among others, saving accounts, demand deposit accounts, time deposits and negotiable certificate deposits or (ii) money transfer activities by remittance companies or (iii) the use of Bank Indonesia commercial paper in foreign currency.

Indonesian parties (i) utilizing foreign currency structured products against the Rupiah in the form of a call spread option and (ii) purchasing foreign currencies from banks by way of (a) spot transactions; and (b) standard derivative (plain vanilla) transactions in excess of US\$25,000 and US\$100,000, respectively, will be required to submit certain supporting documents to the selling bank including, among other things, the relevant underlying transaction document and a duly stamped statement confirming that the underlying agreement is valid and that the currency being purchased will only be used for settlement of the payment obligations under the underlying agreement. For purchases of foreign currency not exceeding the abovementioned thresholds, such company must declare in a duly stamped letter that its aggregate foreign currency purchases do not exceed the stipulated thresholds per month in the Indonesian banking system.

On September 5, 2016, Bank Indonesia issued Bank Indonesia Regulation No. 18/19/PBI/2016 on Foreign Exchange Transactions Against Rupiah Between Banks and Foreign Parties, which came into effect on 7 September 2016 ("**PBI 18/19/2016**") as implemented by Circular Letter of Bank Indonesia No. 18/35/DPPK. While PBI 18/18/2016 and PBI 18/19/2016 collectively govern foreign exchange transactions against Rupiah in Indonesia, PBI 18/18/2016 governs Indonesian bank customers and PBI 18/19/2016 governs foreign exchange transactions by banks and foreign parties.

Similar to PBI 18/18/2016, PBI 18/19/2016 also requires an underlying transaction for a foreign exchange transaction against Rupiah if it exceeds specified thresholds. These thresholds are: (i) a purchase of foreign exchange against Rupiah of more than US\$25,000 per month per customer for spot transactions, or its equivalent; (ii) the purchase of foreign exchange against Rupiah of more than US\$1 million per month per customer for derivative transactions, or its equivalent; and (iii) the sale of foreign exchange against Rupiah of more than US\$5 million per transaction per foreign party for forward transactions, or its equivalent, and (iv) the sale of foreign exchange against Rupiah of more than US\$1 million per transaction per foreign party for option transactions.

The following transactions are deemed as underlying transactions under PBI 18/19/2016: (i) domestic and international trade of goods and services; or (ii) investment in the forms of foreign direct investment, portfolio investments, loans, capital and other investments inside and outside Indonesia.

On May 14, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/10/PBI/2014 on Receiving and Withdrawing Foreign Currencies from Export Activities and Foreign Loans as amended by Bank Indonesia Regulation No. 17/23/PBI/2015 dated December 23, 2015 ("**PBI 16/10/2014**") implemented by Circular Letter of Bank Indonesia No. 18/5/DSta dated April 6, 2016 on Drawdown of Offshore Borrowing, which revoked and replaced Bank Indonesia Regulation No. 13/22/PBI/2011 and Bank Indonesia Regulation No. 14/25/PBI/2012. Based on PBI 16/10/2014, any borrowings of offshore loans (in a currency other than Rupiah) that originate from (i) non-revolving loan agreements, (ii) a difference between the new loan and the refinanced loan, or (iii) debt securities (e.g. bonds, medium-term notes, floating rate notes, promissory notes and commercial papers) must be withdrawn through foreign exchange banks (including offshore bank branches in Indonesia) and must be reported to Bank Indonesia. The aggregate amount of the offshore loan withdrawals should be equal to the local commitments provided under such loans. In the event that there is any difference in excess of Rp50 million (or its equivalent in foreign currencies) between the offshore loan withdrawals and the local commitments, the borrower must submit an explanation to Bank Indonesia, in writing or by email. Withdrawals of the above foreign loans must be reported to Bank Indonesia on the 15th day of the following month after the withdrawal date. These reports must include supporting documents detailing the respective portions of the foreign loans that were withdrawn from the foreign exchange bank. Administrative sanctions are imposed on companies that fail to comply with such reporting obligations.

## PLAN OF DISTRIBUTION

### The Offering

We are offering up to 738,806,000 Shares. The Shares are being offered outside the United States in reliance on Regulation S under the Securities Act, including in the Republic of Indonesia through an initial public offering on the Indonesia Stock Exchange. As discussed below under "— *Allotment of Shares*," the Shares may be reallocated between the International Offering and the Indonesian Offering in the event of an under-subscription in one and an over-subscription in the other. The completion of the International Offering is conditional upon the completion of the Indonesian Offering.

PT Bahana Sekuritas, PT BCA Sekuritas and PT CIMB Sekuritas Indonesia are the Joint Lead Underwriters in the Offering.

The Joint Lead Underwriters and/or any of their affiliates may subscribe for Shares in the Offering for their own account.

In connection with the Offering, we have entered into an agreement with the Underwriters dated September 19, 2017, as amended or supplemented on October 11, 2017 and to be further amended on or about November 20, 2017 (the "**Underwriting Agreement**"), which sets out the terms and conditions upon which the Joint Lead Underwriters will offer the Shares on our behalf at the Offer Price.

Pursuant to the Underwriting Agreement, we have agreed to indemnify the Underwriters against certain liabilities in connection with the offer and the sale of the Shares.

No offer of Shares is being made to citizens of Indonesia (wherever located) or to residents of Indonesia pursuant to this Preliminary Offering Circular. The issue of Shares to Indonesian citizens (wherever located) and/or residents of Indonesia will be made pursuant to a prospectus filed with the OJK.

### Underwriting Commitments

The table below sets out the respective underwriting commitments of the Joint Lead Underwriters and the Underwriters (if any) pursuant to the Offering.

	Underwriting Commitment	
	Number of Shares	Approx. (%)
PT Bahana Sekuritas.....	[•]	[•]
PT BCA Sekuritas .....	[•]	[•]
PT CIMB Sekuritas Indonesia.....	[•]	[•]
[•] .....	[•]	[•]
<b>Total</b> .....	<b>[•]</b>	<b>100.0</b>

### Fees and Expenses

As compensation for services performed in connection with the Offering, we have agreed to pay to the Joint Lead Underwriters underwriting fees and commissions in an aggregate amount equal to [•]% of the Offer Price per Share sold in the Offering. Investors in the Offering will be required to pay a brokerage fee of [•]% per Offer Share and may be required to pay stamp taxes and other similar charges in accordance with applicable regulations. We will reimburse the Joint Lead Underwriters for certain costs, fees and expenses incurred in connection with or incidental to the Offering.

### Important Dates

The following events have taken place, or are expected to take place, on or about the following dates in connection with the Offering (subject to change, in particular depending on the timing of the declaration by the OJK on the effectiveness of the registration statement):

Event	Date
Effective date of the OJK registration statement.....	November 28, 2017

Announcement of Final Abridged Prospectus .....	November 29, 2017
Commencement of offer period in Indonesian Offering .....	November 30, 2017
End of offer period in Indonesian Offering .....	December 5, 2017
Allotment of Shares to successful applicants .....	December 7, 2017
Payment due by investors in the International Offering .....	December 8, 2017
Delivery of Shares .....	December 8, 2017
Settlement Date .....	December 8, 2017
Listing of Shares on the IDX.....	December 11, 2017

## Registration with the OJK

We submitted a registration statement to the OJK on July 28, 2017 in accordance with Bapepam-LK Regulation No. IX.A.1 as attached to the Decision of the Chairwoman of Bapepam-LK No. KEP-690/BL/2011 dated December 30, 2011, Bapepam-LK Regulation No. IX.A.2 as attached to the Decision of the Chairman of Bapepam-LK No. KEP-122/BL/2009 dated May 29, 2009 and OJK Regulation No. 7/POJK.04/2017 on the Registration Statement in relation to the Public Offering of Securities, Equity and/or Bonds. We received a letter from the OJK on October 25, 2017, permitting us to announce the Abridged Prospectus and conduct a public exposé, pursuant to which we will be permitted to proceed with the public exposé in the context of the Indonesian Initial Public Offering and, subject to the issuance of effective statement from OJK and listing approval by the IDX, the listing of the Shares.

## Offering Period for the Indonesian Offering

The offering period for the Indonesian Offering will begin on or about November 30, 2017 and end on or about December 5, 2017 (the "**Offering Period**").

The Joint Lead Underwriters may offer their customers preferential allocations through a fixed allotment of Shares (as described under "*Allotment of Shares*" below). We expect the Joint Lead Underwriters to make payment of the net proceeds of the Offering to us on or about December 8, 2017 and the listing of the Shares on the IDX to occur on or about December 11, 2017.

## Application for Shares under the International Offering

Each non-Indonesian citizen and non-Indonesian resident must properly complete and submit a share subscription application form in order to be eligible to purchase Shares in the International Offering. The Joint Lead Underwriters will be responsible for ensuring the preparation of share subscription forms on behalf of foreign investors purchasing Shares through them in the International Offering. Share subscription applications and allocations in connection with the Indonesian Offering are regulated by OJK regulations.

Share applications must be for a minimum amount of 100 shares and multiples thereof. Each investor may only submit one share application form. The Joint Lead Underwriters are entitled to accept or refuse a share application in full or in part in accordance with Bapepam-LK Regulation No. IX.A.7 as attached to the Decision of the Chairwoman of Bapepam-LK No. KEP-691/BL/2011 dated December 30, 2011 concerning Subscription and Allotment of Stocks in Public Offering. Multiple share applications submitted using more than one share application form may either be treated as a single application for allotment purposes or treated, in full or in part, as invalid applications at the sole discretion of the Joint Lead Underwriters. If there is an over-subscription in the Offering, and if there are multiple share applications submitted by one subscriber using more than one share application form, the Joint Lead Underwriters, for the purpose of allotment, are only entitled to accept the first order which has been submitted by the relevant subscriber.

Full payment by non-Indonesian citizens and non-Indonesian residents for the number of Shares allocated to them is expected to be made on or about December 8, 2017. Information as to wire transfer instructions will be made available by the Joint Lead Underwriters to eligible investors upon request. All bank and transfer charges with respect to these payments will be borne by the investors.

## **Allotment of Shares**

### ***Fixed Allotment and Pooling***

For more information on Share allotment, see "*Equity Securities Subscription Procedures—Share Allotment*" beginning on page 208 of the Preliminary Prospectus.

### ***Allotment to Affiliated Parties***

"**Affiliated Applicants**" include our Commissioners, Directors, our principal shareholder (*pemegang saham utama*), or employees seeking to purchase Shares, or other parties holding at least 20% of the share capital in the Underwriters or any other party affiliated with the aforementioned persons involved in the Offering. Affiliated Applicants will only be allotted Shares if there are excess Shares. Once the applications of non-Affiliated Applicants are satisfied, Affiliated Applicants may be allocated the remaining Shares on a *pro rata* basis.

### ***Allotment to Foreign Institutions and Individuals***

There is generally no limit on the purchase of Shares by foreign institutions or individuals. Allocation to foreign institutions and individuals will be on the same basis as to domestic institutions and individuals.

## **Delivery of Shares**

We expect that delivery of the Shares will be made on or about December 7, 2017, which will be the business day immediately following the expected date of the final allotment of the Shares in the Offering. The Shares may not be traded by the purchasers thereof prior to the listing of the Shares on the IDX.

## **Postponement or Cancellation of the Offering**

For more information, see "*Equity Securities Subscription Procedures—Postponement of the Initial Public Offering or Cancellation of the Initial Public Offering*" beginning on page 209 of the Preliminary Prospectus.

## **Registration of the Shares in KSEI**

For more information, please refer to "*Equity Securities Subscription Procedures—Securities Registration in Collective Depository*" on page 206 of the Preliminary Prospectus.

## **No Public Trading Market for Our Shares**

Before this Offering, there has been no public market for our Shares. The Offer Price was determined through negotiations among us, and the Joint Lead Underwriters. In addition to prevailing market conditions, the factors considered in determining the Offer Price were:

- the valuation multiples of publicly traded companies that the Joint Lead Underwriters believe to be comparable to us;
- our financial information;
- the history of, and the prospects for, us and the industry in which we operate;
- an assessment of our management, past and present operations, and the prospects for, and the timing of, our future revenues;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for our Shares may not develop. It is also possible that after the Offering, the Shares will not trade in the public market at or above the Offer Price.

## **Other Relationships**

The Joint Lead Underwriters and certain of their respective affiliates have engaged in, and may in the future engage in, investment banking or financial consulting activities and other commercial dealings in the ordinary course of business with us. The Joint Lead Underwriters and/or any of their affiliates may subscribe for Shares in the Offering for their own account.

## **Distribution and Selling Restrictions**

### ***General***

No action has been taken or will be taken that would permit a public offering of the Shares to occur in any jurisdiction other than Indonesia, or the possession, circulation or distribution of this Preliminary Offering Circular or any other material relating to us or the Shares in any jurisdiction where action for such purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Offering Circular or any offering materials or advertisements in connection with the Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Indonesian Offering will be made in compliance with the applicable rules of OJK.

### ***Malaysia***

The offering of the Shares has not been and will not be approved or recognised by the Securities Commission Malaysia (the "SC"), and this document has not been and will not be registered as a prospectus with the SC under the Malaysian Capital Markets and Services Act of 2007 ("CMSA").

Accordingly, no Shares or offer for subscription or purchase of Shares or invitation to subscribe for or purchase Shares is being made to any person in or from within Malaysia under this document except to persons falling within paragraph 10 of Schedule 5 of the CMSA and distributed only by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities.

The distribution in Malaysia of this document is subject to Malaysian laws. No action has been taken in Malaysia under its securities laws in respect of this document. This document does not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the approval of the SC, the recognition of the Shares by the SC or the registration of a prospectus with the SC under the CMSA.

### ***Hong Kong***

This Preliminary Offering Circular has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in Hong Kong. Accordingly: (i) the Shares may not be offered or sold in Hong Kong by means of any document other than to persons who are "professional investors" within the meaning of the Shares and Futures Ordinance (Cap. 571) of Hong Kong and the Shares and Futures (Professional Investor) Rules made thereunder or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and (ii) no person may issue, or have in his possession for the purposes of issue, any invitation, advertisement or other document relating to the Shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules made thereunder.

### ***Singapore***

This Preliminary Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore

other than (i) to an institutional investor (as defined in Section 4A of the Shares and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

#### ***United States***

The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Shares are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance, with Regulation S under the U.S. Securities Act.



## TRANSFER RESTRICTIONS

*As a result of the following restrictions, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby. The Shares have not been and will not be registered under the Securities Act and may not be sold, except to persons outside the United States in offshore transactions in reliance on Regulation S. Terms used in this section that are defined in Regulation S under the Securities Act are used herein as defined therein.*

The Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph that are defined in Regulation S are used herein as so defined.

### Regulation S Restrictions

Each purchaser of the Shares offered outside the United States pursuant to Regulation S under the Securities Act will be deemed to have represented, agreed and acknowledged that:

- (1) it is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations;
- (2) it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Shares have not been and will not be registered under the Securities Act;
- (3) it certifies that either (A) it is, or at the time the Shares are purchased will be, the beneficial owner of the Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Shares are purchased will be, the beneficial owner of the Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S);
- (4) it agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that, it (or such customer) will not offer, sell, pledge or otherwise transfer such Shares except (A) (i) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (ii) pursuant to any other available exemption from registration under the Securities Act or (iii) pursuant to an effective registration statement under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction; and
- (5) we, the Joint Lead Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreement.

### General

Each purchaser of the Shares will be deemed to have represented and agreed that it is relying on this Preliminary Offering Circular and not on any other information or representation concerning us or the Shares and neither we nor any other person responsible for this Preliminary Offering Circular or any part of it, nor the Joint Lead Underwriters, will have any liability for any other information or representation.

## INDONESIAN CAPITAL MARKETS

*The following information has been derived from publicly available information and has not been independently verified by us, the Joint Lead Underwriters or any of our or their respective advisers and should not be unduly relied on.*

### Background and Development

In 1976, the Government established the Capital Market Executive Agency (*Badan Pelaksana Pasar Modal*), the Capital Market Development Agency (*Badan Pembina Pasar Modal*) and a national investment fund company, PT Danareksa (Persero), to reactivate and promote the development of a securities market in Indonesia. In 1990, the Capital Market Executive Agency and the Capital Market Development Agency became the Capital Market Supervisory Board (*Badan Pengawas Pasar Modal*, or "**BAPEPAM**"). The first share issue listed on the Jakarta Stock Exchange (the "**JSX**") took place in August 1977. Up until the end of 1988, the shares of only 24 companies were listed on the JSX and the volume of shares traded was relatively low.

On 13 July 1992, the operation of the JSX was transferred from BAPEPAM to PT Bursa Efek Jakarta, with the principal goal of ensuring the orderly and fair operation of the securities exchanges. Over the last eighteen years, a number of reform measures affecting the Indonesian Capital Markets have been announced. This led to, among others, the privatisation of the JSX, or PT Bursa Efek Jakarta, and its establishment as a limited liability company consisting of 221 securities trading companies as initial shareholders.

The various reforms over the past few years have sought to strengthen the operational and supervisory framework of the Indonesian securities market and to improve the Indonesian securities market's trading environment. The measures also established an over-the-counter market (the "**Bursa Paralel**") and private stock exchanges outside Jakarta, the first of which was the Surabaya Stock Exchange (the "**SSX**"), which was established in Surabaya. The Bursa Paralel was later merged with the SSX in 1995.

The JSX and the SSX were effectively merged on 30 November 2007, with the JSX as the surviving entity. As a result of the merger, the JSX is now operating under a new name, PT Bursa Efek Indonesia or **IDX**.

In December 2005, BAPEPAM merged with the Financial Institution Supervisory Agency (*Badan Pengawas Lembaga Keuangan*) under the Department of Finance, and changed its name to the Capital Markets and Financial Institution Supervisory Board (*Badan Pengawas Pasar Modal dan Lembaga Keuangan*), referred to herein as **BAPEPAM-LK**.

On 22 November 2011, the Government enacted Law No. 21 of 2011 concerning OJK to take over certain functions, tasks and authorities relating to the supervision and regulation of financial service activities in the banking sector from Bank Indonesia effective 31 December 2013, as well as the supervision and regulation of financial service activities in capital markets, insurance, pension funds, finance companies and other financial service institutions sectors from BAPEPAM-LK, effective 31 December 2012. Law No. 21 of 2011 further stipulates that all existing licenses, approvals and decisions issued before the transfer of duties and authorities of BAPEPAM-LK to OJK will continue to be valid, while applications for licenses, approvals, and other decisions made, or outstanding, after 31 December 2012 will be processed by OJK.

Other reforms were also introduced to provide increased protection for minority shareholders, to improve disclosure requirements and to clarify listing procedures. As of 31 March 2017, 536 companies were listed on the **IDX** with a total market capitalisation of approximately Rp6,055 trillion compared to 24 listed companies with a market capitalisation of approximately Rp100.0 billion in December 1987, just prior to the introduction of the capital market reform measures.

## Overview of the Indonesia Stock Exchange

As of 31 March 2017, the IDX comprised 536 members. Of these 536 members, the top 20 most active stocks in total trading volume handled transactions totalling 719,645 million shares for the three months ended 31 March 2017, approximately 72.4% of total shares traded on the IDX during that period. In trading value, the top 20 most active members accounted for Rp110.4 trillion in trading, or approximately 25.4% of the overall value of buying and selling transactions on the IDX as of 31 March 2017. The rules and regulations governing the JSX are currently applied to the IDX in the same manner.

Trading rules on the IDX are at present generated in the form of decisions issued by the IDX. There are currently five daily trading sessions for the regular market, two daily trading sessions for the negotiated market and only one daily trading session for the cash market. The table below sets out the respective trading session:

Trading Session	Market	New Trading Hours
Pre-opening.....	Regular	Monday — Friday, 08:45:00 — 08:59:59
1 <sup>st</sup> session.....	Regular, Cash and Negotiated	Monday — Thursday, 09:00:00 — 12:00:00 Friday, 09:00 — 11:30
2 <sup>nd</sup> session.....	Regular	Monday — Thursday, 13:30:00 — 15:49:59 Friday, 14:00:00 — 15:49:59
Pre-closing session.....	Regular	Monday — Friday, 15:50:00 — 16:04:59
Post-closing session.....	Regular	Monday — Friday, 16:05:00 — 16:15:00
2 <sup>nd</sup> session.....	Negotiation	Monday — Thursday, 13:30:00 — 16:15:00 Friday, 14:00:00 — 16:15:00

Trading of securities is divided into three market segments: regular market, negotiated market and cash market (except for Rights Issues, which may only be traded in the cash market and in the first session of the negotiated market). The regular market is the mechanism for trading stock in standard lots on a continuous auction market during exchange hours. Regular market and cash trading is generally carried out in unit lots of 100 shares. Price movement units of traded securities are as follows:

- for shares with a previous price of less than Rp200, the fraction is fixed at Rp1 and each step value should be no more than Rp10;
- for shares with previous price between the range of Rp200 up to less than Rp500, the fraction is fixed at Rp2 and each step value should be no more than Rp20;
- for shares with a previous price between the range of Rp500 up to less than Rp2,000, the fraction is fixed at Rp5 and each step value should be no more than Rp50;
- for shares with a previous price between the range of Rp2,000 up to less than Rp5,000, the fraction is fixed at Rp10 and each step value should be no more than Rp100; and
- for shares with a previous price of Rp5,000 or more, Rp25 and each step value should be no more than Rp250.

Auctioning takes place according to price priority and time priority. Price priority refers to the giving of priority to buying orders at a higher price or selling orders at a lower price. If buying or selling orders are placed at the same price, priority is given to the buying or selling order placed first (i.e. time priority).

The negotiated market trading is carried out by (i) direct negotiation between members of IDX, (ii) between clients through one member of the IDX, (iii) between one client and one member of the IDX, or (iv) between members of the IDX with Indonesian Securities Underwriting Clearing (*Kliring Penjaminan Efek Indonesia* / "KPEI"). The subsequent bid-offer agreement is then processed automatically through the applicable securities trading system in the IDX using the Jakarta Automated Trading System ("JATS"). Negotiated market trading does not use round lots.

Transactions on the IDX regular market are required to be settled no later than the third trading day after the transactions (T+3), except for cross trading. The settlement for transactions on the IDX negotiated market is determined based on agreements between the selling IDX member and the buying IDX member, and are settled in single transactions. In the event the selling and buying IDX members have not

determined the period for settlement, then the settlement is required to be completed no later than the third trading day after the transaction. Transactions on the IDX cash market are required to be settled on the trading day of the transactions (T+0). In case of a default by an exchange member on settlement, cash market trading takes place, pursuant to which trading of securities by means of direct negotiation on cash and carry terms will be conducted. All cash market transactions must be reported to the IDX. An exchange member defaulting in settlement may be sanctioned by the IDX by, among others, (i) a fine up to Rp500,000,000; (ii) a written warning; (iii) a written admonition; (iv) a temporary suspension of trading; and (v) a revocation of trading license. All transactions involving shares listed on the IDX only and which use the services of exchange members, must be conducted through the IDX. In order for a trade (except a block trade) to be made on the IDX, both the cash and securities settlement must be conducted through the facilities of the IDX.

Short selling transactions may be conducted as long as they are in compliance with BAPEPAM-LK Regulation No. V.D.6 on Financing of Securities Transaction by Securities Company for Customer and Short Selling Transaction by Securities Company, an attachment to the decision of the Chairman of BAPEPAM-LK No. KEP-258/BL/2008 dated 30 June 2008 as amended by decision of the Chairman of BAPEPAM-LK No. KEP-556/BL/2008 dated 31 December 2008. Only a member of the IDX who has obtained approval from the IDX can enter into a short selling transaction or margin transaction. A client who is permitted to receive financing of short selling and margin trading completion must fulfil certain requirements such as: (i) the maintenance of a regular securities account that shows the transaction records of the trader, (ii) the maintenance of a margin trading or short selling financing securities account, and (iii) making an initial deposit of at least Rp200,000,000 into each of the margin trading or short selling financing securities account. Furthermore, the IDX may cancel a transaction if proof exists of fraud, market manipulation or the use of insider information. The IDX may also suspend trading if there are indications of fraudulent transactions or artificial inflation of share prices, misleading information, use of insider information, counterfeit securities or securities blocked from trading or any other material event. IDX may suspend trading of certain securities or suspend certain members of the stock exchange.

Members of the IDX charge a brokerage fee for their services, based on an agreement with their clients of up to a maximum of 1.0% of the transaction value. When conducting share transactions on the IDX, exchange members are required to pay a transaction levy equal to 0.03% of the cumulative transaction value for each month for transaction of shares and other registered securities and a transaction cost based on the exchange policy (for transactions in the negotiated markets).

Exchange members generally pass on the cost of this levy to their clients. The transaction cost is a minimum of Rp20.0 million per month as a contribution for the provision of IDX's facilities (which continues to apply for exchange members in suspension or with frozen membership). Clients are also responsible for paying a 10.0% value-added tax on the amount of the brokerage fee and transaction levy. Indonesian sellers are also required to pay a withholding tax of 0.1% (0.5% for founder shares) of the total transaction value. A stamp duty of Rp6,000 is also payable on any transaction with a value between Rp250,000 and Rp1,000,000 and a stamp duty of Rp6,000 is payable on every transaction with a value of more than Rp1,000,000. Shareholders or their appointees may request, at any time during working hours, us or a securities administration bureau appointed by us to register their shares in our registry of shareholders.

Reporting of share ownership to OJK is mandatory for members of an issuer's board of directors or board of commissioners, and shareholders, whose ownership has reached 5.0% or more of an issuer's issued and fully paid-up capital or upon a change of the level of their ownership in an issuer in the amount of at least 0.5%, and such reporting must occur at the latest within 10 days of such changes to ownership.

Insider trading, fraud, engaging in short selling and market manipulation of securities are prohibited under Indonesian capital markets laws. In such circumstances, a transaction may be cancelled, or suspended by the IDX or OJK may suspend or revoke the license of the capital market supporting institution and supporting professionals involved. A party engaging in (i) misleading conduct, fraud or falsification in connection with the sale of securities; (ii) other actions to mislead the public regarding trading activities, market conditions or price or (iii) insider trading, is liable for the loss incurred and faces a fine of up to Rp15.0 billion and imprisonment of up to 10 years.

The table below sets forth key figures for the IDX for the years indicated:

	As of and for the year ended December 31		
	2015	2016	2017
Market capitalization (Rp billion) .....	5,228,043	4,872,702	5,753,613
Trading volume (million shares) .....	1,327,016	1,446,314	1,925,420
Average daily trading volume (million shares) .....	5,484	5,928	7,827
Total trading value (Rp billion) .....	1,453,392	1,406,362	1,844,588
Average daily trading value (Rp billion) .....	6,106	5,764	7,498
Number of listed companies .....	506	521	537

Source: IDX Monthly Statistics March 2017

### Offerings, Listing and Reporting Regulations

OJK regulates and monitors securities issues that are publicly offered or listed in Indonesia. Initial securities offerings are generally conducted as underwritten public offers for sale by subscription. OJK regulates offering and allocation procedures.

Unless waived, companies are required to meet certain requirements in order to become listed on the IDX. These requirements are set out in the Decision of the Board of Directors of IDX No. Kep-00001/BEI/01-2014, dated January 20, 2014 on the Listing of Shares and Equity Type Securities other than Shares Issued by Listed Companies ("**IDX Listing Regulation No. I-A**").

Listed companies are required to submit to OJK and IDX, among other things, the following documents:

- an annual report to be submitted not later than four months after the end of the financial year of the company;
- consolidated financial statements consisting of:
  - (i) an annual financial report audited by an accountant registered with OJK, to be submitted not later than three months after the date of such report;
  - (ii) any of the following mid-year reports: (a) a mid-year report (unaudited), to be submitted not later than one month after the date of such report; (b) a mid-year report with limited review by an accountant registered with OJK, to be submitted not later than two months after the date of such report; or (c) a mid-year report audited by an accountant registered with OJK containing a full opinion on the fairness of such report, to be submitted not later than three months after the date of such report; and
  - (iii) quarterly reports, the preparation of which is required by the rules of the IDX, to be submitted to the IDX: (a) a quarterly report (unaudited and unreviewed) to be submitted not later than one month after the end of each quarter; (b) a quarterly report with limited review by an accountant registered with OJK, to be submitted not later than two months after the end of each quarter; or (c) a quarterly report audited by an accountant registered with OJK containing a full opinion on the fairness of such report, to be submitted not later than three months after the end of each quarter;
- material information that is important and relevant according to OJK regulations and which may affect the value of the security or an investment decision, such as a merger, acquisition, consolidation, stock split, distribution of a stock dividend, change in management, replacement of public accountant, replacement of trustee, material legal claims and other important information possibly affecting share prices on the exchange; such information must be submitted to OJK and announced publicly no later than two working days after such material information is revealed;
- the purpose of the utilization of net proceeds from the initial public offering;
- a copy of any amendment to its articles of association;

- report on shareholding and any change in shareholding which applies only to a shareholder that owns 5% or more of the paid-up capital of the public company;
- report on shareholding and any change in shareholding of the director or commissioner of a public company in such public company;
- notice of any change in the composition of its board of directors or board of commissioners;
- notice on appointment and replacement of corporate secretary; and
- notice of any material deviation from projections published by such companies.

Pursuant to OJK Regulation No. 7/POJK.04/2017 dated March 14, 2017, a company that wishes to submit a registration statement to OJK in relation to a public offering, including any rights issue, must submit, amongst others:

- a schedule for the public offering;
- examples of securities letters;
- financial statements audited by a public accountant;
- a comfort letter from a public accountant;
- management letters;
- a legal due diligence report and legal opinion;
- the corporate structure of the company;
- a copy of the company's latest articles of association which has been approved by the Minister of Law and Human Rights or a notification of an amendment to the articles of association which has been received by the Minister of Law and Human Rights;
- curriculum vitae from members of the company's Board of Commissioners and Board of Directors;
- an underwriting agreement (if any);
- a statement from a capital markets supporting professional, in a form and with substance as determined by OJK; and
- a statement from a securities underwriter (if any), in a form and with substance as determined by OJK.

In addition, the annual financial statements submitted to OJK for any subsidiary of a listed company must be audited by a public accountant, if the subsidiary meets one of the following requirements:

- it is a public company;
- its line of business is related to public fund generating;
- it issues an acknowledgement of indebtedness;
- it has assets of at least Rp25,000,000,000;
- the terms of its existing debt require it to audit its annual financial statements;
- it is a state enterprise; or
- it is otherwise required by law to do.

## **IDX Listing, Delisting, Relisting and Corporate Governance Rules**

The IDX listing rules for equity securities are aimed at enhancing good corporate governance and clarifying listing, relisting and delisting criteria, sanctions for violation of stock exchange rules and e-reporting and monitoring.

The listing rules also introduced the two board system, comprising the Main Board and the Development Board. Depending on the number of our investors after the completion of the Offerings, the IDX will determine whether our Company will be listed on the Main Board or the Development Board.

### ***General Listing Requirement***

The Main Board serves as the flag-carrier of the IDX and is intended for companies fulfilling regional listing standards relating to size, track record and net tangible assets. The Development Board allows both large and small companies with prospects but not yet qualified to list on the Main Board, as well as companies in the recovery phase, to be listed on the IDX.

Under the IDX Listing Regulation No. I-A, all companies listed on the IDX must satisfy the following general listing requirements ("**General Listing Requirements**"):

- must be a legal entity established as limited liability company (*Perseroan Terbatas* or PT);
- must have registration statement which has been declared effective by OJK;
- if the company is a subsidiary or a holding company of another listed company:
  - 1) having obtained an appraisal/evaluation by an independent party, stating that upon termination of an affiliation between the company and the listed company, each company can continue to sufficiently perform its operational activities; and
  - 2) show that either (i) the *pro forma* financial statement of the company, independent of and without consolidation with the financial statement of the listed company, or (ii) the *pro forma* financial statement of the listed company, independent of and without consolidation with the financial statement of the company, can satisfy the listing requirement.
- must have at least one independent commissioner (i) that fulfills the requirement under OJK Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies ("**OJK Regulation No. 33/2014**"); (ii) comprising at least 30% of the total number of members of the board of commissioners;
- must have at least one independent director;
- must have an audit committee that fulfills the requirement under OJK Regulation No. 55/POJK.04/2015 on the Formation and Implementation Guidance for Audit Committees issued on December 23, 2015 ("**OJK Regulation No. 55/2015**");
- must have an internal audit unit that fulfills the requirement under OJK Regulation No. 56/POJK.04/2015 on the Formation and Implementation Guidance for Internal Audit Unit issued on December 23, 2015 ("**OJK Regulation No. 56/2015**");
- must have a corporate secretary that fulfills the requirement under OJK Regulation No. 35/POJK.04/2014 on Corporate Secretary of Issuers or Public Companies issued on December 8, 2014 ("**OJK Regulation No. 35/2014**");
- must have a nomination and remuneration committee that fulfills the requirement under OJK Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee dated December 8, 2014 ("**OJK Regulation No. 34/2014**");
- must have a board of directors and a board of commissioners that fulfills the requirement under OJK Regulation No. 33/2014;

- must have a nominal value of shares of at least Rp100; and
- must have full underwriting commitment from underwriters for the initial public offering.

Under the IDX Listing Regulation No. I-A, there is also a continuing obligation where listed companies are obliged to maintain a minimum of 50 million shares listed on the IDX and a minimum of 7.5% of the total issued share capital must be held by public shareholders. In addition, listed companies are also subject to a continuing obligation to maintain a minimum of 300 shareholders holding security accounts with the IDX Members. The IDX provided a grace period of 24 months for compliance with these requirements beginning January 30, 2014.

#### ***Listing on Main Board and Development Board***

Under the IDX Listing Regulation No. I-A, a company is deemed qualified to undertake an initial listing on the Main Board of the IDX if it fulfills certain requirements, including having:

- satisfied the General Listing Requirements;
- operated in the same core business for at least 36 consecutive months;
- made profit for at least the last financial year;
- net tangible assets of at least Rp100 billion (based on the latest audited financial statements);
- audited financial reports covering at least the last three years and unqualified audit opinions from the auditor covering the financial reports for the last two years and the last audited interim report;
- at least 1,000 shareholders, each holding a securities account with the stock exchange members; and
- after its public offering, its minority shareholders hold no less than 300 million shares and those minority shareholdings must consist of:
  - at least 20% of the total issued and paid up capital for prospective listed company whose total equity before the public offering is less than Rp500 billion;
  - at least 15% of the total issued and paid up capital for prospective listed company whose total equity before the public offering is at least Rp500 billion but not more than Rp2 trillion; or
  - at least 10% of the total issued and paid up capital for prospective listed company whose total equity before the public offering exceeds Rp2 trillion.

Under the IDX Listing Regulation No. I-A, a company is deemed qualified to undertake an initial listing on the Development Board if it fulfills certain requirements including having:

- satisfied the General Listing Requirements;
- operated in the same core business for at least 12 consecutive months;
- net tangible assets of at least Rp5.0 billion;
- unqualified audit opinions from the auditor covering the financial report for the last 12 months and the last audited interim report (if any);
- for a company which has experienced loss or has not booked any profit or has been operated for less than two years, (1) based on its financial forecast to be announced in the stock exchange at the latest at the end of the second financial year as of the listing date it has obtained operational and net profits; or (2) based on its financial forecast by no later than at the end of the company's sixth financial year as of the listing date, it has obtained operational and net profits, especially if the proposed listed company is a company that by nature of its business will likely require a longer period of time to reach a breakeven point (such as infrastructure, plantation, forestry



concession right (HPH), or industrial forest concession right (HTI) or other business related to public service);

- at least 500 shareholders, each holding a securities account with the stock exchange members; and
- after its public offering, its minority shareholders hold no less than 150 million shares and those minority shareholdings must consist of:
  - at least 20% of the total issued and paid up capital for prospective listed company whose total equity before the public offering is less than Rp500 billion;
  - at least 15% of the total issued and paid up capital for prospective listed company whose total equity before the public offering is at least Rp500 billion but not more than Rp2 trillion; or
  - at least 10% of the total issued and paid up capital for prospective listed company whose total equity before the public offering exceeds Rp2 trillion.

The IDX Listing Regulation No. I-A allows a company listed in the Development Board to be promoted to the Main Board if it fulfills the requirement for listing on the Main Board.

### ***Delisting***

Pursuant to the Decision of the Board of Directors of JSX No. Kep-308/BEJ/07-2004 dated July 19, 2004 regarding Delisting and Relisting of Shares in the Stock Exchange, a company can be delisted voluntarily or involuntarily by the stock exchange. A company can be delisted by the IDX if it, among other things, fulfils one of the following conditions: (i) suffers certain conditions which adversely affect the going concern of the company, financially or legally, or adversely affect the continuing status of the company as a publicly listed company and the company has not shown any sufficient remedial actions; or (ii) the shares are suspended from regular market and cash market trading and have only been traded in the negotiation market for the last 24 months.

### ***Buyback***

Pursuant to OJK Regulation No. 30/POJK.04/2017 on Buybacks of Shares Issued by Public Companies, an issuer or a public company may repurchase its shares in accordance with Articles 37 and 39 of the Company Law, without breaching Articles 91, 92, 95 and 96 Indonesian Capital Market Law, or to satisfy Article 62 of the Company Law. The repurchase of shares shall be completed no later than 18 months after the date of approval of the general meeting of shareholders. The issuer or the public company may hold the repurchased shares for three years since the completion of the shares repurchase, and shall transfer such shares within a period of two years, which can be extended by one year.

Furthermore, an issuer or a public company may buy its shares back under significantly fluctuating market conditions. Pursuant to OJK Regulation No. 2/POJK.04/2013 concerning Buy Back of Shares Issued by Issuers or Public Companies in Significantly Fluctuating Market Condition, dated August 23, 2013, a significantly fluctuating market condition is specified by (i) 15% or more reduction of the composite stock price index for three trading days in a row, or (ii) other conditions stipulated by OJK, which will be formally stipulated by OJK through issuance of circular letter. Under those conditions, during the period stipulated by OJK in its circular letter, the issuer or public company may repurchase its shares up to 20% of the paid-up capital without approval of the general meeting of shareholders.

Under IDX Listing Regulation No. I-A, OJK Regulation No. 33/2014, OJK Regulation No. 35/2014, OJK Regulation No. 55/2015, OJK Regulation No. 56/2015, and OJK Regulation No. 34/2014, a listed company must have:

- at least one independent commissioner if the members of the board of commissioners comprises of 2 (two) commissioners or independent commissioner comprising at least 30% of the total number of members of the board of commissioners if the members of the board of commissioners comprises of more than 2 (two) commissioners. Any independent commissioner who has served for two consecutive terms may be reappointed for the next period to the extent that he/she can present the statement of independence to the general meeting of shareholders and

that such statement can also be disclosed in the annual report. In the event the independent commissioner also serves on the audit committee, the relevant independent commissioners may only be reappointed in the audit committee for the subsequent period;

- an audit committee;
- a corporate secretary;
- an internal audit unit;
- a nomination and remuneration function/committee;
- at least one independent director and any independent director may only serve for two consecutive terms; and
- a nominal value of shares of at least Rp100.

#### ***Independent Commissioners***

Based on OJK Regulation No. 33/2014 and IDX Listing Regulation No. I-A, an independent commissioner in a listed company:

- may not be a person who worked or had the authority and responsibility to plan, manage, control or supervise the activities of the listed company within the past 6 months prior to his/her appointment as an independent commissioner, except for reappointment as an independent commissioner of the listed company on the subsequent term;
- may not own any shares of the listed company, directly or indirectly;
- may not have an affiliated relationship with the listed company, or with any commissioner, director or controlling shareholder or principal shareholders of the listed company concerned; and
- must have no business relationship which is directly or indirectly related to the listed company's business activity.

#### ***Independent Directors***

Pursuant to IDX Listing Regulation No. I-A, an independent director in a listed company:

- must not have an affiliated relationship with the listed company's controlling shareholders for at least six months before his/her appointment as a independent director in the listed company;
- must not have an affiliated relationship with any commissioner or other director of the listed company;
- must not act as a director of another company; and
- must not be an insider at a capital market supporting institution or professional whose service was used by the listed company for six months before his/her appointment as a director of the listed company.

#### ***General Requirement for Directors and Commissioners of Listed Companies***

Pursuant to the OJK Regulation No. 33/2014, directors and commissioners of listed companies shall fulfill the following requirements:

- have good character, morals and integrity;
- be legally competent;
- within five previous years before being appointed and during his/her tenure:

- have never been declared bankrupt;
- have never been a director or commissioner responsible for causing a company to go bankrupt;
- have never been found guilty of a criminal act causing losses to state finances or relating to the financial sector; and
- have never been the director or commissioner of a company (i) which during his/her tenure did not organize the annual general meeting of shareholders, (ii) where his/her accountability as a member of the board of directors or commissioners was not accepted by the general meeting of shareholders or where as a member of the board of directors or commissioners he/she did not submit his/her accountability report to the general meeting of shareholders and (iii) which obtained a license from OJK but did not fulfill the obligation to submit annual reports or financial reports to OJK;
- be committed to compliance with laws and regulations; and
- have knowledge or expertise in the fields required for a listed company.

#### ***Audit Committee***

OJK Regulation No. 55/2015, IDX Listing Regulation No. I-A and OJK Regulation No. 33/2014 stipulate the audit committee must be comprised at least three members, one of whom must be an independent commissioner who will serve as chairman of the audit committee. The other members must also be independent persons, at least one of whom must be an expert in the field of accounting and/or finance.

OJK Regulation No. 55/2015 requires a listed company to have an audit committee charter comprising, at a minimum (i) duties, responsibilities and authorities; (ii) membership composition, structure and requirements; (iii) work rules and procedure; (iv) meeting rules; (v) activity reporting system; (vi) provision on the handling of complaints and a reporting system of suspicious financial reports; and (vii) term of service of the audit committee. As of 7 December 2013, listed companies are required to comply with the audit committee charter requirement and include the charter on its corporate website.

Further, pursuant to OJK Regulation No. 55/2015, the following persons are prohibited from becoming members of the audit committees of a listed company:

- any insider of the public accountant, legal consultant or other party who audits, provide non-audit and/or other consultation services to the company that personally audits the financial statements of the listed company in the past six months before his/her appointment as a member of the audit committee;
- any person who worked or has the authority and responsibility to plan, direct or control the activity of the listed company in the last six months before his/her appointment as a member of the audit committee, except an independent commissioner;
- any person who owns shares, directly or indirectly, in the listed company, and in the event that a member of the audit committee acquires shares as the result of a legal action, then he/she must dispose of such shares within six months from such acquisition;
- any person who has a family relationship, whether by marriage or blood, up to the second degree vertically or horizontally with commissioners, directors or a principal shareholder of the listed company; and
- any person who has a business relationship which is directly or indirectly related to the listed company's business activity.

In addition to the above, pursuant to the OJK Regulation No. 55/2015, criteria for the audit committee is as follows:

- characterized by a high level of integrity and competence, sufficient knowledge and experience in line with educational background, and good communications skills;

- must have understanding of financial statements, the company's business (particularly in relation to the service or business operations of the company), audit processes, risk management, and capital markets, and the prevailing rules and regulations;
- must comply with the code of ethics of the audit committee, as adopted by the company;
- must commit to enhance his/her professional knowledge through education and training;
- one of the members shall have an educational background in the accounting or finance field; and
- must be familiar with financial statements and reports.

#### ***Internal Audit Unit***

Pursuant to OJK Regulation No. 56/2015, the Internal Audit Unit shall consist of at least one internal auditor. In the case that the Internal Audit Unit consists of only one internal auditor, he or she should also lead the Internal Audit Unit. Each internal auditor, as a member of the Internal Audit Unit, shall:

- possess professional integrity and conduct, independence, fairness and objectivity in performing his/her duty;
- possess knowledge and experience in audit techniques and other relevant skills in accordance to his/her duty;
- possess knowledge in capital market regulations and other relevant regulations;
- possess the capability to effectively interact and communicate both verbally and in writing;
- comply with the professional standards issued by the Internal Auditor Association;
- comply with the ethical code of an Internal Auditor;
- maintain the confidentiality of the relevant company's information or data related to performing the Internal Audit Unit's duties and responsibilities except as required by regulations or the decrees or decisions of a court;
- understand good corporate governance and risk management principles; and
- be willing to enhance his/her professional knowledge, expertise and skill in ongoing basis.

The appointment, replacement or dismissal of the head of an internal audit unit must be reported to the OJK immediately after the date of his/her appointment, replacement or dismissal.

#### ***Nomination and Remuneration Committee***

Under OJK Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee of the Issuer or Public Company dated 8 December 2014, an issuer or a public company is required to have the function of nomination and remuneration conducted by the board of commissioners. The board of commissioners may form a nomination and remuneration committee consisting of, at least, three members, with an independent commissioner acting as the head of the committee, while the other members may be coming from (i) the board of commissioners, (ii) outside the relevant issuer or public company or (iii) the managerial positions under the board of directors in charge of human resources. In addition, a member of the board of directors is not allowed to be appointed as a member of the nomination and remuneration committee. The committee is appointed and dismissed by the board of commissioners' decision. Further, the nomination and remuneration committee is responsible for:

- providing recommendations to the board of commissioners on (i) the composition of the board of directors or board of commissioners, (ii) policies and criteria required in the nomination process, (iii) policies on the performance evaluation for the board of directors or the board of commissioners, (iv) remuneration structure, (v) remuneration policies, and (vi) the amount of the remuneration;

- assisting the board of commissioners in conducting evaluations to the performance of the board of directors or the board of commissioners pursuant to evaluation standards;
- providing recommendations to the board of commissioners regarding skill development program for the board of directors or board of commissioners;
- proposing the qualified candidates for members of the board of directors or board of commissioners to be submitted to the general meeting of shareholders; and
- assisting the board of commissioners in conducting evaluations to the performance of the board of directors or the board of commissioners pursuant to the remuneration received by the board of directors or the board of commissioners.

### ***Corporate Secretary***

As stipulated in OJK Regulation No. 35/2014 and IDX Listing Regulation No. I-A, a listed company is required to have a corporate secretary.

The function of the corporate secretary is performed by one of the directors of the listed company, by an official of the listed company designated to carry out such function or by a committee led by a person-in-charge to perform the role of a corporate secretary. The corporate secretary acts as a liaison or contact person between the listed company, Government authorities, including OJK, and the public. Pursuant to OJK Regulation No. 35/2014, the corporate secretary shall fulfill the following requirements:

- he/she is capable in performing legal acts;
- has sufficient knowledge and understanding in the field of law, finance, and corporate governance;
- understands the business activity of the issuer or the public company;
- possesses good communication skills; and
- is domiciled in Indonesia.

The corporate secretary must have access to material and relevant information relating to the listed company and must be familiar with all statutory regulations relating to capital markets, particularly on disclosure matters.

### **Scripless Trading**

In 1997, a private limited company, KSEI, was established to serve as an Indonesian central securities clearing house. On November 11, 1998, KSEI obtained a license from BAPEPAM to act as an approved central securities depositary and settlement institution. The shareholders of KSEI currently composed of 26 securities firms, eight custodian banks, two Share Registrars (*Biro Administrasi Efek*), the IDX and the KPEI. In 2000, KSEI introduced the Central Depositary and Book Entry Settlement System ("**C-Best**"), a computerized system for the registration and settlement of securities.

In 2000, BAPEPAM implemented regulations to provide for the scripless trading system. Under the scripless system, a member broker, sub-broker or local custodian ("**KSEI Participant**") may deposit with KSEI certificates in respect of securities evidencing ownership of securities upon making KSEI the registered holder of those securities. Any institution becoming a KSEI Participant is required to open at least one securities account and sub-account with KSEI for deposit, withdrawal or transfer of securities. After KSEI has accepted a deposit of any securities, it will hold such securities on behalf of its participants' clients and, as such, investors obtain a beneficial (rather than direct) interest in the shares, which is convertible into a physical share certificate at the direction of the investor. Thus, to establish ownership rights, each holder of an account for deposit, withdrawal and/or transfer of securities ("**KSEI Account Holder**") is obliged to maintain a list of the owners of securities deposited with it. Sales and purchases of securities are settled on the relevant securities deposit account via a computer system. At the end of each trading day, KSEI delivers a statement showing the balance of securities held for each participant.

A company that intends to register their securities with KSEI enters into a standard registration agreement with KSEI. Subsequently, KSEI Account Holders or KSEI Participants must issue confirmations for the benefit of KSEI for the entire value of the securities deposited with KSEI.

Securities registered with KSEI are recorded and administered electronically in securities accounts opened with KSEI ("**KSEI Securities Accounts**") and KSEI Account Holders administer deposits, withdrawals and transfers of securities through their KSEI Securities Accounts. Parties that are eligible to become KSEI Account Holders are (i) securities companies, (ii) custodian banks and (iii) other parties determined by the prevailing capital market laws and regulations. In addition, any institution becoming a KSEI Participant is required to open at least one securities account with KSEI. Each KSEI Account Holder who maintains subscribers' securities and funds must also open sub-accounts for the deposit of securities and funds on behalf of their customers.

In accordance with KSEI rules on Central Depository Services, C-Best is the central computerized system for depository services and the settlement of securities transactions by book entry settlement. C-Best is provided by KSEI to KSEI Account Holders. Sales, purchases and conveyances of securities are settled through the C-Best system by setting off the relevant securities in the appropriate KSEI Securities Accounts. At the end of each trading day, KSEI delivers, through the C-Best system, a statement to each KSEI Account Holder showing the balance of securities held by that KSEI Account Holder.

A company that intends to register its securities with KSEI must enter into an agreement with KSEI and KSEI Account Holders must issue confirmations in the name of KSEI for the entire value of the securities deposited into KSEI. In order to establish ownership rights, each KSEI Account Holder is obliged to maintain a list of the owners of the securities deposited into KSEI.

Pursuant to a circular letter issued by BAPEPAM No. SE-01/PM/2001 on Conduct of Collective Safekeeping dated November 23, 2001, issuers of shares were required to register their shares with the central depository into electronic form prior to June 30, 2002. Further, on January 15, 2003, BAPEPAM-LK issued a new regulation, effective as of May 1, 2003, which requires each KSEI Participant holding securities on behalf of client to:

- establish a securities sub-account on behalf of each client and record each client's securities account in such sub-account;
- ensure that the balance in the client's security account in KSEI Participant's records is always equivalent to the balance in the client's sub-account with KSEI;
- take measures to ensure that the identity of each client is properly recorded by KSEI Participant; and
- take measures to ensure that the securities sub-account balance of each client is and remains correct.

## **KSEI**

KSEI is a self-regulating organization and is licensed and regulated by OJK. Under KSEI's rules, securities companies or custodian banks, and other parties determined by the prevailing capital market laws and regulations fulfilling certain criteria and authorized by OJK may become KSEI Participants. As discussed above, the principal shareholders of KSEI are large custodian banks, securities companies, share registrars, IDX and KPEI. In the scripless system, the role of KSEI is to settle the transaction and act as central securities depository, while fund settlement is conducted by KPEI.

KSEI is managed by a board of directors as supervised by a board of commissioners who are subject to the provisions of the Company Law. KSEI is also a member of several international associations that are related to securities depositories, including the Association of National Numbering Agency ("**ANNA**"), the International Society of Securities Administrators ("**ISSA**"), the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") and Asia Pacific Central Securities Depositories Group ("**ACG**").

OJK sets strict standards for the internal controls of KSEI. These standards call for daily reconciliation of account balances between KSEI and the issuers whose securities are held in the name of KSEI. This daily reconciliation is required to be verified continuously by the head of the audit unit of KSEI who must

report this verification to the Internal Control Committee of KSEI, board of directors of KSEI and OJK. Each KSEI Participant has the right to send auditors to KSEI to verify the reconciliation of its accounts with those of KSEI including the right of KSEI Participant to send auditors to verify the registry of the securities on the books of the issuer.

The internal control systems of KSEI are required to be audited annually by an independent auditor with international experience and an international reputation, including a review of the protections against fraud, embezzlement, natural disruptions and electronic damage. This report is to be sent to all KSEI shareholders along with KSEI's Annual Report.

The regulations call for a number of fundamental security measures to ensure the integrity of KSEI:

- access to the data processing functions, record-keeping functions and customer account services areas of KSEI is required to be restricted;
- KSEI must have a primary computer and backup computer at a different location that allows continued processing within two hours of a breakdown of the primary computer;
- duplicate electronic records are required to be maintained in repositories that are at least 30 kilometers part from each other;
- software development and maintenance are required to be segregated from data processing operations; and
- a special security division of KSEI's own funds is required to be segregated from data processing operations, all debits and credits to securities accounts must be based on instructions of account holders and controlled by a division that is separate from the data processing division.

In addition to the oversight of internal controls and specific regulations regarding recovery and security, the legal basis for securities accounts permits recovery of an investor's assets even in the event of destruction of all records of KSEI. This is done based on investor's confirmations and statements and records of the issuer, all of which are maintained independently from records of KSEI. With daily reconciliation of key records, strong internal control supervision by major banks, special security measures, and legal safeguards, recovery is possible even if there is a catastrophic occurrence.

### ***Transfers of Shares***

Transfers of listed shares on the IDX are governed by the Company Law and IDX Rules. Under the Company Law, as a general matter, ownership of shares is based on the registration of ownership in the relevant company's share register. To be valid against the issuing company, a request for an entry of the transfer into a share registry must be received by the company. To be valid against a third-party, the entry of the transfer must actually be made into the share register.

Transfers of scripless shares are made by way of appropriate instructions to the relevant brokers or custodians with whom the transferor and the transferee involved maintain securities accounts in accordance with the individual arrangements with such brokers or custodians. Upon receipt of such instructions, the relevant brokers or custodians will, in accordance with such arrangements, effect the relevant changes in the register they are required to maintain for rights and entitlements purposes.

As of June 30, 2002, only shares held through KSEI (and which have not been pledged, foreclosed upon based on a court order or seized for the purpose of criminal proceedings) may be traded on the IDX. Securities transaction settlement services are part of the central depository services. Such services are provided for the fulfillment of the rights and obligations resulting from stock exchange transactions or over-the counter transactions by means of the transfer of securities and/or funds between securities accounts. The settlement of stock exchange transactions is performed by KSEI based on transfer instructions received from a selling Clearing Member (defined as a member of the stock exchange registered as KSEI Clearing Member) and a buying Clearing Member. Alternatively, KSEI may settle over-the-counter transactions based on a transfer instruction from a selling KSEI Account Holder. Over-the-counter transfer instructions must also state whether the transaction requires payment or not. Upon the complete transfer of securities and/or funds, KSEI submits a report to KPEI or to the Clearing Member on

the settlement of stock exchange transaction and confirmation is given to the relevant KSEI Account Holder on the settlement of over-the-counter transactions.

Under Rule No. IX.H.1, an acquisition of more than 50% of the shares of a public company or acquisition of direct or indirect control of the management or policy of a public company will be deemed as an acquisition of a public company and thus trigger a tender offer by the new controlling shareholder. The new controlling shareholder will have to conduct a tender offer for all the other shares in the public company, except for: (i) shares owned by shareholders which conducted the acquisition in conjunction with the new controlling shareholders, (ii) shares owned by other parties which received an offer on the same terms and conditions with the new controlling shareholder, (iii) shares owned by other parties which are conducting a tender offer at the same time on the same public company's shares, (iv) shares owned by the majority shareholders, and (v) shares owned by the other controlling shareholders in the public company. If the tender offer results in the new controlling shareholder holding more than 80% of the total paid-up capital in the public company, the new controlling shareholder must transfer a certain amount of the shares to the public so that 20% of the total paid-up shares in the public company is owned by the public, and the shares must be owned by more than 300 parties within two years after the completion of the tender offer. If the acquisition results in the new controlling shareholder obtaining more than 80% of the total paid-up capital in the public company, the new controlling shareholder will have to transfer the shares to the public equal to the percentage of shares obtained in the tender offer, at a minimum, and the shares must be owned by at least 300 parties within two years after the completion of the acquisition.

### ***Reporting Requirements***

According to the OJK Regulation No. 11/POJK.04/2017 on Report of Ownership or Any Changes to Shares Ownership of Public Companies dated March 14, 2017 ("**OJK Regulation No. 11/2017**"), the director or commissioner of a public company must report to OJK with regard to their ownership and the changes of ownership of the shares in such company within 10 days of the transaction. Such reporting obligation also applies to a shareholder that owns, directly or indirectly 5% or more of the paid-up capital in such company.

Any such report shall contain the following information:

- the name, address and nationality of the relevant person;
- the name of the shares of the Public Company;
- the amount and percentage of shares, before and after the transaction;
- the amount of shares purchased or sold;
- the purchase or selling price per share;
- the date of the transaction;
- the purpose of the transaction;
- status of ownership (directly or indirectly); and
- in the event that the shares are indirectly owned, information on the shareholder listed in the shareholders register of the Public Company for the interest of the ultimate beneficial owner.

A copy of such report must be made available to the public and can be obtained at OJK's office.

### ***Amended OJK Regulation on Annual Reporting Requirements***

On July 29, 2016, OJK issued OJK Regulation No. 29/POJK.04/2016 on Annual Reports of Issuers or Public Companies ("**OJK Regulation No. 29/2016**") which revokes the Decision of Chairman of BAPEPAM-LK No. Kep-431/BL/2012 on Regulation No. X.K.6 concerning Annual Reporting Requirements for Issuer or Public Company effectively on January 1, 2017. While for the most part OJK Regulation No. 29/2016 deals with general matters on annual reporting requirements, the procedural/technical matters related to corporate and accounting information is regulated under OJK Circular Letter No. 30/SEOJK.04/2016 on Form and Content of Annual Report ("**OJK Circular Letter**



No. 30/2016"). The provision makes it mandatory for a public company to reveal its ultimate principal or controlling shareholder, clearly spelled out in diagrammatic or chart form remains. In addition, OJK Regulation No. 29/2016 and OJK Circular Letter No. 30/2016 provide a much broader reporting requirement for corporate social responsibility activities, and the mandatory reporting of any whistle blowing arrangements that may be in place.

### ***Corporate Social Responsibility***

OJK Circular Letter No. 30/2016 includes a corporate social responsibility reporting requirement, including the need to supply information on environmental responsibility (use of environmentally friendly/recyclable materials, renewable energy, waste treatment, environmental classification, etc.), labor, and occupational health and safety issues (gender equality, employee turnover, training, occupational accidents, etc.), social and community development (employment of local manpower, community empowerment, provision of social infrastructure, donations, etc.), and product responsibility (product information, response to consumer complaints, etc.). In addition, corporate social responsibility activities must be reported in a dedicated section of the Annual Report.

This ties in with Article 74(4) of the Company Law, as elaborated by Government Regulation No. 47 of 2012 concerning Companies Corporate Social Responsibility, which makes Indonesia one of the few countries in the world to practice mandatory corporate social responsibility. However, there is no oversight other than that provided by shareholders and the public at large. There are also no generally applicable sanctions that have been implemented for companies that fail to comply with this directive.

### ***Additional Disclosures***

OJK Circular Letter No. 30/2016 also requires the disclosure of information on employee/management stock options, if any, including information on the amounts and timeframes involved, participation requirements, and the prices at which such options are exercised. In addition, a description must be given of the company's code of ethics, including the key provisions of the code, how it is familiarized to employees and a statement that the code of ethics is applicable to members of the board of directors, board of commissioners and employees of the public company. In addition, the annual report shall also contain information on corporate culture or values of the company (if any).

Further, OJK Regulation No. 8/POJK.04/2015 concerning Issuer or Public Company Websites requires issuer or public companies to serve information in Bahasa Indonesia and one other language, at least English Language. The minimum information disclosed in the website is general information of the company, information for investors, information concerning good corporate governance, and information concerning corporate social responsibility.

### ***Corporate Governance of Public Companies***

On November 17, 2015, OJK issued OJK Regulation No. 21/POJK.04/2015 on the Implementation of Corporate Governance Guidelines for Public Companies ("**OJK Regulation No. 21/2015**"), which set out several requirements on good corporate governance for public companies. Pursuant to POJK No. 21/2015, public companies are obliged to implement corporate governance guidelines made by the OJK ("**GCG Guidelines**") and required to disclose information on the implementation of the recommendation mentioned in the GCG Guidelines their annual report. The GCG Guidelines are contained in the OJK Circular Letter No. 32/SEOJK.04/2015 on the Corporate Governance Guidelines for Public Companies ("**OJK Circular Letter No. 32/2015**").

GCG Guidelines provide several recommendations to assist public companies to implement good corporate governance principles, *inter alia*, to set self-assessment procedures for the board of directors and board of commissioners, to issue an internal policy on whistle blowing system, to provide and retain summaries of the resolutions of the general meetings of the shareholders on the company's website for at least a year.

In the event a public company does not implement the GCG Guidelines, such public company is required to provide an explanation as to the underlying reason as to why such public company does not implement the GCG Guidelines.

Failure to implement the GCG Guidelines may be subject to administrative sanctions imposed by the OJK in the form of written warning and fine, among other things.

## SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDONESIAN FAS AND IFRS

*Our consolidated financial statements included in the Preliminary Prospectus have been prepared in conformity with Indonesian FAS, which differs in certain significant respects from IFRS. The summary below should not be taken as an exhaustive list of all the differences between Indonesian FAS and IFRS. No attempt has been made to identify all disclosures, presentations or classification differences that would affect the manner in which transactions or events are presented in our consolidated financial statements (or notes thereto). Those differences that may have a material effect on our consolidated financial statements are summarized below. Management has not quantified the effects of the differences discussed below. Accordingly, we cannot assure you that our consolidated financial statements would not be materially different if prepared in accordance with IFRS.*

*The regulatory bodies that promulgate the Indonesian FAS are in the process of implementing a staged convergence project to minimize the differences between Indonesian FAS and IFRS. Significant advancements under this project have been made. In making an investment decision, investors must rely upon their own examination of us, the terms of the Offering and the financial information in the Preliminary Prospectus. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and IFRS, and how those differences might affect the financial information disclosed in the Preliminary Prospectus.*

### **First-time Adoption of International Financial Reporting Standard**

IFRS 1 ("**First-time Adoption of International Financial Reporting Standard**") will not be adopted by Indonesian Financial Accounting Standards. Indonesia has been using a gradual approach in adopting IFRS and it has been considered or included in the transitional provisions in the individual standards/interpretations.

### **Business Combination**

Under Indonesian FAS, acquisitions of subsidiaries and businesses are accounted for using the acquisition method similar to IFRS, except for acquisitions of entities under common control which are accounted for in the same manner as pooling of interest where net assets are transferred at book values. The difference between the acquisition cost and book value of the net assets, equity or other ownership instruments transferred is recorded under "*Difference in value of restructuring transaction among entities under common control*" under stockholders' equity. Effective January 1, 2013, the difference between the acquisition cost and book value of the net assets, equity or other ownership instruments transferred is recorded under "*Additional Paid-in Capital*".

Under IFRS, an entity should account for each business combination by applying the "**acquisition method**". At acquisition date, all identifiable assets, liabilities and contingent liabilities acquired are measured at 100% of fair value (irrespective of the extent of non-controlling interest). All acquisition-related costs (e.g. finder's fees, professional fees, cost of maintaining an internal acquisition department) are recognized in profit and loss, except for costs incurred to issue debt or equity securities. The acquirer should recognize goodwill as at the acquisition date measured as the excess of the aggregate of (a) the consideration transferred at the acquisition date, plus the amount of any non-controlling interests, plus in a business acquisition achieved in stages, the acquisition-date fair value of any previously-held equity interest in an entity acquired over (b) the net of acquisition-date amount of identifiable assets acquired and liabilities assumed (measured in accordance with IFRS 3). If the value of (b) exceeds (a), and after a review of the procedures used to measure the related accounts is performed to ensure that the measurements appropriately reflect consideration of all available information as of the acquisition date, and an excess remains, the resulting gain is recognized as bargain purchase in profit and loss. Goodwill acquired in a business combination is not amortized but is tested for impairment annually. Also, under the revised IFRS 3, once control has been achieved, further transactions are accounted for as equity transaction when the parent company acquires further equity interest from non-controlling interest or disposes of an equity interest without losing control. Further, non-controlling interest is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets (no goodwill is recorded for the non-controlling interest). Combination of entities under common control is outside the scope of IFRS 3.

## **Consolidated and Separate Financial Statements**

Under Indonesian FAS, does not allow a parent entity to present its own separate financial statements as standalone general purpose financial statements. Indonesia FAS stipulates that the separate financial statements have to be presented as supplementary information to the consolidated financial statements.

Under IFRS, a parent entity is allowed to present its own separate financial statements as standalone general purpose financial statements.

## **Land Rights**

Indonesian FAS 16 is consistent with IAS 16 in all significant respects, except that Indonesian FAS 16 made reference to Interpretation to Indonesian Financial Accounting Standard (ISAK) 25 on which land that is held under Right to Build (HGB) or Right to Cultivate (HGU) or Right to Use (Hak Pakai) is not amortized unless there is an indication that the renewal or extension of the rights is not probable or cannot be obtained. Cost to obtain those rights for the first time are capitalized as fixed assets but subsequent costs to extend or renew the rights are recognized as intangible assets and then amortized based on paragraph 11 of ISAK 25.

Under IFRS, land normally has a definite economic life. If title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all the risks and rewards incidental to ownership, in which case the lease of land is an operating lease. For depreciable land, the depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life similar to property, plant and equipment. Deferred legal expenses on land rights are amortized depending on whether the land right represents an operating lease or a finance lease.

## **Income Tax**

Indonesian FAS, computation of income tax is on entity level and not on a consolidation level.

Under IFRS, in consolidated financial statements, temporary differences are determined by comparing the carrying amounts of assets and liabilities in the consolidated financial statements with the appropriate tax base. The tax base is determined by reference to a consolidated tax return in those jurisdictions in which such a return is filed. In other jurisdictions, the tax base is determined by reference to the tax returns of each entity in the group. A current tax asset of one entity in a group is offset against a current tax liability of another entity in the group if, and only if, the entities concerned have a legally enforceable right to make or receive a single net payment and the entities intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

## **Events After the Reporting Period**

Indonesian Financial Accounting Standards (PSAK 8 — Events after the Reporting Period), is consistent with IAS 10 in all material respects, except that IAS 10 requires disclosure in cases where owners or other parties have the power to amend financial statements after issue. PSAK does not require such disclosure.

## **LEGAL MATTERS**

Certain legal matters in connection with the Offering will be passed upon for us by Makes & Partners as to certain matters of Indonesian law. Certain legal matters in connection with the Offering will be passed upon for the Joint Lead Underwriters by Clifford Chance Pte. Ltd. as to certain matters of U.S. federal securities law and by Armand Yapsunto Muharamsyah & Partners as to certain matters of Indonesian law.

## **INDEPENDENT AUDITORS**

Our consolidated financial statements as of and for the six-month periods ended June 30, 2016 and 2017, and years ended December 31, 2014, 2015 and 2016 have been audited by Rama Wendra, Registered Public Accountant, as stated in their report appearing in Chapter XVIII of the Preliminary Prospectus.

THIS PRELIMINARY PROSPECTUS IS AN ENGLISH TRANSLATION OF THE BAHASA INDONESIA PRELIMINARY PROSPECTUS OF PT PANCA BUDI IDAMAN TBK DATED 31 OCTOBER 2017 (THE "ENGLISH TRANSLATION"). IT HAS BEEN PREPARED BY PT PANCA BUDI IDAMAN TBK FOR THE CONVENIENCE OF NON-INDONESIAN LANGUAGE READERS.

SHOULD THERE BE ANY DIFFERENCES IN THE INTERPRETATION OF THE MEANING OF THE WORD(S) AND PHRASE(S) BETWEEN THE BAHASA INDONESIA PRELIMINARY PROSPECTUS AND THE ENGLISH TRANSLATION, THE INDONESIAN BAHASA INDONESIA PRELIMINARY PROSPECTUS WILL PREVAIL.

Preliminary Offering Period :  
 Estimated Effective Date :  
 Estimated Initial Public Offering Period :  
 Estimated Effective Date :  
 Estimated Subscription Refund Date :  
 Estimated Electronic Distribution Date :  
 Estimated Share Listing Date on the Indonesia Stock Exchange :

October 31 - November 15 2017  
 November 28 2017  
 November 30 - December 5, 2017  
 December 7, 2017  
 December 8, 2017  
 December 8, 2017  
 December 11, 2017

**INFORMATION IN THIS DOCUMENT IS SUBJECT TO ADDITIONS AND/OR CHANGES. A SECURITIES REGISTRATION STATEMENT HAS BEEN SUBMITTED TO THE FINANCIAL SERVICE AUTHORITY OR OTORITAS JASA KEUANGAN ("OJK") THE EFFECTIVE STATEMENT FROM THE OJK HAS NOT BEEN OBTAINED. THIS DOCUMENT SHALL BE USED SOLELY FOR THE PURPOSE OF PRELIMINARY OFFERING OF THIS SECURITIES. THE SECURITIES SHALL NOT BE TRADABLE UNTIL THE REGISTRATION STATEMENT SUBMITTED TO THE OJK HAS BECOME EFFECTIVE. THE SUBSCRIPTION OF SECURITIES SHALL BE CONDUCTED SOLELY AFTER THE PROSPECTIVE BUYERS OR SUBSCRIBERS HAVE RECEIVED OR HAVE THE OPPORTUNITY TO READ THE PROSPECTUS.**

**THE OJK NEITHER STATES ITS APPROVAL OR DISAPPROVAL OF THE SECURITIES. THE OJK DOES NOT CONFIRM THE ACCURACY OR COMPLETENESS OF THE CONTENT OF THE PROSPECTUS. ANY STATEMENT CONTRARY TO THE ABOVE SHALL BE AGAINST THE LAW.**

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. SHOULD ANY DOUBT ARISES ON THE APPROPRIATE COURSE OF ACTION, YOU ARE ADVISED TO CONSULT WITH COMPETENT PARTIES.**

**PT PANCA BUDI IDAMAN Tbk ("THE COMPANY") AND THE JOINT LEAD UNDERWRITERS SHALL BE FULLY RESPONSIBLE FOR THE ACCURACY OF ALL MATERIAL INFORMATION, FACTS DATA, OR REPORTS, AND THE TRUTHFULNESS OF OPINIONS STATED IN THIS PROSPECTUS.**

**THE SHARES OFFERED IN THIS INITIAL PUBLIC OFFERING SHALL BE ENTIRELY LISTED ON THE INDONESIA STOCK EXCHANGE.**



**PT PANCA BUDI IDAMAN Tbk**

**Main Business Activities:**

Manufacturing of plastic packaging products that is integrated with distribution and trade.

**Domiciling in Tangerang, Indonesia**

**Head Office:**

Kawasan Pusat Niaga Terpadu  
 Jl. Daan Mogot Raya Km 19,6 Blok D No. 8 A- D  
 Tangerang 15122, Indonesia  
 Phone. (021) 5436 5555, Fax. (021) 5436 5559  
 Email: investor.relation@pancabudi.com  
 Website: www.pancabudi.com

As of the date of issuance of this Prospectus, the Company and its Subsidiaries have 7 (seven) plants across Java and Sumatra as described below: 5 (five) in the Banten Province, 1 (one) in the Central Java Province, and 1 (one) in the North Sumatra Province, at the following locations:

<b>Plant I:</b>	<b>Plant II:</b>	<b>Plant III:</b>	<b>Plant IV:</b>	<b>Plant V:</b>	<b>Plant VI &amp; VII:</b>
Jl. Keamanan RT/RW 001/004 Batu Ceper Tangerang Banten	Jl. Arya Kemuning (previously Jl. Raya Mauk) KM2, Blok F No 6 Nambo Jaya Karawaci, Tangerang Banten	Jl. Raya Jaten Km. 9.6 Jaten Karanganyar Solo Central Java	Jl. Mesjid No. 142 Dusun V Desa Paya Geli Medan North Sumatra	Jl. Raya Merak Km. 116 Rawa Arum Grogol, Cilegon Banten	Jl. KH. Agus Salim No. 17 Poris Plawad Cipondoh, Tangerang Banten

**INITIAL PUBLIC OFFERING**

A maximum sum of 738,806,000 (seven hundred thirty eight million eight hundred six thousand) Ordinary Registered Shares comprising of New Shares, or a maximum of 33.00% (thirty three percent) of the Company's issued and paid-up capital subsequent to the Initial Public Offering, with a nominal value of Rp100.- (one hundred Rupiah) per share, which shall be offered to the public at an Offer Price of Rp●.- (● Rupiah) per share, which shall be paid in full upon submission of the SSF. The aggregate value of the Initial Public Offering shall be Rp[●].- ([●] Rupiah).

The Company shall hold an ESA Program by allocating Shares in a maximum sum of 73,880,600 (seventy three million eight hundred eighty thousand six hundred) shares, or a maximum of 10.00% (ten percent) of the total issued and fully paid-up Offering Shares subsequent to the Initial Public Offering. Further information considering the ESA Program is available in Chapter I of this Prospectus.

All of the Company's shares shall have the same and equal rights in all respects as the Company's other issued and paid-up shares, in accordance with the Law No. 40 of 2007 concerning Limited Liability Companies ("Company Law").

The Joint Lead Underwriters and the Underwriters listed below shall guarantee the Company's Initial Public Offering in full commitment.



**JOINT LEAD UNDERWRITERS**



**PT BCA Sekuritas**



**PT CIMB Sekuritas Indonesia**

**UNDERWRITERS**  
(to be determined)

**THE MAIN RISK EXPOSURE OF THE COMPANY AND ITS SUBSIDIARIES IS THE RISK OF BUSINESS COMPETITION. THE COMPANY'S COMPLETE BUSINESS RISKS ARE AVAILABLE IN CHAPTER VI OF THIS PROSPECTUS.**

**THE RISK ASSOCIATED WITH THE OWNERSHIP OF THE COMPANY'S SHARES IS THE RISK THAT THE SHARE OFFERED IN THIS INITIAL PUBLIC OFFERING MAY NOT BE LIQUID DUE TO, AMONG OTHERS, THE RELATIVELY LIMITED NUMBER OF TOTAL OFFERING SHARES OFFERED IN THIS INITIAL PUBLIC OFFERING.**

**THE COMPANY WILL NOT ISSUE A COLLECTIVE SHARE CERTIFICATE IN THIS INITIAL PUBLIC OFFERING. THE SHARES WILL BE ELECTRONICALLY DISTRIBUTED AND ADMINISTERED IN THE COLLECTIVE DEPOSITORY OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI").**

Effective Date :  
Initial Public Offering Period :  
Allotment Date :  
Subscription Refund Date :  
Electronic Distribution Date :  
Share Listing Date on the Indonesia Stock Exchange :

November 28 2017  
November 30 - December 5, 2017  
December 7, 2017  
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December 11, 2017

THE OJK NEITHER STATES ITS APPROVAL OR DISAPPROVAL OF THE SECURITIES. THE OJK DOES NOT CONFIRM THE ACCURACY OR COMPLETENESS OF THE CONTENT OF THE PROSPECTUS. ANY STATEMENT CONTRARY TO THE ABOVE SHALL BE AGAINST THE LAW.

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The Company shall hold an ESA Program by allocating Shares in a maximum sum of 73,880,600 (seventy three million eight hundred eighty thousand six hundred) shares, or a maximum of 10.00% (ten percent) of the total issued and fully paid-up Offering Shares subsequent to the Initial Public Offering. Further information considering the ESA Program is available in Chapter I of this Prospectus.

All of the Company's shares shall have the same and equal rights in all respects as the Company's other issued and paid-up shares, in accordance with the Law No. 40 of 2007 concerning Limited Liability Companies ("Company Law").

The Joint Lead Underwriters and the Underwriters listed below shall guarantee the Company's Initial Public Offering in full commitment.



**JOINT LEAD UNDERWRITERS**



PT BCA Sekuritas



PT CIMB Sekuritas Indonesia

**UNDERWRITERS**  
(to be determined)

THE MAIN RISK EXPOSURE OF THE COMPANY AND ITS SUBSIDIARIES IS THE RISK OF BUSINESS COMPETITION. THE COMPANY'S COMPLETE BUSINESS RISKS ARE AVAILABLE IN CHAPTER VI OF THIS PROSPECTUS.

THE RISK ASSOCIATED WITH THE OWNERSHIP OF THE COMPANY'S SHARES IS THE RISK THAT THE SHARE OFFERED IN THIS INITIAL PUBLIC OFFERING MAY NOT BE LIQUID DUE TO, AMONG OTHERS, THE RELATIVELY LIMITED NUMBER OF TOTAL OFFERING SHARES OFFERED IN THIS INITIAL PUBLIC OFFERING.

THE COMPANY SHALL NOT ISSUE A COLLECTIVE SHARE CERTIFICATE IN THIS INITIAL PUBLIC OFFERING, HOWEVER, THE SHARES SHALL BE ELECTRONICALLY DISTRIBUTED AND ADMINISTERED IN THE COLLECTIVE DEPOSITORY OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI").



PT Panca Budi Idaman Tbk (hereinafter referred to as the “Company” in this Prospectus) has submitted the Registration Statement in connection with Panca Budi Idaman 2017 Initial Public Offering in its letter No. 001/PBI-CS/VII/2017 dated July 28, 2017, to the Otoritas Jasa Keuangan (“OJK”) in Jakarta, in accordance with the requirements stipulated by the Law of the Republic of Indonesia No. 8 of 1995 concerning the Capital Market, State Gazette of the Republic of Indonesia No. 64 of 1995, Supplement No. 3608, and the implementing regulations and amendments thereof (hereinafter referred to as the “Capital Market Law”).

The Offering Shares in this Initial Public Offering are planned to be registered on the Indonesia Stock Exchange (“IDX”) in accordance with the Securities Registration Preliminary Agreement entered into by the Company and PT Bursa Efek Indonesia dated July 27, 2017. In the event of failure to satisfy the requirements of share registration on the IDX, this Initial Public Offering shall be null and void and payment of share subscriptions shall be refunded to the subscribers in accordance with the provisions set forth in the Securities Underwriting Agreement and Regulation No. IX.A.2 concerning the Registration Procedures in connection with the Registration Procedures of a Initial Public Offering, Annex to the Decree of Bapepam Chairman No. Kep-25/PM/2003 dated July 17, 2003.

All Capital Market Supporting Institutions and Professionals participating in this Initial Public Offering shall take full responsibility on the data presented in this Prospectus, in accordance with their respective function and position based on the prevailing regulations in the Republic of Indonesia, and their respective code of ethics, norms and professional standards.

With respect to this Initial Public Offering, each and every affiliated party shall be prohibited from issuing any statement concerning data that is not disclosed in this Prospectus without prior written consent from the Company and the Joint Lead Underwriters.

The Joint Lead Underwriters and the other Capital Market Supporting Institution and Professionals in connection with the Initial Public Offering are not the Affiliated Parties of the Company, whether directly or indirectly, within the definition of Affiliate stipulated in the Capital Market Law. Further descriptions of Affiliation is available in Chapter XII on Securities Underwriting.

**THIS INITIAL PUBLIC OFFERING IS NOT REGISTERED BASED ON LAWS AND REGULATIONS OTHER THAN THOSE PREVAILING IN INDONESIA. SHOULD ANY PARTY OUTSIDE THE JURISDICTION OF THE REPUBLIC OF INDONESIA OBTAIN THIS PROSPECTUS, THIS DOCUMENT IS NOT INTENDED AS A PUBLIC OFFERING DOCUMENT TO PURCHASE THE SHARES, UNLESS SUCH OFFERING AND PURCHASE OF SHARES ARE NOT IN CONTRARY TO OR DO NOT CONSTITUTE A VIOLATION TO THE LAWS AND REGULATIONS AND THE STOCK EXCHANGE REGULATIONS PREVAILING IN SUCH COUNTRY OR JURISDICTION OUTSIDE THE REPUBLIC OF INDONESIA.**

**THE COMPANY HEREBY REPRESENTS THAT ALL INFORMATION OR MATERIAL FACTS HAVE BEEN DISCLOSED AND THAT SUCH INFORMATION OR MATERIAL FACTS ARE NOT MISLEADING.**

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## DEFINITIONS AND ABBREVIATIONS

“Abridged Prospectus”	: Refers to a summary of the Preliminary Prospectus containing the material facts and judgments that is prepared and issued by the Company jointly with the Joint Lead Underwriters in accordance with the OJK Regulation No. 8/2017, which shall be announced by no later than two Business Days following the receipt of the OJK’s statement that the Issuer is allowed to announce the Abridged Prospectus as stipulated in the Regulation No. IX.A.2.
“Account Holder”	: Refers to the party whose name is registered as the owner of Securities Account at KSEI, or Securities Companies or Custodian Banks.
“Affiliate”	: Refers to the parties referred to in article 1 point (1) of the Capital Market Law, namely: <ul style="list-style-type: none"> <li>(a) Family relationships by either marriage or descents up to the second degree, horizontally and vertically;</li> <li>(b) Relationship between a party and the employees, Directors or Commissioners of such party;</li> <li>(c) Relationship between 2 (two) companies having 1 (one) or more common directors or commissioners;</li> <li>(d) Relationship between the company and the party which, directly or indirectly, controls or is controlled by such company;</li> <li>(e) Relationship between 2 (two) companies under common control of the same party, either directly or indirectly; or</li> <li>(f) Relationship between the company and the majority shareholder.</li> </ul>
“Allotment Date”	: Refers to a date jointly agreed by the Company and the Joint Lead Underwriters, which shall be no later than two Business Days subsequent to the closing of the Initial Public Offering Period, on which the Allotment Manager determine the allotment of the Offering Shares to each subscriber.
“Allotment Manager”	: Refers to PT Bahana Sekuritas as one of the Joint Lead Underwriters that is responsible for the allotment of the Offering Shares in accordance with the provisions stipulated in the Regulation No. IX.A.7.
“Bapepam and LK”	: Refers to the Capital Market and Financial Institution Supervisory Board, as defined in the Decree of the Minister of Finance of the Republic of Indonesia No. 606/KMK.01/2005 dated December 30, 2005, concerning the Organization and Working Procedures of the Capital Market Supervisory Board, <i>juncto</i> the Ministry of Finance of the Republic of Indonesia Regulation No. 184/KMK.01/2010 dated October 11, 2010, concerning the Establishment and Working Guidelines of the Ministry of Finance.
“Bapepam”	: Refers to the Capital Market Supervisory Board, or its successors and assigns of its rights and obligations as defined in Article (3) paragraph (1) of the Capital Market Law
“Business Day”	: Refers to Monday to Friday, except national holidays stipulated by the Government or any nary Business Day stipulated by the Government as national holiday.
“Calendar Days”	: Refers to every day in one year according to the Gregorian Calendar with no exception, including Saturday, Sunday and national holidays which may be stipulated from time to time by the Government.
“Capital Market Law”	: Refers to the Law No. 8 of 1995 concerning the Capital Market, as published in State Gazette of the Republic of Indonesia No. 64 of 1995, Supplement No. 3608, and the implementing regulations thereof.
“Collective Custody”	: Refers to the custody service of securities jointly owned by more than one parties, whose

interests are represented by KSEI.

"Company Law"	: Refers to the Law No. 40 of 2007 concerning Limited Liability Companies, as published in State Gazette of the Republic of Indonesia No. 106 of 2007, Supplement No. 4756.
"Custodian Bank"	: Refers to the bank referred to in the Capital Market Law.
"Distribution Date"	: Refers to the distribution date of the Offering Shares to the subscribers of such Offering Shares, which shall be electronically distributed by no later than two Business Days subsequent to the Allotment Date, simultaneously with the Payment Date.
"Effective Statement"	: Refers to the statement issued by the OJK, which declares the satisfaction of all Registration Statement requirements in accordance with the provisions of point 4 of Regulation No. IX. A.2.
"Effective"	: Refers to the satisfaction of all requirements pertaining to the Registration Statement in accordance with the provisions of point 4 of Regulation No. IX.A.2, namely: <ol style="list-style-type: none"> <li>1. On the basis of elapsed time as set forth below:               <ul style="list-style-type: none"> <li>- 45 days from the date that the OJK receives the complete Registration Statement, which has included all the criteria set forth in the regulation concerning the Registration Procedures for a Initial Public Offering and the regulations related to a Initial Public Offering; or</li> <li>- 45 days from the date that the last amendment to the Registration Statement filed by the Issuer or requested by the Otoritas Jasa Keuangan is satisfied; or</li> </ul> </li> <li>2. On the basis of a declaration of Effective Statement from the OJK stating that no further changes and/or additional information is required.</li> </ol>
"ESA Program"	: Refers to a program to offer the New Shares offered in this Initial Public Offering to the Company's employees as regulated based on the resolution of a GMS and/or approval of the Company's Board of Commissioners, in a maximum sum of 73,880,600 (seventy three million eight hundred eighty thousand six hundred) shares of the total Offering Shares
"ESA"	: Refers to the Employee Stock Allocation program.
"Exchange Day"	: Refers to the days on which the IDX carries out securities trading transaction activities, from Monday to Friday, except national holidays stipulated by the Government or any other day that is stipulated by the IDX as a holiday.
"OJK Regulation No. 30/2015"	: Refers to OJK Regulation No. 30/POJK.04/2015 dated Tuesday, December 22, 2015, concerning the Report on Realization of Use of Proceeds from Public Offerings.
"OJK Regulation No. 32/2014"	: Refers to OJK Regulation No. 32/POJK.04/2014 dated December 8, 2014, concerning the Plan and Organization of General Meeting of Shareholders of Public Companies, which provisions have been amended by the OJK Regulation No. 10/POJK.04/2017 concerning the Amendment to the Otoritas Jasa Keuangan No. 32/POJK.04/2014 concerning the Plan and Organization of General Meeting of Shareholders of Public Companies,
"OJK Regulation No. 33/2014"	: Refers to OJK Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.
"OJK Regulation No. 35/2014"	: Refers to OJK Regulation No. 35/POJK.04/2014 dated December 8, 2014, concerning the Corporate Secretary of Issuers or Public Companies.
"OJK Regulation No. 55/2015"	: Refers to OJK Regulation No. 55/POJK.04/2015 dated Wednesday, December 23, 2015, concerning the Establishment and Working Guidelines of Audit Committee.
"OJK Regulation No. 56/2014"	: Refers to OJK Regulation No. 56/POJK.04/2015 dated Wednesday, December 23, 2015, concerning the Establishment and Preparation of the Internal Audit Charter.

“OJK Regulation No. 7/2017”	: Refers to OJK Regulation No. 7/POJK.04/2017 concerning Registration Statement Documents in connection with Equity Securities, Debt Securities and/or Islamic Bonds ( <i>Sukuk</i> ) Public Offering and OJK Regulation No.
“OJK Regulation No. 8/2017”	: Refers to OJK Regulation No. 8/POJK.04/2017 concerning Form and Content of Prospectus and Abridged Prospectus in an Equity Securities Public Offering.
“OJK”	: Refers to the Otoritas Jasa Keuangan, an independent institution that is free from any intervention, which has the function, responsibilities and authorities to regulate, supervise, examine and investigate as stipulated in the Law No. 21 of 2011 regarding the Otoritas Jasa Keuangan (“OJK Law”), which duties and responsibilities include the regulation and supervision of financial service activities in the banking, capital market, insurance, pension fund sectors, financing service institution and other financial institutions. Effective from December 31, 2012, the regulatory and supervisory authorities over financial services in the Capital Markets sector have been transferred from Bapepam and LK to the OJK, or the successors and assigns of the rights and obligations thereof, in accordance with Article 55 of OJK Law.
“GMS”	: Refers to the General Meeting of Shareholders, which shall be the general meeting of the Company’s shareholders convening in accordance with the provisions of the Company’s Articles of Association, the Company Law and the Capital Market Law and the implementing regulations thereof.
“Government”	: refers to the Government of the Republic of Indonesia
“Issue”	: Refers to the Company’s action to offer the Offering Shares to the Public through a Initial Public Offering to be registered and traded on the IDX.
“Joint Lead Underwriters”	: Refers to the Parties undertaking the management and organization of the Initial Public Offering, which in this respect shall be PT Bahana Sekuritas, PT BCA Sekuritas, and PT CIMB Sekuritas Indonesia.
“KSEI”	: Refers to PT Kustodian Sentral Efek Indonesia, a limited liability company domiciling in Jakarta, and a Depository and Settlement Institution in accordance with the Capital Market Law.
“Listing Date”	: Refers to the listing date of the Offering Shares to be traded on the Stock Exchange, which shall be no later than 1 (one) Business Day following the Distribution Date.
“Members of the Stock Exchange”	: Refer to the Members of the Stock Exchange as defined in Article 1 paragraph (2) of the Capital Market Law.
“Ministry of LOHR”	: Refers to the Ministry of Law and Human Rights of the Republic of Indonesia (previously the Department of Justice and Human Rights of the Republic of Indonesia, Department of Laws and Regulations of the Republic of Indonesia. Department of Justice of the Republic of Indonesia or other titles).
“MoLHR”	: Refers to the Ministry of Law and Human Rights of the Republic of Indonesia (previously the Minister of Justice of the Republic of Indonesia, which was subsequently changed to the Minister of Laws and Regulations of the Republic of Indonesia).
“New Shares”	: Refer to the ordinary registered shares to be issued in connection with the Initial Public Offering.
“Offer Price”	: Refers to the price of each Offering Share offered in the Initial Public Offering, i.e., Rp[●] ([●] Rupiah).

"Offer Shares"	: Refer to ordinary registered shares issued by the Company with a nominal value of Rp100.- (one hundred Rupiah) per share, which shall be offered and sold to the Public in a Initial Public Offering and listed on the Stock Exchange in a maximum sum of 738,806,000 (seven hundred thirty eight million eight hundred six thousand) Ordinary Registered Shares comprising of New Shares, or a maximum of 33.00% (thirty three percent percent) of the Company's issued and paid-up capital subsequent to the Initial Public Offering, which shall be subsequently listed on the Stock Exchange on the Listing Date.
"Panca Budi Group"	: Refers to the Company and its Subsidiaries.
"Payment Date"	: Refers to the payment date on which the Underwriters, through the Joint Lead Underwriters, distribute the entire proceeds from the Offering Shares in the Initial Public Offering to the Company, which shall be conducted in conjunction with the Distribution Date.
"Plastic Bag"	: Refers to the plastic product manufactured by the Company in the form of sacks and rolls, including PP, PE, HDPE, and Heavy Duty Sack products.
"Preliminary Offering"	: Refers to a direct and indirect solicitation by using the Preliminary Prospectus, immediately subsequent to the announcement of the Abridged Prospectus in the newspapers with the objectives of, among others, assessing the Public's interest on the Offering Shares in the form of indication of the number of shares to be subscribed and/or the Offer Price estimate that is conducted in accordance with the Otoritas Jasa Keuangan Regulation No. 23/POJK.04/2017 dated June 22, 2017, concerning Preliminary Prospectus And Info Memo (" <b>OJK Regulation No. 23/2017</b> ") and with due consideration to the Regulation No. IX.A.2.
"Preliminary Prospectus"	: Refers to the written information containing all information presented in the Prospectus submitted to the OJK as part of the Registration Statement, except for the information concerning the amount of the Offering Shares, but may include preliminary information regarding the maximum amount of Offering Shares, Offer Price, securities underwriting or other matters related to the requirement of the offering that cannot yet be determined at the time, prepared in accordance with the OJK Regulation No. 23/2017."
"Prospectus"	: Refers to any written information referred to in Article 1 point 26 of the Capital Market Law and the OJK Regulation No. 8/2017.
"Public Offering" or "Share Initial Public Offering"	: Refers to the Initial Public Offering referred to in the Capital Market Law and the implementing regulations thereof.
"Public"	: Refers to any individual and/or institution and/or entity and/or legal entity, whether Indonesian Citizen and/or Indonesian legal entity and/or Foreign Citizen and/or foreign entity and/or foreign legal entity, whether residing or domiciling in Indonesia, or residing or domiciling outside Indonesia, with due considerations to the prevailing laws and regulations in the Capital Market in Indonesia.
"Registration Statement"	: Refers to the document that must be submitted by the Company on its own behalf to the OJK in connection with the Initial Public Offering to the Public as defined in the Capital Market Law and the implementing regulations thereof.
"Regulation No. IX.A.2"	: Refers to OJK Regulation No. IX.A.2 Annex to the Decree of Bapepam & LK Chairman Number: KEP-122/BL/2009 dated May 29, 2009, concerning the Procedures of Registration in a Public Offering.
"Regulation No. IX.A.7"	: Refers to OJK Regulation No. IX.A.7 Annex to the Decree of Bapepam & LK Chairman Number: Kep-691/BL/2011 dated December 30, 2011, concerning the Securities Subscription and Allotment in a Initial Public Offering.
"Regulation No. IX.E.1"	: Refers to OJK Regulation No. IX.E.1 Annex to the Decree of Bapepam & LK Chairman Number: Kep-412/BL/2009 dated November 25, 2009, concerning the Affiliated Transactions and Conflict of Interest on Certain Transactions.

"Regulation No. IX.E.2"	: Refers to OJK Regulation No. IX.E.2 Annex to the Decree of Bapepam & LK Chairman Number: Kep-614/BL/2011 dated November 25, 2009, concerning Material Transactions and Change of Main Business Activities.
"Regulation No. IX.J.1"	: Refers to OJK Regulation No. IX.J.1 Annex to the Decree of Bapepam & LK Chairman Number: Kep-179/BL/2008 dated May 14, 2008, concerning Main Provisions of Articles of Association of Companies Conducting Equity Securities Public Offering and Public Companies.
"Revision and/or supplement to Abridged Prospectus"	: Refers to the revision and/or supplement to Abridged Prospectus which shall be announced in one daily newspapers published in the Indonesian language having a national circulation, by no later than one Business Day subsequent to the receipt of Effective Statements as stipulated in Regulation No. IX.A.2.
"Rupiah" or "Rp"	: Refers to the official currency of the Republic of Indonesia.
"SAB"	: Refers to the Securities Administration Bureau, the party appointed by the Company to undertake the administration of the Offering Shares, which for this purpose shall be PT Datindo Entrycom, domiciling in Central Jakarta, which has entered into an agreement with the Company as set forth in the Deed of Share Administration Management Agreement.
"Securities Companies"	: Refers to the parties carrying out business activities as underwriters, securities broker-dealers and/or investment managers as defined in the Capital Market Law.
"Securities Registration Agreement"	: Refers to the Equity Securities Registration at KSEI Agreement No. SP-026/SHM/KSEI/0717 dated July 27, 2017, privately drawn up and duly stamped, between the Company and KSEI, including all the amendments and/or addendums and/or novations thereof that may be made by the parties in the future.
"Securities Underwriting Agreement" or "SUE"	: Refers to the Deed of Securities Underwriting Agreement No. 59 dated September 19, 2017, <i>juncto</i> , Amendment I to the Securities Underwriting Agreement of PT Panca Budi Idaman Tbk's Initial Public Offering No. 12 dated October 11, 2017, drawn up by and between the Company and the Joint Lead Underwriters before Fathiah Helmi, S.H., a Notary in Jakarta, including all amendments and/or addendums and/or novations that may be entered into in the future.
"SGRI"	: Refers to the State Gazette of the Republic of Indonesia.
"Share Administration Management Agreement" or "SAMA"	: Refers to the Deed of the Company's Share Administration Management Agreement No. 60 dated September 19, 2017, <i>juncto</i> , Amendment I to the Share Administration Management Agreement of PT Panca Budi Idaman Tbk No. 13 dated October 13, 2017, drawn up by and between the Company and the SAB before Fathiah Helmi, S.H., a Notary in Jakarta, including all amendments and/or addendums and/or novations that may be entered into in the future.
"Share Allotment Confirmation Form" or "SACF"	: Refers to the share allotment confirmation form under the name of a subscriber, which serves as an evidence of ownership of the Offering Shares in the Primary Market.
"Initial Public Offering Period"	: Refers to a period during which the subscription of the Offering Shares may be submitted by the Public to the Joint Lead Underwriters, Underwriters and Selling Agents (if any) in accordance with the procedures set forth in the Prospectus and the SSF, except in the event that the Initial Public Offering Period is closed earlier in accordance with the provisions set forth in the Securities Underwriting Agreement, the period of which shall not be less than one Business Day and shall not be more than five Business Days.
"Share Subscription Register" or "SSR"	: Refers to a register containing the names of the subscribers of the Offering Shares and the amount of Offering Shares subscribed as prepared based on the SSFs by the Underwriters and Selling Agents (if any).



"Share Subscription Register" or "SSR"	:	Refers to the original copy of the subscription form of the Offering Shares, which shall be made in 5 copies, each of which shall be completely filled in, signed by the original signature of the subscriber and submitted by the prospective subscriber to the Underwriters and Selling Agent (if any) upon subscription of the Offering Shares during the Initial Public Offering Period.
"Stock Exchange" or "IDX"	:	Refers to PT Bursa Efek Indonesia, domiciling in Jakarta, or any its successor that may be established in the future.
"Subscription Refund Date"	:	Refers to the date on which the subscription payments of the Offering Shares shall be refunded by the Joint Lead Underwriters through the Underwriters or Selling Agent (if any) to the subscribers whose subscriptions are unfulfilled, or in the event that the Initial Public Offering is postponed or canceled, which shall be conducted by no later than two Business Days subsequent to the Allotment Date or the date of termination of the Securities Underwriting Agreement resulting in the cancellation of the Initial Public Offering.
"Subsidiary"	:	Refers to a company (i) in which the Company has a share ownership with voting rights of more than 50%, whether directly or indirectly, or (ii) in which, in the event that the Company has share ownership with voting rights of 50% or less, the Company has the power to control; or (iii) which financial statements are consolidated to the Company in accordance with the generally accepted financial accounting standards in Indonesia. As of the date of issuance of this Prospectus, the Company's Subsidiaries are PT Polytech Indo Hausen, PT Panca Budi Niaga, PT Panca Budi Pratama, PT Prima Bhakti Pratama Prima, PT Panca Buana Plasindo, PT Sekarnusa Kreasi Indonesia, PT Polypack Indo Meyer, PT Axis Global Integrasi, PT Panca Budi Sejahtera, and PT Reka Mega Inti Pratama.
"The Company"	:	Refers to PT Banca Budi Idaman Tbk, domiciling in Tangerang, a limited liability company established by virtue and based on the laws and regulations of the Republic of Indonesia.
"Underwriters"	:	Refers to the Joint Lead Underwriters and members of the Underwriter syndicate (if any), which enter into a contract with the Company to perform the Initial Public Offering on behalf of the Company, and shall guarantee, severally and not jointly, the offer and sale of the Offering Shares to the Public in full commitment and execute the payment of proceeds from the Initial Public Offering on the primary market to the Company through the Joint Lead Underwriters, where the members of the Underwriter syndicate shall be appointed by the Company in an Addendum to the Securities Underwriting Agreement.
"Written Confirmation"	:	Refers to the confirmation letter issued by KSEI and/or the Custodian Banks and/or the Securities Companies for the benefit of the Account Holders in the secondary market.

## ABBREVIATION OF THE SHAREHOLDERS AND SUBSIDIARIES

AIC	:	Refers to PT Alphen Internasional Corporindo
Axis	:	Refers to PT Axis Global Integrasi
PBUAP	:	Refers to PT Panca Buana Plasindo
PBN	:	Refers to PT Panca Buana Niaga
PBP	:	Refers to PT Panca Buana Pratama
PBS	:	Refers to PT Panca Buana Sejahtera
PIH	:	Refers to PT Polytech Indo Hausen
PIM	:	Refers to PT Polytech Indo Meyer
PBHP	:	Refers to PT Prima Bhakti Pratama
RMIP	:	Refers to PT Reka Mega Inti Pratama
SKI	:	Refers to PT Sekarnusa Kreasi Indonesia

## SUMMARY

*The following summary is an integral part of, and must be read in conjunction with, other more detailed information and the financial statements and accompanying notes to the financial statements presented in this Prospectus. This summary is prepared based on the facts and judgments that are material to the Company. All financial information presented in this Prospectus is derived from the financial statements, which are presented in Rupiah currency, unless otherwise stated, and presented in accordance with the Financial Accounting Standards in Indonesia.*

### 1) BRIEF DESCRIPTION OF THE COMPANY

#### Overview

The Company was established under the name of PT Panca Budi Idaman pursuant to the Deed No. 16 dated January 10, 1990, drawn up before Endang Irawati, S.H., a Notary in Cibinong, as amended by the Deed No. 3 dated July 2, 1997, drawn up before Jacinta Lukas, S.H., a Notary in Tangerang, in connection with the amendment of the Company's Articles of Association to conform to the Company Law 1995, and was further amended by the Deed of Amendment No. 10 dated October 17, 1997, drawn up before Kiagus Zainal Arifin, S.H., a Notary in Jakarta, in connection with the amendment of article 2, article 3 paragraph 1 and 2, article 12 paragraph 9, article 15 paragraph 9, and article 20 paragraph 2 of the Company's Articles of Association. The Company's establishment as stipulated in the deeds referred to above was approved by the Minister of Justice of the Republic of Indonesia by virtue of Decree No. C2-12575-HT.01.01Th97 dated December 3, 1997, and registered in the Company Register in accordance with the Mandatory Company Registration Law under Certificate of Company Registration No. 09021608114 at the Company Registration Office of West Jakarta Municipality under Agenda No. 906/BH.09.03/XII/97 dated December 19, 1997, and announced in the State Gazette of the Republic of Indonesia No. 1451 dated March 6, 1988, Supplement No. 19.

The Company's most recent amendment to the Articles of Association was stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, in connection with: (i) the amendment of the Company's Articles of Association in its entirety, including, among others: (a) the approval of the Company's Articles of Association in its entirety, including, among others: (i) the amendment of the Articles of Association in connection with the change to become a Public Company, including, among others, the change of the Company's status from a Private Company to a Public Company; (ii) amendment to the Company's Articles of Association to conform to the laws and regulations in the Capital Market; (b) approval of the issuance of the Company's shares from portfolio up to a maximum of 1,000,000,000 (one billion) new shares issued from portfolio to be offered to the public in a Public Offering, each share having a nominal value of Rp100.- (one hundred Rupiah), at an Offer Price, including the allocation of issuance of the Company's new shares up to a maximum of 10% of the new shares to be issued to the Employee Stock Allocation (ESA), with due considerations to the prevailing laws and regulations, including the Capital Market regulations and the regulations of the Stock Exchange where the Company's shares are listed; (c) approval to grant the power to the Company's Board of Directors to undertake all necessary actions with respect to the Company's Initial Public Offering; (d) approval to grant the power to the Company's Board of Commissioners to declare, in a separate Notarial Deed, the realization of total shares issued in the Public Offering and the increase of the Company's issued and paid-up capital subsequent to the Initial Public Offering, and to register such shares on the Stock Exchange and in the Company's Shareholder Register. The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-0018831.AH.01.02.TAHUN 2017 concerning the Approval on the Amendment of the Articles of Association of a Limited Liability Company, PT Panca Budi Idaman Tbk dated September 13, 2017, which was registered in the Company Register pursuant to the Company Law No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017, and recorded in the database of the Legal Entity Administration System and obtained the receipt of notification from the Minister of Law and Human Rights by virtue of Decree No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017, concerning the Receipt of Notification of Amendment to the Company's Articles of Association and registered in the Company Register in accordance with the Company Law under No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017.

As of the issuance of this Prospectus, the Company is engaged in the plastics industry, and carries out the following business activities:

- a. Manufacture of plastic bag products and other products;
- b. Trading of plastic bag products and other products;
- c. Trading of plastic ores.

## The Company's Vision and Missions

### Vision

To become a plastic packaging manufacturer with the most extensive distribution network that prioritizes quality and service to customers and business partners.

### Missions

1. To expand the company's distribution network across indonesia and overseas;
2. To improve production standards and product quality;
3. To provide the best services with the support of trained and reliable human resources;
4. To use a fast and accurate information technology system
5. To improve employee welfare and business partners' satisfaction

## The Company's Latest Capital Structure and Shareholder Composition

Presented below are the Company's latest capital structure and Shareholder Composition as of June 30, 2017:

Description	Nominal Value of Rp100.00 per share		
	Total Shares	Total Nominal Value (Rp)	Percentage of Ownership (%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued Capital</b>			
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7
<b>Total Paid-in Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100</b>
<b>Total Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>	

## Business Activities

The Panca Budi Group was established by Mr. Djonny Taslim in 1979, who began his career as a general trader who distributed finished goods in the form of plastic bags made of PP, HDPE and PE as raw materials. In 1990, Mr. Djonny Taslim established the Company to produce and distribute finished goods in the form of plastics bags. The Company began its commercial operation in 1991 by manufacturing plastic bags. In 2003, the Company obtained the ISO 9001 certificate for its production process management. The Company is an integrated company that manufactures and distributes plastic packaging. The Company's business activities comprises of trading of plastic ores, manufacturing of plastic packaging, and distribution of plastic packaging for both the domestic and export markets.

The Company is the first company in Indonesia to produce branded plastic bags. The first brand sold by the Company was Pluit, and subsequently, the Company has developed other brands, such as: Tomat, Bangkuang, Jeruk, Cabe, 222, 007, Wayang, Gapura, Sparta, Liberty, Dayana, Dayak and PB. In addition, the Company is also the first company in the plastic bag industry to obtain the Halal certificate from the Indonesian Council of Ulemma (*Majelis Ulama Indonesia*, "MUI") in 2013, and to break a record of the World of Records Museum - Indonesia in 2013.

According to Frost & Sullivan, the Company has grown into one of the market leaders in the plastic bag products. In order to provide excellent services, the Company utilizes all of its marketing, sales and distribution personnel who are able to distribute its products across all of the Company's marketing jurisdictions.

As of the date of this Prospectus, the Company and its Subsidiaries have 7 (seven) factories across Java and Sumatra as described below: 5 (five) in the Banten Province, 1 (one) in the Central Java Province, and 1 (one) in the North Sumatra Province.

The Company's and its Subsidiaries' main business activities are manufacturing, distribution and trade.

## **The Company's Business Strategies**

In carrying out its business, the Company implements the following business strategies:

- Expansion of Market Share;
- Improvement of Brand Value;
- Expansion of Production Capacity;
- Product Innovation and Diversification; and
- Improvement of Efficiency and Operational Excellence.

## **Marketing**

The Company's marketing and promotional activities include market surveys, advertisements in banners and billboards, and distributions of packages during certain periods such as during the fasting month. Standing banners and banners are also placed at customers' stores. Promotional billboards are generally placed at the designated spaces in the traditional markets. The Company has a marketing division that is responsible for the development and success of the Company's marketing strategies. The division performs research on customers, market condition, competitors' data, and implementation of marketing strategies and analyzes any changes that may be required. The Company's marketing division also actively markets the Company's products through social media, exhibitions and other events.

## **Business Prospects**

The major indicators of economic development point towards better prospects for the Indonesian economy in the next four years from 2017 to 2021. Consistent GDP growth rate, lower inflation rates, sustained population growth, the demographic shift towards higher employable population, greater number of people living in cities and rising income levels not only suggest an increase in domestic demand, but also attractive markets for investments. Domestic demand is expected to be generated in every aspect of a household including food, living requirements, travel, hospitality, entertainment, demand for electronics, and consumer goods. These are likely to step up demand in ancillary markets including plastics and plastic bags.

Given the factors mentioned above, the use of plastic bags is anticipated to increase in near term. The plastic bag is still a predominant form of packaging especially for food and beverage products in both modern and traditional retail due to its easy handling, affordability, and function to protect the goods. However, the industry experienced a minor setback recently after the Ministry of Environment and Forests (KLHK) reported a 25% to 30% drop in plastic bag usage during the first three months of the plastic bag tax policy trial, which required retailers and vendors to charge consumers for opting to pack their goods in plastic bags. The negative impact on the industry could lead the Government of Indonesia to rethink its policy and opt for a new and more comprehensive regulation regarding plastic bag usage. New policies are likely to aim at reducing plastic waste by promoting the use of recyclable plastic bags. This, in turn, could significantly alter the dynamics of the plastic bags industry with a likelihood of minimal impact to the manufacturers in the forecast period.

Further discussions on the Company's business prospects are available in Chapter VIII of this Prospectus on Description of the Company and its Subsidiaries, Business Activities, Trends and Prospects.

## **RISK FACTORS**

### **Main Risks with Significant Impacts to the Company's Going Concern**

- Business competition risk

### **Material Business Risks**

- Risk of fluctuation in raw materials
- Risk of dependency on raw material supply
- Risk of damages and disturbance on production facilities and distribution
- Risk associated with industrial relations
- Risk associated with changes in technology
- Risk associated with compliance with environmental obligations
- Risk of failure to comply with the laws and regulations, and to secure, extend or maintain material licenses required to carry out business activities in accordance with the prevailing laws and regulations applicable to the Company's industry.
- Risk associated with the Company's investments or corporate actions

### General Risks

- Risk of foreign exchange rate fluctuations
- Risk of increase in fuel price
- Risk of natural disasters
- Risk associated with economic condition
- Risk associated with legal claims or lawsuits
- Risk associated with government policy
- Risk associated with regulations prevailing in other countries or international regulations

### Risks Associated with Investment in the Company's Shares

- Indonesia's Capital Market Condition May Affect the Price and Liquidity of the Company's Shares
- Share Price May Be Subject to Significant Fluctuation
- Future sale of shares may have adverse impact to the Shares' market price.
- The controlling shareholder may have a conflict of interest with prospective investors.

Further information considering the Company's Business Risks is available in Chapter VI of this Prospectus.

### Key Financial Highlights

The Company's key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the Company's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The consolidated financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the consolidated financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

### Statements of Financial Position

(In billions of Rupiah)

Description	June 30,	December 31,		
	2017	2016	2015	2014*
Total Assets	1,382.6	1,353.3	921.5	862.3
Total Liabilities	496.1	561.8	748.5	733.1
Total Equity	886.5	791.4	173.0	129.2

\*restated

### Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,	December 31,			
	2017	2016*	2016	2015	2014*
Net Sales	1,607.3	1,586.3	3,168.0	2,787.6	2,218.1
Cost of Sales	1,388.2	1,404.2	2,777.5	2,600.0	2,068.2
Gross Profit	219.1	182.2	390.4	187.6	150.0
Operating Income	139.7	120.3	226.3	51.7	51.9
Profit Before Income Tax	127.1	102.3	190.9	29.4	30.0
Net Profit for the year	97.7	78.7	138.4	14.0	9.6
Total comprehensive income/(loss) for the period	95.1	433.5	482.0	16.0	8.9

\*restated

## Key Ratios

(In percentage, unless otherwise stated)

Description	June 30,	December 31,		
	2017	2016	2015	2014
<b>Growth Ratios (%)</b>				
Net Sales	1.3	13.6	25.7	N/A
Cost of Sales	(1.1)	6.8	25.7	N/A
Operating Income	16.1	337.7	(0.4)	N/A
Net Profit for the year	24.1	891.7	45.8	N/A
Comprehensive Income	(78.1)	2917.0	79.8	N/A
Total Assets	2.2	46.9	6.9	N/A
Total Liabilities	(11.7)	(24.9)	2.1	N/A
Total Equity	12.0	357.5	33.9	N/A
<b>Financial Ratios (%)</b>				
Total Liabilities/Total Equity	56.0	71.0	432.7	567.4
Total Liabilities/Total Assets	35.9	41.5	81.2	85.0
Total Current Assets/Total Current Liabilities	169.7	143.4	102.5	88.2
<b>Operating Ratios (%)</b>				
Gross Profit/Net Sales	13.6	12.3	6.7	6.8
Operating Income/Net Sales	8.7	7.1	1.9	2.3
Net Profit for the Year/Net Sales	6.1	4.4	0.5	0.4
Comprehensive Income/Net Sales	5.9	15.2	0.6	0.4
Operating Income/Total Assets	10.1	16.7	5.6	6.0
Net Profit for the Year/Total Assets	7.1	10.2	1.5	1.1
Comprehensive Income/Total Assets	6.9	35.6	1.7	1.0
Operating Income/Total Equity	15.8	28.6	29.9	40.2
Net Profit for the Year/Total Equity	11.0	17.5	8.1	7.4
Comprehensive Income/Total Equity	10.7	60.9	9.2	6.9
<b>Ratio Requirements for Credit Facilities from PT Bank Central Asia Tbk</b>				
Total Current Assets/Total Current Liabilities Ratio	1.70x	1.43x	1.02x	0.88x
(Minimum 1x)				
Interest Bearing Debt/Equity (Maximum 2x)	0.32x	0.36x	2.51x	2.78x
Time Interest Earned Ratio (Minimum 2x)	10.90x	5.64x	1.99x	1.97x
<b>Ratio Requirements for Credit Facilities from PT Bank Permata</b>				
Interest Bearing Debt/Equity (Maximum 4x)	0.32x	0.36x	2.51x	2.78x
Time Interest Earned Ratio (Minimum 2x)	10.90x	5.64x	1.99x	1.97x

## Description of Subsidiaries

As of the date of issuance of this Prospectus, the Company's Subsidiaries are as follows:

No.	Name of Subsidiary	Business Activities	Year of Establishment	The Company's Percentage of Ownership	Year of Investment	Operating Status
<b>Direct Ownership</b>						
1.	PT Polytech Indo Hausen	Production and Distribution	2010	99.98	2010	Operating
2.	PT Panca Budi Niaga	Distribution	2011	99.52	2011	Operating
3.	PT Panca Budi Pratama	Trade	1991	95.24	2015	Operating
<b>Indirect Ownership</b>						
4.	PT Sekarnusa Kreasi Indonesia	Production and Distribution	1990	99.50	2006	Operating
5.	PT Polypack Indo Meyer	Production and Distribution	2006	99.90	2006	Operating
6.	PT Prima Bhakti Pratama	Trade	2005	90.00	2015	Operating
7.	PT Panca Buana Plasindo	Production and Distribution	2009	99.80	2009	Operating
8.	PT Axis Global Integrasi	Trade	2007	98.40	2007	Nonoperational
9.	PT Reka Mega Inti Pratama	Distribution	2007	99.90	2007	Operating
10.	PT Panca Budi Sejahtera	Trade	2014	99.00	2014	Pre-operation

Further discussions on the Company's Subsidiaries are available in Chapter VIII of this Prospectus on Description of the Company and its Subsidiaries, Business Activities, Trends and Prospects.

## 2) INITIAL PUBLIC OFFERING

The Company shall hereby conduct a Initial Public Offering to the Public of a maximum sum of 738,806,000 (seven hundred thirty eight million eight hundred six thousand) ordinary registered shares, with a nominal value of Rp100.- (one hundred Rupiah) per share, which represent a maximum of 33.00% (thirty three percent) of the Company's issued and paid-up capital subsequent to the Initial Public Offering.

The entire shares referred to above shall be offered to the Public at an Offer Price of Rp● (● Rupiah) per share, which shall be paid in full upon submission of the SSF (Share Subscription Form). The aggregate value of the Initial Public Offering shall be Rp[●].- ([●] Rupiah).

The Offering Shares with respect to this Initial Public Offering consists entirely of New Shares issued from the Company's portfolio and shall provide their holders with the same and equal rights in all matters with the Company's other issued and fully paid-up shares, including the right to receive dividend distribution, and the right to cast vote in a GMS, the right to receive bonus share distributions and preemptive rights in accordance with the provisions stipulated in the Company Law.

Pursuant the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, the Company's most recent capital structure and shareholder composition as of the date of issuance of this Prospectus are as follows:



Description	Nominal Value of Rp100.00 per share		
	Total Shares	Total Nominal Value (Rp)	Percentage of Ownership (%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued Capital</b>			
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7
<b>Total Paid-in Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100</b>
<b>Total Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>	

Upon subscription of all the Offering Shares in this Initial Public Offering, the Company's capital structure and shareholder composition prior and subsequent to the Initial Public Offering on a proforma basis shall be as follows:

Description	Prior to the Initial Public Offering			Subsequent to the Initial Public Offering		
	Nominal Value of Rp100 per share			Nominal Value of Rp100 per share		
	Total Shares	Total Nominal Value	(%)	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>		<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued and Fully Paid-up Capital</b>						
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3	1,400,000,000	140,000,000,000.00	62.5
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7	100,000,000	10,000,000,000.00	4.5
3. Public <sup>(1)</sup>	-	-	-	738,806,000	73,880,600,000.00	33.0
<b>Total Issued and fully Paid-up Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>	<b>2,238,806,000</b>	<b>223,880,600,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>		<b>3,761,194,000</b>	<b>376,119,400,000.00</b>	

<sup>(1)</sup> including the ESA Program

The Company shall conduct an ESA Program in conjunction with the Initial Public Offering in accordance with the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, where the Company's Shareholders have approved the ESA Program with a maximum sum of 73,880,600 (seventy three million eight hundred eighty thousand six hundred) shares of the Offering Shares in this Initial Public Offering.

Upon subscription of all the Company's Offering Shares in this Initial Public Offering, and the implementation of the ESA Program referred to above, the Company's capital structure and shareholder composition prior and subsequent to the Initial Public Offering and the ESA Program Implementation on a proforma basis shall be as follows:

Description	Prior to the Initial Public Offering and the ESA Program Implementation			Subsequent to the Initial Public Offering and the ESA Program Implementation		
	Nominal Value of Rp100 per share			Nominal Value of Rp100 per share		
	Total Shares	Total Nominal Value	(%)	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>		<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued and Fully Paid-up Capital</b>						
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3	1,400,000,000	140,000,000,000.00	62.5
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7	100,000,000	10,000,000,000.00	4.5
3. Public	-	-	-	664,925,400	66,492,540,000.00	29.7
4. ESA Program Participant	-	-	-	73,880,600	7,388,060,000.00	3.3
<b>Total Issued and Fully Paid-up Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>	<b>2,238,806,000</b>	<b>223,880,600,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>		<b>3,761,194,000</b>	<b>376,119,400,000.00</b>	

### 3) USE OF PROCEEDS FROM THE PUBLIC OFFERING

The proceeds from this Initial Public Offering, net of issuance cost, shall be used by the Company as follows:

1. Approximately 70% shall be used by the Company and/or its Subsidiaries to finance business expansion, i.e., approximately 25% shall be used to finance the procurement of additional machineries, and approximately 45% shall be used to finance additional plants and distribution facilities in connection with the Company's plan to expand its marketing areas.
2. Approximately 30% shall be used by the Company and/or its Subsidiaries to finance the working capital requirements of the Company and its Subsidiaries. The operational plan to be financed are plant operational activities relating to production, including, among others, procurement of raw materials and payment of other costs that may arise in relation to the Company's production activities.

### 4) DIVIDEND POLICY

Subsequent to this Initial Public Offering, the Company's management intends to distribute dividends to the Company's shareholders, in a maximum sum of 40% (forty percent) of the net profit of the respective fiscal year, beginning from 2018 based on the 2017 profit for the year. When the decision is made to distribute dividends, such dividends shall be paid in Rupiah to all shareholders whose names are registered in the Shareholder Register as shareholders who are entitled to dividends as of the recording date. The shareholders registered in the Shareholder Register as of the recording date shall be entitled to receive the approved amount of dividends, subject to Income Tax and withholding tax, if any. The Company's Board of Directors may change its dividend policy from time to time, subject to the approval of the shareholders in a GMS.

## I. PUBLIC OFFERING

The Company shall hereby conduct a Initial Public Offering to the Public of a maximum sum of 738,806,000 (seven hundred thirty eight million eight hundred six thousand) ordinary registered shares, with a nominal value of Rp100.- (one hundred Rupiah) per share, which represent a maximum of 33.00% (thirty three percent) of the Company's issued and paid-up capital subsequent to the Initial Public Offering.

The entire shares referred to above shall be offered to the Public at an Offer Price of Rp● (● Rupiah) per share, which shall be paid in full upon submission of the SSF. The aggregate value of the Initial Public Offering shall be Rp[●].- ([●] Rupiah).

The Offering Shares with respect to this Initial Public Offering entirely consist of New Shares issued from the Company's portfolio and shall provide their holders with the same and equal rights in all matters with the Company's other issued and fully paid-up shares, including the right to receive dividend distribution, and the right to cast vote in a GMS, the right to receive bonus share distributions and preemptive rights in accordance with the provisions stipulated in the Company Law.



**PT PANCA BUDI IDAMAN Tbk**

**Main Business Activities:**

Manufacturing of plastic packaging products that is integrated with distribution and trade.

**Domiciling in Tangerang, Indonesia**

**Head Office:**

Kawasan Pusat Niaga Terpadu  
Jl. Daan Mogot Raya Km 19,6 Blok D No. 8 A- D  
Tangerang 15122, Indonesia  
Phone. (021) 5436 5555, Fax. (021) 5436 5559  
Email: investor.relation@pancabudi.com  
Website: www.pancabudi.com

As of the date of issuance of this Prospectus, the Company and its Subsidiaries have 7 (seven) plants across Java and Sumatra as described below: 5 (five) in the Banten Province, 1 (one) in the Central Java Province, and 1 (one) in the North Sumatra Province, at the following locations:

<b>Plant I:</b>	<b>Plant II:</b>	<b>Plant III:</b>	<b>Plant IV:</b>	<b>Plant V:</b>	<b>Plant VI &amp; VII:</b>
Jl. Keamanan RT/RW 001/004 Batu Ceper Tangerang Banten	Jl. Arya Kemuning (previously Jl. Raya Mauk) KM2, Blok F No 6 Nambo Jaya Karawaci, Tangerang Banten	Jl. Jaten KM. 9.6 Jaten Karanganyar Solo Central Java	Jl. Mesjid No. 142 Dusun V Desa Paya Geli Medan North Sumatra	Jl. Raya Merak Km. 116 Rawa Arum Grogol, Cilegon Banten	Jl. KH. Agus Salim No. 17 Poris Plawad Cipondoh, Tangerang Banten

**THE MAIN RISK EXPOSURE OF THE COMPANY AND ITS SUBSIDIARIES IS THE RISK OF BUSINESS COMPETITION. THE COMPANY'S COMPLETE BUSINESS RISKS ARE AVAILABLE IN CHAPTER VI OF THIS PROSPECTUS.**

**THE RISK ASSOCIATED WITH THE OWNERSHIP OF THE COMPANY'S SHARES IS THE RISK THAT THE SHARE OFFERED IN THIS INITIAL PUBLIC OFFERING MAY NOT BE LIQUID DUE TO, AMONG OTHERS, THE RELATIVELY LIMITED NUMBER OF TOTAL OFFERING SHARES OFFERED IN THIS INITIAL PUBLIC OFFERING.**

Pursuant the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, the Company's most recent capital structure and shareholder composition as of the date of issuance of this Prospectus are as follows:

Description	Nominal Value of Rp100.00 per share		
	Total Shares	Total Nominal Value (Rp)	Percentage of Ownership (%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued Capital</b>			
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7
<b>Total Paid-in Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>
<b>Total Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>	

#### Initial Public Offering

Total Offering Shares in the Initial Public Offering shall be a maximum of 738,806,000 (seven hundred thirty eight million eight hundred six thousand) ordinary registered shares, with a nominal value of Rp100.- (one hundred Rupiah) per share, which represent a maximum of 33.00% (thirty three percent) of the Company's issued and paid-up capital subsequent to the Initial Public Offering.

Upon subscription of all the Offering Shares in this Initial Public Offering, the Company's capital structure and shareholder composition prior and subsequent to the Initial Public Offering on a proforma basis shall be as follows:

Description	Prior to the Initial Public Offering			Subsequent to the Initial Public Offering		
	Nominal Value of Rp100 per share			Nominal Value of Rp100 per share		
	Total Shares	Total Nominal Value	(%)	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>		<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued and Fully Paid-up Capital</b>						
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3	1,400,000,000	140,000,000,000.00	62.5
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7	100,000,000	10,000,000,000.00	4.5
3. Public <sup>(1)</sup>	-	-	-	738,806,000	73,880,600,000.00	33.0
<b>Total Issued and Fully Paid-up Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>	<b>2,238,806,000</b>	<b>223,880,600,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>		<b>3,761,194,000</b>	<b>376,119,400,000.00</b>	

<sup>(1)</sup> including the ESA Program

#### The Company's Employee Share Ownership Program through a Share Allocation for Employees (The Employee Stock Allocation or ESA Program)

The Company shall conduct an ESA Program in conjunction with the Initial Public Offering in accordance with the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, where the Company's Shareholders have approved the ESA Program with a maximum sum of 73,880,600 (seventy three million eight hundred eighty thousand six hundred) shares of the Offering Shares in this Initial Public Offering.

The main objective of the ESA Program is to increase the employees' sense of belonging towards the Company and its Subsidiaries. Such sense of belonging is expected to increase work productivity of each employee, which will eventually improve the corporate's overall performance and increase the value of the Company that will benefit its stakeholders.

The implementation of the ESA program shall comply with the provisions set forth in Regulation No. IX.A.7.

#### ESA Program Implementation Procedures

The employees entitled to participate in the ESA Program are the Company's employees, and the ESA Program is not designated to the Directors and Commissioners of the Company and its Subsidiaries ("ESA Program Participant"). The ESA Program Participants shall satisfy the following criteria:

- 1) Active employees of the Company and its Subsidiaries at the time of the share subscription;
- 2) Employees who are not subject to any administrative sanction upon implementation of the ESA Program.

Under the ESA Program, a Fixed Allotment to subscribe shares shall be granted to the eligible Participants in accordance with their respective positions and years of service. The Fixed Allotment Shares allocated to the ESA Program Participants are not mandatory, therefore, if there are remaining shares unsubscribed by the Participants, such remaining shares shall be offered to the public. The Participants are entitled to purchase the Fixed Allotment Shares at the Offer Price. Shares that are not subscribed by the ESA Program Participants shall not be subject to a lock-up period.

A 6-month (six-month) lock-up period shall apply to the Fixed Allotment Shares, commencing on the listing date of the Company's shares on the IDX. The Company shall not bear the cost of Fixed Allotment Shares subscriptions made by the ESA Program Participants.

The Company shall issue Fixed Allotment Shares allocation confirmations to the ESA Program Participants. The ESA Program Participants shall be required to submit a Representation and Consent to be Bound with respect to the Share Ownership Program with respect to the Company's Initial Public Offering, which states that the Participants shall subscribe to the Fixed Allotment Shares, which shall be funded in accordance with the requirements stipulated by the Company with regard to the ESA Program. The Company shall submit the ESA Program Participants register and the number of shares under the ESA Program to the Joint Lead Underwriters, and shall pay the entire shares under the ESA Program in full at the price equal to the share Offer Price, and such payment shall be deposited in full amount to the bank account appointed by the Joint Lead Underwriters to receive share subscription payments in connection to this Public Offering.

Total employees of the Company and its Subsidiaries that shall participate in the ESA Program shall be a maximum of 3,000 employees. Subscription and payment of the ESA program shall be conducted by the Company during the Public Offering Period in accordance with the Company's Initial Public Offering schedule. The person-in-charge of the Company's ESA Program shall be the Human Resources Division, under the supervision of the Director of General Administration.

#### Tax Aspects of the ESA Program

The ESA Program Participants are allowed to enter into sale of shares transactions through the Stock Exchange or outside the Stock Exchange. The following tax regulations shall apply on such sale of shares transactions:

- Sales executed through the Stock Exchange shall be subject to a final tax of 0.1% (zero point one percent) of the transaction value.
- Sale of shares executed outside the Stock Exchange shall be subject to tax, which shall be calculated based on the capital gain received by the Participant.

Upon subscription of all the Company's Offering Shares in this Initial Public Offering, and the implementation of the ESA Program referred to above, the Company's capital structure and shareholder composition prior and subsequent to the Initial Public Offering and the ESA Program Implementation on a proforma basis shall be as follows:

Description	Prior to the Initial Public Offering and the ESA Program Implementation			Subsequent to the Initial Public Offering and the ESA Program Implementation		
	Nominal Value of Rp100 per share			Nominal Value of Rp100 per share		
	Total Shares	Total Nominal Value	(%)	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	<b>6,000,000,000</b>	<b>600,000,000,000.00</b>		<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Issued and Fully Paid-up Capital</b>						
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3	1,400,000,000	140,000,000,000.00	62.5
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7	100,000,000	10,000,000,000.00	4.5
3. Public	-	-	-	664,925,400	66,492,540,000.00	29.7
4. ESA Program Participant	-	-	-	73,880,600	7,388,060,000.00	3.3
<b>Total Issued and Fully Paid-up Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>	<b>2,238,806,000</b>	<b>223,880,600,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	<b>4,500,000,000</b>	<b>450,000,000,000.00</b>		<b>3,761,194,000</b>	<b>376,119,400,000.00</b>	

### Registration of the Company's Shares on the IDX

Simultaneously with the registration of shares issued in connection with the Initial Public Offering, i.e., a maximum of 738,806,000 (seven hundred thirty eight million eight hundred six thousand) ordinary registered shares or 33.00% (thirty three percent) of the Company's issued and paid-up capital subsequent to the Initial Public Offering, the Company shall also register the entire ordinary registered shares of the shareholders prior to the Initial Public Offering in the amount of 1,500,000,000 (one billion five hundred million) shares. Therefore, the total shares to be registered on the IDX by the Company shall be a maximum of 2,238,806,000 (two billion two hundred thirty eight million eight hundred six thousand) shares or 100.00% (one hundred percent) of the Company's total issued and paid-up capital subsequent to the Initial Public Offering.

## II. USE OF PROCEEDS FROM THE PUBLIC OFFERING

The entire proceeds from this Initial Public Offering, net of issuance cost, shall be used by the Company as follows:

1. Approximately 70% shall be used by the Company and/or its Subsidiaries to finance business expansion, i.e., approximately 25% shall be used to finance the procurement of additional machineries, and approximately 45% shall be used to finance additional plants and distribution facilities in connection with the Company's plan to expand its marketing areas. The additional machineries to be financed include, among others, the replacement of existing production machineries and/or procurement of new machineries. Whereas addition of existing plants and distribution facilities to be financed include, among others, additional plants, warehouses and other distribution supporting facilities in Java island and eastern part of Indonesia, which will be carried out up to 2019. The aforementioned steps are taken to increase production capacities for both existing products and new products in order to meet customer needs, considering that at present the Company has not been able to fully cover all customer needs. In addition, the Company also sees the tremendous opportunities in eastern Indonesia. Therefore, in order to increase market penetration and improve efficiency, the Company plans to increase its distribution facilities.

Subsidiaries that are entitled to receive additional funds for business expansions are all or several of the Company's Subsidiaries, whether those existing or will exist in the future, in order to support the Company's expansion in accordance with the requirements of each Subsidiary.

The type of machineries to be financed include, among others, blowing machine, cutting machine, supporting machine and/or plant equipment for additional machineries. Up to the issuance of this Prospectus, the Company is still in the process of identifying the vendors, therefore, the vendors and the nature of affiliation between such vendors and the Company cannot be determined at this time.

2. Approximately 30% shall be used by the Company and/or its Subsidiaries to finance the working capital requirements of the Company and its Subsidiaries. The operational plan to be financed are plant operational activities relating to production, including, among others, procurement of raw materials and payment of other costs that may arise in relation to the Company's production activities.

Subsidiaries that are entitled to receive additional funds for business expansions are all or several of the Company's Subsidiaries, whether those existing or will exist in the future, in order to support the Company's expansion in accordance with the requirements of each Subsidiary.

The Company shall allocate the proceeds from the Initial Public Offering to its Subsidiaries in the form of additional paid-in capital in the Subsidiaries. In the event that the proceeds from the Initial Public Offering are not sufficient, the Company still has a number of financing alternatives to carry out its business expansion and finance additional working capital requirements referred to above. Such financing alternatives include, among others, the Company's internal cash flows and/or bank loans, considering that the Company's financial ratios still allow such alternatives.

If the proceeds from the Initial Public Offering have not been fully realized, temporary placement of such proceeds from the Initial Public Offering shall be made by the Company with due considerations to the security and liquidity of such placement, and such placement shall generate a fair financial return to the Company and comply with the provisions of the prevailing laws and regulations.

The Company shall report the realization of use of proceeds to the Otoritas Jasa Keuangan on a periodical basis in accordance with the OJK Regulation No. 30/2015, and the Company shall be obligated to report the realization of use of proceeds from the Initial Public Offering to the Company's Annual General Meeting of Shareholders (GMS) until the entire proceeds from the Initial Public Offering are realized, and such report shall be included as one of the meeting agenda in the Annual GMS. The realization of use of proceeds report to be submitted to the OJK shall be prepared on a periodical basis, i.e., every 6 (six) months (reporting dates shall be June 30 and December 31), until all proceeds from the Initial Public Offering are realized. The Company shall submit such report by no later than the 15<sup>th</sup> of the following month. The realization of use of proceeds from the Public Offering shall also be submitted to the IDX and KSEI.

In the event that the Company intends to change the planned use of proceeds from the Initial Public Offering, the Company shall first report such plan to the OJK by stating the reasons and considerations thereof, and such change of use of proceeds shall

first obtain the approval from the Company's shareholders in a GMS. The change of planned use of proceeds shall be reported simultaneously with the notification of the GMS agenda to the OJK.

If any transaction to be entered into by the Company using the proceeds of the Public Offering would be deemed an affiliated party transaction and a transaction with a conflict of interest and/or a material transaction, then the Company shall comply with the provisions set forth in Regulation No. IX.E.1 and/or Regulation No. IX.E.2.

In accordance with the OJK Regulation No. 8/2017, total costs before tax incurred by the Company is approximately equal to ●% of the Initial Public Offering value, which include:

- a. Underwriting fee of ●%;
- b. Management fee of ●%;
- c. Selling fee of ●%;
- d. Capital Market Supporting Professional Fees: ●% consisting of; Public Accountant: ●%; Legal Advisor: ●%; and Notary ●%.
- e. Capital Market Supporting Institution Fees: ●% consisting of Trustee Fee: ●% and Securities Rating Agency: ●%;
- f. Other expenses (OJK Registration Statement, IDX, KSEI, printing, advertisements, and others): ●%.



### III. INDEBTEDNESS

As of June 30, 2017, the Company and its Subsidiaries had a total liabilities of Rp496.1 billion, in accordance with the Company's financial statements that have been audited by the Registered Public Accountant Rama Wendra with Unmodified Opinion.

(In billions of Rupiah)

Description	Total
<b>Current Liabilities</b>	
Bank loans	257.0
Trade Payables	
Third Parties	118.6
Related Parties	7.2
Accrued Expenses	10.7
Taxes payable	22.1
Other Payables	
Third Parties	7.7
Related Parties	3.1
Sales Advance	5.5
Current maturities of long-term liabilities:	
Current maturities of bank loans	8.2
Consumer financing liabilities	1.0
Capital lease liabilities	0.1
<b>Total Current Liabilities</b>	<b>441.3</b>
<b>Non-Current Liabilities</b>	
Non-current liabilities - net of current maturities	
Current maturities of bank loans	20.0
Consumer financing liabilities	0.4
Capital lease liabilities	0.0
Due to related parties	0.1
Post-Employment Benefit Liabilities	33.0
Deferred Tax Liabilities	1.2
<b>Total Non-Current Liabilities</b>	<b>54.8</b>
<b>Total Liabilities</b>	<b>496.1</b>

There are no negative covenants that may injure the rights of the shareholders, therefore no waivers on negative covenants shall be required.

Further details on the aforementioned liabilities are presented below:

#### 1. BANK LOANS

As of June 30, 2017, the Company and its Subsidiaries had a total outstanding Bank Loans of Rp285.1 billion, consisting of:

(In billions of Rupiah)

Description	Total
<b>Working Capital Credit Facility</b>	
<b>Rupiah</b>	
PT Bank Central Asia Tbk	134.4
PT Bank Permata Tbk.	24.6
<b>Sub-total Rupiah</b>	<b>159.0</b>
<b>United States Dollar</b>	
PT Bank Central Asia Tbk	85.2
PT Bank Permata Tbk	12.8
<b>Sub-total United States Dollar</b>	<b>98.0</b>
<b>Total Working Capital Credit Facilities</b>	<b>257.0</b>
<b>Investment Credit Facility</b>	
PT Bank Central Asia Tbk	28.1
<b>Total Investment Credit Facility</b>	<b>28.1</b>
<b>Total bank loans</b>	<b>285.1</b>

### The Company

The annual interest rates on the Company's bank loans range from 10% - 11.75% for bank loans denominated in Rupiah and 4% - 5% for bank loans denominated in United States Dollar.

As of June 30, 2017, the Company obtained credit facilities from PT Bank Central Asia Tbk, as stipulated in the Deed of Credit Facility Agreement No. 33 dated February 15, 2005, drawn up before Drs. Gunawan Tedjo, S.H., M.H., a Notary. The agreement has been amended several times, the most recent amendment of which was made pursuant to the Deed of Amendment to Credit Facility Agreement No. 272/Add-KCK/2017 dated September 11, 2017, made under the hands, sufficiently stamped and signed by the parties, as described below:

- a. Type : Local credit facility  
Credit Limit : Rp2,500,000,000  
Interest rate : 9.75% p.a  
Term : March 12, 2018
- b. Type : Time Loan Revolving  
Credit Limit : Rp10,000,000,000  
Interest rate : 9.75% p.a  
Term : March 12, 2018
- c. Type : Multipurpose Credit Facility  
Credit Limit : Rp175,000,000,000  
Interest Rate (IDR) : 9.75% p.a  
Interest Rate (USD) : 4.5% p.a  
Term : March 12, 2018
- d. Type : Forward Line  
Credit Limit : USD1,500,000  
Term : Letter of Credit License (SPPK) submitted from time to time by BCA to the Company

The credit facilities referred to above shall be used by the Company in accordance with the followings:

- a. The Local Credit (Current Account) Facility and Time Loan Revolving Facility shall be used to finance the working capital and operational requirements of the Company, PBP and PBD;
- b. The L/C and Local L/C (*Surat Kredit Berdokumen Dalam Negeri* or SKBDN) Facility, which is a sub-limit of the Multipurpose Facility shall be used to finance the procurement of polyethylene (PE) and polypropylene (PP) plastic ores;

- c. The T/R Facility, which is a sub-limit of the Multipurpose Facility shall be used to finance the repayment of L/C and Local L/C issued by BCA;
- d. The Time Loan Revolving Facility, which is a sub-limit of the Multipurpose Facility shall be used to finance the procurement of polyethylene (PE) and polypropylene (PP) plastic ores, provided that such procurement is conducted solely with the Company.
- e. The Stand-by L/C and Bank Guarantee Facilities, which are the sub-limit of the Multipurpose Facility, shall be used to issue payment and/or performance bonds for the Company, PBP or PBN to third parties.
- f. The Forex Line Facility shall be used by the Company to finance hedging transactions of the Company, PBP and PBN.

Pursuant to the credit facilities referred to above, the Company shall be required to keep, maintain, and retain the following financial ratios at all times, which shall be reviewed by the Bank annually:

- A minimum Current Ratio (a ratio between current assets and current liabilities) of 1 time;
- A maximum Debt to Equity ratio (a ratio between total liabilities, including interest, to total equity) of 2 times;
- A minimum Time Interest Earned Ratio (operating income before interest and tax) of 1 time.

The following table presents the Company's compliance with the required financial ratios:

Description	June 30,	December 31,		
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Central Asia Tbk</b>				
Total Current Assets/Total Current Liabilities Ratio	1.81x	1.88x	0.95x	1.03x
(Minimum 1x)				
Interest Bearing Debt/Equity	0.04x			
(Maximum 2x)		0.05x	1.63x	2.20x
Time Interest Earned Ratio	10.57x	1.81x	1.84x	2.37x
(Minimum 2x)				

There have been incidents where the Company's financial ratios were below the Bank's requirements. However, the Company has obtained a waiver from the respective bank.

Pursuant to the Company's Credit Facility Agreements, for as long as the Company has not fully paid its debts and/or the use of Facilities is not completed, the Company is prohibited from conducting any of the followings without the Bank's written consent:

- a. Obtain new credit facilities/cash loans from other parties and/or bind itself as a guarantor/surety in any form whatsoever under any name whatsoever and/or pledge the Company's assets as collateral to other parties;
- b. Extend any cash loans, including but not limited to, to its affiliates, except in the normal course of business;
- c. Enter into any transaction with a person or a party, including but not limited to, its affiliates, in a manner that deviates from, or is inconsistent with the common practices and customs;
- d. File a petition for bankruptcy or suspension of debt payment obligation to the competent authority (the court of law);
- e. Enter into any investment, participation or establish any new business other than the existing businesses;
- f. Sell or dispose any immovable assets or main assets to carry out its business, except in the normal course of business;
- g. Effect any merger, amalgamation, acquisition, spin-off, or liquidation;
- h. Change its institutional status, Articles of Association, Board of Directors and Board of Commissioners compositions, and shareholder composition.

The agreement is cross-default, and the Credit Facility Agreement stipulates an event of default as:

- An event where other any other party whose debts are secured by the same collateral and/or personal guarantee and/or corporate guarantee with the Company's collateral and/or guarantee is declared in default by the Bank.
- The Company defaults on its obligations pursuant to other credit facility agreements or any agreement under any other names that are entered into by the Company and the Bank and/or other parties.

That with respect to the change of the Company's status to a public company, the amendment to the provisions of Article 4 of the Company's Articles of Association with respect to capital, including the change in the Company's shareholder

composition, Board of Directors and Board of Commissioners compositions, Bank BCA has granted its consent and has signed the Company's Letter under Ref. No. 001/Legal/III/2017 dated March 2, 2017, concerning the Request for Approval and Waiver. Bank BCA has also granted its approval to the Company with respect to the request to waive the Company's obligation to request Bank BCA's prior written consent before making any changes to the Company's shareholder composition.

Presented below are the collaterals pledged by the Company to Bank BCA:

- a. 8 plots of land;
- b. 4 units of Multifunction Warehouses/Biz Parks;
- c. 2 units of Shophouses/Multifunction Warehouses;
- d. Machineries and equipment;
- e. All inventories in the form of plastic ores and plastic sacks;
- f. All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the limited liability company; and
- g. Cash collateral.

### **Subsidiary**

#### **PIH**

As of June 30, 2017, pursuant to the Deed of Credit Facility Agreement No. 99 dated March 21, 2011, drawn up before Dr. Gunawan Tedjo, S.H., M.H., a Notary in Central Jakarta, which has been amended several times, and was most recently amended by the Deed of Amendment to Credit Facility Agreement No. 274/Add-KCK/2017 dated September 11, 2017, made under the hands, sufficiently stamped and signed by the parties, as described below:

- a. Type : Local credit facility  
Credit Limit : Rp30,000,000,000  
Interest rate : 9.5% p.a  
Term : March 12, 2018
- b. Type : Multipurpose Credit Facility  
Credit Limit : Rp52,500,000,000  
Interest Rate (USD) :
  - Up to the 21<sup>st</sup> day subsequent to the L/C payment date: 7%
  - From the 22<sup>nd</sup> day up to the 90<sup>th</sup> day subsequent to the L/C payment date: 11%
  - Subsequent to the 91<sup>st</sup> day subsequent to the L/C payment date: 15%  
  - Up to the 21<sup>st</sup> day subsequent to the L/C payment date: to be determined by BCA in accordance with the type of L/C opened.
  - From the 22<sup>nd</sup> day up to the 90<sup>th</sup> day subsequent to the L/C payment date: to be determined by BCA in accordance with the type of L/C opened + 4%
  - Subsequent to the 91<sup>st</sup> day subsequent to the L/C payment date: to be determined by BCA in accordance with the type of L/C opened + 8%.  
 For currencies other than USD:  
 Term : March 12, 2018
- c. Type : Foreign Exchange (Forex) Line (for Tod, Tom, Spot and Forward transactions)  
Credit Limit : USD1,000,000  
Term : As set forth in the Credit Approval Confirmation Letter (*Surat Pemberitahuan Pemberian Kredit*, "SPPK") provided from time to time by BCA to PIH.

Pursuant to the Credit Facility Agreements, PIH shall be required to achieve, maintain and retain PIH's financial ratios after 6 months of commercial operation as described below:

- a. A minimum Current Ratio (a ratio between current assets and current liabilities) of 1 time;
- b. A maximum Interest Bearing Debt to Equity Ratio (a ration between interest bearing debt to total equity) of 4 times; and
- c. A minimum Time Interest Earned Ratio of 2 times.

The following table presents PIH's compliance with the required financial ratios:

Description	June 30,	December 31,		
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Central Asia Tbk</b>				
Total Current Assets/Total Current Liabilities Ratio (Minimum 1x)	0.55x	0.53x	0.71x	0.46x
Interest Bearing Debt/Equity (Maximum 4x)	1.02x	0.92x	(29.49x)	(12.93x)
Time Interest Earned Ratio (Minimum 2x)	1.31x	1.78x	1.33x	0.81x

There have been incidents where PIH's financial ratios were below the Bank's requirements. However, PIH has obtained a waiver from the respective bank.

Pursuant to the Credit Facility Agreements, for as long as PIH has not fully paid its debts and/or the use of Facilities is not completed, PIH is prohibited from conducting any of the followings without the Bank's written consent:

1. Obtain new credit facilities/cash loans from other parties and/or bind itself as a guarantor/surety in any form whatsoever under any name whatsoever and/or pledge PIH's assets as collateral to other parties;
2. Extend any cash loans, including but not limited to, to its affiliates, except in the normal course of business;
3. Enter into any transaction with a person or a party, including but not limited to, its affiliates, in a manner that deviates from, or is inconsistent with the common practices and customs;
4. File a petition for bankruptcy or suspension of debt payment obligation to the competent authority (the court of law);
5. Enter into any investment, participation or establish any new business other than the existing businesses;
6. Sell or dispose any immovable assets or main assets to carry out its business, except in the normal course of business;
7. Effect any merger, amalgamation, acquisition, spin-off, or liquidation;
8. Change its institutional status, Articles of Association, Board of Directors and Board of Commissioners compositions, and shareholder composition.

Presented below are the collaterals pledged by PIH to Bank BCA:

- a. 8 plots of land registered under the Right to Build Certificate (*Sertifikat Hak Guna Bangunan*, "SHGB") and Freehold Title Certificate (*Sertifikat Hak Milik*, "SHM");
- b. 4 units of Multifunction Warehouses/Biz Parks;
- c. 2 units of Shophouses/Multifunction Warehouses;
- d. Machineries and equipment;
- e. Machineries (including 3-layer machinery financed by Investment Credit Facility-2) and equipment;
- f. All inventories in the form of plastic ores;
- g. All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or owned; and
- h. Cash collateral.

## PBN

As of June 30, 2017, PBN obtained credit facilities from PT Bank Central Asia Tbk, as stipulated in the Deed of Credit Facility Agreement No. 157 dated May 24, 2011, drawn up before Drs. Gunawan Tedjo, S.H., M.H., a Notary. The agreement has been amended several times, and was most recently amended by the Deed of Amendment to Credit Facility Agreement No. 273/Add-KCK/2017 dated September 11, 2017, made under the hands, sufficiently stamped and signed by the parties, as described below:

- a. Type : Local credit facility  
Credit Limit : Rp5,000,000,000  
Interest rate : 10% p.a  
Term : September 12, 2018
- b. Type : Time Loan Revolving  
Credit Limit : Rp20,000,000,000  
Interest rate : 10% p.a  
Term : March 12, 2018
- c. Type : Multipurpose Credit Facility  
Credit Limit : Rp270,000,000,000  
Interest Rate (IDR) : 9.50% p.a  
Interest Rate (USD) : 5% p.a  
Term : March 12, 2018

Pursuant to the credit facilities referred to above, PBN shall be required to achieve, maintain, and retain the following financial ratios at all times, which shall be reviewed by the Bank annually:

- a. A minimum Current Ratio (a ratio between current assets and current liabilities) of 1 time;
- b. A maximum Debt to Equity ratio (a ratio between total interest bearing debt to total equity) of 2 times;
- c. A minimum Time Interest Earned Ratio (operating income before interest and tax to interest expense) of 2 time.

The following table presents PBN's compliance with the required financial ratios:

Description	June 30,		December 31,	
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Central Asia Tbk</b>				
Total Current Assets/Total Current Liabilities Ratio (Minimum 1x)	2.38x	1.68x	1.28x	1.08x
Interest Bearing Debt/Equity (Maximum 2x)	0.21x	0.26x	2.41x	2.80x
Time Interest Earned Ratio (Minimum 2x)	69.74x	13.90x	4.59x	4.20x

There have been incidents where PBN's financial ratios were below the Bank's requirements. However, PBN has obtained a waiver from the respective bank.

For as long as PBN has not fully paid its debts and/or the use of Facilities is not completed, PBN shall be prohibited from conducting any of the followings without the Bank's written consent:

1. Obtain new credit facilities/cash loans from other parties and/or bind itself as a guarantor/surety in any form whatsoever under any name whatsoever and/or pledge PBN's assets as collateral to other parties;
2. Extend any cash loans, including but not limited to, to its affiliates, except in the normal course of business;
3. Enter into any transaction with a person or a party, including but not limited to, its affiliates, in a manner that deviates from, or is inconsistent with the common practices and customs;
4. File a petition for bankruptcy or suspension of debt payment obligation to the competent authority (the court of law);
5. Enter into any investment, participation or establish any new business other than the existing businesses;
6. Sell or dispose any immovable assets or main assets to carry out its business, except in the normal course of business;
7. Effect any merger, amalgamation, acquisition, spin-off, or liquidation;
8. Change its institutional status, Articles of Association, Board of Directors and Board of Commissioners compositions, and shareholder composition.

The Credit Facility Agreement provides a cross-default clause, which stipulates an event of default as an event where PBN defaults on its obligations pursuant to other credit facility agreements or any agreement under any other names that are entered into by PBN and the Bank and/or other parties. One or more of other debtors (PBP and the Company) fail to meet their obligations pursuant to one or more Credit Agreements of such other debtors, or credit agreements or other agreements under any name whatsoever entered into by such other debtors with the Bank and/or other parties.

Presented below are the collaterals pledged by PBN to Bank BCA:

- a. 8 plots of land registered under the Right to Build Certificate (*Sertifikat Hak Guna Bangunan*, "SHGB") and Freehold Title Certificate (*Sertifikat Hak Milik*, "SHM");
- b. 4 units of Multifunction Warehouses/Biz Parks;
- c. 2 units of Shophouses/Multifunction Warehouses;
- d. Machineries;
- e. All inventories in the form of plastic ores and plastic sacks;
- f. All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or owned; and
- g. Cash collateral.

## PBP

As of June 30, 2017, PBP obtained credit facilities from PT Bank Central Asia Tbk, as stipulated in the Deed of Credit Facility Agreement No. 32 dated February 15, 2005, drawn up before Drs. Gunawan Tedjo, S.H., M.H., a Notary. The agreement has been amended several times, and was most recently amended by the Deed of Amendment to Credit Facility Agreement No. 271/Add-KCK/2017 dated September 11, 2017, made under the hands, sufficiently stamped and signed by the parties, as described below:

- a. Type : Local credit facility  
Credit Limit : Rp5,000,000,000  
Interest rate : 9.75% p.a  
Term : March 12, 2018
- c. Type : Time Loan Revolving 1  
Credit Limit : Rp15,000,000,000  
Interest rate : 9.00% p.a  
Term : March 12, 2018
- d. Type : Multipurpose Credit Facility  
Credit Limit : Rp315,000,000,000  
Interest rate : 9.5% p.a  
Term : March 12, 2018
- e. Type : Foreign Exchange (Forex)  
Credit Limit : USD5,000,000  
Term : March 12, 2018

Pursuant to the credit facilities referred to above, PBP shall be required to achieve, maintain, and retain the following financial ratios at all times, which shall be reviewed by the Bank annually:

- a. A minimum Current Ratio (a ratio between current assets and current liabilities) of 1 time;
- b. A maximum Debt to Equity ratio (a ratio between total interest bearing debt to total equity) of 2 times;
- c. A minimum Time Interest Earned Ratio (operating income before interest and tax to interest expense) of 2 time.

The following table presents PBP's compliance with the required financial ratios:

Description	June 30,	December 31,		
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Central Asia Tbk</b>				
Total Current Assets/Total Current Liabilities Ratio (Minimum 1x)	1.15x	1.20x	1.11x	0.90x
Interest Bearing Debt/Equity (Maximum 2x)	0.44x	0.45x	0.79x	1.59x
Time Interest Earned Ratio (Minimum 2x)	2.08x	2.22x	1.25x	2.54x

There have been incidents where PBP's financial ratios were below the Bank's requirements. However, PBP has obtained a waiver from the respective bank.

The Credit Facility shall be used as follows:

- a. The Local Credit Facility (Current Account) and the Time Loan Revolving 1 Facility shall be used to finance the working capital requirements of PBP, the Company and PBN;
- b. Multipurpose Credit Facility:
  - 1) To finance the procurement of polyethylene (PE) and polypropylene (PP) plastic ores;
  - 2) To finance the procurement of rubber elastic threads in a maximum sum of Rp10,000,000,000.-
  - 3) To finance the repayment of Sight L/C, Usance L/C and local L/C for the following beneficiaries: PT Chandra Asri Petrochemical Tbk, PT Titan Petrokimia Nusantara, PT Polytama Propindo, PT Pertamina (Persero) and PT Indo Thai Trading, and other suppliers, excluding the procurement of plastic ores for tooling purposes, specifically for the T/R facility, which is a sub-limit of the Multipurpose Credit Facility;
  - 4) To finance the procurement of plastic ores conducted solely by PBP and finance the procurement of plastic ores from PT Chandra Asri Petrochemical Tbk, PT Titan Petrokimia Nusantara, PT Polytama Propindo, PT Pertamina (Persero) and PT Indo Thai Trading, and other suppliers, excluding the procurement of plastic ores for tooling purposes, specifically for the T/R facility, which is a sub-limit of the Multipurpose Credit Facility;
  - 5) To finance the allowance for procurement of ethylene and propylene for tooling process from PT Chandra Asri Petrochemical Tbk, PT Titan Petrokimia Nusantara or PT Polytama Propindo, and allowance for procurement of polyethylene (PE) plastic ores, and polypropylene (PP) plastic ores, to finance the Sight L/C, Usance L/C and Local L/C, which constitute a sub-limit of the Multipurpose Credit Facility, with a maximum sum equivalent to USD5,000,000 or a maximum sum of Rp65,000,000,000;
  - 6) To guarantee payment for procurement of imported plastic ores, specifically for the SBLC Facility, which is a sub-limit of the Multipurpose Credit facility.
- c. The Forex Line Facility shall be used to finance the foreign exchange hedge transactions of the Company, PBP and PBN.  
PBP shall be responsible for the proper use of the Credit Facility and the Forex Line Facility referred to above.

PBP shall be prohibited from undertaking any of the followings without the Bank's prior written consent:

- a. Obtain new credit facilities/cash loans from other parties and/or bind itself as a guarantor/surety in any form whatsoever under any name whatsoever and/or pledge PBP's assets as collateral to other parties;
- b. Extend any cash loans, including but not limited to, to its affiliates, except in the normal course of business;
- c. Enter into any transaction with a person or a party, including but not limited to, its affiliates, in a manner that deviates from, or is inconsistent with the common practices and customs;
- d. File a petition for bankruptcy or suspension of debt payment obligation to the competent authority (the court of law);
- e. Enter into any investment, participation or establish any new business other than the existing businesses;
- f. Sell or dispose any immovable assets or main assets to carry out its business, except in the normal course of business;
- g. Effect any merger, amalgamation, acquisition, spin-off, or liquidation;
- h. Change its institutional status, Articles of Association, Board of Directors and Board of Commissioners compositions, and shareholder composition.

The Credit Facility provides a cross-default clause, where an act of default or event of default conducted by other Debtors (the Company and PIH) in fulfilling their obligations pursuant to the Other Debtors' Credit Agreements or credit agreement



or any agreement under any other names entered into by the Other Debtors and the Bank and/or other parties constitutes and Event of Default pursuant to this credit agreement.

Presented below are the collaterals pledged by PBP to Bank BCA:

- a. 8 plots of land;
- b. 4 units of Multifunction Warehouses/Biz Parks;
- c. 2 units of Shophouses/Multifunction Warehouses;
- d. Machineries and equipment;
- e. All inventories in the form of plastic ores and plastic sacks;
- f. All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or owned;
- g. Personal guarantee from Djonny Taslim; and
- h. Cash collateral.

## SKI

As of June 30, 2017, SKI obtained credit facilities pursuant to PT Bank Permata Tbk's approval as stipulated in the Deed of Grant of Banking Facility Agreement No. 06 dated October 5, 2010, drawn up before Sjarmeini Sofjan Chandra, S.H., a Notary, based on the General Terms and Conditions of Grant of Banking Facility No. SKU/10/747/N/LC dated October 5, 2010, certified as a true copy by Sjarmeini Sofjan Chandra, S.H., a Notary in South Jakarta City under No. 170/Leg/2010. The agreement has been amended several times, and was most recently amended by the Deed of Amendment to Credit Facility Agreement No. 18 dated February 2, 2017, and Bank Permata Letter No. 0025/SK/CG1/WB/10/2017 dated October 5, 2017, regarding Confirmation of Extension of Facility Period, which stipulates the following credit facilities:

- a. Type : Overdraft  
Credit Limit : Rp20,000,000,000  
Interest rate : 10.00% p.a  
Term : November 5, 2017
- b. Type : Revolving Loan 1  
Credit Limit : Rp5,000,000,000  
Interest rate : 10.00% p.a  
Term : November 5, 2017

Pursuant to the provisions of the credit facilities, SKI shall be required to maintain the following financial ratios:

- a. A maximum Debt to Equity ratio of 4x;
- b. A minimum EBITDA/Interest Expense ratio of 2x
- c. Debt refers to Interest Bearing Debts.

The aforementioned conditions shall be reviewed/checked every six months.

The following table presents SKI's compliance with the required financial ratios:

Description	June 30,		December 31,	
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Permata Tbk</b>				
Interest Bearing Debt/Equity (Maximum 4x)	0.13x	0.14x	1.85x	2.06x
Time Interest Earned Ratio (Minimum 2x)	18.57x	12.30x	5.55x	4.34x

SKI shall obtain the Bank's prior written consent before taking any of the following actions, which according to the Bank may affect SKI's payment obligations:

1. Act as a guarantor of other party's debts, except trade payables incurred in the normal course of business.
2. Change its present business activities and nature, or carry out business activities other than its normal course of business.
3. Pledge, transfer, lease, assign the security to other parties.

4. Extend any loan or financial facilities to/from other parties, except for a short-term and for the purpose of supporting its normal course of business.
5. Make any investment that may affect SKI's payment ability to the Bank.
6. Take any other action that may cause adverse impact to the payment obligations of all outstanding obligations to the Bank.
7. Effect a liquidation, merger and/or amalgamation/consolidation with other companies, or obtain substantially all of assets or shares of other companies or any other form of change of business.
8. Change the composition and number of shareholders of a private company and/or controlling shareholders of a public company.
9. Pay or declare payable, any distribution of dividend or profit sharing in any form whatsoever with respect to the shares issued by SKI.
10. Pay or repay any bills or payables in any form whatsoever, whether those existing or will exist in the future, that shall be granted by SKI's shareholders to SKI or any equal party of the Debtor's company, whether in the form of principal, interest, and other payables.

The Credit Facility provides a cross-default clause. In the event that SKI and/or PIM and/or one of the guarantors fail to carry out the agreement(s) made with the Bank or other parties, including those regarding or relating to grant of loans/other financial facility, where the Customer and/or PIM and/or one of the guarantors act as the party receiving the loans/financial facilities or act as the guarantor that grant the right to the party extending such loans/financial facilities to claim full repayment of any outstanding amount or amount payable by SKI and/or one of the guarantors in the agreement before the maturity date of such loans. In the event that SKI and/or PIM and/or PT Geotechnical Systemindo and/or other customers granted with the credit facilities by the Bank with the same collateral, whether a part or all collaterals stipulated in the Agreement (*pari passu*), fail to carry out the credit agreement or security agreement entered into by such parties with the Bank.

Presented below are the collaterals pledged by SKI to Bank Permata:

- a. Fiduciary lien on inventory;
- b. Fiduciary lien on trade receivables;
- c. Margin deposit collateral; and
- d. Fiduciary lien on machineries.

## PIM

As of June 30, 2017 PIM obtained credit facilities pursuant to PT Bank Permata Tbk's approval as stipulated in the Deed of Grant of Banking Facility Agreement No. 05 dated October 5, 2010, drawn up before Sjarmein Sofjan Chandra, S.H., a Notary. The agreement has been amended several times, and was most recently amended by Bank Permata Letter No. 0024/SK/CG1/WB/10/2017 dated October 5, 2017, regarding Confirmation of Extension of Facility Period, drawn up before Susanna Tanu, S.H., a Notary, which stipulates the following credit facilities:

- a. Type : Overdraft (Current Account)  
Credit Limit : Rp5,000,000,000.-  
Interest rate : 10.75% per annum  
Term : up to November 5, 2017
- b. Type : Revolving Loan  
Credit Limit : USD6,000,000  
Interest rate : 4.75%  
Term : up to November 5, 2017

Pursuant to the Deed of Amendment to Foreign Exchange Transaction Facility No. 29 dated February 2, 2017, drawn up before Susanna Tanu, S.H., a Notary in Jakarta, PIM shall maintain the following financial ratios:

- a. A minimum EBITDA/Interest Expense ratio of 2x;
  - b. A maximum Debt to Equity ratio of 4x;
- The aforementioned conditions shall be reviewed by the Bank every six months.

The following table presents PIM's compliance with the required financial ratios:

Description	June 30,	December 31,		
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Permata Tbk</b>				
Interest Bearing Debt/Equity (Maximum 4x)	2.24x	3.86x	11.07x	6.45x
Time Interest Earned Ratio (Minimum 2x)	1.19x	2.25x	(0.42x)	3.78x

PIM's current financial ratios are currently below the Bank's requirements. However, PIM has obtained a waiver from the respective bank.

PIM's other obligations are as follows:

1. PIM shall obtain the Bank's written consent in the event that PIM obtains any cash loan or financial facility in any form whatsoever or any leasing facility from any other party, or making a loan or any other obligation;
2. The Customer shall obtain the Bank's written consent with respect to any acquisition and disposal of PIM's assets, except for acquisition of assets financed by the Bank;

The Credit Facility provides a cross-default clause, where the provision regarding events of defaults under other agreements are as follows:

- i. In the event that PIM and/or SKI and/or one of the guarantors fail to carry out the agreement(s) made with the Bank or other parties, including those regarding or relating to grant of loans/other financial facility, where PIM and/or SKI and/or one of the Guarantors act as the party receiving the loans/financial facilities or act as the guarantor that grant the right to the party extending such loans/financial facilities to claim full repayment of any outstanding amount or amount payable by PIM and/or SKI and/or one of the guarantors in the agreement before the maturity date of such loans.
- ii. In the event that RMIP and/or SKI and/or PT Geotechnical Systemindo and/or other customers granted with the credit facilities by the Bank with the same collateral, whether a part or all collaterals stipulated in the Agreement (*pari passu*), fail to carry out the credit agreement or security agreement entered into by such parties with the Bank.

Presented below are the collaterals pledged by PIM to Bank Permata:

1. Fiduciary lien on inventory;
2. Fiduciary lien on trade receivables;
3. Margin deposit collateral in the form of account blocking; and
4. Fiduciary lien on machineries.

## RMIP

As of June 30, 2017, RMIP obtained credit facilities from PT Bank Permata Tbk, as stipulated in the Deed of Grant of Credit Facility Agreement No. 42 dated November 19, 2009, drawn up before Lie Na Rimbawan, S.H., a Notary. The Agreement has been amended several times, and the latest amendment was made by the Fifteenth Amendment to the Grant of Credit Facility Agreement No. KK/17/6026/AMD/13/SME dated February 17, 2017 which stipulates the following credit facilities:

- a. Type : Overdraft  
Credit Limit : Rp8,000,000,000.-  
Interest rate : 11% p.a  
Term : November 19, 2017
- b. Type : Revolving Loan 1  
Credit Limit : Rp6,000,000,000.-  
Interest rate : 11% p.a  
Term : November 19, 2017
- c. Type : Revolving Loan 2  
Credit Limit : Rp6,000,000,000.-  
Interest rate : 11% p.a  
Term : November 19, 2017

Pursuant to the credit facilities, RMIP shall provide semi-annual trade receivable and inventory reports by no later than January 31, 2017, and July 31, 2017.

Pursuant to the Grant of Banking Facility Agreement No. KK/17/6026/AMD/13/SME dated February 17, 2017 RMIP shall maintain the following financial ratios:

- a. A minimum EBITDA/Interest Expense ratio of 2x;  
b. A maximum Debt to Equity ratio of 4x;

The aforementioned conditions shall be reviewed by the Bank every six months.

The following table presents RMIP's compliance with the required financial ratios:

Description	June 30,		December 31,	
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Permata Tbk</b>				
Interest Bearing Debt/Equity (Maximum 4x)	-	0.84x	1.17x	2.07x
Time Interest Earned Ratio (Minimum 2x)	-	4.64x	2.98x	2.45x

As of June 30, 2017, RIMP had no outstanding credit facility from PT Bank Permata Tbk.

RIMP shall obtain the Bank's prior written consent before taking any of the following actions:

- Act as a guarantor of other party's debts, except trade payables incurred in the normal course of business.
- Change its present business activities and nature, or carry out business activities other than its normal course of business.
- Change the composition and number of shareholders of a private company and/or controlling shareholders of a public company (except SOE).
- Pay or declare payable, any distribution of dividend or profit sharing in any form whatsoever with respect to the shares issued by SMIP.
- Pay or repay any bills or payables in any form whatsoever, whether those existing or will exist in the future, that shall be granted by the shareholders to RIMP.

The Credit Facility provides a cross-default clause, namely cross-default and negligence pursuant to other agreement(s):

- i. In the event that RMIP and/or PBUAP and/or one of the guarantors fail to carry out the agreement(s) made with the Bank or other parties, including those regarding or relating to grant of loans/other financial facility, where RMIP and/or PBUAP and/or one of the Guarantors act as the party receiving the loans/financial facilities or act as the guarantor that grant the right to the party extending such loans/financial facilities to claim full repayment of any outstanding amount or amount payable by RMIP and/or PBUAP and/or one of the guarantors in the agreement before the maturity date of such loans.

- ii. In the event that RMIP and/or PBUAP which are granted with the credit facilities by the Bank with the same collateral, whether a part or all collaterals stipulated in the Agreement (*pari passu*), fail to carry out the credit agreement or security agreement entered into by such parties with the Bank.

Presented below are the collaterals pledged by RMIP to Bank Permata:

- a. Freehold Title under Certificate No. 370 and 371/Aur; and
- b. Right to Build Title under Certificate No. 10 and 139/Paya Geli.

## PBUAP

As of June 30, 2017, PBUAP obtained credit facilities from PT Bank Permata Tbk, as stipulated in the Deed of Grant of Credit Facility Agreement No. 41 dated November 19, 2009, drawn up before Lie Na Rimbawan, S.H., a Notary. The Agreement has been amended several times, and the latest amendment was made by the Deed No 12 dated November 2, 2016, drawn up before Edy, S.H., a Notary, which stipulates the following credit facilities:

- a. Type : Overdraft Facility  
Credit Limit : Rp5,000,000,000  
Interest rate : 11% p.a  
Term : November 19, 2017
- b. Type : New facility in the form of Revolving Loan Facility  
Credit Limit : Rp10,000,000,000.-  
Interest rate : 11% p.a  
Term : November 19, 2017

Pursuant to the Deed No. 12 dated November 2, 2016, drawn up before Edy, S.H., a Notary, PBUAP shall maintain the following financial ratios:

- a. A minimum EBITDA/Interest Expense ratio of 2x;
  - b. A maximum Debt to Equity ratio of 4x;
- The aforementioned conditions shall be reviewed by the Bank every six months.

The following table presents PBUAP's compliance with the required financial ratios:

Description	June 30,		December 31,	
	2017	2016	2015	2014
<b>Ratio Requirements for Credit Facilities from PT Bank Permata Tbk</b>				
Interest Bearing Debt/Equity (Maximum 4x)	0.96x	0.68x	1.76x	1.84x
Time Interest Earned Ratio (Minimum 2x)	1.96x	4.96x	1.90x	1.81x

There have been incidents where PBUAP's financial ratios were below the Bank's requirements. However, PBUAP has obtained a waiver from the respective bank.

PBUAP shall obtain the Bank's prior written consent before taking any of the following actions, which according to the Bank may affect PBUAP's payment obligations to the Bank:

1. Act as a guarantor of other party's debts, except trade payables incurred in the normal course of business.
2. Change its present business activities and nature, or carry out business activities other than its normal course of business.
3. Pledge, transfer, lease, assign the security to other parties.
4. Extend any loan or financial facilities to/from other parties, except for a short-term and for the purpose of supporting its normal course of business.
5. Make any investment that may affect PBUAP's payment ability to the Bank.
6. Take any other action that may cause adverse impact to the payment obligations of all outstanding obligations to the Bank.

7. Effect a liquidation, merger and/or amalgamation/consolidation with other companies, or obtain substantially all of assets or shares of other companies or any other form of change of business.
8. Change the composition and number of shareholders of a private company and/or controlling shareholders of a public company (except SOE).
9. Pay or declare payable, any distribution of dividend or profit sharing in any form whatsoever with respect to the shares issued by PBUAP.
10. Pay or repay any bills or payables in any form whatsoever, whether those existing or will exist in the future, that shall be granted by PBUAP's shareholders to PBUAP, whether in the form of principal, interest, and other payables.

Furthermore, any changes in any form whatsoever to PBUAP's Articles of Association, whether those requiring approval from and/or notification to and/or reporting to the authorized parties/officers/institutions, including, but not limited to, the Minister of Law and Human Rights, except change of shareholders, shall require the Bank's written consent.

The Credit Facility provides a cross-default clause, with respect to defaults under any other agreement(s):

- (i) In the event that PBUAP and/or RMIP and/or one of the guarantors fail to carry out the agreement(s) made with the Bank or other parties, including those regarding or relating to grant of loans/other financial facility, where PBUAP and/or RMIP and/or one of the Guarantors act as the party receiving the loans/financial facilities or act as the guarantor that grant the right to the party extending such loans/financial facilities to claim full repayment of any outstanding amount or amount payable by PBUAP and/or RMIP and/or one of the guarantors in the agreement before the maturity date of such loans.
- (ii) In the event that PBUAP and/or RMIP which are granted with the credit facilities by the Bank with the same collateral, whether a part or all collaterals stipulated in the Agreement (*pari passu*), fail to carry out the credit agreement or security agreement entered into by such parties with the Bank.

With respect to the credit agreement referred to above, there are no negative covenants imposed by any third parties that may injure the interest of the Public Shareholders, since as of the date of issuance of this Prospectus, the Company has obtained the approvals from BCA and Bank Permata with respect to the Company's Initial Public Offering Plan and use of proceeds from the Public Offering. Bank Permata has granted its approval to waive the provisions requiring PIM, SKI, PBUAP, and RMIP to obtain Bank Permata's prior written consent to declare or to declare payable, any distribution of dividends or profit sharing in any form whatsoever, with respect to the shares issued by PIM.

Presented below are the collaterals pledged by PBUAP to Bank Permata:

1. 2 plots of land registered under the Right to Build Certificate (*Sertifikat Hak Guna Bangunan*, "SHGB") and Freehold Title Certificate (*Sertifikat Hak Milik*, "SHM");
2. Inventory;
3. Machineries of various models and types; and
4. Personal guarantee from Mr. Djonny Taslim (in revocation process).

## 2. TRADE PAYABLES

As of June 30, 2016, the Company and its Subsidiaries had a total outstanding Trade Payables of Rp125.8 billion. Presented below is the breakdown of trade payables:

		(In billions of Rupiah)
Description	Total	
<b>Third Parties</b>		
<b>Rupiah</b>		
PT Chandra Asri Petrochemical Tbk	41.4	
PT Hidup Baru Plasindo	6.1	
PT Makmur Jaya Kharisma	1.8	
PT Akino Wahana Mulia	1.7	
Others (below Rp1 billion)	8.7	
<b>Sub-total Third Parties - Rupiah</b>	<b>59.6</b>	
<b>United States Dollar</b>		
Chevron Phillips	24.9	
Petronas Chemicals Marketing Sdn Bhd	26.4	
Lotte Chemical Titan Trading Sdn Bhd	6.6	

PT Mitra Kemas	1.0
<b>Sub-total Third Parties - USD</b>	<b>59.0</b>
<b>Sub-total Third Parties</b>	<b>118.6</b>
<b>Related Parties</b>	
<b>Rupiah</b>	
PT Andalan Sukses Mandiri	2.1
CV Adipura Mas Plasindo	2.0
CV Mahkota Mas Pratama	1.7
PT Rendaplas Andika	1.2
PT Penta Power Indonesia	0.1
PT Cahaya Plasindo Sejahtera	0.1
PT Multi Global Plasindo	0.0
PT Panca Budi Logistindo	0.0
<b>Sub-total Related Parties</b>	<b>7.2</b>
<b>Total Trade Payables</b>	<b>125.8</b>

There are no specific securities pledged against the Company's trade payables. Several trade payables relating to imports and domestic trade are paid by issuing L/C or Local L/C.

### 3. ACCRUED EXPENSES

As of June 30, 2017 the Company and its Subsidiaries had a total outstanding accrued expenses of Rp10.7 billion as detailed below:

(In billions of Rupiah)

Description	Total
Salaries, wages and benefits	4.5
Electricity, water and telephone	2.7
Interest on loan	0.4
Commission	0.3
Others	2.9
<b>Total Accrued Expenses</b>	<b>10.7</b>

### 4. TAXES PAYABLE

As of June 30, 2016, the Company and its Subsidiaries had a total outstanding Taxes Payables of Rp22.1 billion as detailed below:

(In billions of Rupiah)

Description	Total
WHT Article 29	13.9
VAT Out	4.2
WHT Article 25	2.8
WHT Article 23	0.6
WHT Article 21	0.5
WHT Article 4 (2)	0.1
Final WHT Article 26	0.0
WHT Article 26	0.0
Others	0.0
<b>Total bank loans</b>	<b>22.1</b>

The Company's and its Subsidiary's taxes payable as of December 31, 2016, have been paid.

### 5. OTHER PAYABLES

As of June 30, 2016, the Company and its Subsidiaries had a total outstanding Other Payables of Rp10.8 billion as detailed below:

(In billions of Rupiah)

Description	Total
<b>Third Parties</b>	
<b>Rupiah</b>	
Others (below Rp1 billion)	7.7
<b>Total Third Parties</b>	<b>7.7</b>
<b>Related Parties</b>	
<b>Rupiah</b>	
PT Panca Budi Logistindo	2.2
PT Garda Bhakti Nusantara	0.1
PT Alphen Internasional Corporindo	0.6
PT Cahaya Plastindo Sejahtera	0.2
<b>Total Related Parties</b>	<b>3.1</b>
<b>Total other payables</b>	<b>10.8</b>

Other payables represent non-trade payables that arise from transactions such as fixed asset acquisition from third parties and related parties, security services transactions, expedition services transactions, purchase of spare part and supplies. Other payables are categorized as current payable as such payables shall mature in less than one year. There are no securities pledged against other payables.

## 6. SALES ADVANCE

As of June 30, 2017, the Company and its Subsidiaries had a total outstanding Sales Advance of Rp5.5 billion, consisting of sales advances from third parties.

## 7. CONSUMER FINANCING LIABILITIES

As of June 30, 2017, the Company and its Subsidiaries had a total outstanding consumer financing liabilities of Rp1.5 billion. The following table presents the breakdown of the consumer financing liabilities:

*(In billions of Rupiah)*

Description	Total
PT BCA Finance	0.4
PT Dipo Star Finance	0.5
PT Astra Credit Company	0.2
PT Oto Finance	0.2
PT Mandiri Tunas Finance	0.0
PT BII Finance Center	0.0
Others	0.1
<b>Total Consumer financing liabilities</b>	<b>1.5</b>

Consumer financing liabilities represents the Company's and its Subsidiaries' liabilities to finance the procurement of vehicles in 2016, 2015, and 2014, subject to an interest rate ranging between 4% and 14%. Such liabilities shall be paid in 12 to 14-month installments, with various maturity dates until 2016 and 2017.

## 8. CAPITAL LEASE LIABILITIES

As of June 30, 2017, the Company and its Subsidiaries had a total outstanding capital lease liabilities of Rp0.1 billion. Capital lease liabilities represent the Group's liabilities to PT Orix Indonesia Finance for the purchase of forklift in 2015, subject to an interest rate ranging from 5.81% - 7.31% per annum, payable in 24 to 36 monthly installments, maturing in 2017.

The capital lease liabilities are secured by the respective capital lease assets. In addition, the Company is subject to a covenant prohibiting the Company from selling or transferring the leased assets to other parties before the liabilities are paid. The Company is also granted with an option to purchase at the end of the lease period.

## 9. DUE TO RELATED PARTIES

As of June 30, 2017, the Company and its Subsidiaries had a total due to related parties of Rp0.1 billion.



## 10. POST-EMPLOYMENT BENEFIT LIABILITIES

The Company's and its Subsidiaries post-employment benefit liabilities have been prepared by an independent consultant, PT Jasa Aktuarial Prapta Sentosa Guna Jasa, in accordance with the Manpower Law No. 13/2003 using the Projected Unit Credit method.

As of June 30, 2017, the Company and its Subsidiaries reported a total post-employment benefit liabilities of Rp33.0 billion.

The main assumptions used by the independent consultant are as follows:

Annual discount rate	:	8.00%
Annual salary increment rate	:	9.00%
Date Rate	:	TMI 2011
Morbidity rate	:	1% of TMI 2011
Pension age	:	60 years.

Sensitivity analysis for significant assumptions as of June 30, 2017, is described below:

			<i>(In billions of Rupiah)</i>	
			A 1% increase in discount rate	A 1% decrease in discount rate
			A 1% increase in salary increment rate	A 1% decrease in salary increment rate
Effect to defined benefit obligations			(2.7)	2.4
			3.1	(2.6)

## 11. DEFERRED TAX LIABILITIES

As of June 30, 2017, the Company and its Subsidiaries had a total outstanding deferred tax liabilities of Rp1.2 billion.

THE COMPANY'S MANAGEMENT HEREBY REPRESENTS THAT ALL OF THE COMPANY'S LIABILITIES AS OF JUNE 30, 2017, HAVE BEEN DISCLOSED IN THIS PROSPECTUS.
THE COMPANY DOES NOT HAVE ANY OTHER LIABILITIES, OTHER THAN THOSE DISCLOSED IN THIS PROSPECTUS AND THOSE DISCLOSED IN THE FINANCIAL STATEMENTS PRESENTED IN THIS PROSPECTUS.
FROM JUNE 30, 2017, UP TO THE DATE OF THE INDEPENDENT AUDITOR'S REPORT, AND FROM THE DATE OF THE INDEPENDENT AUDITOR'S REPORT UP TO THE EFFECTIVENESS OF THE REGISTRATION STATEMENT, THE COMPANY HAS NO OTHER LIABILITIES OTHER THAN THE LIABILITIES ARISING FROM THE COMPANY'S NORMAL COURSE OF BUSINESS AND THE LIABILITIES THAT HAVE BEEN DISCLOSED IN THIS PROSPECTUS AND THE FINANCIAL STATEMENTS WHICH FORM AN INTEGRAL PART OF THIS PROSPECTUS.
WITH RESPECT TO THE COMPANY'S AGREEMENTS WITH THIRD PARTIES, THERE ARE NO NEGATIVE COVENANTS THAT MAY INJURE THE RIGHTS OF THE PUBLIC SHAREHOLDERS.
THE COMPANY'S MANAGEMENT HEREBY REPRESENTS ITS ABILITY TO MEET ALL ITS LIABILITIES.
AS OF THE ISSUANCE OF THIS PROSPECTUS, THERE ARE NO LIABILITIES OF THE COMPANY THAT ARE DUE AND UNPAID.
AS OF JUNE 30, 2017, THE COMPANY HAS SATISFIED ALL FINANCIAL RATIOS REQUIRED BY THE COMPANY'S CREDIT AGREEMENTS.
THE COMPANY'S MANAGEMENT HEREBY REPRESENTS THAT THERE ARE NO DEFAULTS ON PAYMENT OF LOAN PRINCIPALS AND/OR INTERESTS THAT OCCUR SUBSEQUENT TO THE LAST FINANCIAL STATEMENT DATE UP TO THE DATE OF EFFECTIVENESS OF THE REGISTRATION STATEMENT.
AS OF JUNE 30, 2017, THE COMPANY HAD NO COMMITMENTS OR CONTINGENCIES.
THE COMPANY'S MANAGEMENT HEREBY REPRESENTS THAT THERE ARE NO BREACHES OF COVENANTS STIPULATED BY THE CREDIT AGREEMENTS.

## IV. KEY FINANCIAL HIGHLIGHTS

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the Company's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The consolidated financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the consolidated financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

The following information must be read in relation to and in overall with reference to the Company's audited financial statements and the notes to financial statements presented in Chapter XVIII of this Prospectus regarding the Independent Auditor's Report and the Company's Financial Statements.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In billions of Rupiah)

Description	June 30,	December 31,		
	2017	2016	2015	2014*
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	18.8	21.9	15.9	36.8
Restricted Cash	21.5	24.4	26.8	22.1
Trade Receivables:				
Third Parties	227.8	197.0	183.6	163.5
Related Parties	21.6	15.0	31.2	11.5
Other receivables				
Third Parties	7.2	6.3	13.4	26.3
Related Parties	4.6	4.3	39.1	28.2
Inventory	375.6	372.3	346.1	282.5
Prepaid expenses	4.1	3.9	2.6	2.2
Advance	32.2	53.2	4.9	10.3
Prepaid taxes	35.5	25.6	44.1	30.6
<b>Total Current Assets</b>	<b>749.0</b>	<b>723.9</b>	<b>707.6</b>	<b>614.0</b>
<b>NON-CURRENT ASSETS</b>				
Due from related parties	0.0	0.2	41.3	74.3
Fixed Assets	548.7	548.9	147.9	152.2
Investment Properties	1.5	1.5	1.6	1.6
Marketable Securities	-	-	-	4.0
Deferred Tax Assets	9.1	8.3	9.1	8.7
Advance	19.1	15.3	13.6	7.0
Deferred expenses	1.4	0.5	-	-
Intangible Assets	34.4	35.4	0.1	0.1
Other Non-Current Assets	19.4	19.3	0.3	0.4
<b>Total Non-Current Assets</b>	<b>633.6</b>	<b>629.4</b>	<b>213.9</b>	<b>248.3</b>
<b>TOTAL ASSETS</b>	<b>1,382.6</b>	<b>1,353.3</b>	<b>921.5</b>	<b>862.3</b>

\*Restated

(in billions of Rupiah)

Description	June 30,	December 31,		
	2017	2016	2015	2014*
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank loans	257.0	253.5	384.3	335.9
Trade Payables				
Third Parties	118.6	172.4	63.9	125.9
Related Parties	7.2	4.8	202.2	198.4
Accrued Expenses	10.8	15.7	7.6	8.2
Taxes payable	22.1	35.0	5.2	3.1
Other Payables				
Third Parties	7.7	5.2	3.7	7.1
Related Parties	3.1	2.6	1.9	1.1
Sales advance	5.5	4.9	6.6	3.2
Current maturities of long-term liabilities:				
Current maturities of bank loans	8.2	9.3	13.0	13.3
Consumer financing liabilities	1.0	1.2	1.6	0.3
Capital lease liabilities	0.1	0.3	0.4	-
<b>Total Current Liabilities</b>	<b>441.3</b>	<b>504.9</b>	<b>690.4</b>	<b>696.5</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current liabilities - net of current maturities				
Current maturities of bank loans	20.0	24.0	33.3	6.4
Consumer financing liabilities	0.4	0.1	0.8	3.4
Capital lease liabilities	0.0	0.1	0.2	-
Due to related parties	0.1	0.1	2.8	6.0
Post-Employment Benefit Liabilities	33.0	30.3	19.6	19.8
Deferred Tax Liabilities	1.3	2.3	1.4	1.0
<b>Total Non-Current Liabilities</b>	<b>54.8</b>	<b>56.9</b>	<b>58.1</b>	<b>36.6</b>
<b>Total Liabilities</b>	<b>496.1</b>	<b>561.8</b>	<b>748.5</b>	<b>733.1</b>
<b>EQUITY</b>				
Authorized, Issued and Paid-Up Capital	150.0	150.0	40.0	20.0
Proforma Equity	-	-	-	94.8
Additional Paid-in Capital				
- Difference in restructuring transactions of entities under common control	99.6	99.6	99.6	-
- Tax amnesty	14.7	14.7	-	-
Other Comprehensive Income:				
- Surplus in revaluation of fixed assets	341.4	345.2	-	-
- Actuarial loss on post-employment benefit liabilities	4.2	3.0	4.6	2.6
Retained Earnings	254.9	158.8	22.7	10.1
	864.8	771.3	166.9	127.5
Non-Controlling Interest	21.7	20.1	6.1	1.7
<b>TOTAL EQUITY</b>	<b>886.5</b>	<b>791.4</b>	<b>173.0</b>	<b>129.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,382.6</b>	<b>1,353.3</b>	<b>921.5</b>	<b>862.3</b>

\*restated

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(In billions of Rupiah)

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014**
Net Sales	1,607.3	1,586.3	3,168.0	2,787.6	2,218.1
Cost of Sales	1,388.2	1,404.2	2,777.5	2,600.0	2,068.2
<b>Gross Profit</b>	<b>219.1</b>	<b>182.2</b>	<b>390.4</b>	<b>187.6</b>	<b>150.0</b>
Marketing expenses	(33.3)	(26.2)	(53.7)	(37.5)	(31.9)
General and administrative expenses	(54.5)	(52.1)	(110.8)	(81.0)	(69.8)
Other income (expenses)	8.4	16.4	0.3	(17.4)	3.7
<b>Operating Income</b>	<b>139.7</b>	<b>120.3</b>	<b>226.3</b>	<b>51.7</b>	<b>51.9</b>
Financial income	0.8	3.5	8.2	11.2	6.6
Financial costs	(13.4)	(21.5)	(43.6)	(33.5)	(28.5)
<b>Profit Before Income Tax</b>	<b>127.1</b>	<b>102.3</b>	<b>190.9</b>	<b>29.4</b>	<b>30.0</b>
<b>Income Tax Expense</b>					
Current tax	(31.7)	(24.2)	(50.2)	(9.2)	(5.8)
Deferred tax	2.2	0.7	(2.3)	1.0	(1.4)
	(29.5)	(23.6)	(52.4)	(8.2)	(7.2)
<b>Net profit for the year before proforma adjustments</b>	<b>97.7</b>	<b>78.7</b>	<b>138.4</b>	<b>21.2</b>	<b>22.8</b>
Proforma adjustments arising from income of consolidated companies	-	-	-	(7.2)	(13.3)
<b>Net Profit for the year</b>	<b>97.7</b>	<b>78.7</b>	<b>138.4</b>	<b>14.0</b>	<b>9.6</b>
<b>Other comprehensive income/(loss) that will not be reclassified to profit or loss</b>					
Difference in revaluation of fixed assets - net	(3.8)	355.6	345.2	-	-
Actuarial Gain (Loss) on Defined Benefit Plan	1.7	(1.1)	(2.2)	2.7	(0.9)
The related income tax (expense) benefit	(0.4)	0.3	0.5	(0.7)	0.2
	<b>(2.6)</b>	<b>354.8</b>	<b>343.5</b>	<b>2.0</b>	<b>(0.7)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>95.1</b>	<b>433.5</b>	<b>482.0</b>	<b>16.0</b>	<b>8.9</b>
Profit attributable to:					
Owners of the parent company	96.1	76.7	136.1	12.6	8.7
Non-Controlling Interest	1.6	2.0	2.3	1.4	0.9
	<b>97.7</b>	<b>78.7</b>	<b>138.4</b>	<b>14.0</b>	<b>9.6</b>
Comprehensive income (loss) attributable to:					
Owners of the parent company	93.6	420.7	468.6	14.6	8.0
Non-Controlling Interest	1.5	12.8	13.4	1.4	0.9
	<b>95.1</b>	<b>433.5</b>	<b>482.0</b>	<b>16.0</b>	<b>8.9</b>
<b>Earnings per Share (in full Rupiah amount)</b>	<b>260</b>	<b>1,967,660</b>	<b>1,805,551</b>	<b>644,229</b>	<b>478,883</b>

\*unaudited

\*\*restated

## KEY RATIOS

(In percentage, unless otherwise stated)

Description	June 30,	December 31,		
	2017	2016	2015	2014
<b>Growth Ratios (%)</b>				
Net Sales	1.3	13.6	25.7	N/A
Cost of Sales	(1.1)	6.8	25.7	N/A
Operating Income	16.1	337.7	(0.4)	N/A
Profit for the year	24.1	891.7	45.8	N/A
Comprehensive Income	(78.1)	2,917.0	79.8	N/A
Total Assets	2.2	46.9	6.9	N/A
Total Liabilities	(11.7)	(24.9)	2.1	N/A
Total Equity	12.0	357.5	33.9	N/A
<b>Financial Ratios (%)</b>				
Total Liabilities/Total Equity	56.0	71.0	432.7	567.4
Total Liabilities/Total Assets	35.9	41.5	81.2	85.0
Total Current Assets/Total Current Liabilities	169.7	143.4	102.5	88.2
<b>Operating Ratios (%)</b>				
Gross Profit/Net Sales	13.6	12.3	6.7	6.8
Operating Income/Net Sales	8.7	7.1	1.9	2.3
Net Profit for the Year/Net Sales	6.1	4.4	0.5	0.4
Comprehensive Income/Net Sales	5.9	15.2	0.6	0.4
Operating Income/Total Assets	10.1	16.7	5.6	6.0
Net Profit for the Year/Total Assets	7.1	10.2	1.5	1.1
Comprehensive Income/Total Assets	6.9	35.6	1.7	1.0
Operating Income/Total Equity	15.8	28.6	29.9	40.2
Net Profit for the Year/Total Equity	11.0	17.5	8.1	7.4
Comprehensive Income/Total Equity	10.7	60.9	9.2	6.9
<b>Ratio Requirements for Credit Facilities from PT Bank Central Asia Tbk</b>				
Total Current Assets/Total Current Liabilities Ratio	1.70x	1.43x	1.02	0.88
(Minimum 1x)				
Interest Bearing Debt/Equity	0.32x	0.36x	2.51x	2.78x
(Maximum 2x)				
Time Interest Earned Ratio	10.90x	5.64x	1.99x	1.97x
(Minimum 2x)				
<b>Ratio Requirements for Credit Facilities from PT Bank Permata Tbk</b>				
Interest Bearing Debt/Equity	0.32x	0.36x	2.51x	2.78x
(Maximum 4x)				
Time Interest Earned Ratio	10.90x	5.64x	1.99x	1.97x
(Minimum 2x)				

## V. MANAGEMENT'S DISCUSSION AND ANALYSIS

*The information presented in this chapter must be read in conjunction with the Company's consolidated financial statements and the accompanying notes, which are presented in Chapter XVIII of this Prospectus. The discussions and analysis presented below contain forward-looking statements that involve a certain level of risks and uncertainties. The actual final results may differ significantly with the projections contained in those forward-looking statements. Factors that may cause significant differences from the projections contained in the forward-looking statements referred to above are discussed in, but not limited to, the following discussions and other related sections in this Prospectus, particularly Chapter VI on Business Risks.*

The management's discussions and analysis presented in this Prospectus have been prepared based on the Company's consolidated financial statements as of and for the 6-month (six-month) periods ended June 30, 2017 and 2016, and for the years ended December 31, 2016, 2015, and 2014. The consolidated financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the consolidated financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

### 1. OVERVIEW

The Company, having its domicile in West Jakarta and was established under the name of PT Panca Budi Idaman, is a limited liability company duly incorporated, and carry out its business activities, by virtue and based on the prevailing laws and regulations in the Republic of Indonesia, pursuant to the Deed of Limited Liability Company PT Panca Budi Idaman No.16 dated January 10, 1990, drawn up before Endang Irawati Ekaputri, S.H., a Notary in Cibinong, as amended by the Deed of Amendment to Limited Liability Company No. 3 dated July 2, 1997, drawn up before Jacinta Lukas, S.H., a Notary in Tangerang, in connection with the amendment of the Company's Articles of Association to conform to the Company Law 1995, and was further amended by the Deed of Amendment No. 10 dated October 17, 1997, drawn up before Kiagus Zainal Arifin, S.H., a Notary in Jakarta, in connection with the amendment of article 2, article 3 paragraph 1 and 2, article 12 paragraph 9, article 15 paragraph 9, and article 20 paragraph 2 of the Company's Articles of Association. The aforementioned deed was approved by the Minister of Justice of the Republic of Indonesia by virtue of the Decree of Minister of Justice of the Republic of Indonesia No. C2-12575 HT.01.01.Th.97 dated December 3, 1997, and registered in the Company Register in accordance with the Mandatory Company Registration Law under Certificate of Company Registration No. 09021608114 at the Company Registration Office of West Jakarta Municipality under Agenda No. 906/BH.09.03/XII/97 dated December 19, 1997, and announced in the State Gazette of the Republic of Indonesia No. 1451 dated March 6, 1988, Supplement No. 19.

In order to conform to the Company Law, the Company's shareholders have approved the resolution to amend the Company's Articles of Association in its entirety as stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 8 dated December 12, 2007, drawn up before Marlina Flora, S.H., a Notary in Jakarta, in connection with the approval to amend the Company's Articles of Association in conformity to the Law No. 4 of 2007 concerning Limited Liability Company. The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-07966.AH.01.02.Tahun 2008 concerning the Approval of the Deed of Amendment to the Company's Articles of Association dated February 19, 2008, and registered in the Company Register in accordance with the Company Law under No. AHU-0011860.AH.01.09.Tahun 2008 dated February 19, 2008.

The Company's most recent amendment to the Articles of Association was stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, in connection with: (a) the approval of the Company's Articles of Association in its entirety, including, among others: (i) the amendment of the Articles of Association in connection with the change to become a Public Company, including, among others, the change of the Company's status from a Private Company to a Public Company; (ii) amendment to the Company's Articles of Association to conform to the laws and regulations in the Capital Market; (b) approval of the issuance of the Company's shares from portfolio up to a maximum of 1,000,000,000 (one billion) new shares issued from portfolio to be offered to the public in a Public Offering, each share having a nominal value of Rp100.- (one hundred Rupiah), at an Offer Price, including the allocation of issuance of the Company's new shares up to a maximum of 10% of the new shares to be issued to the

Employee Stock Allocation (ESA), with due considerations to the prevailing laws and regulations, including the Capital Market regulations and the regulations of the Stock Exchange where the Company's shares are listed; (c) approval to grant the power to the Company's Board of Directors to undertake all necessary actions with respect to the Company's Initial Public Offering; (d) approval to grant the power to the Company's Board of Commissioners to declare, in a separate Notarial Deed, the realization of total shares issued in the Public Offering and the increase of the Company's issued and paid-up capital subsequent to the Initial Public Offering, and to register such shares on the Stock Exchange and in the Company's Shareholder Register. The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-0018831.AH.01.02.TAHUN 2017 concerning the Approval on the Amendment of the Articles of Association of a Limited Liability Company, PT Panca Budi Idaman Tbk dated September 13, 2017, which was registered in the Company Register pursuant to the Company Law No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017, and recorded in the database of the Legal Entity Administration System and obtained the receipt of notification from the Minister of Law and Human Rights by virtue of Decree No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017, concerning the Receipt of Notification of Amendment to the Company's Articles of Association and registered in the Company Register in accordance with the Company Law under No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017.

At present, the Company domiciles at the Integrated Retail Center, Jl. Daan Mogot Raya Km 19,6 Blok D No. 8 A- D, Tangerang 15122, Indonesia.

## **2. Factors Affecting the Company's Operating Results and Operations**

### **Increase in Raw Material Prices**

Raw materials play a key role in the Company's production activities, as reflected in the composition of the Company's cost of sales, where raw material accounted for 82.67% of the total cost of sales. Therefore, any increase in raw material prices as a result of the gap between raw material supply and demand in the domestic and international markets will result in a significant increase in the Company's cost of sales.

The Company continuously maintains considerable working capital to be able to purchase plastic ore raw material inventory in large quantities. Raw materials inventory in large quantity will be able to mitigate the risk of loss arising from an increase in raw material prices in the future.

### **Foreign exchange rate fluctuations**

The decrease in Rupiah exchange rate against foreign currencies may result in increased cost, particularly the acquisition cost of the Company's imported raw materials, which may result in an increase in the Company's expenses and affect the Company's revenue. The Company will continuously monitor and manage foreign exchange rate fluctuations. In addition, the increase in price of imported raw materials arising from foreign exchange fluctuations may be partially mitigated by export sales in foreign currencies.

### **Economic Condition and Shifts in Demand**

Volatile economic condition may indirectly affect the Company's financial condition. Any increase in interest rate and inflation may affect public purchasing power, resulting in a decrease in demand for the Company's products.

On the contrary, any decrease in interest rate may result in an increase in public purchasing power, resulting in an increase in demand for the Company's products. In addition, the Company's products are complementary products for basic needs such as food and beverages. Therefore, short-term changes in economic condition does not have a significant impact to the demand for the Company's products.

### **Seasonal Factors**

The Company's finished products constitute daily consumer goods, and up to now there are no viable substitute products. As a result, seasonal factor is not significant to the Company's finished products. Demand for the Company's finished products slightly increase during the Eid al-Fitr holiday due to the increase in demand for food ingredients.



### 3. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

#### a. Changes in Statements of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan*, “PSAK”) and Interpretation of Financial Accounting Standards (*Interpretasi Standar Akuntansi Keuangan*, “ISAK”)

##### Standards effective in the current year

In the current year, the Company has applied new standards and interpretations and revisions issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on January 1, 2017.

The implementation of changes in interpretation of accounting standards described below that are effective on January 1, 2017, and are relevant to the Company, but do not result in a significant changes to the Company's accounting policies and do not have material impact to the reported amount in the interim financial statements for the period are as follows:

- Amendment to PSAK 1, “Presentation of Financial Statements;
- PSAK 3 (revised 2016), “Interim Financial Statements”
- PSAK 24 (revised 2016) “Employment Benefit”
- PSAK 58 (revised 2016) “Non-Current Assets Available for Sale and Discontinued Operations”
- PSAK 60 (revised 2016) “Financial Instruments: Disclosures”
- ISAK 31 “Interpretation on the scope of PSAK 13: Investment Property”
- ISAK 32 “Definition and Hierarchy of Financial Accounting Standards”

New, revised standards and interpretations issued that are relevant to the Company, but are not yet effective for the accounting period beginning on or after January 1, 2018, are as follows:

- Amendment to PSAK 16, “Fixed Assets”
- Amendment to PSAK 2, “Statements of Cash Flows: Disclosure Initiatives”
- Amendment to PSAK 46, “Income Tax: Recognition of Deferred Tax Assets on Unrealized Loss”

#### b. Fixed Assets

Before January 1, 2015, fixed assets are carried at its cost less any accumulated depreciation. The Company implements PSAK No. 16 (Revised 2015) on “Fixed Assets”, based on which the Company changed its accounting policy from cost method to revaluation method for the accounting of land, building, and production machineries. The change of accounting policies from cost method to revaluation method for the accounting of land, building, and production machineries is applied prospectively. Land, building and production machinery are stated at their revaluation less accumulated depreciation and impairment losses incurred after the date of revaluation.

Fixed asset acquisition costs include acquisition cost and directly attributable costs to bring the asset to the desired location and conditions in order for the asset to be used in accordance with management's intent. The initial estimate of the cost of dismantling or removing assets is added as acquisition cost.

If there is an increase in value due to revaluation, the increase will be credited directly to equity in the revaluation surplus section. However, the increase in value should be recognized in the consolidated statements of comprehensive income to the amount of the decrease in value due to previous revaluations in the consolidated statements of comprehensive income. Should there be any decline in value due to the revaluation, the impairment is recognized in the consolidated statements of comprehensive income. However, the decline in value is directly debited to equity in the revaluation surplus section as long as the decrease does not exceed the revaluation surplus credit balance for the asset.

The revaluation surplus, which is transferred annually to retained earnings, is the difference between the amount of depreciation based on the value of the revaluation of the asset and the amount of depreciation based on the cost of the asset. Further, the accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net carrying amount after elimination is restated to the amount of revaluation of the asset. At the time of the termination of the asset, the revaluation surplus for the property and equipment sold is transferred to retained earnings.

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation rates for property, plant and equipment are computed using the straight line method based on the estimated useful lives of the assets. Effective in February 2016, the Group changed the estimated useful lives of the assets with details as follows:



	Years	
	Before Revaluation	After Revaluation
Building	20	20 - 30
Machinery	8 - 16	8 - 16
Vehicle	4 - 8	4 - 8
Office supplies	4 - 8	4 - 8
Equipment	4 - 8	4 - 8
Electric installation	4 - 20	4 - 20

Changes in these estimates are applied prospectively. The change in estimated economic useful lives is made after considering the future use of future economic benefits of assets expected by the Group, the expected use of assets and the maintenance and repairs carried out routinely by the Group.

The carrying amount of the property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of fixed assets (calculated as the difference between the net amount of disposal proceeds and the carrying amount of property, plant and equipment) are included in the statement of income in the current year the assets are derecognized.

The residual values, depreciation method and useful lives of the assets are reviewed and adjusted, if necessary, at each consolidated statement of financial position date.

The initial legal fees for obtaining legal rights are recognized as part of land acquisition costs and are not depreciated. The costs associated with the renewal of land rights are recognized as intangible assets and are amortized over the life of the rights law.

In 2016, the Company and its Subsidiaries revaluated its fixed assets for tax and accounting purposes. The revaluation was conducted by an external independent appraiser with reference to the provision of Ministry of Finance Regulation (MOF Regulation) No. 191/PMK.010/2015 dated October 15, 2015, as amended by the MOF Regulation No. 233/PMK.03/2015 dated December 21, 2015. The revaluation on machineries and land which tax value prior to revaluation amounted to Rp120,999,903 resulted in a revaluation surplus of Rp375,431,547. The net amount after deducting final tax on the difference of fixed assets revaluation of Rp362,978,201, was reported as "Other Comprehensive Income." Payment of final income tax amounted to Rp12,444,346 is presented as a deduction to "Allowance for Asset Revaluation."

#### c. Employee Benefit

The Company implements PSAK 24 (Revised 2013), "Employment Benefit," which set forth the accounting and disclosures of employment benefit, including short-term employee benefits (such as paid sick leave), and long-term employee benefits (such as long-term paid leave, post-employment health benefits).

As a result of the change of accounting policy with respect to PSAK 24 (Revised 2013), the Company's financial statements for the years 2014 and 2013 have been restated to reflect such implementation.

#### d. Income Tax and Deferred Tax

The Company implements PSAK 70 "Accounting for Tax Amnesty Assets and Liabilities"

Tax amnesty asset is recognized at the acquisition cost of the tax amnesty asset. Tax amnesty liability is recognized at the contractual obligation to deliver cash and cash equivalents to settle the liabilities directly attributable to the acquisition of tax amnesty assets.

The Company recognizes the difference between tax amnesty assets and tax amnesty liabilities as part of the additional paid-in capital in equity.

Tax amnesty assets and liabilities are presented separately from other assets and liabilities in the statements of financial position.

Tax amnesty redemption fee and prepaid taxes that cannot be credited and/or refunded as a result of the participation in the Tax Amnesty program shall be charged to profit and loss for the year.

During the Tax Amnesty period September - October 2016, the Company and its Subsidiaries participated in the Tax Amnesty program in accordance with the Law No. 11 of 2016 issued on July 1, 2016. The Tax Office has issued the Tax Amnesty Certificate (*Surat Keterangan Pengampunan Pajak*, "SKPP") on various dates in September and October 2016.

Assets and liabilities related to the Tax Amnesty program are as follows:

<b>December 31, 2016</b>	
<i>Dec 31, 2016 (in thousands of Rupiah)</i>	
Cash and Cash Equivalents	2,038,395
Trade Receivables:	25,200
Inventory	6,589,508
Fixed Assets	1,373,975
Intangible Assets	5,440,000
<b>Total</b>	<b>15,467,078</b>
Other Payables	(78,673)
<b>Total - net</b>	<b>15,388,405</b>
<b>Attributable to:</b>	
Parent Company	14,733,679
Non-Controlling Interest	654,726
<b>Total attributable:</b>	<b>15,388,405</b>

## 4. FINANCIAL ANALYSIS

### 4.1. Sales, Expenses, Profit for the Year, and Comprehensive Income for the Year

The following table presents the details of the Company's sales, expenses, profit for the year, and comprehensive income for the year for the 6-month (six-month) periods ended June 30, 2017 and 2016, and for the years ended December 31, 2016, 2015, and 2014:

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
	<i>(In billions of Rupiah)</i>				
Net Sales	1,607.3	1,586.3	3,168.0	2,787.6	2,218.1
Cost of Sales	1,388.2	1,404.2	2,777.5	2,600.0	2,068.2
<b>Gross Profit</b>	<b>219.1</b>	<b>182.2</b>	<b>390.4</b>	<b>187.6</b>	<b>150.0</b>
Marketing expenses	(33.3)	(26.2)	(53.7)	(37.5)	(31.9)
General and administrative expenses	(54.5)	(52.1)	(110.8)	(81.0)	(69.8)
Other income (expenses)	8.4	16.4	0.3	(17.4)	3.7
<b>Operating Income</b>	<b>139.7</b>	<b>120.3</b>	<b>226.3</b>	<b>51.7</b>	<b>51.9</b>
Interest income	0.8	3.5	8.2	11.2	6.6
Financial costs	(13.4)	(21.5)	(43.6)	(33.5)	(28.5)
<b>Profit Before Income Tax</b>	<b>127.1</b>	<b>102.3</b>	<b>190.9</b>	<b>29.4</b>	<b>30.0</b>
<b>Income Tax Expense</b>					
Current tax	(31.7)	(24.2)	(50.2)	(9.2)	(5.8)
Deferred tax	2.2	0.7	(2.3)	1.0	(1.4)
	(29.5)	(23.6)	(52.4)	(8.2)	(7.2)
<b>Net profit for the year before proforma adjustments</b>	<b>97.7</b>	<b>78.7</b>	<b>138.4</b>	<b>21.2</b>	<b>22.8</b>
Proforma adjustments arising from income of consolidated companies	-	-	-	(7.2)	(13.3)

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
<b>Net Profit for the year</b>	<b>97.7</b>	<b>78.7</b>	<b>138.4</b>	<b>14.0</b>	<b>9.6</b>
<b>Other comprehensive income/(loss) that will not be reclassified to profit or loss</b>					
Difference in revaluation of fixed assets - net	(3.8)	355.6	345.2	-	-
Actuarial Gain (Loss) on Defined Benefit Plan	1.7	(1.1)	(2.2)	2.7	(0.9)
The related income tax (expense) benefit	(0.4)	0.3	0.5	(0.7)	0.2
	<b>(2.6)</b>	<b>354.8</b>	<b>343.5</b>	<b>2.0</b>	<b>(0.7)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>95.1</b>	<b>433.5</b>	<b>482.0</b>	<b>16.0</b>	<b>8.9</b>

\*unaudited

#### 4.1.1. Net Sales

The following table presents the details of the Company's net sales for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
<b>Domestic</b>					
Third Parties	1,401.4	1,383.9	2,801.3	2,405.4	1,938.7
Related Parties	149.9	153.8	296.0	312.7	198.6
	<b>1,551.3</b>	<b>1,537.7</b>	<b>3,097.3</b>	<b>2,718.1</b>	<b>2,137.3</b>
<b>Export</b>					
Third Parties	56.0	48.6	70.7	69.5	80.8
<b>Total Net Sales</b>	<b>1,607.3</b>	<b>1,586.3</b>	<b>3,168.0</b>	<b>2,787.6</b>	<b>2,218.1</b>

\*unaudited

The following table presents the details of the Company's net sales by operating segment for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 30,				December 31,					
	2017		2016		2016		2015		2014	
	Rp	%	Rp	%	Rp	%	Rp	%	Rp	%
Plastic Bag	991.2	61.7%	989.3	62.4%	1,946.1	61.4%	1,757.5	63.1%	1,658.9	74.8%
Plastic Ore	595.5	37.0%	577.2	36.4%	1,175.5	37.1%	962.1	34.5%	522.2	23.5%
Other Products	20.6	1.3%	19.8	1.2%	46.4	1.5%	68.0	2.4%	37.0	1.7%
<b>Total Net Sales</b>	<b>1,607.3</b>	<b>100.0%</b>	<b>1,586.3</b>	<b>100.0%</b>	<b>3,168.0</b>	<b>100.0%</b>	<b>2,787.6</b>	<b>100.0%</b>	<b>2,218.1</b>	<b>100.0%</b>

#### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's net sales for the 6-month (six-month) period ended June 30, 2017 increased by Rp21.0 billion or 1.32% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp1,586.3 billion to Rp1,607.3 billion. The increase in sales was driven by an increase in sales of Plastic Bags and Plastic Ores as a result of an increase in sales volume and sales price. The increase in sales volume was driven by an increase in sales from outside Jabodetabek owing to the successful implementation of the Company's strategy to expand its distribution network.

### The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015

The Company's net sales for the year ended December 31, 2016 increased by Rp380.4 billion or 13.65% compared to the year ended December 31, 2015, i.e., from Rp2,787.6 billion to Rp3,168.0 billion. The increase in sales was driven by an increase in sales of Plastic Bags and Plastic Ores as a result of an increase in volume and price. The increase in sales volume was driven by an increase in sales from outside Jabodetabek owing to the successful implementation of the Company's strategy to expand its distribution network.

### The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014

The Company's net sales for the year ended December 31, 2015 increased by Rp569.5 billion or 25.68% compared to the year ended December 31, 2014, i.e., from Rp2,218.1 billion to Rp2,787.6 billion. The increase in sales was driven by an increase in sales of Plastic Ores as a result of an increase in volume. The increase in plastic ore sales volume was driven by the Group's restructuring, which centralized plastic ore trading activities in PBP.

#### 4.1.2. Cost of Sales

The following table presents the details of the Company's cost of sales by business sector for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

*(In billions of Rupiah)*

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
Raw material inventory					
Beginning balance	93.7	132.2	132.2	109.8	87.2
Purchases	636.7	643.2	1,340.6	1,436.3	1,358.9
Ending balance	(94.8)	(69)	(93.7)	(132.2)	(109.8)
Raw material used	635.6	706.4	1,379.1	1,413.9	1,336.3
Direct Labor	39.0	35.9	66.6	58.2	51.9
Factory overhead	44.4	51.2	82.0	81.4	74.9
Production overhead	25.0	25.2	56.4	39.1	24.9
<b>Total production costs</b>	<b>744.0</b>	<b>818.7</b>	<b>1,584.1</b>	<b>1,592.6</b>	<b>1,488.0</b>
Work in Process					
Beginning balance	6.7	9.7	9.7	7.7	8.9
Work in Process - Tax Amnesty	-	-	0.9	-	-
Ending balance	(6.9)	(9.7)	(6.7)	(9.7)	(7.7)
<b>Cost of Goods Sold</b>	<b>743.8</b>	<b>818.7</b>	<b>1,588.0</b>	<b>1,590.6</b>	<b>1,489.2</b>
Finished Goods Inventory					
Beginning balance	130.8	117.1	117.1	108.9	98.9
Finished Goods Inventory - Tax Amnesty	-	-	2.2	-	-
Purchases	61.4	32.8	78.8	91.8	85.6
Ending balance	(111.3)	(107.4)	(130.8)	(117.1)	(113.1)
<b>Cost of goods manufactured</b>	<b>824.7</b>	<b>861.2</b>	<b>1,655.3</b>	<b>1,674.2</b>	<b>1,560.6</b>
Raw material inventory available for sale					
Beginning balance	134.7	80.0	80.0	47.7	57.6
Purchases	579.7	535.2	1,176.9	958.1	1,497.7
Ending balance	(150.9)	(72.2)	(134.7)	(80.0)	(47.7)
Plastic ore cost of sales	563.5	543.0	1,122.2	925.8	507.6
<b>Total Cost of Sales</b>	<b>1,388.2</b>	<b>1,404.2</b>	<b>2,777.5</b>	<b>2,600.0</b>	<b>2,068.2</b>

\*unaudited

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

The Company's cost of sales for the 6-month (six-month) period ended June 30, 2017 decreased by Rp16.0 billion or 1.14% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp1,404.2 billion to Rp1,388.2 billion. The decrease in cost of sales was mainly driven by the decrease in plastic ore cost of sales by Rp20.5 billion or 3.78%. The decrease in plastic ore cost of sales was driven by a decrease in plastic ore price.

**The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

The Company's cost of sales for the year ended December 31, 2016 increased by Rp177.5 billion or 6.83% compared to the year ended December 31, 2015, i.e., from Rp2,600.0 billion to Rp2,777.5 billion. The increase in cost of sales was mainly driven by the increase in plastic ore cost of sales by Rp196.4 billion or 21.21%. In addition, factory overhead increased by Rp17.3 billion or 44.25% due to the increase in plastic bag sales volume.

**The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

The Company's cost of sales for the year ended December 31, 2015 increased by Rp531.8 billion or 25.71% compared to the year ended December 31, 2014, i.e., from Rp2,068.0 billion to Rp2,600.0 billion. The increase in cost of sales was mainly driven by the increase in raw material used by Rp77.6 billion or 5.81% and the increase in plastic ore cost of sales by Rp418.2 billion or 82.39%. In addition, factory overhead increased by Rp14.2 billion or 57.03% due to the increase in plastic bag sales volume.

**4.1.3. Gross Profit****The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

The Company's gross profit for the 6-month (six-month) period ended June 30, 2017 increased by Rp36.9 billion or 20.25% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp183.2 billion to Rp219.1 billion. The increase in gross profit was mainly driven by the increase in the Company's net sales for the 6-month (six-month) period ended June 30, 2017. In addition to the increase in net sales, the increase in gross profit was also driven by a decrease in plastic ore price, which resulted in a decrease in cost of sales.

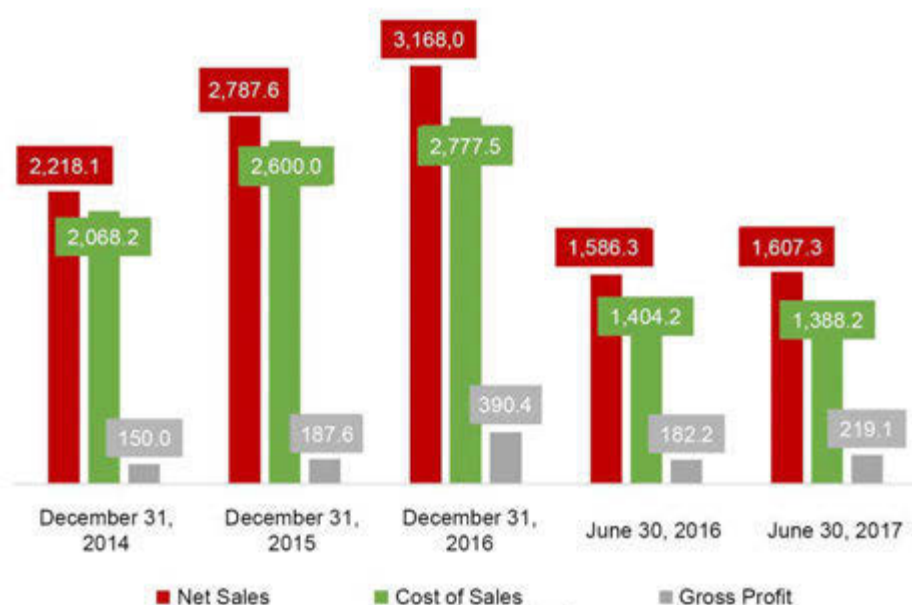
**The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

The Company's gross profit for the year ended December 31, 2016 increased by Rp202.8 billion or 108.1% compared to the year ended December 31, 2015, i.e., from Rp187.6 billion to Rp390.4 billion. The increase in gross profit was mainly driven by the increase in the Company's net sales for the year ended December 31, 2016. In addition to the increase in net sales, the increase in gross profit was also driven by a decrease in plastic ore price. As such, the increase in cost of sales was not significant.

**The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

The Company's gross profit for the year ended December 31, 2015 increased by Rp37.6 billion or 25.07% compared to the year ended December 31, 2014, i.e., from Rp150.0 billion to Rp187.6 billion. The increase in gross profit was mainly due to the increase in the Company's net sales for the year ended December 31, 2015, due to the Group restructuring and a decrease in plastic ore price.

**Company's Net Sales, Cost of Sales and Gross Profit  
 for the years ended December 31, 2014, 2015, and 2016, and the 6-month (six-month) period ended  
 June 30, 2016 and 2017**



#### 4.1.4. Marketing expenses

The following table presents the details of the Company's marketing expenses for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
Expedition	15.7	14.2	26.7	22.5	17.3
Salaries and benefits	5.3	3.1	8.2	4.3	3.7
Advertisement and marketing	3.8	2.3	4.7	2.3	3.3
Commission	2.9	2.6	6.4	2.7	3.4
Fuel, toll and parking	1.8	1.6	3.7	2.6	1.7
Business trips	0.5	0.3	0.9	0.6	0.8
Rent	0.5	0.3	0.9	0.7	0.5
Depreciation	0.1	0.1	0.1	0.1	0.2
Others	2.7	1.7	2.1	1.7	1.0
<b>Total marketing expenses</b>	<b>33.3</b>	<b>26.2</b>	<b>53.7</b>	<b>37.5</b>	<b>31.9</b>

\*unaudited

#### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's marketing expenses for the 6-month (six-month) period ended June 30, 2017 increased by Rp7.1 billion or 27.10% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp26.2 billion to Rp33.3 billion. The increase in marketing expenses was mainly driven by the increase in expedition expense by Rp1.5 billion, advertisement and marketing expense by Rp1.5 billion, and the increase in salaries and benefit expense by Rp2.2 billion. The increase in expedition expense was in line with the increase in net sales. The increase in salaries and benefit expense was in line with the

growing number of the Company's marketing personnel. Whereas the increase in marketing expenses was driven by the expansion of the Company's marketing strategies and the marketing strategy implemented by the Company.

#### The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015

The Company's marketing expenses for the year ended December 31, 2016 increased by Rp16.2 billion or 43.20% compared to the year ended December 31, 2015, i.e., from Rp37.5 billion to Rp53.7 billion. The increase in marketing expenses was driven by an increase in expenses relating to the expedition of the Company's products by Rp4.2 billion, an increase in salaries and benefits by Rp3.9 billion, and an increase in commission expenses by Rp3.7 billion. The increase in expedition expenses was driven by an increase in the Company's sales resulting in the increase in product deliveries to customers. The increase in salaries and benefit expense was in line with the growing number of the Company's marketing personnel. Whereas the increase in commission was driven by the increase in sales closed by marketing personnel.

#### The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014

The Company's marketing expenses for the year ended December 31, 2015, increased by Rp5.6 billion or 17.55% compared to the year ended December 31, 2014, i.e., from Rp31.9 billion to Rp37.5 billion. The increase in marketing expenses was mainly driven by an increase in expenses relating to the expedition of the Company's products by Rp5.2 billion as a result of an increase in the Company's sales resulting in the increase in product deliveries to customers.

#### 4.1.5. General and administrative expenses

The following table presents the details of the Company's general and administrative expenses for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
Salaries and benefits	30.4	26.9	63.3	42.2	38.2
Custody	5.9	6.2	12.3	11.5	8.4
Employment benefit expense	4.4	4.4	8.7	5.1	5.0
Depreciation	2.4	2.0	4.3	3.5	3.5
Rent	2.1	1.3	3.0	2.0	1.7
Amortization	1.0	0.0	0.7	0.0	0.0
Insurance	0.7	0.5	1.2	1.5	1.0
Licenses	0.7	3.2	3.3	2.3	2.0
Tax expense	0.7	0.8	1.7	1.2	1.5
Fixed asset maintenance	0.6	0.8	1.6	1.2	0.7
Professional fees	0.6	0.3	0.9	0.6	0.9
Donation	0.6	1.5	1.5	1.6	0.7
Stationeries and photocopies	0.5	0.5	1.1	0.9	0.8
Fuel, toll and parking	0.5	0.3	0.7	0.6	0.8
Entertainment	0.5	0.4	1.0	0.5	0.1
Electricity, water, telephone and internet	0.5	0.7	1.1	1.1	1.0
Security and cleaning service	0.4	0.3	0.7	0.5	0.6
Contribution and membership	0.2	0.3	0.5	0.5	0.6
Land and building tax	0.2	0.0	0.4	0.3	0.3
Depreciation of investment properties	0.0	0.0	0.0	0.0	0.0
Others	1.6	1.7	2.8	3.9	2.0
<b>Total general and administrative expenses</b>	<b>54.5</b>	<b>52.1</b>	<b>110.8</b>	<b>81.0</b>	<b>69.8</b>

\*unaudited

#### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's general and administrative expenses for the 6-month (six-month) period ended June 30, 2017 increased by Rp2.4 billion or 4.61% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp52.1 billion to Rp54.5 billion. The increase in general and administrative expenses was driven by an increase in salaries and benefit expenses by Rp3.5 billion due to the growing number of the Company's employees.

#### The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015

The Company's general and administrative expenses for the year ended December 31, 2016 increased by Rp29.8 billion or 36.79% compared to the year ended December 31, 2015, i.e., from Rp81.0 billion to Rp110.8 billion. The increase in general and administrative expenses was driven by an increase in salaries and benefit expenses by Rp21.1 billion due to the growing number of the Company's employees.

#### The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014

The Company's general and administrative expenses for the year ended December 31, 2015 increased by Rp11.2 billion or 16.05% compared to the year ended December 31, 2014, i.e., from Rp69.8 billion to Rp81.0 billion. The increase in general and administrative expenses was driven by an increase in salaries and benefit expenses by Rp4 billion and custody expenses by Rp3.1 billion.

#### 4.1.6. Other income (expenses)

The following table presents the details of the Company's other income and expenses for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

*(In billions of Rupiah)*

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
<b>Other Income:</b>					
Gain on foreign exchange	3.8	36.1	50.1	90.0	104.5
Rental revenue	1.2	0.7	1.7	1.1	0.4
Custody	0.5	0.6	1.1	0.8	0.3
Gain on sale of fixed assets	0.5	0.8	2.5	0.6	0.8
Delivery services	0.0	0.0	0.2	0.1	0.0
Others	4.8	1.4	5.2	17.3	9.1
<b>Total Other Income</b>	<b>10.8</b>	<b>39.7</b>	<b>60.8</b>	<b>109.9</b>	<b>115.1</b>
<b>Other Expenses</b>					
Loss on foreign exchange	(1.8)	(22.6)	(41.7)	(126.2)	(109.8)
Tax	(0.3)	(0.4)	(18.8)	(0.8)	(1.0)
Others	(0.3)	(0.3)	-	(0.3)	(0.6)
<b>Total Other Expenses</b>	<b>(2.4)</b>	<b>(23.3)</b>	<b>(60.5)</b>	<b>(127.3)</b>	<b>(111.4)</b>
<b>Total other income (expenses)</b>	<b>8.4</b>	<b>16.4</b>	<b>0.3</b>	<b>(17.4)</b>	<b>3.7</b>

\*unaudited

#### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's other income (expenses) for the 6-month (six-month) period ended June 30, 2017 decreased by Rp8.0 billion or 48.8% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp16.4 billion to Rp8.4 billion. The decrease was mainly driven by a decrease in gain on foreign exchange by Rp32.3 billion, which was compensated by a decrease in loss on foreign exchange by Rp20.8 billion. The foregoing was driven by the weakening of Rupiah, which affected procurement of imported raw materials and export sales.



### The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015

The Company's other income (expenses) for the year ended December 31, 2016 increased by Rp17.7 billion or 101.7% compared to the year ended December 31, 2015, i.e., from Rp(17.4) billion to Rp0.3 billion. The increase was mainly driven by a decrease in loss on foreign exchange by Rp84.5 billion. The foregoing was driven by the appreciation of Rupiah, which affected procurement of imported raw materials.

### The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014

The Company's other income (expenses) for the year ended December 31, 2015 decreased by Rp21.1 billion or 570.27% compared to the year ended December 31, 2014, i.e., from Rp3.7 billion to Rp(17.4) billion. The decrease was mainly driven by a decrease in gain on foreign exchange and an increase in loss on foreign exchange due to the weakening of Rupiah, which affected the procurement of imported materials.

## 4.1.7. Operating Income

### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's operating income for the 6-month (six-month) period ended June 30, 2017 increased by Rp19.4 billion or 16.1% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp120.3 billion to Rp139.7 billion. The increase was mainly driven by a significant increase in the Company's net sales and a decrease in cost of sales.

### The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015

The Company's operating income for the year ended December 31, 2016 increased by Rp174.6 billion or 337.7% compared to the year ended December 31, 2015, i.e., from Rp51.7 billion to Rp226.3 billion. The increase was mainly driven by a significant increase in the Company's net sales.

### The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014

The Company's operating income for the year ended December 31, 2015 decreased by Rp0.2 billion or 0.4% compared to the year ended December 31, 2014, i.e., from Rp51.9 billion to Rp51.7 billion. The decrease was mainly driven by a significant increase in the Company's other expenses and an increase in general and administrative expenses.

## 4.1.8. Interest income

The following table presents the details of the Company's interest income for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

*(In billions of Rupiah)*

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
Interest income - affiliates and third parties	0.5	3.2	7.1	10.6	5.9
Interest income from time deposit	0.2	0.2	1.0	0.3	0.2
Interest income from current account	0.1	0.1	0.1	0.1	0.1
Bond interest income	-	-	-	0.2	0.4
<b>Total Interest Income</b>	<b>0.8</b>	<b>3.5</b>	<b>8.2</b>	<b>11.2</b>	<b>6.6</b>

\*unaudited

### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's interest income for the 6-month (six-month) period ended June 30, 2017 decreased by Rp2.7 billion or 77.14% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp3.5 billion to Rp0.8 billion. The decrease was mainly driven by a decrease in interest income from affiliates and third parties, which was in line with the decrease in other receivables from related parties.

#### The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015

The Company's interest income for the year ended December 31, 2016 decreased by Rp3.0 billion or 26.79% compared to the year ended December 31, 2015, i.e., from Rp11.2 billion to Rp8.2 billion. The decrease was mainly driven by a decrease in interest income from affiliates and third parties by Rp3.5 billion, which was driven by repayment of other receivables from third parties. At the end of 2016, the outstanding balance of receivables from related parties decreased due to repayment.

#### The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014

The Company's interest income for the year ended December 31, 2015 increased by Rp4.6 billion or 69.70% compared to the year ended December 31, 2014, i.e., from Rp6.6 billion to Rp11.2 billion. The increase was mainly driven by an increase in interest income from affiliates and third parties by Rp4.7 billion, due to an increase in receivables to third parties and affiliates.

#### 4.1.9. Financial costs

The following table presents the details of the Company's financial costs for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

*(In billions of Rupiah)*

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
Bank interest charges	(11.3)	(20.2)	(39.1)	(31.3)	(22.3)
Interest on loan	(0.9)	(0.1)	(1.9)	(0.2)	(4.4)
Bank administrative fees	(0.7)	(0.4)	(1.1)	(1.0)	(0.9)
Bank provision	(0.4)	(0.5)	(1.0)	(0.7)	(0.6)
Interest from other financial institutions	(0.1)	(0.3)	(0.5)	(0.3)	(0.3)
<b>Total Financial Costs</b>	<b>(13.4)</b>	<b>(21.5)</b>	<b>(43.6)</b>	<b>(33.5)</b>	<b>(28.5)</b>

\*unaudited

#### The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016

The Company's financial costs for the 6-month (six-month) period ended June 30, 2017 decreased by Rp8.1 billion or 37.67% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp21.5 billion to Rp13.4 billion. The decrease was mainly driven by a decrease in bank interest charges by Rp8.9 billion due to a decrease in bank loans.

#### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

The Company's financial costs for the year ended December 31, 2016 increased by Rp10.1 billion or 30.15% compared to the year ended December 31, 2015, i.e., from Rp33.5 billion to Rp43.6 billion. The increase was mainly driven by an increase in bank interest charges by Rp7.8 billion due to an increase in bank loans. However, such bank loans were repaid at the end of the year.

#### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

The Company's financial costs for the year ended December 31, 2015 increased by Rp5 billion or 17.54% compared to the year ended December 31, 2014, i.e., from Rp28.5 billion to Rp33.5 billion. The decrease was mainly driven by an increase in bank interest charges by Rp9.0 billion, which was in line with the increase in bank loans.

### **4.1.10. Profit Before Income Tax**

#### **The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

The Company's profit before income tax for the 6-month (six-month) period ended June 30, 2017 increased by Rp24.8 billion or 24.24% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp102.3 billion to Rp127.1 billion. The increase was mainly driven by the increase in the Company's gross profit and operating income for the 6-month (six-month) period ended June 30, 2017.

#### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

The Company's profit before income tax for the year ended December 31, 2016 increased by Rp161.5 billion or 549.32% compared to the year ended December 31, 2015, i.e., from Rp29.4 billion to Rp190.9 billion. The increase was driven by the increase in the Company's gross profit and operating income for the year ended December 31, 2016.

#### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

The Company's profit before income tax for the year ended December 31, 2015 decreased by Rp0.6 billion or 2.00% compared to the year ended December 31, 2014, i.e., from Rp30.0 billion to Rp29.4 billion. The decrease was driven by a decrease in the Company's operating income for the year ended December 31, 2015, as a result of the increase in general and administrative expenses and other income (expenses).

### **4.1.11. Net Profit for the year**

#### **The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

The Company's net profit for the 6-month (six-month) period ended June 30, 2017 increased by Rp16.0 billion or 24.14% compared to the 6-month (six-month) period ended June 30, 2016, i.e., from Rp78.7 billion to Rp97.7 billion. The increase in the Company's net profit for the year was mainly driven by an increase in profit before income tax, which was mainly contributed by the increase in sales.

#### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

The Company's net profit for the year ended December 31, 2016 increased by Rp124.4 billion or 888.57% compared to the year ended December 31, 2015, i.e., from Rp14.0 billion to Rp138.4 billion. The increase in the Company's net profit for the year was mainly driven by an increase in sales and a decrease in proforma adjustment for profit from consolidated companies totaling Rp7.2 billion.

#### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

The Company's net profit for the year ended December 31, 2015 increased by Rp4.4 billion or 45.83% compared to the year ended December 31, 2014, i.e., from Rp9.6 billion to Rp14.0 billion. The increase in the Company's net profit for the year was mainly driven by an increase in sales and a decrease in proforma adjustment for profit from consolidated companies totaling Rp13.3 billion.

#### **4.1.12. Total Comprehensive Income (Loss) for the Period**

##### **The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

The Company's comprehensive income for the 6-month (six-month) period ended June 30, 2017 decreased by Rp338.4 billion or 78.06% compared to the 6-month (six-month) period ended June 30, 2016. The decrease was mainly driven by a decrease in revaluation of fixed assets by Rp359.4 billion.

##### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

The Company's comprehensive income for the year ended December 31, 2016 increased by Rp466.0 billion or 2,912.50% compared to the year ended December 31, 2015. The increase was mainly driven by revaluation of fixed assets of Rp345.2 billion, which consisted of revaluation of land, building, and machineries owned by Panca Budi Group.

##### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

The Company's comprehensive income for the year ended December 31, 2015 increased by Rp7.1 billion or 79.78% compared to the year ended December 31, 2014. The increase was mainly driven by an increase in net profit for the year, and actuarial gain from defined benefit plan and the related income tax benefit.

**Operating Income, Profit for the Year, and Comprehensive Income for the Year  
 for the years ended December 31, 2014, 2015, and 2016, and the 6-month (six-month) period ended  
 June 30, 2016 and 2017**



## 4.2. Assets, Liabilities and Equity

### 4.2.1. Assets

The following table presents the Company's asset composition as of June 30, 2017, December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 30, 2017	2016	December 31, 2015	2014
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	18.8	21.9	15.9	36.8
Restricted Cash	21.5	24.4	26.8	22.1
Trade Receivables:				
Third Parties	227.8	197.0	183.6	163.5
Related Parties	21.6	15.0	31.2	11.5
Other receivables				
Third Parties	7.2	6.3	13.4	26.3
Related Parties	4.6	4.3	39.1	28.2
Inventory	375.6	372.3	346.1	282.5
Prepaid expenses	4.1	3.9	2.6	2.2
Advance	32.2	53.2	4.9	10.3
Prepaid taxes	35.5	25.6	44.1	30.6
<b>Total Current Assets</b>	<b>749.0</b>	<b>723.9</b>	<b>707.6</b>	<b>614.0</b>
<b>NON-CURRENT ASSETS</b>				
Due from related parties	0.0	0.2	41.3	74.3
Fixed Assets	548.7	548.9	147.9	152.2
Investment Properties	1.5	1.5	1.6	1.6
Marketable Securities	-	-	-	4.0

Description	June 30,	December 31,		
	2017	2016	2015	2014
Deferred tax assets	9.1	8.3	9.1	8.7
Advance	19.1	15.3	13.6	7.0
Deferred expenses	1.4	0.5	-	-
Intangible Assets	34.4	35.4	0.1	0.1
Other Non-Current Assets	19.4	19.3	0.3	0.4
<b>Total Non-Current Assets</b>	<b>633.6</b>	<b>629.4</b>	<b>213.9</b>	<b>248.3</b>
<b>TOTAL ASSETS</b>	<b>1,382.6</b>	<b>1,353.3</b>	<b>921.5</b>	<b>862.3</b>

#### As of June 30, 2017 compared to December 31, 2016

The Company's total assets increased by 2.17% or Rp29.3 billion from Rp1,353.3 billion as of December 31, 2016, to Rp1,382.6 billion as of June 30, 2017. The increase was mainly driven by an increase in trade receivable and prepaid taxes, compensated by a decrease in advance.

#### As of December 31, 2016 compared to December 31, 2015

The Company's total assets increased by 46.86% or Rp431.8 billion from Rp921.5 billion as of December 31, 2015, to Rp1,353.3 billion as of December 31, 2016. The increase was mainly driven by an increase in inventory, fixed assets and advance.

#### As of December 31, 2015 as of December 31, 2014

The Company's total assets increased by 6.87% or Rp59.2 billion from Rp862.3 billion as of December 31, 2014, to Rp921.5 billion as of December 31, 2015. The increase was mainly driven by an increase in trade receivables and inventories.

### • Trade Receivables

#### As of June 30, 2017 compared to December 31, 2016

The Company's trade receivables increased by 17.64% or Rp37.4 billion from Rp212.0 billion as of December 31, 2016, to Rp249.4 billion as of June 30, 2017. The increase in trade receivables was mainly driven by an increase in trade receivables from customers, i.e., stores, individuals and companies, which was in line with an increase in sales.

#### As of December 31, 2016 compared to December 31, 2015

The Company's trade receivables decreased by 1.30% or Rp2.8 billion from Rp214.8 billion as of December 31, 2015, to Rp212.0 billion as of December 31, 2016. The decrease in trade receivables was mainly driven by payment of trade receivables from customers, i.e., stores, individuals and companies, and payment of trade receivables from related parties.

#### As of December 31, 2015 compared to December 31, 2014

The Company's trade receivables increased by 22.74% or Rp39.8 billion from Rp175.0 billion as of December 31, 2014, to Rp214.8 billion as of December 31, 2015. The increase in trade receivables was mainly driven by an increase in trade receivables from customers, i.e., stores, individuals and companies, and trade receivables from related parties, which was in line with an increase in sales.

- Inventories - Net**

The following table presents the breakdown of the Company's inventories as of June 30, 2017, December 31, 2016, 2015, and 2014:

(in billions of rupiah)

Description	June 30,	2016	December 31,	2014*
	2017		2015*	
Raw material for production	94.8	93.7	132.2	109.8
Raw material for sale	150.9	134.7	80.0	47.7
Finished goods	111.3	130.7	117.0	113.1
Work in Progress	6.9	6.7	9.7	7.7
Supplies and spare parts	11.7	6.5	7.2	4.2
<b>Total inventory</b>	<b>375.6</b>	<b>372.3</b>	<b>346.1</b>	<b>282.5</b>

\*restated

**As of June 30, 2017 compared to December 31, 2016**

The Company's inventories increased by 0.89% or Rp3.3 billion from Rp372.3 billion as of December 31, 2016, to Rp375.6 billion as of June 30, 2017. The increase in the Company's inventories was driven by an increase in raw materials by Rp17.3 billion or 7.57%. The increase in inventory referred to above was in line with the increase in demand for the Company's products.

**As of December 31, 2016, compared to December 31, 2015**

The Company's inventories increased by 7.57% or Rp26.2 billion from Rp346.1 billion as of December 31, 2015, to Rp372.3 billion as of December 31, 2016. The increase in the Company's inventories was driven by an increase in raw materials by Rp16.2 billion or 7.63% and finished goods by Rp13.7 billion or 11.7%. The increase in inventory referred to above was in line with the increase in demand for the Company's products.

**As of December 31, 2015, compared to December 31, 2014**

The Company's inventories increased by 22.51% or Rp63.6 billion from Rp282.5 billion as of December 31, 2014, to Rp346.1 billion as of December 31, 2015. The increase in the Company's net inventories was driven by an increase in the Company's finished goods and raw materials by Rp4.0 billion or 3.54% and Rp54.7 billion or 34.73%, respectively. The increase in inventory referred to above was in line with the increase in demand for the Company's products.

- Advance**

**As of June 30, 2017 compared to December 31, 2016**

The Company's advance decreased by 25.11% or Rp17.2 billion from Rp68.5 billion as of December 31, 2016, to Rp51.3 billion as of June 30, 2017. Advance represents advances for purchases of inventories from suppliers, and the decrease in advance occurred as the inventories have been received by the Company and all costs have been paid to suppliers.

A total of Rp17.5 billion from the total advance consisted of advance for acquisitions of fixed assets, where Rp14.4 billion of which consisted of advance for the acquisition of land at Jl. Keamanan, Batu Ceper, Tangerang from Mr. Djonny Taslim (a related party), with a total price of Rp16 billion. As of the issuance of this Prospectus, the Company has paid a total of Rp14.4 billion or 90% of the total price to Mr. Djonny Taslim, and the remaining payment of Rp1.6 billion shall be paid upon signing of the Deed of Sale and Purchase at the end of October 2017. All payment for advance for land acquisition was financed by the Company's internal cash flows.

**As of December 31, 2016 compared to December 31, 2015**

The Company's advance increased by 270.27% or Rp50.0 billion from Rp18.5 billion as of December 31, 2015, to Rp68.5 billion as of December 31, 2016. The increase was driven by an increase in advance for purchases of inventories to suppliers, which was in line with the increased requirements for inventories.

## As of December 31, 2015 compared to December 31, 2014

The Company's advance increased by 6.94% or Rp1.2 billion from Rp17.3 billion as of December 31, 2014, to Rp18.5 billion as of December 31, 2015. The increase was driven by an increase in advance for purchases of inventories to suppliers, which was in line with the increased requirements for inventories.

### • Fixed Assets

The following table presents the breakdown of the Company's fixed assets as of June 30, 2017, December 31, 2016, 2015, and 2014:

*(In billions of Rupiah)*

Description	June 30,	December 31,		
	2017	2016	2015*	2014*
<b><u>Direct ownership</u></b>				
<b><u>Acquisition cost</u></b>				
Land	359.5	359.5	69.0	70.0
Building	61.6	60.7	20.2	18.5
Production machineries	116.3	112.8	67.3	65.9
Plant equipment	10.6	9.7	6.9	6.2
Office furniture and fixtures	7.9	7.1	5.8	5.0
Electricity installation	8.0	7.3	4.9	4.3
Vehicle	26.7	24.4	20.2	22.3
Construction in Progress	4.0	3.2	1.5	0.3
<b><u>Tax amnesty assets</u></b>				
Production machineries	-	0.2	-	-
Plant equipment	0.0	0.0	-	-
Office furniture and fixtures	1.2	1.2	-	-
Sub-total	<b>595.8</b>	<b>586.1</b>	<b>195.8</b>	<b>192.5</b>
<b><u>Capital Lease</u></b>				
Vehicle	0.7	0.7	0.7	-
<b>Total fixed assets before accumulated depreciation</b>	<b>596.5</b>	<b>586.8</b>	<b>196.5</b>	<b>192.5</b>
Accumulated Depreciation	47.8	37.9	48.6	40.3
<b>Total fixed assets</b>	<b>548.7</b>	<b>548.9</b>	<b>147.9</b>	<b>152.2</b>

\*restated



#### As of June 30, 2017 compared to December 31, 2016

The Company's fixed assets decreased by 0.04% or Rp0.2 billion from Rp548.9 billion as of December 31, 2016, to Rp548.7 billion as of December 31, 2016. The decrease was mainly due to an increase in accumulated depreciation of production machineries and vehicles.

#### As of December 31, 2016 compared to December 31, 2015

The Company's fixed assets increased by 271.13% or Rp401.0 billion from Rp147.9 billion as of December 31, 2015, to Rp548.9 billion as of December 31, 2016. The increase was mainly driven by a significant increase in fixed assets, i.e., land, building, machineries, vehicles and plant equipment as part of the Company's efforts to increase its business scales and develop the Company.

#### As of December 31, 2015 compared to December 31, 2014

The Company's fixed assets decreased by 2.83% or Rp4.3 billion from Rp152.2 billion as of December 31, 2014, to Rp147.9 billion as of December 31, 2015. The decrease was mainly driven by an increase in the Company's accumulated depreciation of fixed assets by Rp8.3 billion, compensated by additional fixed assets before accumulated depreciation totaling Rp4.0 billion.

### • Other Non-Current Assets

#### As of June 30, 2017 compared to December 31, 2016

The Company's other non-current assets increased by 0.52% or Rp0.1 billion from Rp19.3 billion as of December 31, 2016, to Rp19.4 billion as of June 30, 2017.

#### As of December 31, 2016 compared to December 31, 2015

The Company's other non-current assets increased by 6,333.33% or Rp19.0 billion from Rp0.3 billion as of December 31, 2015, to Rp19.3 billion as of December 31, 2016. The increase was mainly driven by an increase in non-current assets due to the registration of trademark.

#### As of December 31, 2015 compared to the consolidated statements of financial position as of December 31, 2014

The Company's other non-current assets decreased by 25.00% or Rp0.1 billion from Rp0.4 billion as of December 31, 2014, to Rp0.3 billion as of December 31, 2015. The decrease was mainly driven by a decrease in non-current assets in the form of guarantees and others.

### 4.2.2. Liabilities

The following table presents the Company's liability composition as of June 30, 2017, December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 31, 2017	2016	December 31, 2015	2014
<b>CURRENT LIABILITIES</b>				
Bank loans	257.0	253.5	384.3	335.9
Trade Payables				
Third Parties	118.6	172.4	63.9	125.9
Related Parties	7.2	4.8	202.2	198.4
Accrued Expenses	10.8	15.7	7.6	8.2
Taxes payable	22.1	35.0	5.2	3.1
Other Payables				
Third Parties	7.7	5.2	3.7	7.1
Related Parties	3.1	2.6	1.9	1.1
Sales advance	5.5	4.9	6.6	3.2

Description	June 31,	December 31,		
	2017	2016	2015	2014
Current maturities of long-term liabilities:				
Current maturities of bank loans	8.2	9.3	13.0	13.3
Consumer financing liabilities	1.0	1.2	1.6	0.3
Capital lease liabilities	0.1	0.3	0.4	-
<b>Total Current Liabilities</b>	<b>441.3</b>	<b>504.9</b>	<b>690.4</b>	<b>696.5</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current liabilities - net of current maturities				
Current maturities of bank loans	20.0	24.0	33.3	6.4
Consumer financing liabilities	0.4	0.1	0.8	3.4
Capital lease liabilities	0.0	0.1	0.2	-
Due to related parties	0.1	0.1	2.8	6.0
Post-Employment Benefit Liabilities	33.0	30.3	19.6	19.8
Deferred Tax Liabilities	1.3	2.3	1.4	1.0
<b>Total Non-Current Liabilities</b>	<b>54.8</b>	<b>56.9</b>	<b>58.1</b>	<b>36.6</b>
<b>Total Liabilities</b>	<b>496.1</b>	<b>561.8</b>	<b>748.5</b>	<b>733.1</b>

#### As of June 30, 2017 compared to December 31, 2016

The Company's liabilities decreased by 11.69% or Rp65.7 billion from Rp561.8 billion as of December 31, 2016, to Rp496.1 billion as of June 30, 2017. The decrease was mainly driven by a decrease in trade payables, accrued expenses and taxes payable.

#### As of December 31, 2016 compared to December 31, 2015

The Company's liabilities decreased by 24.94% or Rp186.7 billion from Rp748.5 billion as of December 31, 2015, to Rp561.8 billion as of December 31, 2016. The decrease was mainly due to a decrease in bank loans and trade payables that have been paid.

#### As of December 31, 2015 compared to December 31, 2014

The Company's liabilities increased by 2.10% or Rp15.4 billion from Rp733.1 billion as of December 31, 2014, to Rp748.5 billion as of December 31, 2015. The increase was driven by an increase in bank loans.

#### • Bank loans

##### As of June 30, 2017 compared to December 31, 2016

The Company's bank loans as of June 30, 2017, decreased by Rp1.6 billion or 0.56% from Rp286.8 billion as of December 31, 2016, to Rp285.2 billion as of June 30, 2017. The decrease was driven by payment of investment credit facilities totaling Rp5.1 billion or 15.32%.

##### As of December 31, 2016 compared to December 31, 2015

The Company's bank loans as of December 31, 2016, decreased by Rp143.8 billion or 33.40% from Rp430.6 billion as of December 31, 2015, to Rp286.8 billion as of December 31, 2016. The decrease was driven by payment of Rupiah-denominated working capital credit facilities of Rp82.6 billion or 30.6%, and United States Dollar-denominated working capital credit facilities of Rp48.2 billion or 42.01%.

#### **As of December 31, 2015 compared to December 31, 2014**

The Company's bank loans as of December 31, 2015, increased by Rp75.0 billion or 21.09% from Rp355.6 billion as of December 31, 2014, to Rp430.6 billion as of December 31, 2015. The increase was mainly driven by an increase in United States Dollar-denominated Working Capital Credit facilities and Rupiah-denominated Investment Credit facilities. The Company obtained the additional credit facilities referred to above to pay its trade payables resulting from purchases of raw materials, and to finance its growing working capital requirements that was in line with the increase in demand for the Company's products.

- **Trade Payables**

#### **As of June 30, 2017 compared to December 31, 2016**

The Company's trade payables decreased by 29.01% or Rp51.4 billion from Rp177.2 billion as of December 31, 2016, to Rp125.8 billion as of June 30, 2017. The decrease was mainly driven by a significant decrease in trade payables to third parties denominated in US dollars. Such significant decrease was part of the management's strategy to obtain raw materials at a more competitive price.

#### **As of December 31, 2016, compared to December 31, 2015**

The Company's trade payables decreased by Rp88.9 billion or 33.41% from Rp266.1 billion as of December 31, 2015, to Rp177.2 billion as of December 31, 2016. The decrease was mainly driven by a significant decrease in United States Dollar-denominated trade payables to related parties, i.e., Penta Strategic Resource Pte Ltd and PT Alphen Internasional Corporindo as a result of group restructuring. Following such restructuring, procurement of raw materials was no longer made through related parties.

#### **As of December 31, 2015, compared to December 31, 2014**

The Company's trade payables decreased by Rp58.2 billion or 17.95% from Rp324.3 billion as of December 31, 2014, to Rp266.1 billion as of December 31, 2015. The decrease was mainly driven by a significant decrease in Rupiah-denominated trade payables to third parties, particularly PT Indo Thai Trading, Chevron Philips and PT Chandra Asri Petrochemical Tbk as part of the management's strategy to anticipate the interest rate fluctuation at the end of the year. Purchases from Chevron Phillips, Lotte, and PT Chandra Asri Petrochemical Tbk are generally followed by sales of HDPE that are used as their product packaging.

- **Accrued Expenses**

#### **As of June 30, 2017 compared to December 31, 2016**

The Company's accrued expenses decreased by Rp4.9 billion or from Rp15.7 billion as of December 31, 2016, to Rp10.8 billion as of June 30, 2017. The decrease was mainly driven by a decrease in salaries, wages and benefits.

#### **As of December 31, 2016, compared to December 31, 2015**

The Company's accrued expenses increased by Rp8.1 billion or 106.58% from Rp 7.6 billion as of December 31, 2015, to Rp15.7 billion as of December 31, 2016. The decrease was mainly driven by an increase in salaries, wages and benefits.

#### **As of December 31, 2015, compared to December 31, 2014**

The Company's accrued expenses decreased by Rp0.6 billion or 7.32% from Rp8.2 billion as of December 31, 2014, to Rp7.6 billion as of December 31, 2015. The decrease was mainly driven by a decrease in salaries, wages and benefits expenses, and electricity, water and telephone expenses.

- **Taxes Payable**

**As of June 30, 2017 compared to December 31, 2016**

The Company's taxes payable decreased by Rp12.9 billion or 36.86% from Rp35.0 billion as of December 31, 2016, to Rp22.1 billion as of June 30, 2017. The decrease in taxes payable was mainly driven by payment of WHT Article 29 payables.

**As of December 31, 2016, compared to December 31, 2015**

The Company's taxes payables increased by Rp29.8 billion or 573.08% from Rp5.2 billion as of December 31, 2015, to Rp35.0 billion as of December 31, 2016. The increase in taxes payable was mainly driven by the increase in WHT Article 29 as a result of the significant increase in the Company's income in 2016, WHT Article 21, WHT Article 23, and WHT Article 25.

**As of December 31, 2015, compared to December 31, 2014**

The Company's taxes payables increased by Rp2.1 billion or 67.74% from Rp3.1 billion as of December 31, 2014, to Rp5.2 billion as of December 31, 2015. The increase in taxes payable was mainly driven by the increase in WHT Article 29, VAT Out, WHT Article 23, and WHT Article 25.

- **Other Payables**

**As of June 30, 2017 compared to December 31, 2016**

The Company's other payables increased by Rp3.0 billion or 38.46% from Rp7.8 billion as of December 31, 2016, to Rp10.8 billion as of June 30, 2017. The increase was mainly driven by an increase in other payables to third parties, which represented payables arising from delivery costs.

**As of December 31, 2016, compared to December 31, 2015**

The Company's other payables increased by Rp2.2 billion or 39.29% from Rp5.6 billion as of December 31, 2015, to Rp7.8 billion as of December 31, 2016. The increase was mainly driven by an increase in other payables to third parties and related parties, which represented an increase in payables arising from delivery costs.

**As of December 31, 2015, compared to December 31, 2014**

The Company's other payables decreased by Rp2.6 billion or 31.71% from Rp8.2 billion as of December 31, 2014, to Rp5.6 billion as of December 31, 2015. The decrease was mainly driven by a decrease in other payables to third parties due to payment of such payables.

- **Deferred Tax Liabilities**

**As of June 30, 2017 compared to December 31, 2016**

The Company's deferred tax liabilities decreased by Rp1.0 billion or 43.48% from Rp2.3 billion as of December 31, 2016, to Rp1.3 billion as of June 30, 2017. The decrease was mainly driven by a decrease in deferred tax liabilities due to temporary difference arising from depreciation of assets under capital lease.

**As of December 31, 2016, compared to December 31, 2015**

The Company's deferred tax liabilities increased by Rp0.9 billion or 64.29% from Rp1.4 billion as of December 31, 2015, to Rp2.3 billion as of December 31, 2016. The increase was mainly driven by the Subsidiaries' depreciation expenses credited against profit for the year.

#### As of December 31, 2015, compared to December 31, 2014

The Company's deferred tax liabilities increased by Rp0.4 billion or 40.00% from Rp1.0 billion as of December 31, 2014, to Rp1.4 billion as of December 31, 2015. The increase was mainly driven by an increase in deferred tax liabilities due to the Subsidiaries' depreciation expenses credited against profit for the year.

#### 4.2.3. Equity

The following table presents the Company's equity composition as of June 30, 2017, December 31, 2016, 2015, and 2014:

Description	June 30,		December 31,	
	2017	2016	2015*	2014*
<i>(In billions of Rupiah)</i>				
<b>Equity attributable to owners of parent entity</b>				
Authorized, Issued and Paid-Up Capital	150.0	150.0	40.0	20.0
Proforma Equity	-	-	-	94.8
Additional Paid-in Capital				
Difference in restructuring transactions of entities under common control	99.6	99.6	99.6	-
Tax amnesty	14.7	14.7		
Other Comprehensive Income:				
- Surplus in revaluation of fixed assets	341.4	345.2	-	-
- Actuarial loss on post-employment benefit liabilities	4.2	3.0	4.6	2.6
Retained Earnings	254.9	158.8	22.7	10.1
	864.8	771.3	166.9	127.5
Non-Controlling Interest	21.7	20.1	6.1	1.7
<b>TOTAL EQUITY</b>	<b>886.5</b>	<b>791.4</b>	<b>173.0</b>	<b>129.2</b>

\*restated

#### As of June 30, 2017 compared to December 31, 2016

The Company's equity increased by Rp95.1 billion or 12.02%, from Rp791.4 billion as of December 31, 2016, to Rp886.5 billion as of June 30, 2017. The increase was mainly driven by an increase in retained earnings by Rp96.1 billion.

#### As of December 31, 2016, compared to December 31, 2015

The Company's equity increased by Rp618.4 billion or 357.46% from Rp173.0 billion as of December 31, 2015, to Rp791.4 billion as of December 31, 2016. The increase was mainly driven by an increase in issued and paid-up capital by Rp110.0 billion, gain on revaluation of fixed assets of Rp345.2 billion, and an increase in retained earnings by Rp136.1 billion.

#### As of December 31, 2015, compared to December 31, 2014

The Company's equity increased by Rp43.8 billion or 33.90% from Rp129.2 billion as of December 31, 2014, to Rp173.0 billion as of December 31, 2015. The increase was mainly driven by an increase in issued and paid-up capital by Rp20.0 million, and the difference in restructuring transaction of entities under common control of Rp99.6 billion.

**Total Assets, Total Liabilities and Total Equity  
as of December 31, 2014, 2015, 2016, and June 30, 2017**



## 5. THE COMPANY'S FINANCIAL RATIOS

### Liquidity

Liquidity reflects a company's ability to meet its current liabilities using its current assets. Liquidity is measured by current ratio, i.e., the ratio of current assets to current liabilities at a given point of time, which serves as an indicator of the Company's ability to meet all its current liabilities using its current assets. The Company's current ratio as of June 30, 2017, December 31, 2016, 2015, and 2014, were 1.70x, 1.43x, 1.02x and 0.08x, respectively.

The Company's main sources of liquidity are cash flows provided by operating activities, long-term and short-term bank credit facilities. To meet its liabilities that are due, the Company mainly relies on internal liquidity. The Company's main external liquidity sources consist of short-term and long-term bank loans.

As of the date of issuance of this Prospectus, the Company has unutilized banking facilities as described below:

<i>(In billions of Rupiah)</i>			
Facility	Limit	Utilized Facilities	Unutilized Facilities
<b>Rupiah - BCA</b>			
Local credit, back to back local credit, revolving time loan, multiproduct credit facility, L/C and current account.	735.0	134.4	600.6
<b>Rupiah - Permata</b>			
Overdraft, revolving loan, revolving loan 1, revolving loan 2, current account.	59.0	24.6	34.4
<b>United States Dollar - BCA</b>			
Multiproduct credit facility, forward line, L/C	12.0	4.6	7.4
<b>United States Dollar - Permata</b>			
Revolving loan, FX line	6.0	1.0	5.0

As of the issuance of this Prospectus, the Company has sufficient working capital to carry out its business activities.

## Solvency

Solvency represents a company's ability to meet all its liabilities using all its assets or equity. Solvency ratio can be calculated using the following two methods:

1. Total liabilities divided by total equity (Equity Solvency); and
2. Total liabilities divided by total assets (Asset Solvency).

The table below sets forth the Company's equity solvency and asset solvency ratios for the time periods indicated:

Description	June 30,		December 31,		
	2017	2016	2015	2014	
Equity Solvency Ratio	0.56x	0.71x	4.33x	5.67x	
Asset Solvency Ratio	0.36 x	0.42x	0.81x	0.85x	

## Return on Investment

Return on investment reflects the Company's ability to generate comprehensive income for the year from its owned assets, calculated based on the ratio of comprehensive income for the year to total assets. The Company's return on investment as of June 30, 2017, December 31, 2016, 2015, and 2014, were 6.88%, 35.62%, 1.74% and 1.03%, respectively.

## Return on Equity

Return on equity reflects the Company's ability to generate comprehensive income for the year from its owned equity, calculated based on the ratio of comprehensive income for the year to total equity. The Company's return on equity as of June 30, 2017, December 31, 2016, 2015, and 2014, were 10.73%, 60.90%, 9.25% and 6.89%, respectively.

## 6. STATEMENTS OF CASH FLOWS

The following table presents the summary of the Company's statements of cash flows for the period ended June 30, 2017, and the years ended December 31, 2016, 2015, and 2014:

*(In billions of Rupiah)*

Description	June 30,		December 31,		
	2017	2016*	2016	2015	2014
Cash Flows from/(used in) Operating Activities	10.3	108.0	90.0	(111.6)	(70.7)
Cash Flows from/(used in) Investing Activities	(11.8)	(17.2)	(89.3)	(53.6)	(31.4)
Cash Flows from/(used in) Financing Activities	(1.6)	(80.5)	5.3	144.2	109.7
Net increase (decrease) in cash and cash equivalents	(3.1)	10.3	6.0	(21.0)	7.6
Cash and cash equivalents at the beginning of year	21.9	15.9	15.9	36.8	29.3
<b>Cash and cash equivalents at the end of year</b>	<b>18.8</b>	<b>26.2</b>	<b>21.9</b>	<b>15.9</b>	<b>36.8</b>

\*unaudited

### • Cash Flows from/(used in) Operating Activities

Net cash flows from operating activities for the 6-month (six-month) period ended June 30, 2017, amounted to Rp10.3 billion as a result of cash receipts from customers of Rp1,570.5 billion, and other cash receipts of Rp9.8 billion, which was higher than payment to suppliers of Rp1,417.8 billion, cash payments of operating expenses of Rp85.1 billion, cash payments of income tax of Rp54.5 billion, and cash payments of interest of Rp12.6 billion.

Net cash flows from operating activities for the 6-month (six-month) period ended June 30, 2016, amounted to Rp108.0 billion as a result of cash receipts from customers of Rp1,514.3 billion, other cash receipts of Rp16.4 billion and cash receipts from income tax refunds of Rp17.0 billion, which was higher than cash payments to suppliers of Rp1,353.8 billion, cash payments of operating expenses of Rp67.9 billion and cash payments of interest of Rp18.0 billion.



Net cash flows from operating activities for the year ended December 31, 2016, amounted to Rp90.0 billion as a result of cash receipts from customers of Rp3,169.0 billion, which was higher than payment to suppliers of Rp2,927.0 billion, cash payments of operating expenses of Rp145.6 billion, cash payments of income tax of Rp27.7 billion, and cash payments of interest of Rp43.6 billion.

Net cash flows used in operating activities for the year ended December 31, 2015, amounted to Rp111.6 billion, as a result of cash inflows that were lower than cash outflows. Cash outflows mainly consisted of payments to suppliers of Rp2,709.2 billion and payments of operating expenses of Rp111.3 billion, compensated by cash inflows from cash receipts from customers of Rp2,751.3 billion.

Net cash flows used in operating activities for the year ended December 31, 2014, amounted to Rp70.7 billion, as a result of cash inflows that were lower than cash outflows. Cash inflows mainly consisted of cash receipts from customers of Rp2,168.0 billion and other cash receipts of Rp11.5 billion, compensated by cash outflows for payments to suppliers of Rp2,107.0 billion, payments for operating expenses of Rp89.2 billion, payments of income tax of Rp25.5 billion, and payments of interest of Rp28.5 billion.

- **Cash Flows from/(used in) Investing Activities**

Net cash flows used in investing activities for the 6-month (six-month) period ended June 30, 2017, amounted to Rp11.8 billion, which was mainly used for acquisition of fixed assets. Net cash flows used in investing activities for the 6-month (six-month) period ended June 30, 2016, amounted to Rp17.2 billion, which was mainly used for acquisition of fixed assets.

Net cash flows used in investing activities for the year ended December 31, 2016, amounted to Rp89.3 billion, which was mainly used for acquisition of fixed assets and acquisition of other assets.

Net cash flows used in investing activities for the year ended December 31, 2015, amounted to Rp53.6 billion, which was mainly used for investments in subsidiaries. Net cash flows used in investing activities for the year ended December 31, 2014, amounted to Rp31.4 billion, which was mainly used for investments in subsidiaries.

- **Cash Flows from/(used in) Financing Activities**

Net cash flows used in investing activities for the 6-month (six-month) period ended June 30, 2017, amounted to Rp1.6 billion, which mainly consisted of payments of bank loans of Rp1.7 billion.

Net cash flows used in investing activities for the 6-month (six-month) period ended June 30, 2016, amounted to Rp80.5 billion, which mainly consisted of receivables from related parties of Rp40.0 billion and payments of bank loans of Rp42.3 billion.

Net cash flows from financing activities for the year ended December 31, 2016, amounted to Rp5.3 billion, which mainly consisted of additional paid-in capital of Rp110.0 billion, and proceeds from related parties of Rp41.1 billion. Whereas cash outflows consisted of payments of bank loans of Rp143.8 billion.

Net cash flows from financing activities for the year ended December 31, 2015, amounted to Rp144.2 billion, which mainly consisted of proceeds from bank loans of Rp75.1 billion, proceeds from receivables from related parties of Rp33.0 billion, additional paid-in capital of Rp20.0 billion, and proceeds from payables to related parties of Rp25.0 billion. Whereas cash outflows consisted of payments of bank loans of Rp143.8 billion.

Net cash flows from financing activities for the year ended December 31, 2014, amounted to Rp109.7 billion, which mainly consisted of proceeds from bank loans of Rp171.01 billion, compensated by payment of payables to related parties of Rp20.0 billion and payment of receivables from related parties of Rp49.1 billion.



## 7. LOANS AND CREDIT FACILITIES

The following table presents the Company's outstanding loans as of June 30, 2017:

<i>(In billions of Rupiah)</i>	
<b>Outstanding Loans</b>	<b>as of June 30, 2017</b>
Bank loans	257.0
Current maturities of long-term liabilities:	
Current maturities of bank loans	8.2
Consumer financing liabilities	1.0
Capital lease liabilities	0.1
Non-current liabilities - net of current maturities	
Current maturities of bank loans	20.0
Consumer financing liabilities	0.4
Capital lease liabilities	0.0
<b>Total</b>	<b>286.7</b>

The following table presents the Company's debt maturity profile as of June 30, 2017:

<i>(In billions of Rupiah)</i>			
	<b>Due in 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
Bank loans	265.2	20.0	285.2
Consumer financing liabilities	1.0	0.4	1.4
Capital lease liabilities	0.1	0.0	0.1
<b>Total</b>	<b>266.3</b>	<b>20.4</b>	<b>286.7</b>

The following table presents a summary of the Company's unutilized credit facilities as of June 30, 2017:

<i>(In billions of Rupiah)</i>			
<b>Facility</b>	<b>Limit</b>	<b>Utilized Facilities</b>	<b>Unutilized Facilities</b>
<b>Rupiah - BCA</b>			
Local credit, back to back local credit, revolving time loan, multiproduct credit facility, L/C and current account.	735.0	134.4	600.6
<b>Rupiah - Permata</b>			
Overdraft, revolving loan, revolving loan 1, revolving loan 2, current account.	59.0	24.6	34.4
<b>United States Dollar - BCA</b>			
Multiproduct credit facility, forward line, L/C	12.0	4.6	7.4
<b>United States Dollar - Permata</b>			
Revolving loan, FX line	6.0	1.0	5.0

## 8. CAPITAL EXPENDITURES

The following table presents the details of the Company's capital expenditures for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Land	0.0	13.1	-	0.3
Building	0.8	1.1	0.1	0.0
Production machineries	2.2	15.0	0.8	2.4
Plant equipment	0.9	2.7	0.2	0.7
Office furniture and fixtures	0.8	1.4	0.3	0.7
Electricity installation	0.7	2.4	0.4	0.1
Vehicle	2.2	5.2	1.6	2.5
Construction in Progress	3.8	9.4	2.2	2.2
<b>Total Capital Expenditures</b>	<b>11.4</b>	<b>50.3</b>	<b>5.6</b>	<b>8.9</b>

Historically, the Company incurred capital expenditures to expand its business activities by purchasing land and production machineries, as well as investments in other fixed assets. The purchase of production machineries is expected to increase production capacity to meet the demand from customers. Purchase of capital goods is financed by the Company's available cash and cash from operating activities.

So far, the Company has not conducted any hedging transactions in relation to the purchase of capital expenditures in foreign currency. This decision is made as the Company believes that the fluctuation of Rupiah exchange rate against foreign currencies is still manageable by the Company. However, if deemed necessary, the Company may enter into hedging transactions to hedge foreign currency financing facilities obtained to purchase capital goods. The Company's capital expenditures are aligned with the Company's needs.

Construction in progress is expected to be completed in the fourth quarter of 2017.

If the capital expenditures incurred fail to achieve the intended objectives, such failure may affect the efficiency of the Company's operational activities and performance growth.

On January 12, 2017, PBN, a Subsidiary of the Company, entered into an agreement with a third party regarding the construction of an inventory warehouse located in Solo, West Java, as described below:

### Architectural and Structural Construction Works Agreement

PBN has signed the Architectural and Structural Construction Works Agreement with a contractor, i.e., PT Manira Arta Rama Mandiri ("Manira"), with a total contract value of Rp6.9 billion.

The construction period shall be six months subsequent to the signing of the work order, and the construction is expected to be completed in December 2017. In the event that Manira withdraws from the contract after signing the agreement, or refuses to continue the works stipulated on the agreement or Manira violates the provisions stipulated in the agreement, PBN shall have the right to terminate the agreement unilaterally, and Manira shall be obligated to refund all payments received from PBN plus a penalty in the sum equals to 20% of the contract value, and to provide a replacement with equal capability, at the minimum, and at the same contract value.

As of the date of issuance of this Prospectus, the Company has paid a total of Rp2.41 billion, which was entirely financed by the Company's internal cash flows.

## 9. IMPACTS OF FOREIGN EXCHANGE RATE FLUCTUATIONS

At present, the Company's bank loans and purchases of imported raw materials are mainly denominated in foreign currency. Therefore, a depreciation in Rupiah would increase the Company's expenses. The Company enters into hedging transactions, i.e., forward contract to minimize the risks that may arise in the event of foreign exchange rate fluctuation.

The Company's export sales are also denominated in foreign currency. Therefore, the risk of losses arising from foreign exchange rate fluctuation in relation to the purchase of raw material can be partially mitigated by sales in foreign currency (natural hedge).

## 10. EXTRAORDINARY EVENTS/CONDITIONS

The Company may experience extraordinary and infrequent events or conditions, including, among others, those related to electricity, e.g., power outage and short circuits, and other events such as fire and riots. Should any of the events/conditions persist, the Panca Budi Group's production process may be disturbed, which would in turn adversely affect product supply.

## 11. RISK MANAGEMENT

With respect to risk management, the Company carries out its activities based on Good Corporate Governance. The Company has appointed an Independent Commissioner, Independent Director, and Corporate Secretary, and has established an internal audit team consisting of experienced and competent members to carry out internal audit activities. The internal audit unit's obligations and responsibilities are to monitor, review, and provide recommendations on the systems, processes, and implementation of activities in each department in accordance with the policies, standards and operational procedures set by the Company.

In response to the main risks described in Chapter VI on Business Risks, the Company will continue to implement the following risk management to mitigate its business activities:

### 1. Business competition risk

To mitigate risks arising from business competition, the Company has established a research and development that continuously develop the Company's products, both in terms of quality and functionality. Therefore, the Company's products are expected to be ready to face current and future market competition. In addition to the research and development division, the Company has also implemented and developed a cost management to control production costs and to maintain competitive prices to customers.

### 2. Risk of fluctuation in raw material price

To mitigate risks arising from fluctuation in raw material price, the Company continuously maintains considerable working capital to be able to purchase plastic ore raw material inventory in large quantities. If any fluctuation in raw material price occurs in the future, whether in short-term or medium-term, the Company is able to anticipate such risks.

### 3. Risk of Foreign Exchange Rate Fluctuations

To mitigate the risks arising from foreign exchange rate fluctuations, the Company has entered into hedging transactions by way of forward contracts. The Company also carries out operational hedging by buying USD from proceeds from plastic ore sales in the amount that is sufficient to cover the Company's payables from imported plastic ore purchases that are denominated in USD.

### 4. Risk of dependency on raw material supply

The Company has sales and purchase contracts with suppliers, which may be extended annually. In addition, the Company has also established a long partnership with raw material suppliers and will continue to maintain good partnership to secure the availability of raw materials.

### 5. Risk of damages and disturbance on production facilities and distribution

With respect to disturbance on production facilities, the Company is able to outsource its tooling processes to plants owned by affiliated parties or third parties in accordance with the standard quality set by the Company, while plastic ore raw materials are supplied by the Company. In the event of any disturbance to the Company's production facility, the Company is able to transfer the production process to another plants to prevent the Company's production process from being halted. In addition, the Company has formed tooling cooperation with other companies' plant considering the Company's plants are already operating at maximum capacity.

With respect to disturbance in product distribution, the Company anticipates such risks by establishing distribution points across various locations in Indonesia, including: DKI Jakarta, Banten Province, West Java Province, Central Java Province, DI Yogyakarta Province, East Java Province, Bali Province, DI Aceh Province, North Sumatra

Province, South Sumatra Province, Riau Islands Province, Riau Province, Jambi Province, Bengkulu Province, Lampung Province, Bangka Belitung Province, South Sulawesi Province, North Sulawesi Province, East Kalimantan Province, and South Kalimantan Province.

**6. Risk of Increase in Fuel Price**

The impact of increase in fuel price to the Company's financial performance is relatively minor. To mitigate such risk, the Company is generally able to compensate any increased cost due to the increase in fuel price by increasing the sales price of its finished goods to a price that is acceptable by customers.

**7. Risk associated with industrial relations**

To mitigate risks associated with industrial relations, the Company will continuously maintain its current good and agreeable relationship with the plant employees. The Company will comply with and conform to the Labor Law at all times. In addition, the average salaries paid by the Company to its plant employees are above the regional minimum wage. Such policy is adopted to avoid any issues relating to manpower.

**8. Risk of Failure to Secure, Extend or Maintain Material Licenses Required to Carry Out the Company's Business Activities**

So far, the Company has always extended and renewed its licenses on a timely basis, and the Company will continue to do so in the future. The Company also envisage the government's strong support to promote the growth of labor intensive companies, which will facilitate the approval and extension of the relevant licenses.

**9. Risk of Natural Disasters**

All of the Company's facilities, which consist of plants and distribution points, are not located in areas susceptible to natural disasters. However, to minimize the impact of such natural disasters, the Company carries insurance and establishes subcontract cooperation with third parties. Therefore, should any disaster damages the Company's machineries, production process will continue unhampered by using third party's machineries. In addition, the Company's machineries are easily relocated. Therefore, if any obstacles occur in the Company's plants, such as power outage or flood, the machineries can be relocated to the Company's other plants.

**10. Risk associated with economic condition**

The Company's finished products constitute daily consumer goods, and up to now there are no viable substitute products that can replace the functions of the Company's finished products. The demand for the Company's finished products is not affected by economic condition, since such products constitute daily needs with relatively low price compared to consumers' income.

## **VI. RISK FACTORS**

*Investment in the Company's shares involves a number of risks. Prior making the decision to invest in the Shares offered by the Company in this Initial Public Offering, prospective investors are advised that such risks may involve the Company, the environment in which the Company operates, the Company's shares and conditions in Indonesia. Therefore, prospective investors are expected to read, understand, and considers all information presented in this Prospectus, including information related to the Company's business risk exposures in carrying out its business activities, before making any investment decision relating to the Company's shares. All business and general risks presented in this Prospectus may have material adverse effects to the Company's overall performance, including operational and financial performance, and may have direct effects to the Company's share price, which may result in prospective investors having to lose all or a portion of their investments. Business and general risks that are presently unknown to or considered immaterial by the Company may also affect the Company's business activities, cash flows, operational performance, financial performance or business prospects.*

*The following discussion on business risks contains forward looking statements that involve a certain level of risks and uncertainties on future events and financial performance. In general, investments in securities of companies in developing countries such as Indonesia involve risks that do not generally apply to investments in securities of companies in other more economically developed countries. Any changes in the global economic, social and political condition may put downward pressures on the Company's share price in the capital market and expose investors to risk of loss on investments.*

*The main and general risks described in the following discussion are risks that are material to the Company. Such risks have been prepared based on the order of significance of their respective impacts of the impacts of each risk to the Company's operating and financial performance from the highest to the lowest, however, each risk presented in this Prospectus may have material adverse effects to the Company's business activities, cash flows, operational performance, financial performance or business prospects.*

### **A. MAIN RISKS WITH SIGNIFICANT IMPACTS TO THE COMPANY'S BUSINESS CONTINUITY**

#### **Business competition risk**

Business competition is an inherent risk of the Company's business activities. Competitors may consist of manufacturers producing similar products with the Company and substitute products, whether domestic or international, which have existed and/or will exist.

The Company will continue to maintain and increase the Company's product quality from time to time. In addition, the Company will also continue to carry out its production costs at minimum cost without sacrificing production quality in order to maintain product price within the acceptable range. However, there is no guarantee that the Company's endeavors will be successful at all time. The Company may lose its market share to competitors that are able to offer lower price and/or better quality. In addition, the Company's market share may also decrease if there are producers with new products that are able to replace the Company's products, and such products cannot be anticipated by the Company.

Other than domestic competitors, the Company also competes with international competitors that possess raw materials and technologies from outside Indonesia, or are located outside Indonesia, and as such are not regulated by the Government. In the event that the Government issues new regulations or restrictions that may increase domestic production cost, hence creating a price gap between the Company and its foreign competitors, such condition may affect the Company's market share.

The majority of the Company's customers are retail customers. As the Company has no specific contract with retail customers, any price or quality difference may prompt customers to switch to the Company's competitors, and therefore adversely impacts the Company's market share.

There is no guarantee that the Company will be able to continue to maintain its current market share. If the Company loses its current market share, the Company's and its Subsidiaries' financial conditions and prospects may be adversely affected.

## **B. MATERIAL BUSINESS RISK**

### **1. Risk of fluctuation in raw material price**

To manufacture its products, the Company purchases raw materials from several main suppliers. The main raw materials required, i.e., plastic ore and pigment, accounted for 77.07% of the Company's cost of sales for the 6-month (six-month) period ended June 30, 2017. The price of raw materials required by the Company may fluctuate due to economic condition, commodity price, foreign exchange rate fluctuation, raw material availability, consumer demand, Government policies, and other conditions.

In order to maintain the continuity of raw material supply, the Company purchases its raw materials from various domestic and foreign plastic ore suppliers. As of June 30, 2017, the Company reported a total cost of sales of Rp1,388.2 billion.

The Company also carries out operational hedging by buying USD from proceeds from plastic ore sales in the amount that is sufficient to cover the Company's payables from imported plastic ore purchases that are denominated in USD.

Any increase in raw material price may have significant impact to the Company's cost of sales, which may have adverse impacts to the Company's and its Subsidiaries' financial conditions and prospects.

### **2. Risk of dependence on raw material supply**

In carrying out its business activities, the Company requires raw materials to be processed into finished products. Such raw materials are sourced from a number of main suppliers that have established good relationship with the Company. In addition, the Company has also entered into sale and purchase agreements with such suppliers. The Company will continuously maintain good relationship with suppliers and renew the sale and purchase agreements. Nevertheless, there is no guarantee that such agreements could continue to be renewed in the future. The Company's failure to renew its agreements with suppliers and inability to find another suppliers that are able to supply raw materials according to the required quantity may have adverse impacts to the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

### **3. Risk of damages and disturbance on production facilities and distribution**

In carrying out its production processes, the Company uses a number of production facilities such as machineries and other equipment located in several plants owned by the Company and its Subsidiaries. Such facilities are used to produce all of the Company's products, such as PP, HDPE, LDPE and Heavy Duty sacks. One or all facilities used may be temporarily or permanently damaged due to factors such as the weather, natural disasters, fire, terrorism, outbreaks, strikes, and other failures or reasons that may cause a disturbance to the production process. The Company's failure to repair, replace, or anticipate such damages or disturbances within a certain period of time may hamper production process and create adverse impacts to the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

The Subsidiaries' distribution activities are also dependent on distribution facilities such as vehicles. Damages to any or all vehicles used in distribution process may prevent delivery. The inability of the Company and its Subsidiaries to anticipate such issues may have adverse impacts to the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

### **4. Risk associated with industrial relations**

In carrying out its business activities, the Company has employees who are directly in charge of the production process in the Company's plants. As of June 30, 2017, the Company and its Subsidiaries employed 2,758 employees. The Company's obligations to its employees include salaries, work allowance, and work safety. There is no guarantee that the Company will continue to be able to meet its obligations. The Company's failure to meet its obligations may result in a decrease in number of employees, a decrease in productivity or labor strikes, which may interrupt the Company's and its Subsidiaries operational activities.

Government regulations relating to manpower regulations, such as the regional minimum wage may have adverse impacts to the Company's financial condition and operations. If the Company does not have a sufficient fund to meet such requirements, it may result in termination of employments and a decrease in number of employees and productivity. The Company is required to

pay a severance payment in the event of a termination of employment. If the foregoing occurs in a significant amount, the Company's financial condition may be adversely affected.

There are no guarantees that the Company will be able to maintain good relationships with its employees or that the Company will be able to comply with Government regulations relating to manpower. The inability of the Company and its Subsidiaries to meet such requirements may have adverse impacts to the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

#### **5. Risk associated with changes in technology**

Changes in technology may affect business competitive landscape as technological development will increase the competitiveness of companies that are poised to benefit from technological development, and on the contrary, decrease the competitiveness of companies that are incapable of or is slow in adapting to technological development.

Although the Company is relatively labor intensive, the Company also operates machineries and implements technologies to produce plastic bags in order to achieve production efficiency. If the competitors are able to outpace the Company in terms of implementing new technologies, such condition will affect the Company's competitiveness in terms of production efficiency, which may result in less competitive price for the Company's customers.

#### **6. Risk associated with compliance with environmental obligations**

The Company's business activities are categorized as activities that require compliance with environmental regulations. The Government evaluates the environmental regulations from time to time, and make the changes that are deemed necessary. With respect to compliance with environmental regulations, the Company shall, from time to time, prepare or provide resources, both human resources and capital, in order to comply with its environmental regulations from time to time. In the future, the Government is most certainly will implement more stringent environmental compliance standards, and therefore, the Company should prepare the resources referred to above.

As an example, on February 23, 2012, the Government issued the Government Regulation No. 27 of 2012 concerning Environmental Licenses ("GR No. 27/2012"), which requires every business to prepare an Environmental Impact Analysis, or UKL-UPL Documents (*Upaya Pengelolaan Lingkungan - Upaya Pemantauan Lingkungan, or Environmental Management Efforts - Environmental Monitoring Efforts*), and secure Environmental License. The provisions of GR No. 27/2012 also stipulates that environmental documents that have been approved before GR No. 27/2012 is effective shall remain valid and be deemed equal to the Environmental License. The Company has obtained the UKL-UPL as stated in the Letter of the Head of Environmental Control Agency dated April 14, 2010, and the Company's Subsidiary, SKI, has obtained the UKL-UPL as stated in the Letter of Recommendations on UKL UPL dated August 16, 2008, issued by the Environmental Agency of Karanganyar. Therefore, the Company and SKI have complied with the requirements set forth in GR No. 27/2012. Several of the Company's Subsidiaries have obtained the UKL-UPL subsequent to the issuance of GR No. 27/2012, e.g., PIH, which has obtained the UKL-UPL on March 27, 2013, and has obtained the environmental license on September 18, 2015, and PIM, which has obtained the UKL-UPL on February 27, 2013. PIM is in the process of submitting the application for Environmental License. The Company believes that the Company and its Subsidiaries are able to meet their environmental obligations, including securing the environmental licenses. In addition, the Company has never received any reprimand or warning from any authorized government institution regarding the compliance with environmental regulations. There are no guarantees that the institution authorized to process environmental licenses will issue such license, or whether the Company will be able to secure such license at all. In the event that the Company fails to meet the requirement to secure an environmental license, or meet other environmental compliance requirements, the Company may be subjected to sanctions, whether in the form of administrative sanctions, i.e., reprimand, warning or fines, or at the worst, the suspension or revocation of its business permits. The foregoing may have material adverse impacts to the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

#### **7. Risk of failure to comply with the laws and regulations, and to secure, extend or maintain material licenses required to carry out business activities in accordance with the prevailing laws and regulations applicable to the Company's industry.**

To carry out their business activities, the Company and its Subsidiaries are required to comply with the prevailing laws and regulations in their industry and to secure licenses and approvals issued by the authorized government institutions. The licenses



and approvals consist of, among others, Trading Business Permit, Industrial Business Permit, and Importer Identification Number. In the future, the Government may issue new Laws or regulations that require the Company and its Subsidiaries to secure new licenses and approvals to carry out their business activities.

There are no guarantees that the Company and its Subsidiaries will always be able to comply with the prevailing laws and regulations in their industry or will always be successful in renewing its existing licenses, or in securing new licenses and approvals that are required by the Government. The inability of the Company and its Subsidiaries to perform the foregoing may have adverse impacts to the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

#### **8. Risk associated with the Company's investments or corporate actions**

In the future, the Company may evaluate the probability of making an investment or conducting a corporate action in order to develop and expand the Company's business activities. Although the Company will continue to perform identification and conduct measured calculation of all investments or corporate actions to be performed by the Company, there are no guarantee that such investments or corporate actions will be successful. If the Company performs any acquisition or joint venture, there are no guarantees that the company or the business sector acquired, or the joint venture established by the Company will continue to generate profit or to go as planned. In the event that the investment or corporate action carried out by the Company does not go as planned, the Company's financial performance may be adversely affected.

### **C. GENERAL RISKS**

#### **1. Risk of Foreign Exchange Rate Fluctuations**

The Company has bank loans and raw material purchases denominated in foreign currency. Any depreciation of Rupiah against such foreign currency may result in an increase in the Company's liabilities and cost of sales, which may in turn affect the Company's and its Subsidiaries' business activities, financial condition, performance and prospects.

#### **2. Risk of Increase in Fuel Price**

After products are produced and packaged, the Company and its Subsidiaries, and several third party distributors shall deliver the products to customers. The products are delivered using ground and sea transportations, which are dependent on fuels. Any increase in fuel price will increase distribution costs, and will thus adversely affect the Company's and its Subsidiaries' financial condition.

#### **3. Risk of Natural Disasters**

The Company' and its Subsidiaries' production and distribution processes are conducted at or through areas that cannot be separated from natural disasters, including but not limited to earthquake, volcanic eruptions, flood, and fire. Although the Company's and its Subsidiaries' production and distribution facilities are insured, temporary suspension of production process or delay in delivery may have adverse impacts to the Company's business activities, financial condition, performance and prospects.

#### **4. Risk associated with economic condition**

The Company's and its Subsidiaries' sales performance is affected by Indonesia's economic condition. Economic conditions that may affect the Company's business activities include, among others, any increase in interest rate and inflation, and any changes in tax regulations that may affect public purchasing power. If the above conditions persists, the Company's and its Subsidiaries' business activities, financial condition, performance and business prospects may be adversely affected.

#### **5. Risk associated with legal claims or lawsuits**

The Company and its Subsidiaries may be involved in disputes and legal proceedings in carrying out their business activities, including those relating to the Company's and its Subsidiaries' products, employee claims, industrial disputes or contractual disputes or others, which may have material adverse impacts to the Company's and its Subsidiaries' reputation, operating and financial conditions. The Company and its Subsidiaries are not currently involved in any material legal disputes or are subject to any investigations by the Government, and the Company and its Subsidiaries are not aware of any legal claims or proceedings



that are material and ongoing. If, the Company and its Subsidiaries are involved in any material and prolonged legal disputes and proceedings in the future, the outcome of such legal proceedings cannot be guaranteed, and the settlement or outcome of such legal proceedings may have adverse impacts to the Company's and its Subsidiaries' financial conditions. In addition, all litigations or legal proceedings may involve substantial legal costs and absorb the time and attention of the Company's and its Subsidiaries' management and distracted them from the Company's and its Subsidiaries' operational and business activities.

#### **6. Risk associated with government policy**

The Company presently carries out its business activities in Indonesia, and is subject to the regulations and requirements stipulated by the Government. The Government may issue regulations or requirements that directly and/or indirectly affect the Company's current business activities. In that event, and if the Company is unable to anticipate such regulations with specific strategies, the Company's operational and business activities may be affected.

#### **7. Risk associated with regulations prevailing in other countries or international regulations**

The Company currently purchases imported raw materials and export its products overseas. There are no guarantees that the regulations of other countries or the International regulation prevailing today, particularly those related to export and import will remain unchanged. In the event of any new requirements or regulations that prohibit or limit the Company's purchases and sales, the Company's operational and business activities may be affected.

### **D. Risks Associated with Investment in the Company's Shares**

#### **1. Indonesia's Capital Market Condition May Affect the Price and Liquidity of the Company's Shares**

The Company plans to list its share on the IDX on the Listing Date, and there are no guarantees that the market for the Company's shares will develop at the market where such shares are listed. The Company also cannot guarantee that the Company's shares will be liquid if the market for the Company's shares develop. Compared to capital markets in developed countries, Indonesia's capital market is relatively less liquid and more volatile, and has different accounting standards. Consequently, the price and liquidity of the Company's shares cannot be predicted. Therefore, the Company cannot guarantee that the market for the Company's shares will develop or whether the Company's shares will be liquid.

#### **2. Share Price May Be Subject to Significant Fluctuation**

The Share Price subsequent to the Public Offering may significantly fluctuate and the shares may be traded at a price significantly below the Offer Price, subject to a number of factors, including:

- Raw material prices;
- The difference between the Company's actual financial and operational performance compared to investors' and analysts' expectation;
- The Company's announcement with respect to any opening or acquisition of new production facilities/business activities/expansion of distribution network;
- changes in securities analysts' recommendations or perceptions of the Company or Indonesia;
- Changes in the overall economic, political or market conditions in Indonesia;
- the Company's involvement in legal proceedings or disputes;
- fluctuation in prices of equity securities of foreign companies (particularly Asian) and companies in markets in developing countries;
- fluctuation of share prices on the capital market;
- Sale of shares by the Company's controlling shareholders.

#### **3. Future sale of shares may have adverse impact to the Shares' market price.**

The sale of the Company's shares in the future in significant amount on the public market, or the perception that such sales will occur, may have adverse impact to the market price of the Company's shares and the Company's ability to raise capital through a Public Offering or a Rights Issue or equity securities.

#### **4. The controlling shareholder may have a conflict of interest with prospective investors.**

Subsequent to the Initial Public Offering, the Company's controlling shareholders will continue to have control over the Company, which include control to:

- Approve any merger, consolidation or dissolution of the Company;
- Exercise significant influence on the Company's policies and affairs;
- Appoint the majority of directors and commissioners; and
- Determine the outcome of any action requiring approval from the shareholders (other than approvals for transactions with conflict of interests, where the Controlling Shareholder has a conflict of interest, or is affiliated with the directors, commissioners or majority shareholders (having 20% of more voting rights) having conflict of interest, in which the Controlling Shareholder is required to abstain pursuant to the OJK Regulation), including future dividend distribution and the timing of such distribution.

The Controlling Shareholders may have business interests other than the Company's business, and may take an action, which may or may not involve the Company, which favors or benefits the Controlling Shareholders or other companies compared to the Company, which may have material adverse impacts to the Company's business, financial condition, operating results and prospects.

From time to time, the Company has and plans to continue to enter into transactions with entities under common control of the Company's Controlling Shareholders and related parties in its current business activities. Any transaction with a conflict of interest undertaken by the Company with any related parties subsequent to the Public Offering must be approved by the Company's independent shareholders and must comply with the OJK Regulations. There are not guarantees that the considerations to be paid by the Company for the transaction will agree with the considerations that would have to be paid by an independent third party in a similar transactions.

#### **RISK MITIGATIONS**

The success of the Company's activities is highly affected by how risks are properly managed. Management is highly aware of the importance of risk management to achieve the expected objectives. Therefore, the Company implements risk management to mitigate such risks. Description of each risk mitigation undertaken by the Company are disclosed in Chapter V Management's Analysis and Discussions in this Prospectus.

<b>MANAGEMENT OF THE COMPANY HEREBY REPRESENTS THAT ALL MATERIAL BUSINESS AND GENERAL RISKS FACED BY THE COMPANY IN CARRYING OUT ITS BUSINESS ACTIVITIES HAVE BEEN DISCLOSED AND PRESENTED IN THIS PROSPECTUS IN THE ORDER OF SIGNIFICANCE OF THE IMPACT OF EACH RISK TO THE COMPANY'S FINANCIAL PERFORMANCE, FROM THE HIGHEST TO THE LOWEST.</b>
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## **VII. INFORMATION ON ALL MATERIAL EVENTS SUBSEQUENT TO THE DATE OF THE AUDITOR'S REPORT**

There are no material events with significant effects to the Company's financial condition and operating results that occur subsequent to the date of the Independent Auditor's report dated September 7, 2017, which was re-issued on October 10, 2017, for the Company's financial statements for the period ended June 30, 2017, which have been audited by the Registered Public Accountant Rama Wendra, and signed by Acep Kusmayadi, Ak., CA, CPA, with Unmodified Opinion.

## VIII. Description of the Company and Its Subsidiaries, Business Activities, Trends and Prospects.

### 1. Brief History of the Company

The Company was established under the name of PT Panca Budi Idaman pursuant to the Deed No. 16 dated January 10, 1990, drawn up before Endang Irawati, S.H., a Notary in Cibinong, as amended by the Deed No. 3 dated July 2, 1997, drawn up before Jacinta Lukas, S.H., a Notary in Tangerang, in connection with the amendment of the Company's Articles of Association to conform to the Company Law 1995, and was further amended by the Deed of Amendment No. 10 dated October 17, 1997, drawn up before Kiagus Zainal Arifin, S.H., a Notary in Jakarta, in connection with the amendment of article 2, article 3 paragraph 1 and 2, article 12 paragraph 9, article 15 paragraph 9, and article 20 paragraph 2 of the Company's Articles of Association. The Company's establishment as stipulated in the deeds referred to above was approved by the Minister of Justice of the Republic of Indonesia by virtue of Decree No. C2-12575-HT.01.01Th97 dated December 3, 1997, and registered in the Company Register in accordance with the Mandatory Company Registration Law under Certificate of Company Registration No. 09021608114 at the Company Registration Office of West Jakarta Municipality under Agenda No. 906/BH.09.03/XII/97 dated December 19, 1997, and announced in the State Gazette of the Republic of Indonesia No. 1451 dated March 6, 1988, Supplement No. 19.

As of the date of approval of the Company's establishment pursuant to the Decree of the Minister of Justice of the Republic of Indonesia by virtue of Decree No. C2-12575-HT.01.01Th97 2016 dated December 3, 1997, the Company's capital structure and shareholder composition were as follows:

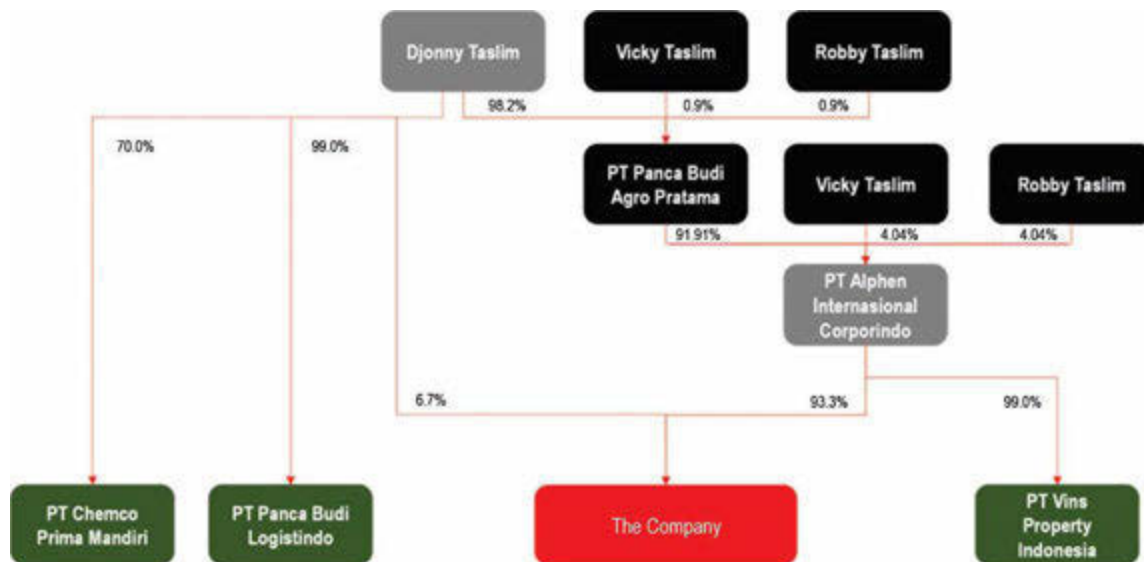
Description	Nominal Value of Rp1,000,000.00 per share		
	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	<b>1,000</b>	<b>1,000,000,000.00</b>	
<b>Issued and Paid-Up Capital</b>			
1. Djonny Taslim	400	400,000,000.00	50.0
2. Tonny Taslim	400	400,000,000.00	50.0
<b>Total Issued and Paid-Up Capital</b>	<b>800</b>	<b>800,000,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	<b>200</b>	<b>200,000,000.00</b>	

The Company's most recent amendment to the Articles of Association was stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, in which the Company's shareholders have adopted the following resolutions: (a) the approval of the Company's Articles of Association in its entirety, including, among others: (i) the amendment of the Articles of Association in connection with the change to become a Public Company, including, among others, the change of the Company's status from a Private Company to a Public Company; (ii) amendment to the Company's Articles of Association to conform to the laws and regulations in the Capital Market; (b) approval of the issuance of the Company's shares from portfolio up to a maximum of 1,000,000,000 (one billion) new shares issued from portfolio to be offered to the public in a Public Offering, each share having a nominal value of Rp100.- (one hundred Rupiah), at an Offer Price, including the allocation of issuance of the Company's new shares up to a maximum of 10% of the new shares to be issued to the Employee Stock Allocation (ESA), with due considerations to the prevailing laws and regulations, including the Capital Market regulations and the regulations of the Stock Exchange where the Company's shares are listed; (c) approval to grant the power to the Company's Board of Directors to undertake all necessary actions with respect to the Company's Initial Public Offering; (d) approval to grant the power to the Company's Board of Commissioners to declare, in a separate Notarial Deed, the realization of total shares issued in the Public Offering and the increase of the Company's issued and paid-up capital subsequent to the Initial Public Offering, and to register such shares on the Stock Exchange and in the Company's Shareholder Register. The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-0018831.AH.01.02.TAHUN 2017 concerning the Approval on the Amendment of the Articles of Association of a Limited Liability Company, PT Panca Budi Idaman Tbk dated September 13, 2017, which was registered in the Company Register pursuant to the Company Law No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017, and recorded in the database of the Legal Entity Administration System and obtained the receipt of notification from the Minister of Law and Human Rights by virtue of Decree No. AHU-0113984.AH.01.11.TAHUN 2017

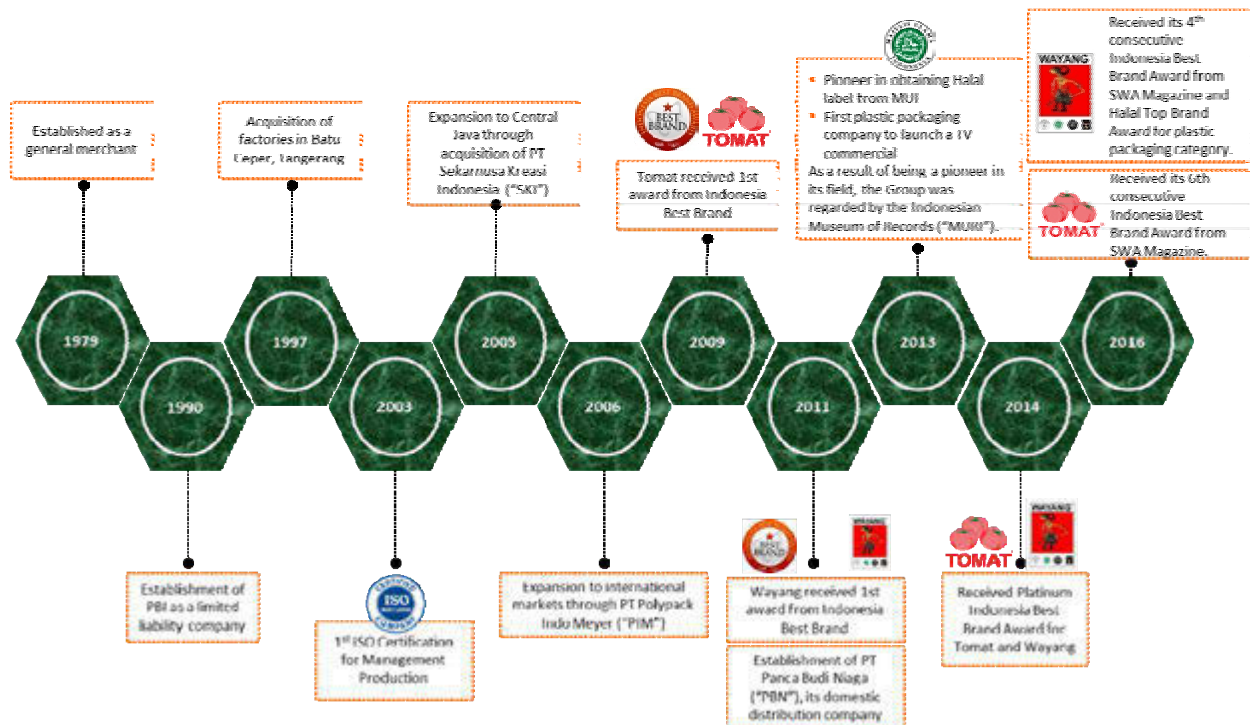
dated September 13, 2017, concerning the Receipt of Notification of Amendment to the Company's Articles of Association and registered in the Company Register in accordance with the Company Law under No. AHU-0113984.AH.01.11.TAHUN 2017 dated September 13, 2017.

As of the date of this Prospectus, the Company domiciles at the Integrated Retail Center, Jl. Daan Mogot Raya Km 19,6 Blok D No. 8 A-D, Tangerang 15122, Indonesia.

Presented below is the Company's group structure:



The following chart presents the development of the Company's business from its establishment up to the present date:



## 2. THE COMPANY'S SHAREHOLDING DEVELOPMENT

The Company's shareholding development during the last 3 years is presented below

### 2015

Pursuant the Deed of Minutes of Extraordinary General Meeting of Shareholders of the Company No. 16 dated December 8, 2015, drawn up before Martina, S.H., a Notary in Jakarta, which was approved by the Minister of Law and Human Rights pursuant to the Decree No. AHU-0947701.AH.01.02.TAHUN 2015 concerning the Approval on the Amendment of the Articles of Association of a Limited Liability Company, PT Panca Budi Idaman dated December 10, 2015, which was registered in the Company Register pursuant to the Company Law under No. AHU-3591205.AH.01.11.TAHUN 2015 dated December 10, 2015, which has obtained the notification of receipt from the Minister of Law and Human Rights pursuant to the Decree No. AHU-AH.01.03-0986956 dated December 10, 2015, concerning the Receipt of Notification of Amendment to the Articles of Association of the Company, and registered in the Company Register in accordance with the Company Law under No. AHU-3591205.AH.01.11.TAHUN 2015 dated December 10, 2015, the Company's capital structure and shareholder composition were as follows:

Description	Nominal Value of Rp1,000,000.00 per share		
	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	160,000	160,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. Djonny Taslim	10,000	10,000,000,000.00	25.0
2. PT Alphen Internasional Corporindo	30,000	30,000,000,000.00	75.0
<b>Total Issued and Paid-Up Capital</b>	<b>40,000</b>	<b>40,000,000,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	120,000	120,000,000,000.00	

### 2016

Pursuant the Deed of Circular Resolutions in lieu of the Extraordinary General Meeting of Shareholders of the Company No. 77 dated September 30, 2016, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, which was approved by the Minister of Law and Human Rights pursuant to the Decree No. AHU-0017751.AH.01.02.TAHUN 2016 concerning the Approval on the Amendment of the Articles of Association of a Limited Liability Company, PT Panca Budi Idaman dated September 30, 2016, which was registered in the Company Register pursuant to the Company Law under No. AHU-0114856.AH.01.11.TAHUN 2016 dated September 30, 2016, which has obtained the notification of receipt from the Minister of Law and Human Rights pursuant to the Decree No. AHU-AH.01.03-0085057 dated September 30, 2016, concerning the Receipt of Notification of Amendment to the Articles of Association of the Company, and registered in the Company Register in accordance with the Company Law under No. AHU-0114856.AH.01.11.TAHUN 2016 dated September 30, 2016, the Company's capital structure and shareholder composition were as follows:

Description	Nominal Value of Rp1,000,000.00 per share		
	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	600,000	600,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. PT Alphen Internasional Corporindo	140,000	140,000,000,000.00	93.3
2. Djonny Taslim	10,000	10,000,000,000.00	6.7
<b>Total Issued and Paid-Up Capital</b>	<b>150,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	450,000	450,000,000,000.00	

### 2017

Pursuant the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, the Company's capital structure and shareholder composition are as follows

Description	Nominal Value of Rp1,000,000.00 per share		
	Total Shares	Total Nominal Value	(%)
<b>Authorized Capital</b>	6,000,000,000	600,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. PT Alphen Internasional Corporindo	1,400,000,000	140,000,000,000.00	93.3
2. Djonny Taslim	100,000,000	10,000,000,000.00	6.7
<b>Total Issued and Paid-Up Capital</b>	<b>1,500,000,000</b>	<b>150,000,000,000.00</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	4,500,000,000	450,000,000,000.00	

Other than the changes referred to above, there are no further changes to the Company's capital structure and shareholder composition that occur up to the date of issuance of this Prospectus.

### 3. THE COMPANY'S MANAGEMENT, SUPERVISION AND CORPORATE GOVERNANCE

Pursuant the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, the Company's most recent Board of Commissioners and Board of Directors compositions as of the date of issuance of this Prospectus are as follows:

#### Board of Commissioners

President Commissioner : Robby Taslim  
Independent Commissioner : Makmur Darmo

#### Board of Directors

President Director : Djonny Taslim  
Director : Vicky Taslim  
Director : Emiyanti  
Director : Tan Hendra  
Director : Fu Yin Ling  
Independent Director : Ng Hay Yam

Duties and responsibilities of the Board of Commissioners:

The Board of Commissioners is responsible for supervising the implementation of the Company's strategies and supervising the Board of Directors to ensure the implementation of principles of transparency and accountability in the management of the Company. The Independent Commissioner's main responsibility is to encourage the implementation of good corporate governance principles in the Company. In carrying out his duties, the Independent Commissioner shall proactively encourage the Board of Commissioners to effectively supervise and advise the Board of Directors in order to improve the Company's performance, to take the right and proper risks with due considerations to the Company's business objectives to generate profit for the shareholders and ensure a balanced implementation of transparency and disclosures in the Company's financial statements.

Duties and responsibilities of the Board of Directors:

1. The Board of Directors shall have the right to represent the Company in and outside the Court of law with respect to all matters and events, to bind the Company with other parties, and other parties to the Company, and to take all actions relating to management and ownership, subject to the following limitations:
  - a. obtaining or granting medium/long-term loans in a sum exceeding the limit that shall be determined from time to time by the Board of Commissioners, whether secured or unsecured, except the receivables and payables arising from business transactions;
  - b. binding the Company as a guarantor with certain financial consequences exceeding certain sum determined by the Board of Commissioners;
  - c. selling or otherwise transferring or disposing immovable assets, including the Company's land rights or companies in the sum that shall be determined from time to time by the Board of Commissioners.



- d. pledging or otherwise charging encumbrance to the Company's assets in the sum that shall be determined from time to time by the Board of Commissioners;
  - e. subscribing or participating, or disposing a portion or all investment, or incorporating new companies for purposes other than credit restructuring in accordance with the prevailing laws and regulations, in the sum that shall be determined from time to time by the Board of Commissioners;
2. The President Director shall have the rights and authorities to act for and on behalf of the Board of Directors and to represent the Company;

All members of the Company's Board of Directors have satisfied the qualifications of members of Board of Directors stipulated in the prevailing laws and regulations, in particular the prevailing laws and regulations in the capital market.

Presented below are the brief profiles of each member of the Company's Board of Commissioners:

## BOARD OF COMMISSIONERS



**Robby Taslim**  
President Commissioner

Indonesian Citizen, 31 years old Mr. Taslim earned his Bachelor's Degree in Design from Pelita Harapan University in 2010. Mr. Taslim has served as the Company's President Commissioner since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Mr. Taslim has held the following positions:

2008 - present	:	Commissioner of PT Alphen Internasional Corporindo
2015 - present	:	President Commissioner of PT Sekarnusa Kreasi Indonesia



**Makmur Darmo**  
Independent Commissioner

Indonesian Citizen, 46 years old Mr. Darmo earned his Bachelor of Science from Oklahoma State University, majoring in Chemical Engineering, in 1993, and earned his Master of Business Administration, Meinders School of Business in Oklahoma City University, majoring in Finance, in 1995. Mr. Darmo has served as the Company's Independent Commissioner since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Mr. Darmo has held the following positions:

1995 - 1996	:	Assistant Manager of Financial Reporting & System PharmChem Laboratories, Inc. USA.
1996 - 1999	:	Financial Controller of PT Sparindo Mustika
1999 - 2002	:	Director of PT Bahtera Adimina Samudra Tbk
2002 - present	:	Commissioner of PT Usaha Mas Jasatama



## BOARD OF DIRECTORS



**Djonny Taslim**  
President Director

Indonesian Citizen, 57 years old Mr. Taslim completed his High School education in Perguruan Hang Kesturi, Medan in 1977. Mr. Taslim has served as the Company's President Director since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Mr. Taslim has held the following positions:

1979 - 1990	:	Founder of UD Panca Budi
1990 - 2011	:	Commissioner (Founder) of PT Panca Budi Idaman
1990 - present	:	Director (Founder) of PT Panca Budi Pratama
2010 - present	:	Commissioner of PT Polytech Indo Hausen
2004 - present	:	Commissioner of PT Prima Bhakti Pratama



**Vicky Taslim**  
Vice President Director

Indonesian Citizen, 33 years old Mr. Taslim earned his Bachelor's Degree in Business from Central Queensland University in 2004. Mr. Taslim has served as the Company's Director since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Mr. Taslim has held the following positions:

2006 - present	:	Director of PT Polytech Indo Meyer
2007 - present	:	Commissioners of PT Reka Mega Inti Pratama
2008 - present	:	Director of PT Alphen Internasional Corporindo
2011 - present	:	Commissioner of PT Panca Budi Pratama
2014 - present	:	Commissioner of PT Panca Budi Agro Pratama
2016 - present	:	President Director of PT Polytech Indo Hausen



**Emiyanti**  
Operational Director

Indonesian Citizen, 48 years old Ms. Emiyanti earned her Diploma in Management from Trisakti University in 1991. Ms. Emiyanti has served as the Company's Director since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Ms. Emiyanti has held the following positions:

1991 - 1999	:	The Company's Supervisor
1999 - 2009	:	The Company's Plant Manager
2006 - present	:	Commissioner of PT Polytech Indo Meyer
2009 - 2017	:	The Company's Operation Director
2011 - present	:	Commissioner of PT Rendaplas Andika
2015 - present	:	Commissioner of PT Panca Buana Plasindo



**Tan Hendra**  
Finance Director

Indonesian Citizen, 30 years old Mr. Hendra earned his Bachelor's Degree in Accounting from Tarumanegara University in 2008 and earned his Master's Degree in Management from Tarumanegara University in 2011. Mr. Hendra has served as the Company's Director since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Mr. Hendra has held the following positions:

2008 - 2012	:	Auditor at Osman Bing Satrio dan Rekan (Deloitte)
2012 - 2017	:	Internal Audit Manager of PT Reka Mega Inti Pratama



**Fu Yin Ling**  
Marketing Director

Indonesian Citizen, 40 years old Ms. Fu earned her Diploma in Management from Tarumanegara University in 1998. Ms. Fu has served as the Company's Director since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Ms. Fu has held the following positions:

1999 - 2005	:	The Company's Purchasing Manager
2005 - 2011	:	The Company's General Sales & Marketing
2011 - present	:	Commissioner of PT Panca Buana Niaga



**Ng Hay Yam**  
Legal, and General and Administrative Director (Independent)

Indonesian Citizen, 57 years old Mr. Ng earned his Bachelor's Degree in Management from Simalungun University in 1982, and earned his Master's Degree in Business Administration from the Philippine School of Business Administration in 1992, and earned his PhD in Economic Science from Pancasila University in 2016. Mr. Ng has served as the Company's Director since 2017, with a term of office that is valid up to 2022, in accordance with the Company's Articles of Association.

Before serving as the President Commissioner, Mr. Ng has held the following positions:

1982 - 1984	:	Credit Analyst Section Head of PT Bank Tani Nasional
1985 - 1987	:	Assistant General Manager of PT Dhanam Tani Nasional
1987 - 1988	:	Senior Credit Analyst of PT Swadharma Indonesia
1989 - 1997	:	Branch Head - Corporate Banking of PT Unibank Tbk
1997 - 2002	:	Director of Credit of PT Unitama Multindana
2002 - 2010	:	Finance Director of PT Budikencana Megahjaya
2004 - 2008	:	Member of the Audit Committee of PT Alakasa Industrindo Tbk
2010 - 2011	:	Center Director of Pluit Village
2011 - 2012	:	Finance Director of PT Onna Prima Utama
2013 - 2016	:	Operation Director of PT White Horse Ceramic Indonesia
2016 - present	:	Lecturer at the Faculty of Economy of Syekhjusuf Islamic University.
2016 - 2017	:	Senior Assistant to Chairman of Panca Budi Group

There is a family relationship between members of the Company's Board of Directors and Board of Commissioners, i.e., Robby Taslim as the President Commissioner and Vicky Taslim as a Director are the sons of Djonny Taslim, the President Director.

Board of Directors Meeting shall be held at least 1 (one) time every month and the Board of Commissioners Meeting shall be held at least 1 (one) time every two months, with a minimum attendance of 2 (two) members of the Board of Directors and 2 (two) members of the Board of Commissioners.

The Company implements the good corporate governance principles in carrying out its business activities in order to safeguard the interest of all stakeholders and maximize shareholder value. The Company is committed to always act in accordance with business ethics and transparency in accordance with the prevailing laws and regulations. In connection with GCG implementation, the Company has appointed a Corporate Secretary, established an Internal Audit Unit and Audit Committee, and appointed an Independent Commissioner and Independent Director. The Company has not established any other committee under the Company's Board of Commissioners and Board of Directors other than the Audit Committee.

The objectives of the Company's GCG implementation are as follows:

- To govern and control the relationship between stakeholders;
- To create a commitment to conduct business in accordance with good business ethics, principles of transparency and in compliance with the regulations applicable to the plastic goods industry;
- To improve the Company's competitiveness and capabilities to respond to changes in the plastic goods industry;
- To establish proper risk management;
- To prevent any deviations in the management of the Company; and
- To achieve excellent corporate image.

## REMUNERATION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

For the 6-month (six-month) period ended June 30, 2017, and the years ended December 31, 2016, 2015, and 2014, total remuneration received by the Company's Board of Commissioners and Board of Directors amounted to Rp0.9 billion, Rp1.9 billion, Rp0.4 billion and Rp0.3 billion, respectively.

At present, the Company has not established any nomination and remuneration committee. However, the nomination and remuneration functions have been carried out in accordance with the OJK Regulation No. 34/POJK.04/2014 dated December 8, 2014, concerning the Nomination and Remuneration Committee of Issuers or Public Companies.

## AUDIT COMMITTEE

### *Audit Committee Structure*

The Company has established an Audit Committee in accordance with the requirements of OJK Regulation No. 55/2015 and the Decision Letter of the Board of Directors of the IDX No. Kep. 00001/BEI/01-2014 concerning the Amendment to Regulation No. I-A concerning Registration of Shares and Equity Securities Other than Shares Issued by a Listed Company. Pursuant to the Decision Letter of the Company's Board of Commissioners No. 001/PBI-DK/III/2017 dated March 21, 2017, on Appointment of the Audit Committee, the composition of the Audit Committee is as follows:

Chairman : **Makmur Darmo**, Independent Commissioner

Member : **Simon Ferryanto Silalahi**  
Indonesian Citizen, 52 years old, completed his Diploma IV from Sekolah Tinggi Akuntansi Negara (STAN) in 1993, and earned his Master's Degree in the School of Accounting and Finance, the University of Western Australia in 2000.

Mr. Silalahi has served as a member of the Company's Audit Committee since 2017. In addition to serving as a member of the Audit Committee, Mr. Silalahi is also serving as a Director of PT Bahtera Adimina Samudra Tbk.

Previously, Mr. Silalahi has served as the Internal Audit Manager of PT Bahtera Adimina Samudra Tbk (2001 – 2002), Chief Internal Auditor of Kompak Group (2003 – 2006), Finance and Accounting Manager of PT Insan Indofarma (2006), Administration Manager of PT Sparindo Mustika (2007), and Assistant President Director of PT Adiguna Reksasegara (2007 – 2017).

Member : **Sutopo Insja**  
Indonesian Citizen, 57 years old, earned his Bachelor's Degree in Accounting from Syiah Kuala University in 1986, and earned his Master's Degree from Institut Pengembangan Wiraswasta Indonesia (IPWI) in 1997.

Mr. Insja has served as a member of the Company's Audit Committee since 2017.

In addition to serving as a member of the Audit Committee, Mr. Insya is also serving as a Partner of the Registered Public Accountant Drs. Sutopo Inja since 2002, the Managing Partner of the Registered Public Accountant Drs. Sutopo Insja & Partners since 2009, and the Managing Partner of Sutopo Insja & Associates Law Firm since 2014.

#### ***Duties and responsibilities of the Audit Committee***

The duties and responsibilities of the Audit Committee are as follows:

- 1) Review the financial information to be issued by the Company to the public and/or authorities, including, among others, financial statements, projections and other reports related to the Company's financial information;
- 2) Review the Company's compliance with the prevailing laws and regulations applicable to the Company's activities;
- 3) Provide independent opinion in the event of difference of opinion between the management and the Accountant with respect to the services provided;
- 4) Provide recommendation to the Board of Commissioners on the appointment of Accountant based on independence, scope of engagement and fee;
- 5) Review the audit implementation conducted by the internal audit and supervise the implementation of follow-up actions by the Board of Directors on internal auditor's findings;
- 6) Review the risk management implementation activities undertaken by the Board of Directors, in the event that the Company does not have a risk monitoring function under the Board of Commissioners;
- 7) Review complaints related to the Company's financial reporting and accounting processes;
- 8) Review and provide advices to the Board of Commissioners on potential conflicts of interest in the Company;
- 9) Maintain the confidentiality of the Company's documents, data and information.

The Audit Committee Meeting shall be held at least 1 (one) time every month with a minimum attendance of 2 (two) members.

As of June 30, 2017, the Company's Audit Committee has performed the followings:

- Held an internal Committee meeting on April 1, 2017, to discuss the Audit Committee's organization in connection with the Audit Committee Charter and the work relationship with the Company's Internal Audit Unit.
- Held a meeting to discuss the progress of the Company's preparation with respect to the IPO Plan, in relation to the Company's plan to conduct a Initial Public Offering.
- Held a meeting to discuss the Company's Financial Statements Draft for the period ended June 30, 2017.

The implementation of the Audit Committee's duties and responsibilities is also stipulated in the Audit Committee Charter dated April 1, 2017, regarding the Appointment of Audit Committee, which has conformed to the OJK Regulation No. 55/2015.

#### **INTERNAL AUDIT UNIT**

The Company has prepared and established an Internal Audit Unit Charter as stipulated in the OJK Regulation no. 56/2015. The Company's Internal Audit Unit Charter was established on April 1, 2017, and the Company has appointed Ria Lusiyana as the Head of Internal Audit Unit based on the Decision Letter of the Company's Board of Directors No. 002/PBI-Dir/III/2017 dated March 21, 2017, on the Appointment of Internal Audit Unit. The Internal Audit Unit Charter serves as a reference for carrying out all internal audit activities.

### **Ria Lusiya**

Head of Internal Audit Unit

Indonesian Citizen, 30 years old. Ms. Lusiya earned her Bachelor of Economics in Accounting from the Atmajaya Catholic University in 2008.

Ms. Lusiya has served as the Head of the Company's Internal Audit Unit since 2017. At present, Ms. Lusiya also serves as an Assistant Manager at PT Panca Budi Pratama. Previously, Ms. Lusiya served as an Accounting Staff at PT Prima Wahana Citra (2008 - 2011), Senior Auditor at the Registered Public Accountant Osman Bing Satrio & Eny (2011 - 2014), and Supervisor at PT Anabatic Technologies (2014 - 2015).

The duties and responsibilities of the Internal Audit Unit are as follows:

- a. Prepare and implement the internal audit plan and the program to evaluate the quality of the internal audit unit's activities;
- b. Test and evaluate the implementation of internal control system and risk management system in connection with the implementation of Good Corporate Governance in accordance with the Company's applicable regulations/policies.
- c. Test and assess the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology and other activities in all of the Company's units;
- d. Evaluate and validate the control system, management system, effectiveness monitoring system and efficiency of the systems and procedures in all of the Company's units, whether those that have been or will be implemented;
- e. Monitor and evaluate audit findings and provide advices and recommend the necessary corrective actions to ensure the Company's activities and systems/policies/regulations are carried out in accordance with the prevailing laws and regulations. Furthermore, the internal audit unit shall monitor, analyze and report the implementation of follow-up actions with respect to the recommendation for improvements referred to above;
- f. Prepare audit reports and submit such reports to the President Director and the Board of Commissioners, with a copy to the Audit Committee; and
- g. Perform special assignments within the scope of internal control as assigned by the President Director.

### **Internal Control System ("ICS")**

The Company truly believe that an internal control system as a supporting tool is a prerequisite to monitor the Company's operations and safeguard the Company's assets. The internal control system is translated into clear policies and procedures to effectively implement the control function and minimize any risks that may arise.

The Internal Supervisory Unit has performed various monitoring activities, both strategic and routine, in accordance with the Annual Monitoring Work Program (*Program Kerja Pengawasan Tahunan*, "PKPT"), including:

- The preparation of Good Corporate Governance (GCG) Guidelines;
- Acted as the counter part to the External Auditor (Registered Public Accountant)
- Monitored the follow up of audit findings reported by the Internal Supervisory Unit and the External Auditor (Registered Public Accountant).
- The development of Internal Supervisory Unit's HR quality through trainings, seminars and workshops.
- The Internal Supervisory Unit is the Company's internal supervisory team that is independent, led by a Head and report to the Board of Directors.

The Company realizes that the implemented internal control system cannot guarantee that there are no risks of misappropriation or any other risks. However, the Company is committed to continue to improve its internal control system in order to improve the Company's overall performance.

### **CORPORATE SECRETARY**

Pursuant to the Company's Board of Directors Decision Letter No. 001/PBI-Dir/III/2017 dated March 21, 2017, on the Appointment of Corporate Secretary, the Company has appointed Lukman Hakim as the Corporate Secretary.

#### **Lukman Hakim**

Indonesian Citizen, 38 years old, earned his Bachelor's Degree in Management from Sekolah Tinggi Ilmu Ekonomi Institut Bisnis dan Informatika Indonesia (STIE-IBII) in 2000 and earned his Master's Degree in Accounting Information System and Financial Management from Bina Nusantara University in 2002.



Mr. Hakim has served as the Company's Corporate Secretary since 2017. Previously, Mr. Hakim has served as the Assistant Corporate Finance Manager of PT Columbindo Perdana (2002 – 2004), Finance & Accounting Manager of PT Maestronic Abdi Karya (2004 – 2005), Vice President of PT Kembang 88 Multifinance (2005 – 2006), General Manager of PT Alphen International Corporindo (2006 – present) and Lecturer at Bina Nusantara University (2008 – 2010).

The functions and/or responsibilities of the Corporate Secretary are as follows:

1. Keep abreast of the Capital Market development, particularly the prevailing laws and regulations in the Capital Market;
2. Provide advice to the Board of Directors and Board of Commissioners regarding compliance with the laws and regulations in the Capital Market;
3. Assist the Board of Directors and Board of Commissioners in good corporate governance implementation, including:
  - a. Disclosure of information to the public, including the availability of information on the Company's website;
  - b. Timely submission of reports to the Otoritas Jasa Keuangan;
  - c. Organization and documentation of the General Meeting of Shareholders;
  - d. Organization and documentation of the Board of Directors Meeting and/or Board of Commissioners Meeting; and
  - e. Implementation of the company orientation program for the Board of Directors and/or Board of Commissioners.
4. Act as a liaison between the Company and the shareholders, the OJK, and other stakeholders.

The appointment of the Company's Corporate Secretary has complied with the requirements set forth in the OJK Regulation No. 35/POJK.04/2014.

The Company's corporate secretary may be contacted at the following:

Name : Lukman Hakim  
 Position : Corporate Secretary  
 Address : Kawasan Pusat Niaga Terpadu, Jl. Daan Mogot Raya Km 19.6 Blok D No. 8 A- D  
 Tangerang 15122, Indonesia  
 Phone : (021) 5436 5555  
 Email : corpsec@pancabudi.com

#### 4. HUMAN RESOURCES

The Company realizes the importance of human resources to the Company's success in carrying out its business. Therefore, the Company makes every planned and continuous effort to focus on improving the quality of its human resources through education, training, and development programs, and welfare maintenance and services for all employees, both technical and managerial functions.

##### Employee Composition

The employee composition of the Company and its Subsidiaries by level of position, age, employment status and age as of the time periods indicated, are presented below:

##### The Company

##### Employee Composition by Age Level

Description	June 30,		December 31,	
	2017	2016	2015	2014
<30	559	524	595	495
31-40	297	359	304	323
41-50	71	64	61	65
>50	11	10	6	7
<b>Total</b>	<b>938</b>	<b>957</b>	<b>966</b>	<b>890</b>

#### Employee Composition by Education Level

Description	June 30,		December 31,	
	2017	2016	2015	2014
>High School	29	24	26	26
High School	640	570	571	448
<High School	269	363	369	416
<b>Total</b>	<b>938</b>	<b>957</b>	<b>966</b>	<b>890</b>

#### Employee Composition by Employment Status

Description	June 30,		December 31,	
	2017	2016	2015	2014
Permanent	826	798	667	761
Contract	112	159	299	129
<b>Total</b>	<b>938</b>	<b>957</b>	<b>966</b>	<b>890</b>

#### Employee Composition by Position

Description	June 30,		December 31,	
	2017	2016	2015	2014
Director	8	2	2	2
Manager, Supervisor	44	43	45	45
Staff	63	60	62	66
Non-staff	823	852	857	777
<b>Total</b>	<b>938</b>	<b>957</b>	<b>966</b>	<b>890</b>

#### Employee Composition by Main Activities

Description	June 30,		December 31,	
	2017	2016	2015	2014
Operator	823	852	857	777
Marketing	2	2	2	2
Staff	113	103	107	111
<b>Total</b>	<b>938</b>	<b>957</b>	<b>966</b>	<b>890</b>

#### Employee Composition by Location:

Description	June 30,		December 31,	
	2017	2016	2015	2014
Tangerang	938	957	966	890
Central Java	-	-	-	-
North Sumatra	-	-	-	-
<b>Total</b>	<b>938</b>	<b>957</b>	<b>966</b>	<b>890</b>

#### Subsidiary

#### Employee Composition by Age Level

Description	June 30,		December 31,	
	2017	2016	2015	2014
<30	680	666	600	540
31-40	832	820	676	586
41-50	247	242	239	222
>50	61	61	57	57
<b>Total</b>	<b>1,820</b>	<b>1,789</b>	<b>1,572</b>	<b>1,405</b>



### Employee Composition by Education Level

Description	June 30,		December 31,	
	2017	2016	2015	2014
>High School	183	176	137	121
High School	1,482	1,451	1,297	1,166
<High School	155	162	138	118
<b>Total</b>	<b>1,820</b>	<b>1,789</b>	<b>1,572</b>	<b>1,405</b>

### Employee Composition by Employment Status

Description	June 30,		December 31,	
	2017	2016	2015	2014
Permanent	638	602	516	473
Contract	1,182	1,187	1,056	932
<b>Total</b>	<b>1,820</b>	<b>1,789</b>	<b>1,572</b>	<b>1,405</b>

### Employee Composition by Position

Description	June 30,		December 31,	
	2017	2016	2015	2014
Director	17	19	18	18
Manager, Supervisor	66	66	54	55
Staff	503	521	407	400
Non-staff	1,234	1,183	1,093	932
<b>Total</b>	<b>1,820</b>	<b>1,789</b>	<b>1,572</b>	<b>1,405</b>

Source: The Company

### Employee Composition by Main Activities

Description	June 30,		December 31,	
	2017	2016	2015	2014
Operator	1,040	1,054	886	752
Marketing	156	153	157	99
Staff	624	582	529	554
<b>Total</b>	<b>1,820</b>	<b>1,789</b>	<b>1,572</b>	<b>1,405</b>

### Employee Composition by Location:

Description	June 30,		December 31,	
	2017	2016	2015	2014
Tangerang	541	507	467	462
Central Java	872	910	860	713
North Sumatra	352	314	184	172
Cilegon	55	58	61	58
<b>Total</b>	<b>1,820</b>	<b>1,789</b>	<b>1,572</b>	<b>1,405</b>

### Foreign Employees

As of the date of issuance of this Prospectus, the Company and its Subsidiaries do not employ any foreign employees.

### Employee Social Welfare

The Company and its Subsidiaries endeavor to continuously improve the welfare of their employees by taking the following measures:

- Perform well-planned employee recruitment**

The Company is a labor intensive company, where the majority of employees are required at the Company's plants to support the Company's production activities. In order to maintain production quality and efficiency, the Company must maintain its employee headcount at the right level. Insufficient headcount will hamper production efficiency, while excessive

headcount will result in inefficiency and poor corporate culture. Consequently, proper management and planning will maintain employee headcount at an efficient level.

- **Provide training programs and organize activities to support employee welfare**

One of the Company's steps to improve employee productivity is to provide trainings to improve the quality of its employees in terms of production skills, work ethics, team work and creativity. In addition, the Company also conducts routine activities to support the welfare of its employees, such as company outing, best employee contest, and religious activities such as the celebration of *Maulid Nabi* or the Birthday of the Prophet Muhammad PBUH.

- **Create a safe, healthy and fun working environment by providing various facilities for employees**

The Company believes that a safe, healthy and fun working environment supports employee productivity and provides a comfortable environment, a time and place for religious routines, and various activities and trainings to improve solidarity among employees.

- **Improve work efficiency and assignment of human resources in accordance with their respective skills and creativity**

The Company continues to take measures to improve employee work efficiency by providing various equipment and technologies, and assigning employees according to their respective skills and creativity to allow the employees to provide their best result in their respective work units.

- **Comply with Government regulations relating to welfare**

The Company and its Subsidiaries conform to and comply with Government regulations relating to employee welfare, i.e., salary and wage increment that is in line with employee performance and inflation rate, which are in line with the minimum standard salary and the Regional Minimum Wage according to the prevailing regulations.

## **Human Resources Development**

The Company is a labor intensive company that employs a large number of employees, who are required to maintain the continuity of the Company's production, delivery and sales process. Nevertheless, in addition to quantity, the quality of human resources must be maintained and developed to allow the Company's productivity and performance to grow. To develop its human resources, the Company offers training programs for personal skills and working skills.

In order to develop the personal skills of its employees, the Company provides several training programs, including Personality Plus At Work And Soft Skills, Work Ethics Training, Effective Ways To Be A Great Leader, The Power Of Emotional Intelligence At Work, Service Excellence, Leadership Potential Development and Stress Management, Teamwork, Public Speaking, Panca Budi Business and Culture, Personality & Character Building, Resilience At Work and Interpersonal Skills. The above trainings are provided to employees in the hope to support them to become the Company's future leaders.

In addition, the Company also provides training related to its production and sales processes, including, among others, Material Handling, Mixing Process Training, Raw Material Receipt Training, Preparation and Blowing Process, Printing Process Preparation, Preparation and Cutting Process, Product Quality Control, Production Planning and Inventory Control, Internal Calibration, Fire Prevention Theory, Packing Bal & Bar Code installation, and other various trainings. With such trainings, employees are expected to become more skilled in performing their duties so that the risks arising from human errors can be prevented. In addition, the trainings are also expected to improve performance and productivity, and consequently improve product quality.

## **Labor Union**

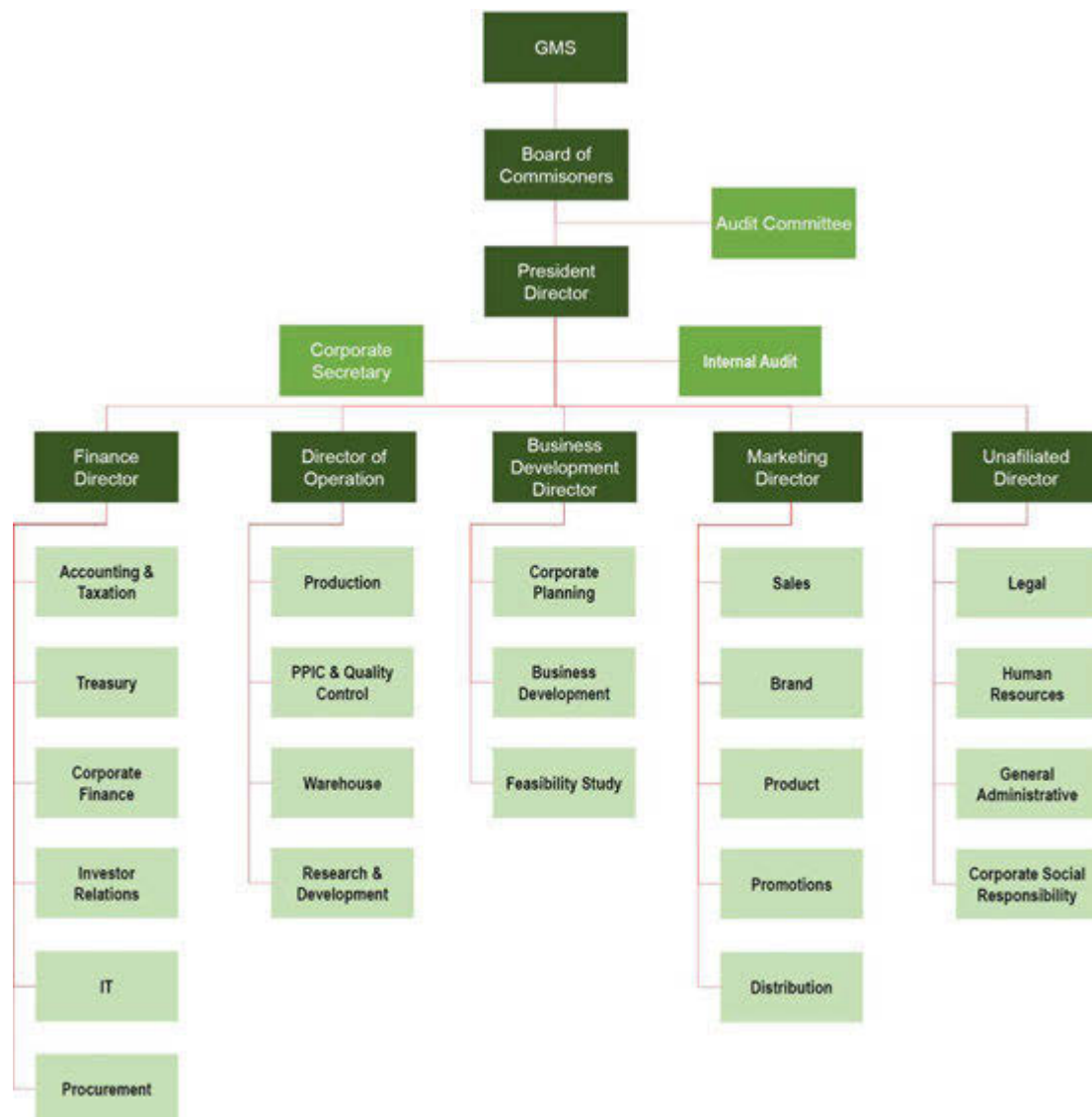
Up to the date of issuance of this Prospectus, the Company has established a Labor Union based on the Registration Number 568.4/1652-HO/2015 dated March 25, 2012, signed by the Head of Manpower Agency of Tangerang City. However, up to the date of issuance of this Prospectus, the Company does not have any collective labor agreement with the above labor union. Therefore, the Company's industrial relations with its employees are governed by the current company regulations.

## Employee Benefits, Facilities and Welfare

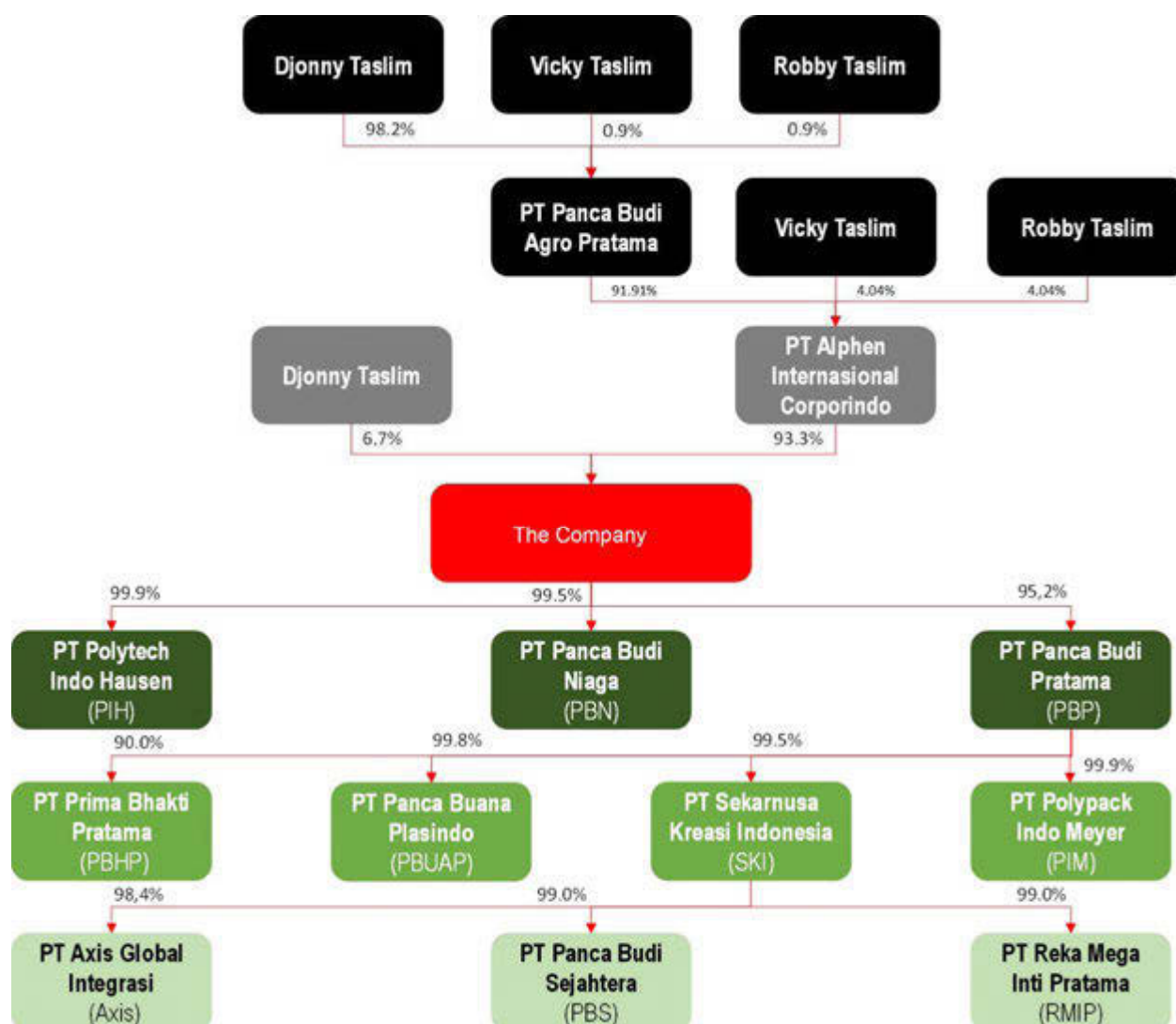
The Company and its Subsidiaries provide a number of allowances, facilities and welfare programs for employees. The facilities and welfare programs are designated to the Company's and its Subsidiaries' employees with certain qualifications. The facilities and programs include, among others:

- Worker Social Security Agency (*BPJS Ketenagakerjaan*) Program;
- Health Social Security Agency (*BPJS Kesehatan*) Program;
- private insurance;
- Religious holiday allowance (THR);
- transportation facilities and transportation reimbursement facilities;
- training and development facilities;
- meal allowance;
- overtime allowance; and
- uniforms.

## 5. THE COMPANY'S ORGANIZATION STRUCTURE



6. STRUCTURE OF ASSOCIATION BY WAY OF OWNERSHIP, MANAGEMENT AND SUPERVISION BETWEEN THE COMPANY AND ITS SHAREHOLDERS AND SUBSIDIARIES



As of the date of issuance of this Prospectus, the controlling shareholder of the Company is PT Alphen International Corporindo.

	The Company	PIH	PBN	PBP	SKI	PIM	PBHP	PBUA P	AXIS	RMIP	PBS
Robby Taslim	PC	-	-	-	PC	-	-	-	-	-	-
Makmur Darmo	IC	-	-	-	-	-	-	-	-	-	-
Djonny Taslim	PD	C	-	D	-	-	C	-	-	-	-
Vicky Taslim	D	PD	-	C	-	D	-	-	-	C	-
Emiyanti	D	-	-	-	-	C	-	C	-	-	-
Tan Hendra	D	-	-	-	-	-	-	-	-	-	-
Fu Yin Ling	D	-	C	-	-	-	-	-	-	-	-
Ng Hay Yam	ID	-	-	-	-	-	-	-	-	-	-

Description:

<b>PC</b>	: President Commissioner	<b>PD</b>	: President Director
<b>C</b>	: Commissioner	<b>D</b>	: Director
<b>IC</b>	: Independent Commissioner	<b>ID</b>	: Independent Director

## 7. OVERVIEW OF THE COMPANY'S LEGAL ENTITY SHAREHOLDER

### PT Alphen Internasional Corporindo ("AIC")

#### Brief History

AIC, having its domicile in Tangerang, was established by virtue and based on the prevailing laws and regulations in the Republic of Indonesia pursuant to the Deed of Establishment of a Limited Liability Company, AIC No. 07 dated November 24, 2008, drawn up before Evawani, S.H., a Notary in Tangerang, which was affirmed by the Deed of Amendment to the Deed of Establishment of a Limited Liability Company, AIC No. 05, dated July 15, 2009, drawn up before Evawani, S.H., a Notary in Tangerang. The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-40274.AH.01.01.Tahun 2009 concerning the Approval of Corporate Personality of the Company dated August 19, 2009, and registered in the Company Register in accordance with the Company Law under No. AHU-0053561.AH.01.09.TAHUN 2009 dated August 19, 2009 ("**Deed of Establishment**").

The address of AIC is Block AX Green Ville No. 31-32, RT 011 RW 014, Duri Kepa Sub-District, Kebon Jeruk District, West Java.

#### Aims, Objectives and Business Activities

AIC's aims, objectives and business activities are in accordance with Article 3 of AIC's Articles of Association stipulated in the Deed of Establishment, i.e., to engage in general trade, service, agri-business, industry, procurement of goods, transportation, mining, construction, telecommunication, printing.

#### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, the latest capital structure and shareholder composition of AIC pursuant to the Deed of Circular Resolutions in lieu of the Extraordinary General Meeting of Shareholders of AIC No. 15 dated December 30, 2016, drawn up before Maria Josepha Florencia Kelly, S.H., M.Kn, a Notary in Tangerang City, which was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-0000542.AH.01.02.TAHUN 2017 concerning the Approval of the Amendment to the Articles of Association of a Limited Liability Company, AIC, dated January 10, 2017, and registered in the Company Register in accordance with the Company Law under No. AHU-0002592.AH.01.11.TAHUN 2017 dated January 10, 2017, and received and recorded in the database of the Legal Entity Administration System and obtained the notification receipt from the Minister of Law and Human Rights by virtue of Decree No. AHU-AH.01.03-0007100 dated January 10, 2017, concerning the Receipt of Notification of Amendment to the Articles of Association of AIC, and registered in the Company Register in accordance with the Company Law under No. AHU-0002592.AH.01.11.TAHUN 2017 dated January 10, 2017, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	530,000	530,000,000,000.-	
<b>Issued and Paid-Up Capital</b>			
1. PT Panca Budi Agro Pratama	125,000	125,000,000,000.-	91.91
2. Vicky Taslim	5,500	5,500,000,000.-	4.04
3. Robby Taslim	5,500	5,500,000,000.-	4.04
<b>Total Issued and Paid-Up Capital</b>	136,000	136,000,000,000.-	100.0
<b>Total Shares in Portfolio</b>	<b>394,000</b>	<b>394,000,000,000.-</b>	

## Management and Supervision

Pursuant to the Deed of Circular Resolutions in lieu of the Annual General Meeting of Shareholders of AIC No. 27 dated September 30, 2016, drawn up before Maria Josepha Florencia Kelly, S.H., M.Kn., a Notary in Tangerang Regency, AIC's latest Board of Commissioners and Board of Directors compositions are as follows:

### Board of Commissioners

Commissioner : Robby Taslim

### Board of Directors

Director : Vicky Taslim

## 8. OVERVIEW OF SUBSIDIARIES

As of the date of issuance of this Prospectus, the Company's Subsidiaries are as follows:

No.	Name of Subsidiary	Business Activities	Year of Establishment	The Company's Percentage of Ownership	Year of Investment	Operating Status
<b>Direct Ownership</b>						
1.	PT Polytech Indo Hausen	Production and Distribution	2010	99.98	2010	Operating
2.	PT Panca Budi Niaga	Distribution	2011	99.52	2011	Operating
3.	PT Panca Budi Pratama	Trade	1991	95.24	2015	Operating
<b>Indirect Ownership</b>						
4.	PT Sekarnusa Kreasi Indonesia	Production and Distribution	1990	99.50	2006	Operating
5.	PT Polypack Indo Meyer	Production and Distribution	2006	99.90	2006	Operating
6.	PT Prima Bhakti Pratama	Trade	2005	90.00	2015	Operating
7.	PT Panca Buana Plasindo	Production and Distribution	2009	99.80	2009	Operating
8.	PT Axis Global Integrasi	Trade	2007	98.40	2007	Nonoperational
9.	PT Reka Mega Inti Pratama	Distribution	2007	99.90	2007	Operating
10.	PT Panca Budi Sejahtera	Trade	2014	99.00	2014	Pre-operation

The Subsidiaries do not pay any fee to PT Panca Budi Idaman Tbk with regard to the management/consulting services provided by PT Panca Budi Idaman Tbk to its Subsidiaries.

### Directly Owned Subsidiaries

#### 8.1. PT Polytech Indo Hausen ("PIH")

##### Brief History

PIH, domiciling in Cilegon, Serang Regency, is a limited liability company established by virtue of and is subject to the prevailing laws and regulations in the Republic of Indonesia. PIH was established by virtue of the Deed of a Establishment of a Limited Liability Company, PIH No. 09 dated October 15, 2010, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency. The aforementioned deed was approved by the Minister of Law and Human Rights ("MoLHR") by virtue of MoLHR Decree No. AHU-49149.AH.01.01.Tahun 2010 dated October 19, 2010 ("Deed of Establishment").

From the Date of Establishment until the date of issuance of this Prospectus, there are no amendments to PIH'S Articles of Association, whereas PIH's most recent Articles of Association is stipulated in the Deed of Establishment.

PIH is domiciled at Jl. Raya Merak km 116, Rawaarum Sub-District, Grogol District, Cilegon City, Banten Province.

### Aims, Objectives and Business Activities

PIH's aims, objectives and business activities pursuant to its Deed of Establishment are to engage in trade, industry, construction, ground transportation, agriculture, workshop, printing, services, with the exception of legal and tax services.

PIH's current business activities include manufacturing of Heavy Duty Bag for Packaging, and distribution of such Heavy Duty Bags.

### Capital Structure and Shareholder Composition

Up to the issuance of this Prospectus, the latest capital structure and shareholder composition of PIH pursuant to the Deed of Establishment of a Limited Liability Company, PIH, No. 09 dated October 15, 2010, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	5,000	5,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. The Company	4,999	4,999,000,000.00	99.98
2. Djonny Taslim	1	1,000,000.00	0.02
<b>Total Issued and Paid-Up Capital</b>	5,000	5,000,000,000.00	100
<b>Total Shares in Portfolio</b>	-	-	

### Management and Supervision

Pursuant to the Deed of Meeting Resolutions No. 03 dated November 14, 2016, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, PIH's latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

Commissioner : Djonny Taslim

#### Board of Directors

President Director : Vicky Taslim  
Director : Rudy Hartono

### Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the PIH's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.



## Statement of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total Assets	192.0	177.7	115.3	107.8
Total Liabilities	120.6	105.4	118.2	111.6
Total Equity	71.4	72.3	(2.9)	(3.8)

## Statement of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016*	2016	2015	2014
Net Sales	72.5	54.1	108.7	125.1	90.5
Cost of Sales	62.6	43.6	90.6	112.4	84.8
Gross Profit	9.9	10.5	18.1	12.7	5.7
Operating Income	5.5	9.3	14.9	10.5	5.5
Net Profit for the year	(0.1)	3.3	4.0	0.7	(3.2)
Comprehensive Income (Loss)	(0.8)	75.2	75.2	0.9	(3.3)

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the statements of financial position as of December 31, 2016

Assets as of June 30, 2017, increased by Rp14.4 billion or 8.08% from Rp177.7 billion as of December 31, 2016, to Rp192.0 billion as of June 30, 2017. The increase was driven by an increase in third party trade receivables by Rp8.0 billion or 71.1% and an increase in advance payment for acquisition of assets by Rp1.8 billion or 220.57%.

Liabilities as of June 30, 2017, increased by Rp15.2 billion or 14.43% from Rp105.4 billion as of December 31, 2016, to Rp120.6 billion as of June 30, 2017. The increase was driven by an increase in bank loans by Rp11.3 billion or 220.57%, which was off set by a decrease in other payables to related parties by Rp3.3 billion or 10.36%.

Equity as of June 30, 2017, decreased by Rp0.8 billion or 1.18% from Rp72.3 billion as of December 31, 2016, to Rp71.4 billion as of June 30, 2017. The decrease was driven by a decrease in fixed assets revaluation by Rp0.8 billion or 1.08%.

### The consolidated statements of financial position as of December 31, 2016, compared to the statements of financial position as of December 31, 2015

Assets as of December 31, 2016, increased by Rp62.4 billion or 54.09% from Rp115.3 billion as of December 31, 2015, to Rp177.7 billion as of December 31, 2016. The increase was driven by an increase in fixed assets by Rp76.7 billion or 136.58%.

Liabilities as of December 31, 2016, decreased by Rp12.8 billion or 10.85% from Rp118.2 billion as of December 31, 2015, to Rp105.4 billion as of December 31, 2016. The decrease was driven by a decrease in bank loans by Rp19.1 billion or 24.99%.

Equity as of December 31, 2016, increased by Rp75.2 billion or 2,576.89% from Rp(2.9) billion as of December 31, 2015, to Rp72.3 billion as of December 31, 2016. The increase was driven by fixed assets revaluation, which amounted to Rp71.1 billion.



**The consolidated statements of financial position as of December 31, 2015, compared to the statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, increased by Rp7.5 billion or 6.91% from Rp107.8 billion as of December 31, 2014, to Rp115.3 billion as of December 31, 2015. The increase was driven by an increase in inventories by Rp9.2 billion or 65.43%.

Liabilities as of December 31, 2015, increased by Rp6.6 billion or 5.87% from Rp111.6 billion as of December 31, 2014, to Rp118.2 billion as of December 31, 2015. The increase was driven by an increase in bank loans by Rp30.8 billion or 491.29%, which was off compensated by a decrease in other payables to related parties by Rp28.0 billion or 99.75%.

Equity deficit as of December 31, 2015, decreased by Rp0.9 billion or 23.50% from Rp3.8 billion as of December 31, 2014, to Rp2.9 billion as of December 31, 2015. The decrease was driven by a decrease in accumulated deficit by Rp19.1 billion or 8.72%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp18.4 billion or 33.96% from Rp54.1 billion for the 6-month (six-month) period ended June 30, 2016, to Rp72.5 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in sales to third parties as a result of the management's successful implementation of marketing strategies.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp19.0 billion or 43.56% from Rp43.6 billion for the 6-month (six-month) period ended June 30, 2016, to Rp62.6 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in raw material purchases by Rp17.3 billion or 51.86%.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp3.4 billion or 102.91% from Rp3.3 billion for the 6-month (six-month) period ended June 30, 2016, to Rp(0.1) billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by an increase in cost of sales, resulting in the decrease of gross profit, as well as an increase in marketing expenses by Rp1.0 billion or 117.36% and general and administrative expenses by Rp1.7 billion or 65.97%.

**The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, decreased by Rp16.4 billion or 13.12% from Rp125.1 billion for the year ended December 31, 2015, to Rp108.7 billion for the year ended December 31, 2016. The decrease was driven by a decrease in sales to third parties by Rp17.8 billion or 14.28%.

Cost of sales for the year ended December 31, 2016, decreased by Rp34.5 billion or 27.60% from Rp112.4 billion for the year ended December 31, 2015, to Rp90.6 billion for the year ended December 31, 2016. The decrease was driven by a decrease in purchases of plastic film by Rp19.3 billion or 98.59%, and an increase in plastic ore cost of sales by Rp10.1 billion or 56.07%.

Profit for the year ended December 31, 2016, increased by Rp3.3 billion or 428.97% from Rp0.7 billion for the year ended December 31, 2015, to Rp4.0 billion for the year ended December 31, 2016. The increase was driven by an increase in gross profit by Rp5.4 billion or 42.88% as a result of a decrease in cost of sales, which was higher than the decrease in net sales.

**The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp34.6 billion or 38.18% from Rp90.5 billion for the year ended December 31, 2014, to Rp125.1 billion for the year ended December 31, 2015. The increase was driven by an increase in plastic sales to third parties by Rp34.9 billion or 39.02%.

Cost of sales for the year ended December 31, 2015, increased by Rp27.6 billion or 32.58% from Rp84.8 billion for the year ended December 31, 2014, to Rp112.4 billion for the year ended December 31, 2015. The increase was driven by an increase in purchases of finished goods by Rp13.9 billion or 245.63%.

Profit for the year ended December 31, 2015, increased by Rp4.0 billion or 123.79% from Rp(3.2) billion for the year ended December 31, 2014, to Rp0.7 billion for the year ended December 31, 2015. The increase was driven by an increase in net sales.

## 8.2. PT Panca Budi Niaga ("PBN")

### Brief History

PBN, domiciling in Tangerang City, is a limited liability company established by virtue of and is subject to the prevailing laws and regulations in the Republic of Indonesia. PBN was established by virtue of the Deed of a Establishment of a Limited Liability Company, PBN, No. 6 dated January 20, 2011, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency. The deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-06990.AH.01.01.Tahun 2011 dated February 10, 2011, and registered in the Company Register in accordance with the Company Law under No. AHU-0011414.AH.01.09.Tahun 2011 dated February 10, 2011 ("**Deed of Establishment**").

From the date of the Deed of Establishment up to the date of issuance of this Prospectus, PBN's Articles of Association have been amended several times, the latest amendent of which is stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PBN No. 18 dated December 8, 2015, drawn up before Martina, S.H., a Notary in Jakarta, which was approved by the Minister of Law and Human Rights pursuant to the Decree No. 0947702.AH.01.02.Tahun 2015 dated December 10, 2015, and registered in the Company Register in accordance with the Company Law under No. AHU-3591207.AH.01.11.Tahun 2015 dated December 10, 2015.

PBN is domiciled at Kawasan Pusat Niaga Terpadu, Jalan Daan Mogot Raya KM. 19,6 Blok D No. 8 H, Poris Jaya Sub-District, Batuaceper District.

### Aims, Objectives and Business Activities

PBN's aims, objectives and business activities pursuant to PBN's Articles of Association stipulated in its Deed of Establishment are to engage in trade, industry, construction, ground transportation, agriculture, workshop, printing, services, with the exception of legal and tax services.

PBN's current business activities are distribution of plastic bags.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, PBN's capital structure and shareholder composition as stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PBN No. 18 dated December 8, 2015, drawn up before Martina, S.H., a Notary in Jakarta, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	80,000	80,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. Djonny Taslim	100	100,000,000.00	0.48
2. The Company	20,900	20,900,000,000.00	99.52
<b>Total Issued and Paid-Up Capital</b>	<b>21,000</b>	<b>21,000,000,000.00</b>	100.00
<b>Total Shares in Portfolio</b>	<b>59,000</b>	<b>59,000,000,000.00</b>	

## Management and Supervision

Based on the Deed of the Meeting Resolutions of PBN No. 12 dated January 18, 2016, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, PBN's latest Board of Commissioners and Board of Directors compositions are as follows:

### Board of Commissioners

Commissioner : Fu Yin Ling

### Director

Director : Erwin Sutheja

## Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the PBN's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

## Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total Assets	369.4	326.7	221.1	178.4
Total Liabilities	140.9	172.6	173.0	163.5
Total Equity	228.5	154.1	48.1	14.9

## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016	2016	2015	2014
Net Sales	735.4	748.6	1,466.6	1,293.0	1,169.9
Cost of Sales	605.3	657.2	1,255.4	1,227.8	1,119.8
Gross Profit	130.1	91.3	211.2	65.1	50.1
Operating Income	98.2	56.4	150.2	22.5	15.2
Net Profit for the year	74.0	42.3	104.7	13.1	8.4
Comprehensive Income (Loss)	74.3	42.2	104.4	13.2	8.3

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, increased by Rp42.6 billion or 13.05% from Rp326.7 billion as of December 31, 2016, to Rp369.4 billion as of June 30, 2017. The increase was driven by an increase in trade receivables from related parties by Rp58.1 billion or 265.87%.

Liabilities as of June 30, 2017, decreased by Rp31.7 billion or 18.35% from Rp172.6 billion as of December 31, 2016, to Rp140.9 billion as of June 30, 2017. The decrease was driven by a decrease in trade payables by Rp28.1 billion or 30.26% and an increase in taxes payable by Rp12.5 billion or 42.66%.

Equity as of June 30, 2017, increased by Rp74.3 billion or 48.21% from Rp154.2 billion as of December 31, 2016, to Rp228.5 billion as of June 30, 2017. The increase was driven by an increase in retained earnings by Rp74.0 billion or 56.31%.

**The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015**

Assets as of December 31, 2016, increased by Rp105.6 billion or 47.75% from Rp221.1 billion as of December 31, 2015, to Rp326.7 billion as of December 31, 2016. The increase was driven by an increase in other assets by Rp30.5 billion or 31,507.66%, an increase in other receivables from related parties by Rp21.8 billion or 20,668.86%, an increase in inventories by Rp18.8 billion or 15.73% and an increase in fixed assets by Rp10.5 billion or 411.43%.

Liabilities as of December 31, 2016, decreased by Rp0.5 billion or 0.26% from Rp173.0 billion as of December 31, 2015, to Rp172.6 billion as of December 31, 2016. The increase was driven by an increase in bank loans by Rp76.2 billion or 66.02%, which was off set by an increase in trade payables to third parties by Rp60.7 billion or 770.82%.

Equity as of December 31, 2016, increased by Rp106.0 billion or 220.39% from Rp48.1 billion as of December 31, 2015, to Rp154.1 billion as of December 31, 2016. The increase was driven by an increase in retained earnings by Rp104.8 billion or 392.50%.

**The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, increased by Rp42.7 billion or 23.95% from Rp178.4 billion as of December 31, 2014, to Rp221.1 billion as of December 31, 2015. The increase was driven by an increase in trade receivables from related parties by Rp18.1 billion or 120.85%, an increase in trade receivables from third parties by Rp14.9 billion or 35.65%, and an increase in inventory by Rp13.1 billion or 12.34%.

Liabilities as of December 31, 2015, increased by Rp9.5 billion or 5.82% from Rp163.5 billion as of December 31, 2014, to Rp173 billion as of December 31, 2015. The increase was driven by an increase in bank loans by Rp74.6 billion or 182.51%, which was compensated by a decrease in other payables to related parties by Rp69.4 billion or 62.63%.

Equity as of December 31, 2015, increased by Rp33.2 billion or 222.96% from Rp14.9 billion as of December 31, 2014, to Rp48.1 billion as of December 31, 2015. The increase was driven by an increase in issued and paid-up capital by Rp20 billion or 2,000% and an increase in retained earnings by Rp13.1 billion or 96.21%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp13.2 billion or 1.76% from Rp748.6 billion for the 6-month (six-month) period ended June 30, 2016, to Rp735.4 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in sales to third parties by Rp14.5 billion or 2.47%.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp51.9 billion or 7.90% from Rp657.2 billion for the 6-month (six-month) period ended June 30, 2016, to Rp605.3 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in purchases of finished goods by Rp240.5 million or 87.70%, which was compensated by an increase in raw ore used by Rp155.6 billion or 49.34%.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, increased by Rp31.7 billion or 74.89% from Rp42.3 billion for the 6-month (six-month) period ended June 30, 2016, to Rp74.0 billion for the 6-month (six-month)

period ended June 30, 2017. The increase was driven by an increase of gross profit by Rp38.7 billion or 42.40% as a result of a decrease in cost of sales.

#### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp173.7 billion or 13.43% from Rp1,293.0 billion for the year ended December 31, 2015, to Rp1,466.6 billion for the year ended December 31, 2016. The increase was driven by an increase in sales to third parties by Rp90.4 billion or 8.54% and an increase in sales to related parties by Rp83.2 billion or 35.60%.

Cost of sales for the year ended December 31, 2016, increased by Rp27.6 billion or 2.25% from Rp1,227.8 billion for the year ended December 31, 2015, to Rp1,255.4 billion for the year ended December 31, 2016. The increase was driven by an increase in raw ore used by Rp218.2 billion or 42.38% and an increase in factory overhead by Rp55.8 billion or 77.25%, which was compensated by a decrease in purchases of finished goods by Rp255.6 billion or 39.36%.

Profit for the year ended December 31, 2016, increased by Rp91.7 billion or 700.47% from Rp13.1 billion for the year ended December 31, 2015, to Rp104.7 billion for the year ended December 31, 2016. The increase was driven by an increase in gross profit by Rp146.1 billion or 225.26%, which was driven by an increase in net sales that was higher than an increase in cost of sales.

#### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp123.1 billion or 10.52% from Rp1,169.9 billion for the year ended December 31, 2014, to Rp1,293.0 billion for the year ended December 31, 2015. The increase was driven by an increase in sales to third parties and related parties.

Cost of sales for the year ended December 31, 2015, increased by Rp108.0 billion or 9.64% from Rp1,119.8 billion for the year ended December 31, 2014, to Rp1,227.8 billion for the year ended December 31, 2015. The increase was driven by an increase in raw ore used by Rp101.9 billion or 24.67%.

Profit for the year ended December 31, 2015, increased by Rp4.7 billion or 56.46% from Rp8.4 billion for the year ended December 31, 2014, to Rp13.1 billion for the year ended December 31, 2015. The increase was driven by an increase of gross profit by Rp15.1 billion or 30.10% as a result of a decrease in cost of sales.

### **8.3. PT Panca Budi Pratama ("PBP")**

#### **Brief History**

PBP was established and is carrying out its activities by virtue of the prevailing laws and regulations in the Republic of Indonesia, and is domiciled in Jakarta, pursuant to the Deed of Establishment of a Limited Liability Company, PBP, No. 29 dated November 13, 1990, drawn up before Endang Irawati Ekaputri, S.H., a Notary in Cibinong, which was approved by the Minister of Justice of the Republic of Indonesia, which is presently known as the Minister of Law and Human Rights ("MoLHR") as stipulated in the Decree No. C2-6087.HT.01.01.TH'91 dated October 24, 1991, which was registered in the Administration Office of North Jakarta District Court under No. 473/Leg/1991 dated November 29, 1991, and announced in the State Gazette of the Republic of Indonesia ("SGRI") No. 25 dated March 27, 1992, Supplement No. 1367 ("Deed of Establishment").

From the date of the Deed of Establishment up to the date of issuance of this Prospectus, PBP's Articles of Association have been amended several times, the latest amendment of which is stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PBP No. 17 dated December 8, 2015, drawn up before Martina, S.H, a Notary in Jakarta, which stipulated the approval of PBP's shareholders regarding the amendment of Article 4 of PBP's Articles of Association. The Deed has obtained the Approval on Amendment to Articles of Association from the Minister of Law and Human Rights by virtue of Decree No. AHU-0947703.AH.01.02.Tahun 2015 dated December 10, 2015, and was registered in the Company Register under No. AHU-3591208.AH.01.11.Tahun 2015 dated December 10, 2015, and and Receipt of Notification of Amendment to Articles of Association of PBP No. AHU-AH.01.03-0986959 dated December 10, 2015, and was registered in the Company Register No. AHU-3591208.AH.01.11.Tahun 2015 dated December 10, 2015.

PBP is domiciled at Pusat Niaga Terpadu blok D8 A-D, Jl. Daan Mogot KM 19.6, Poris Jaya Sub-District, Batu Ceper District, Tangerang City.

### Aims, Objectives and Business Activities

PBP's aims and objectives pursuant to PBP's Articles of Association stipulated in the Deed of Minutes of Meeting of PBP No. 04 dated June 6, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, are to engage in trade, contractor, industry, mining, husbandry, forestry, and transportation.

PBP's current business activities are trading plastic ores.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, PBP's capital structure and shareholder composition as stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PBP No. 17 dated December 8, 2015, drawn up before Martina, S.H., a Notary in Jakarta, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	80,000	80,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. Djonny Taslim	900	900,000,000.00	4.29
2. PT Alphen Internasional Corporindo	100	100,000,000.00	0.48
3. The Company	20,000	20,000,000,000.00	95.24
<b>Total Issued and Paid-Up Capital</b>	21,000	21,000,000,000.00	100
<b>Total Shares in Portfolio</b>	59,000	59,000,000,000.00	

### Management and Supervision

Pursuant the Deed of Minutes of Extraordinary General Meeting of Shareholders of PBP No. 56 dated December 22, 2015, drawn up before Veronica Indrawati, S.H., a Notary in South Tangerang City, PBP's latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

Commissioner : Vicky Taslim

#### Director

Director : Djonny Taslim

### Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the PBP's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.



## Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total assets	776.7	757.9	439.6	430.0
Total Liabilities	369.2	371.4	316.0	335.2
Total Equity	407.5	386.6	123.6	94.8

## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016	2016	2015	2014
Net Sales	879.4	849.4	1,388.3	1,186.8	882.1
Cost of Sales	810.8	782.6	1,335.7	1,151.6	858.6
Gross Profit	68.5	66.8	52.6	35.2	23.5
Operating Income	36.9	46.4	23.1	2.8	11.2
Net Profit for the year	22.1	32.8	6.2	1.2	7.1
Total Comprehensive Income for the Year	21.0	252.3	150.9	1.3	7.0

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, increased by Rp18.8 billion or 2.48% from Rp757.9 billion as of December 31, 2016, to Rp776.7 billion as of June 30, 2017. The increase was driven by an increase in advances for procurement of inventory by Rp19.8 billion or 184.07% and an increase in inventories by Rp11.0 billion or 5.92%.

Liabilities as of June 30, 2017, decreased by Rp2.2 billion or 0.59% from Rp371.4 billion as of December 31, 2016, to Rp369.2 billion as of June 30, 2017. The increase was driven by a decrease in bank loans by Rp31.1 billion or 7.73% and trade payables to third parties by Rp28.7 billion or 32.68%.

Equity as of June 30, 2017, increased by Rp21.0 billion or 5.43% from Rp386.6 billion as of December 31, 2016, to Rp407.5 billion as of June 30, 2017. The increase was driven by an increase in unappropriated retained earnings by Rp21.9 billion or 17.02%.

### The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015

Assets as of December 31, 2016, increased by Rp318.4 billion or 72.43% from Rp439.6 billion as of December 31, 2015, to Rp757.9 billion as of December 31, 2016. The increase was driven by an increase in inventory by Rp75.7 billion or 68.40% and an increase in fixed assets by Rp239.4 billion or 379.76%.

Liabilities as of December 31, 2016, increased by Rp55.4 billion or 17.53% from Rp316.0 billion as of December 31, 2015, to Rp371.4 billion as of December 31, 2016. The decrease was driven by an increase in bank loans by Rp33.2 billion or 24.42% and an increase in trade payables to third parties by Rp51.9 billion or 144.87%.

Equity as of December 31, 2016, increased by Rp263.0 billion or 212.79% from Rp123.6 billion as of December 31, 2015, to Rp386.6 billion as of December 31, 2016. The increase was mainly driven by surplus on revaluation of fixed assets by Rp221.8 billion and an increase in retained earnings by Rp28.7 billion or 28.72%.

**The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, increased by Rp9.6 billion or 2.23% from Rp430.0 billion as of December 31, 2014, to Rp439.6 billion as of December 31, 2015. The increase was driven by an increase in inventories by Rp34.1 billion or 44.51%.

Liabilities as of December 31, 2015, decreased by Rp19.2 billion or 5.73% from Rp335.2 billion as of December 31, 2014, to Rp316.0 billion as of December 31, 2015. The decrease was driven by a decrease in bank loans by Rp58.6 billion or 30.11%.

Equity as of December 31, 2015, increased by Rp28.8 billion or 30.37% from Rp94.8 billion as of December 31, 2014, to Rp123.6 billion as of December 31, 2015. The increase was driven by an increase in issued and paid-up capital by Rp20.0 billion or 2,000% and an increase in retained earnings by Rp7.7 billion or 8.28%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp29.9 billion or 3.52% from Rp849.4 billion for the 6-month (six-month) period ended June 30, 2016, to Rp879.4 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in sales of local products by Rp49.0 billion or 6.31%.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp28.2 billion or 3.60% from Rp782.6 billion for the 6-month (six-month) period ended June 30, 2016, to Rp810.8 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in plastic ore cost of sales by Rp20.1 billion or 3.01%.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp10.7 billion or 32.65% from Rp32.8 billion for the 6-month (six-month) period ended June 30, 2016, to Rp22.1 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by a decrease in other income by Rp6.5 billion or 48.77%.



### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp201.5 billion or 16.98% from Rp1,186.8 billion for the year ended December 31, 2015, to Rp1,388.3 billion for the year ended December 31, 2016. The increase was driven by an increase in sales of local products by Rp269.3 billion or 19.63%.

Cost of sales for the year ended December 31, 2016, increased by Rp184.1 billion or 15.99% from Rp1,151.6 billion for the year ended December 31, 2015, to Rp1,335.7 billion for the year ended December 31, 2016. The increase was driven by an increase in raw material used by Rp145.3 billion or 162.77% and an increase in purchases of finished goods by Rp32.4 billion or 47.19%.

Profit for the year ended December 31, 2016, increased by Rp5.0 billion or 416.67% from Rp1.2 billion for the year ended December 31, 2015, to Rp6.2 billion for the year ended December 31, 2016. The increase was driven by an increase of gross profit as a result of an increase in sales.

### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp304.7 billion or 34.54% from Rp882.1 billion for the year ended December 31, 2014, to Rp1,186.8 billion for the year ended December 31, 2015. The increase was driven by an increase in sales, especially domestic sales.

Cost of sales for the year ended December 31, 2015, increased by Rp293.0 billion or 34.13% from Rp858.6 billion for the year ended December 31, 2014, to Rp1,151.6 billion for the year ended December 31, 2015. The increase was driven by an increase in plastic ore cost of sales by Rp293.1 billion or 34.14%.

Profit for the year ended December 31, 2015, decreased by Rp5.9 billion or 83.10% from Rp7.1 billion for the year ended December 31, 2014, to Rp1.2 billion for the year ended December 31, 2015. The increase was driven by an increase in general and administrative expenses and other expenses.

## **Indirectly Owned Subsidiaries**

### **8. 4. PT Panca Buana Plasindo ("PBUAP")**

#### **Brief History**

PBUAP, domiciling in Tangerang, is a limited liability company established by virtue of and is subject to the prevailing laws and regulations in the Republic of Indonesia. PBUAP was established by virtue of the Deed of a Establishment of a Limited Liability Company, PBUAP No. 1 dated March 8, 2006, as amended by the Deed of Amendment to the Deed of Establishment of a Limited Liability Company, PBUAP, No. 06 dated May 26, 2008, both of which were drawn up before Evawani, S.H., a Notary in Tangerang. The aforementioned deed was approved by the Minister of Justice of the Republic of Indonesia ("MoLHR") by virtue of Decree No. AHU-53185.AH.01.01.Tahun 2009 dated November 3, 2009, and registered in the Company Register in accordance with the Law of the Republic of Indonesia No. 40 of 2007 dated August 16, 2017, concerning Limited Liability Companies ("Company Law") under No. AHU-0072387.AH.01.09.Tahun 2009 dated November 3, 2009 ("**Deed of Establishment**").

From the Date of Establishment until the date of issuance of this Prospectus, there are no amendments to PBUAP'S Articles of Association, whereas PBUAP's most recent Articles of Association is stipulated in the Deed of Establishment.

PBUAP is domiciled at Jl. Mesjid No. 142 Dusun V Paya Geli Village, Sunggal District, Deli Serdang, North Sumatra.

#### **Aims, Objectives and Business Activities**

The aims and objectives of PBUAP as set forth in Article 3 of PBUAP's Articles of Association, which are stipulated in the Deed of Amendment to the Deed of Establishment of a Limited Liability Company of PBUAP No. 06 dated May 26, 2008, drawn up before Evawani, S.H., a Notary in Tangerang, are to engage in industry, trade, agri-business, mining, construction, service, telecommunication, printing, workshop, and ground transportation.

PBUAP's current business activities are production and distribution.

### Capital Structure and Shareholder Composition

Up to the issuance of this Prospectus, the latest capital structure and shareholder composition of PBUAP pursuant to the Deed of Amendment to the Deed Establishment of a Limited Liability Company, Panca Buana, No. 06 dated May 26, 2008, drawn up before Evawani, S.H., a Notary in Tangerang, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	<b>1,000</b>	<b>1,000,000,000</b>	
<b>Issued and Paid-Up Capital</b>			
1. PT Panca Budi Pratama	499	499,000,000	99.80
2. Vicky Taslim	1	1,000,000	0.20
<b>Total Issued and Paid-Up Capital</b>	<b>500</b>	<b>500,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	<b>500</b>	<b>500,000,000</b>	

### Management and Supervision

Pursuant to the Deed of Meeting Resolutions No. 09 dated March 23, 2015, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, PBUAP's latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

Commissioner : Emiyanti

#### Director

Director : Hendra Ong

### Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the PBUAP's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

## Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total Assets	31.5	31.1	14.1	11.6
Total Liabilities	19.5	19.2	12.0	9.5
Total Equity	11.9	11.8	2.1	2.1

## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016*	2016	2015	2014
Net Sales	48.2	41.6	86.9	79.1	75.9
Cost of Sales	44.3	37.9	77.7	75.2	72.6
Gross Profit	3.9	3.6	9.3	3.9	3.3
Operating Income	1.2	1.7	4.3	0.6	0.7
Net Profit for the year	0.4	1.2	2.5	(0.1)	0.1
Comprehensive Income (Loss)	0.1	1.1	6.6	0.0	0.0

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, increased by Rp0.4 billion or 1.30% from Rp31.1 billion as of December 31, 2016, to Rp31.5 billion as of June 30, 2017. The increase was driven by an increase in trade receivables from third parties by Rp1.3 billion or 14.89%, consisting of outstanding receivables from customers, which was in line with the increase in net sales. The increase was also driven by an increase in fixed assets by Rp0.6 billion or 7.96%.

Liabilities as of June 30, 2017, increased by Rp0.3 billion or 1.70% from Rp19.2 billion as of December 31, 2016, to Rp19.5 billion as of June 30, 2017. The decrease was driven by an increase in bank loans by Rp3.1 billion or 38.73% and an increase in trade payables to related parties by Rp5.1 billion or 643.74%. Such increase was compensated by a decrease in payables to related parties by Rp7.3 billion or 99.75%.

Equity as of June 30, 2017, increased by Rp0.4 billion or 1.30% from Rp31.1 billion as of December 31, 2016, to Rp31.5 billion as of June 30, 2017. The increase was driven by an increase in retained earnings by Rp0.4 billion or 9.78%.

### The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015

Assets as of December 31, 2016, increased by Rp17.0 billion or 120.44% from Rp14.1 billion as of December 31, 2015, to Rp31.1 billion as of December 31, 2016. The increase was driven by an increase in fixed assets by Rp5.9 billion or 354.90%, an increase in inventories by Rp5.4 billion or 66.94% and an increase in trade receivables by Rp5.1 billion or 145.24%.

Liabilities as of December 31, 2016, increased by Rp7.2 billion or 60.31% from Rp12.0 billion as of December 31, 2015, to Rp19.2 billion as of December 31, 2016. The decrease was driven by an increase in payables to related parties by Rp7.3 billion and bank loans by Rp4.5 billion or 128.10%.

Equity as of December 31, 2016, increased by Rp9.7 billion or 463.32% from Rp2.1 billion as of December 31, 2015, to Rp11.8 billion as of December 31, 2016. The increase was driven by a surplus in revaluation of fixed assets by Rp4.1 billion, an increase in retained earnings by Rp2.5 billion or 176.11% and additional paid-in capital as a result of tax amnesty of Rp3.1 billion.

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**The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, increased by Rp2.5 billion or 21.09% from Rp11.6 billion as of December 31, 2014, to Rp14.1 billion as of December 31, 2015. The increase was driven by an increase in trade receivables by Rp1.7 billion or 77.69% and an increase in fixed assets by Rp0.6 billion or 58.74%.

Liabilities as of December 31, 2015, increased by Rp2.4 billion or 25.33% from Rp9.5 billion as of December 31, 2014, to Rp12.0 billion as of December 31, 2015. The increase was driven by an increase in trade payables to related parties by Rp2.2 billion or 45.34%.

Equity as of December 31, 2015, increased by Rp0.0 billion or 1.52% from Rp2.1 billion as of December 31, 2014, to Rp2.1 billion as of December 31, 2015. The increase was driven by an increase in other comprehensive income by Rp0.1 billion or 118.70%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp6.7 billion or 16.10% from Rp41.6 billion for the 6-month (six-month) period ended June 30, 2016, to Rp48.2 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in sales as a result of the management's successful implementation of marketing strategies.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp6.4 billion or 16.91% from Rp37.9 billion for the 6-month (six-month) period ended June 30, 2016, to Rp44.3 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in purchases of finished goods by Rp6.1 billion.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp0.8 billion or 66.58% from Rp1.2 billion for the 6-month (six-month) period ended June 30, 2016, to Rp0.4 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in general and administrative expenses by Rp0.7 billion or 40.12% and an increase in marketing expenses by Rp0.6 billion or 118.43%.

**The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp7.9 billion or 9.93% from Rp79.1 billion for the year ended December 31, 2015, to Rp86.9 billion for the year ended December 31, 2016. The increase was driven by an increase in sales as a result of the management's successful implementation of marketing strategies.

Cost of sales for the year ended December 31, 2016, increased by Rp2.5 billion or 3.27% from Rp75.2 billion for the year ended December 31, 2015, to Rp77.7 billion for the year ended December 31, 2016. The increase was driven by an increase in direct labor by Rp2.4 billion or 72.22% and an increase in cost of goods manufactured by Rp1.6 billion or 43.63%. However, raw material used decreased due to a decrease in raw material price.

Profit for the year ended December 31, 2016, increased by Rp2.6 billion or 4,216.25% from Rp(0.1) billion for the year ended December 31, 2015, to Rp2.5 billion for the year ended December 31, 2016. The increase was driven by an increase in gross profit by Rp5.4 billion or 139.74%, which was driven by an increase in net sales that was higher than an increase in cost of sales.

**The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp3.2 billion or 4.252% from Rp75.9 billion for the year ended December 31, 2014, to Rp79.1 billion for the year ended December 31, 2015. The increase was driven by an increase in sales to third parties as a result of the management's successful implementation of marketing strategies.

Cost of sales for the year ended December 31, 2015, increased by Rp2.6 billion or 3.62% from Rp72.6 billion for the year ended December 31, 2014, to Rp75.2 billion for the year ended December 31, 2015. The increase was driven by an increase in raw material purchases by Rp2.7 billion or 4.06%.

Profit for the year ended December 31, 2015, decreased by Rp0.1 billion or 206.51% from Rp0.1 billion for the year ended December 31, 2014, to Rp(0.1) billion for the year ended December 31, 2015. The increase was driven by an increase in general and administrative expenses by Rp0.2 billion or 9.29% and an increase in current tax expenses by Rp0.1 billion or 105.16%.

## **8. 5. PT Sekarnusa Kreasi Indonesia ("SKI")**

### **Brief History**

SKI was established and is carrying out its activities by virtue of the prevailing laws and regulations in the Republic of Indonesia, and is domiciled in Karanganyar, Surakarta, pursuant to the Deed of Establishment of a Limited Liability Company, SKI, No. 19 dated February 27, 1989, drawn up before Cornelia Juanda Tanuraharja, S.H., a Notary in Surakarta, which was approved by the Minister of Justice of the Republic of Indonesia ("MoJ") by virtue of Decree No. C2-6339 HT.01.01.Th.90 dated December 3, 1990, and was registered in the Administrative office of Karanganyar District Court under No. 16 dated December 13, 1990. The Deed of a Establishment of a Limited Liability Company, SKI, No. 19 dated February 27, 1989, drawn up before Cornelia Juanda Tanuraharja, S.H., a Notary in Surakarta, which was subsequently amended by the Deed of Amendment No. 14 dated October 29, 1990, drawn up before Cornelia Juanda Tanuraharja, S.H., a Notary in Surakarta, which was approved by the MoJ by virtue of Decree No. C2-6339 HT.01.01.Th.90 dated December 3, 1990, which was registered in the Administration Office of Karanganyar District Court under No. 17 dated December 13, 1990, and announced in the State Gazette of the Republic of Indonesia ("SGRI") No. 11 dated February 7, 1995, and Supplement No. 1076 ("Deed of Establishment").

From the date of the Deed of Establishment up to the date of issuance of this Prospectus, SKI's Articles of Association have been amended several times, the latest amendment of which is stipulated in the Deed of Minutes Meeting No. 02 dated June 6, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, as re-affirmed by the Deed of Minutes of Meeting of SKI No. 07 dated July 21, 2009, drawn up before Evawani, S.H., a Notary in Tangerang City, which was approved by the Minister of Law and Human Rights pursuant to the Decree of Minister of Law and Human Rights No. AHU-44153.AH.01.02.Tahun 2009 dated September 8, 2009, and registered in the Company Register in accordance with the Company Law under No. AHU-0059006.AH.01.09.Tahun 2009 dated September 8, 2009, and announced in the State Gazette of the Republic of Indonesia No. 67 dated August 20, 2010, and Supplement No. 13063.

SKI is domiciled at Jaten KM 9.6, Jaten Village, Jaten District, Karanganyar Regency.

### **Aims, Objectives and Business Activities**

SKI's aims and objectives pursuant to PBP's Articles of Association stipulated in the Deed of Minutes of Meeting of SKI No. 07 dated July 21, 2009, drawn up before Evawani, S.H., a Notary in Tangerang., which was approved by the Minister of Law and Human Rights by virtue of the Minister of Law and Human Rights Decree No. AHU-44153.AH.01.02.Tahun 2009 dated September 8, 2009, and was registered in the Company Register under No. AHU-0059006.AH.01.09.Tahun 2009 dated September 8, 2009, and announced in the State Gazette of the Republic of Indonesia ("SGRI") No. 67 dated August 20, 2010, and Supplement No. 13063, are to engage in industry, trade, agri-business, mining, construction, service, telecommunication, printing, workshop, and ground transportation.

PBN's current business activities are the manufacturing and distribution of Plastic Bags.

### **Capital Structure and Shareholder Composition**

Up to the date of issuance of this Prospectus, SKI's capital structure and shareholder composition as stipulated in the Deed of Minutes of Meeting of SKI No. 02 dated June 6, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, as re-affirmed by the Deed of Minutes of Meeting of SKI No. 07 dated July 21, 2009, drawn up before Evawani, S.H., a Notary in Tangerang City, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	2,000	2,000,000,000.00	
<b>Issued and Paid-Up Capital</b>			
1. PT Pancabudi Pratama	1,990	1,990,000,000.00	99.50
2. Rudy Hartono	10	10,000,000.00	0.50
<b>Total Issued and Paid-Up Capital</b>	2,000	2,000,000,000.00	<b>100.00</b>
<b>Total Shares in Portfolio</b>	-	-	

### Management and Supervision

Pursuant to the Deed of Meeting Resolutions of SKI No. 01 dated October 2, 2015, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, SKI's latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

President Commissioner : Robby Taslim  
Commissioner : Rudy Hartono

#### Director

Director : Kartidjan Sentosa

### Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the SKI's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

### Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total Assets	157.3	163.8	66.7	62.7
Total Liabilities	41.3	58.8	52.9	56.6
Total Equity	116.0	105.0	13.8	6.1



## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016*	2016	2015	2014
Net Sales	160.2	149.4	299.2	253.9	98.3
Cost of Sales	128.2	123.3	244.3	219.6	89.0
Gross Profit	32.0	26.2	55.0	34.3	9.3
Operating Income	17.5	11.8	23.6	12.9	3.4
Net Profit for the year	12.5	8.2	16.6	7.5	1.7
Comprehensive Income (Loss)	11.0	81.0	87.8	7.8	1.6

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, decreased by Rp6.5 billion or 3.95% from Rp163.8 billion as of December 31, 2016, to Rp157.3 billion as of June 30, 2017. The decrease was driven by a decrease in trade receivables from related parties by Rp9.7 billion or 81.83%.

Liabilities as of June 30, 2017, decreased by Rp17.5 billion or 29.76% from Rp58.7 billion as of December 31, 2016, to Rp41.3 billion as of June 30, 2017. The decrease was driven by a decrease in bank loans by Rp11.5 billion or 45.93%.

Equity as of June 30, 2017, increased by Rp11.0 billion or 10.48% from Rp105.0 billion as of December 31, 2016, to Rp116.0 billion as of June 30, 2017. The increase was driven by an increase in retained earnings by Rp12.5 billion or 44.22%.

### The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015

Assets as of December 31, 2016, increased by Rp97.1 billion or 145.62% from Rp66.7 billion as of December 31, 2015, to Rp163.8 billion as of December 31, 2016. The increase was driven by an increase in fixed assets by Rp76.8 billion or 626.91%.

Liabilities as of December 31, 2016, increased by Rp5.9 billion or 11.14% from Rp52.8 billion as of December 31, 2015, to Rp58.7 billion as of December 31, 2016. The decrease was driven by an increase in post-employment benefit liabilities by Rp2.0 billion or 57.01% and an increase in accrued expenses by Rp1.0 billion or 79.40%.

Equity as of December 31, 2016, increased by Rp91.2 billion or 659.48% from Rp13.8 billion as of December 31, 2015, to Rp105.0 billion as of December 31, 2016. The increase was mainly driven by a surplus on revaluation of fixed assets of Rp71.7 billion and an increase in retained earnings by Rp16.6 billion or 141.66%.

### The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014

Assets as of December 31, 2015, increased by Rp4.0 billion or 6.33% from Rp62.7 billion as of December 31, 2014, to Rp66.7 billion as of December 31, 2015. The increase was driven by prepaid taxes, which amounted to Rp2.8 billion.

Liabilities as of December 31, 2015, decreased by Rp3.8 billion or 6.71% from Rp56.6 billion as of December 31, 2014, to Rp52.8 billion as of December 31, 2015. The decrease was driven by a decrease in trade payables by Rp4.3 billion or 24.75%.

Equity as of December 31, 2015, increased by Rp7.8 billion or 128.18% from Rp6.1 billion as of December 31, 2014, to Rp13.8 billion as of December 31, 2015. The increase was driven by an increase in retained earnings by Rp7.5 billion or 175.78%.

## **Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

### **The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp10.7 billion or 7.19% from Rp149.4 billion for the 6-month (six-month) period ended June 30, 2016, to Rp160.2 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in sales to third parties by Rp11.9 billion or 9.65%.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, increased by Rp4.9 billion or 4.00% from Rp123.3 billion for the 6-month (six-month) period ended June 30, 2016, to Rp128.2 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in purchases of finished goods by Rp14.1 billion or 37.22%.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, increased by Rp4.4 billion or 53.41% from Rp8.2 billion for the 6-month (six-month) period ended June 30, 2016, to Rp12.5 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by an increase in net sales.

### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp45.4 billion or 17.87% from Rp253.9 billion for the year ended December 31, 2015, to Rp299.2 billion for the year ended December 31, 2016. The increase was driven by an increase in sales to related parties by Rp15.0 billion or 40.48%.

Cost of sales for the year ended December 31, 2016, increased by Rp24.7 billion or 11.25% from Rp219.6 billion for the year ended December 31, 2015, to Rp244.3 billion for the year ended December 31, 2016. The increase was driven by an increase in purchases of finished goods by Rp30.9 billion or 57.79%.

Profit for the year ended December 31, 2016, increased by Rp9.1 billion or 121.63% from Rp7.5 billion for the year ended December 31, 2015, to Rp16.6 billion for the year ended December 31, 2016. The decrease was driven by an increase in gross profit by Rp20.7 billion or 60.27%, which was compensated by an increase in marketing expenses by Rp6.3 billion or 97.70% and general and administrative expenses by Rp6.0 billion or 38.51%.

### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp22.4 billion or 9.65% from Rp231.5 billion for the year ended December 31, 2014, to Rp253.9 billion for the year ended December 31, 2015.

Cost of sales for the year ended December 31, 2015, increased by Rp14.6 billion or 7.13% from Rp205.0 billion for the year ended December 31, 2014, to Rp219.6 billion for the year ended December 31, 2015. The increase was driven by an increase in purchases of finished goods by Rp15.7 billion or 41.68%.

Profit for the year ended December 31, 2015, increased by Rp3.2 billion or 74.53% from Rp4.3 billion for the year ended December 31, 2014, to Rp7.5 billion for the year ended December 31, 2015. The increase was driven by an increase in net sales.

## **8. 6. PT Polypack Indo Meyer ("PIM")**

### **Brief History**

PIM, domiciling in Tangerang City, is a limited liability company established by virtue of and is subject to the prevailing laws and regulations in the Republic of Indonesia. PBUAP was established by virtue of the Deed of a Establishment of a Limited Liability Company, PIM, No. 02 dated July 21, 2009, drawn up before Evawani, S.H., a Notary in Tangerang., The aforementioned deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia ("MoLHR") by virtue of Decree No. C-08669 HT.01.01.TH.2006 dated March 24, 2006, and registered in the Company Register in accordance with the Law of the Republic of Indonesia No. 3 of 1982 concerning Mandatory Company



Registration (“**Mandatory Registration Law**”) under the Certificate of Company Registration (*Tanda Daftar Perusahaan*, “**TDP**”) No. 300612503094 at the Company Register of Central Jakarta Municipality under No. 0883/BHT/8006/IV/2006 dated March 6, 2007 (“**Deed of Establishment**”).

From the date of the Deed of Establishment up to the date of issuance of this Prospectus, PIM’s Articles of Association have been amended several times, the latest amendment of which is stipulated in the Deed of Minutes Meeting of PIM No. 08 dated May 27, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, which stipulated the approval of PIM’s shareholders to amend the provisions of PIM’s Articles of Association in its entirety to conform to the Law of the Republic of Indonesia No. 40 of 2007 dated August 16, 2017, concerning Limited Liability Companies (“**Company Law**”). The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-53782.AH.01.02.Tahun 2008 dated August 21, 2008, and registered in the Company Register in accordance with the Company Law under No. AHU-0074025.AH.01.09.Tahun 2008 dated August 21, 2008.

PIM is domiciled at Jl. K.H. Agus Salim No. 17 RT.002/RW.005, Poris Plawad Sub-District, Cipondoh District, Tangerang City.

### Aims, Objectives and Business Activities

PIM’s aims and objectives pursuant to PIM’s Articles of Association stipulated in the Deed of Minutes of Meeting of PIM No. 08 dated May 27, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, are to engage in industry and trade.

PIM’s current business activities are the manufacturing and distribution of plastic bags.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, PIM’s capital structure and shareholder composition as stipulated in the Deed of Minutes of Meeting of PIM No. 08 dated May 27, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	3,000	3,000,000,000	
<b>Issued and Paid-Up Capital</b>			
1. PT Panca Budi Pratama	999	999,000,000	99.90
2. Rudy Hartono	1	1,000,000	0.10
<b>Total Issued and Paid-Up Capital</b>	1,000	1,000,000,000	100.00
<b>Total Shares in Portfolio</b>	2,000	2,000,000,000	

### Management and Supervision

Based on the Deed of the Meeting Resolutions of PIM No. 09 dated August 9, 2017, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, PIM’s latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

Commissioner : Emiyanti

#### Director

Director : Vicky Taslim

### Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the PIM’s Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-

month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

### Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total Assets	22.3	28.8	39.3	46.8
Total Liabilities	16.6	24.0	37.2	41.7
Total Equity	5.8	4.8	2.1	5.1

### Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016*	2016	2015	2014
Net Sales	24.6	44.9	83.1	82.4	98.0
Cost of Sales	22.5	40.9	75.8	82.8	93.1
Gross Profit	2.1	4.0	7.3	(0.3)	4.9
Operating Income	0.2	1.3	2.5	(4.1)	3.7
Net Profit for the year	0.8	1.3	1.0	(3.4)	1.6
Total Comprehensive Income (Loss) for the Year	0.9	3.1	2.8	(3.1)	1.6

\*unaudited

### Discussions and Analysis on Statements of Financial Position

#### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, decreased by Rp6.5 billion or 22.56% from Rp28.8 billion as of December 31, 2016, to Rp22.3 billion as of June 30, 2017. The decrease was driven by a decrease in inventories by Rp4.5 billion or 39.80%.

Liabilities as of June 30, 2017, decreased by Rp7.4 billion or 30.97% from Rp24.0 billion as of December 31, 2016, to Rp16.6 billion as of June 30, 2017. The decrease was driven by a decrease in bank loans by Rp5.7 billion or 31.00%.

Equity as of June 30, 2017, increased by Rp0.9 billion or 19.10% from Rp4.8 billion as of December 31, 2016, to Rp5.8 billion as of June 30, 2017. The increase was driven by an increase in retained earnings by Rp0.8 billion or 59.08%.

#### The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015

Assets as of December 31, 2016, decreased by Rp10.4 billion or 26.61% from Rp39.3 billion as of December 31, 2015, to Rp28.8 billion as of December 31, 2016. The decrease was driven by a decrease in other receivables from related parties by Rp10.9 billion or 74.39%.

Liabilities as of December 31, 2016, decreased by Rp13.2 billion or 35.53% from Rp37.2 billion as of December 31, 2015, to Rp24.0 billion as of December 31, 2016. The increase was driven by a decrease in bank loans by Rp4.2 billion or 18.43% and a decrease in trade payables to related parties by Rp10.6 billion or 94.96%.

Equity as of December 31, 2016, increased by Rp2.8 billion or 133.37% from Rp2.1 billion as of December 31, 2015, to Rp4.8 billion as of December 31, 2016. The increase was mainly driven by a surplus on revaluation of fixed assets of Rp1.6 billion and an increase in retained earnings by Rp1.0 billion or 268.10%.

**The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, decreased by Rp7.5 billion or 16.09% from Rp46.8 billion as of December 31, 2014, to Rp39.3 billion as of December 31, 2015. The decrease was driven by a decrease in trade receivables from related parties by Rp3.5 billion or 19.51% and an increase in fixed assets by Rp3.4 billion or 43.67%.

Liabilities as of December 31, 2015, decreased by Rp4.5 billion or 10.70% from Rp41.7 billion as of December 31, 2014, to Rp37.2 billion as of December 31, 2015. The decrease was driven by a decrease in bank loans by Rp9.9 billion or 30.43%, which was compensated by an increase in trade payables to third parties by Rp6.6 billion or 145.93%.

Equity as of December 31, 2015, decreased by Rp3.1 billion or 59.69% from Rp5.1 billion as of December 31, 2014, to Rp2.1 billion as of December 31, 2015. The decrease was driven by a decrease in retained earnings by Rp3.4 billion or 90.05%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp20.3 billion or 45.19% from Rp44.9 billion for the 6-month (six-month) period ended June 30, 2016, to Rp24.6 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in sales to third parties.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp18.4 billion or 45.01% from Rp40.9 billion for the 6-month (six-month) period ended June 30, 2016, to Rp22.5 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in raw material used by Rp14.4 billion or 45.35%.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp0.5 billion or 40.09% from Rp1.3 billion for the 6-month (six-month) period ended June 30, 2016, to Rp0.8 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by a decrease in net sales.

**The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp0.7 billion or 0.83% from Rp82.4 billion for the year ended December 31, 2015, to Rp83.1 billion for the year ended December 31, 2016. The increase was driven by an increase in sales to third parties.

Cost of sales for the year ended December 31, 2016, decreased by Rp7.0 billion or 8.47% from Rp82.8 billion for the year ended December 31, 2015, to Rp75.8 billion for the year ended December 31, 2016. The decrease was driven by a decrease in raw material used by Rp4.4 billion or 6.95%.

Profit for the year ended December 31, 2016, increased by Rp4.4 billion or 129.62% from a Loss for the year of Rp3.4 billion for the year ended December 31, 2015, to a profit for the year of Rp1.0 billion for the year ended December 31, 2016. The increase was driven by a decrease in cost of sales, combined with an increase in other income by Rp2.6 billion or 113.68%.

**The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, decreased by Rp15.6 billion or 15.86% from Rp98.0 billion for the year ended December 31, 2014, to Rp82.4 billion for the year ended December 31, 2015.

Cost of sales for the year ended December 31, 2015, decreased by Rp10.3 billion or 11.09% from Rp93.1 billion for the year ended December 31, 2014, to Rp82.8 billion for the year ended December 31, 2015. The decrease was driven by a decrease in raw material used by Rp10.6 billion or 14.41%.

Profit for the year ended December 31, 2015, decreased by Rp5.0 billion or 307.33% from Rp1.6 billion for the year ended December 31, 2014, to Rp(3.4) billion for the year ended December 31, 2015. The increase was driven by a decrease in net sales.

## 8.7. PT Prima Bhakti Pratama ("PBHP")

### Brief History

PBHP was established and is carrying out its activities by virtue of the prevailing laws and regulations in the Republic of Indonesia, and is domiciled in Tangerang, pursuant to the Deed of Establishment of a Limited Liability Company, PBHP, No. 2 dated December 9, 2004, drawn up before Martina, S.H. a Notary in Surakarta, which was approved by the Minister of Law and Human Rights of the Republic of Indonesia ("MoLHR") by virtue of Decree No. C-07048HT.01.01.TH2005, dated March 17, 2005 and was announced in the State Gazette of the Republic of Indonesia ("SBRI") No. 34 dated April 29, 2005, and Supplement No. 4291 ("Deed of Establishment").

From the date of the Deed of Establishment up to the date of issuance of this Prospectus, PBHP's Articles of Association have been amended several times, the latest amendment of which is stipulated in the Deed of Minutes Meeting of PBHP No. 05 dated January 5, 2012, drawn up before Evawani, S.H., a Notary in Tangerang City, which stipulated the approval of the re-affirmation of the Resolutions of GMS stipulated in the Deed of Minutes of Meeting No. 07 dated July 26, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, and the Deed of Minutes of Meeting No. 06 dated May 13, 2009, drawn up before Evawani, S.H., a Notary in Tangerang, which was approved by the Minister of Law and Human Rights by virtue of the Minister of Law and Human Rights Decree No. AHU-04123.AH.01.02.Tahun 2012 dated January 25, 2012, and was registered in the Company Register under No. AHU-0006624.AH.01.09.Tahun 2012 dated January 25, 2012.

PBHP is domiciled at Jl. K.H. Agus Salim No. 15, RT002/RW005, Poris Plawad Sub-District, Cipondoh District, Tangerang City.

### Aims, Objectives and Business Activities

PBHP's aims and objectives pursuant to PBHP's Articles of Association stipulated in the Deed of Minutes of Meeting of Prima Bhakti No. 05 dated January 5, 2012, drawn up before Evawani, S.H., a Notary in Tangerang City, are to engage in trade, industry, construction, transportation, agriculture, printing, workshop, mining and service.

PBHP's current business activities are the trading of sacks, plastic tarpaulins, shading nets, and opp-tape.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, PBHP's capital structure and shareholder composition as stipulated in the Deed of Minutes of Meeting of Prima Bhakti No. 05 dated January 5, 2012, drawn up before Evawani, S.H., a Notary in Tangerang City, are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	500	500,000,000	
<b>Issued and Paid-Up Capital</b>			
1. PT Panca Budi Pratama	450	450,000,000.00	90.00
2. Lely Taslim	50	50,000,000.00	10.00
<b>Total Issued and Paid-Up Capital</b>	500	500,000,000.00	<b>100.00</b>
<b>Total Shares in Portfolio</b>	-	-	

## Management and Supervision

Pursuant to the Deed of Meeting Resolutions of Prima Bhakti No. 01 dated April 18, 2017, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, PBHP's latest Board of Commissioners and Board of Directors compositions are as follows:

### Board of Commissioners

Commissioner : Djonny Taslim

### Director

Director : Fenti

## Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the PBHP's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

## Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total Assets	10.9	10.0	6.5	2.5
Total Liabilities	2.3	2.7	2.9	1.6
Total Equity	8.6	7.3	3.6	0.9

## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016*	2016	2015	2014
Net Sales	8.4	10.4	19.6	18.6	12.1
Cost of Sales	6.0	6.7	13.2	13.5	10.5
Gross Profit	2.4	3.7	6.4	5.0	1.6
Net Profit for the year	1.3	2.0	3.3	2.7	0.2
Total Comprehensive Income (Loss) for the Year	1.3	2.0	3.2	2.7	0.2

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, increased by Rp0.9 billion or 9.32% from Rp10.0 billion as of December 31, 2016, to Rp10.9 billion as of June 30, 2017. The increase was driven by an increase in trade receivables from related parties by Rp6.0 billion or 70,517.65%, which was compensated by a decrease in cash and cash equivalents by Rp4.2 billion or 64.86% and a decrease in inventories by Rp0.5 billion or 20.02%.

Liabilities as of June 30, 2017, decreased by Rp0.4 billion or 13.72% from Rp2.7 billion as of December 31, 2016, to Rp2.3 billion as of June 30, 2017. The decrease was driven by a decrease in accrued expenses by Rp0.2 billion or 93.12% and taxes payable by Rp0.3 billion or 70.00%.

Equity as of June 30, 2017, increased by Rp1.3 billion or 17.94% from Rp7.3 billion as of December 31, 2016, to Rp8.6 billion as of June 30, 2017. The increase was driven by an increase in retained earnings by Rp1.3 billion or 20.28%.

**The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015**

Assets as of December 31, 2016, increased by Rp3.5 billion or 52.95% from Rp6.5 billion as of December 31, 2015, to Rp10.0 billion as of December 31, 2016. The increase was driven by an increase in cash and cash equivalents by Rp1.9 billion or 41.09% and an increase in prepaid expenses by Rp1.3 billion or 124.09%.

Liabilities as of December 31, 2016, decreased by Rp0.2 billion or 6.45% from Rp2.9 billion as of December 31, 2015, to Rp2.7 billion as of December 31, 2016. The decrease was driven by a decrease in trade payables to third parties by Rp0.3 billion or 16.03% and a decrease in taxes payable by Rp0.3 billion or 37.13%.

Equity as of December 31, 2016, increased by Rp3.7 billion or 100.60% from Rp3.6 billion as of December 31, 2015, to Rp7.3 billion as of December 31, 2016. The increase was driven by an increase in retained earnings by Rp3.3 billion or 102.53%.

**The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, increased by Rp4.0 billion or 159.85% from Rp2.5 billion as of December 31, 2014, to Rp6.5 billion as of December 31, 2015. The increase was driven by an increase in cash and cash equivalents by Rp3.8 billion or 468.63%.

Liabilities as of December 31, 2015, increased by Rp1.3 billion or 85.26% from Rp1.6 billion as of December 31, 2014, to Rp2.9 billion as of December 31, 2015. The decrease was driven by an increase in taxes payable by Rp0.7 billion or 1,378.41% and an increase in trade payables to third parties by Rp0.6 billion or 43.35%.

Equity as of December 31, 2015, increased by Rp2.7 billion or 283.79% from Rp0.9 billion as of December 31, 2014, to Rp3.6 billion as of December 31, 2015. The increase was driven by an increase in retained earnings by Rp2.7 billion or 584.75%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp2.0 billion or 19.14% from Rp10.4 billion for the 6-month (six-month) period ended June 30, 2016, to Rp8.4 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in sales to third parties by Rp2.0 billion or 18.71%.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp0.7 billion or 10.88% from Rp6.7 billion for the 6-month (six-month) period ended June 30, 2016, to Rp6.0 billion for the 6-month (six-month) period ended June 30, 2017.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp0.7 billion or 35.65% from Rp2.0 billion for the 6-month (six-month) period ended June 30, 2016, to Rp1.3 billion for the 6-month (six-month) period ended June 30, 2017. The increase was driven by a decrease in net sales.



### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp1.0 billion or 5.56% from Rp18.6 billion for the year ended December 31, 2015, to Rp19.6 billion for the year ended December 31, 2016. The increase was driven by an increase in sales to third parties by Rp1.3 billion or 7.52%.

Cost of sales for the year ended December 31, 2016, decreased by Rp0.4 billion or 2.73% from Rp13.5 billion for the year ended December 31, 2015, to Rp13.2 billion for the year ended December 31, 2016.

Profit for the year ended December 31, 2016, increased by Rp0.6 billion or 22.23% from Rp2.7 billion for the year ended December 31, 2015, to Rp3.3 billion for the year ended December 31, 2016. The increase was mainly driven by a significant increase in net sales and a decrease in cost of sales.

### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp6.5 billion or 53.80% from Rp12.1 billion for the year ended December 31, 2014, to Rp18.6 billion for the year ended December 31, 2015.

Cost of sales for the year ended December 31, 2015, increased by Rp3.1 billion or 29.51% from Rp10.5 billion for the year ended December 31, 2014, to Rp13.5 billion for the year ended December 31, 2015. The increase was driven by an increase in purchase of finished goods by Rp3.3 billion or 33.06%.

Profit for the year ended December 31, 2015, increased by Rp2.5 billion or 1,112.26% from Rp0.2 billion for the year ended December 31, 2014, to Rp2.7 billion for the year ended December 31, 2015. The increase was driven by an increase in net sales.

## **8. 8. PT Axis Global Integrasi ("Axis")**

### **Brief History**

Axis, domiciling in Tangerang City, is a limited liability company established by virtue of and is subject to the prevailing laws and regulations in the Republic of Indonesia. Axis was established by virtue of the Deed of a Establishment of a Limited Liability Company, Axis, No. 06 dated December 20, 2006, drawn up before Evawani, S.H., a Notary in Tangerang. The aforementioned deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia ("MoLHR") by virtue of Decree No. W29-00315 HT.01.01-TH.2007 dated February 23, 2007, and registered in the Company Register in accordance with the Law of the Republic of Indonesia No. 3 of 1982 concerning Mandatory Company Registration ("Mandatory Registration Law") under the Certificate of Company Registration (*Tanda Daftar Perusahaan*, "TDP") No. 090515155773 at the Company Register of Central Jakarta Municipality under No. 688 BH.09-05/III/2007 dated March 27, 2007.

From the date of the Deed of Establishment up to the date of issuance of this Prospectus, Axis's Articles of Association have been amended several times, the latest amendment of which is stipulated in the Deed of Minutes Meeting of Axis No. 05 dated March 20, 2014, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, which stipulated the approval of Axis' shareholders on: (i) the amendment of Article 1 and (ii) Article 3 of Axis' Articles of Association. The aforementioned Deed was approved by the Minister of Law and Human Rights by virtue of Decree No. AHU-00096.40.20.2014 dated April 1, 2014, and received and recorded in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights by virtue of the Receipt of Notification of Changes in Company Data of Axis No. AHU-00207.40.22.2014 dated April 1, 2014, and was registered in the Company Register in accordance with the Company Law under No. AHU-0021682.40.80.2016 dated April 1, 2014.

Axis is domiciled at Kawasan Pusat Niaga Terpadu, Jl. Daan Mogot Km.19.6, Blok FF8N, Poris Jaya Sub-District, Batu Ceper District, Tangerang City.

### **Aims, Objectives and Business Activities**

The aims and objectives of Axis as set forth in Article 3 of Axis' Articles of Association, which are stipulated in the Deed of Amendment to the Deed of Establishment of a Limited Liability Company of Axis No. 05 dated March 20, 2014, drawn

up before Esther, S.H., M.Kn., a Notary of Serang Regency, are to engaged in construction, trade, industry, agriculture, publishing and printing, transportation, workshop, and services.

Since April 1, 2017, Axis was inactive in carrying out its business activities.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, Axis' capital structure is as stipulated in the Deed of Minutes of Meeting of Axis No. 01 dated April 1, 2008, drawn up before Evawani, S.H., a Notary in Tangerang City, which was approved by the Minister of Law and Human Rights pursuant to the Decree No. AHU-45985.AH.01.02.Tahun 2008 dated July 29, 2008, and registered in the Company Register in accordance with the Company Law under No. AHU-0064823.AH.01.09.tahun 2008 dated July 29, 2008, and Axis' shareholder composition is as stipulated in the Deed of Axis Meeting Resolutions No. 08 dated December 8, 2012, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, the deed of which was received and recorded in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights pursuant to the Receipt of Notification of Changes in Company Data dated February 4, 2013, which was registered in the Company Register in accordance with the Company Law under No. AHU-0007384.AH.01.09.Tahun 2013 dated February 4, 2013, Axis' capital structure and shareholder composition are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	625	625,000,000	
<b>Issued and Paid-Up Capital</b>			
1. PT Sekarnusa Kreasi Indonesia	615	615,000,000	98.40
2. Rudy Hartono	10	10,000,000	1.60
<b>Total Issued and Paid-Up Capital</b>	<b>625</b>	<b>625,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	-	-	

### Management and Supervision

Based on the Deed of the Meeting Resolutions of Axis No. 05 dated March 20, 2014, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, Axis' latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

Commissioner : Citra Dharma

#### Director

Director : Nana Sulistyana

### Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the Axis' Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.



## Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total assets	0.1	0.7	1.4	1.3
Total Liabilities	3.0	3.6	4.7	5.9
Total Equity	(2.9)	(2.9)	(3.3)	(4.6)

## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016*	2016	2015	2014
Net Sales	0.4	2.7	4.6	6.1	1.6
Cost of Sales	0.3	2.1	3.9	4.4	1.0
Gross Profit	0.0	0.6	0.6	1.7	0.7
Operating Income	(0.0)	0.4	0.3	1.3	0.6
Net Profit for the year	(0.0)	0.4	0.2	1.3	0.6
Comprehensive Income (Loss)	(0.0)	0.4	0.2	1.3	0.6

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, decreased by Rp0.6 billion or 91.12% from Rp0.7 billion as of December 31, 2016, to Rp0.1 billion as of June 30, 2017. The decrease was driven by a decrease in trade receivables, inventory, prepaid expenses, prepaid taxes and fixed assets by 100.00%.

Liabilities as of June 30, 2017, decreased by Rp0.6 billion or 15.56% from Rp3.6 billion as of December 31, 2016, to Rp3.0 billion as of June 30, 2017. The decrease was driven by a decrease in trade payables by Rp0.2 billion or 100% and a decrease in payables to related parties by Rp0.3 billion or 9.09%.

Equity deficit as of June 30, 2017, decreased by Rp0.0 billion or 1.67% from Rp2.9 billion as of December 31, 2016, to Rp2.9 billion as of June 30, 2017. The increase was driven by an increase in deficit by Rp0.0 billion or 1.31%.

### The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015

Assets as of December 31, 2016, decreased by Rp0.7 billion or 52.66% from Rp1.4 billion as of December 31, 2015, to Rp0.7 billion as of December 31, 2016. The decrease was driven by a decrease in other receivables from third parties by Rp0.9 billion or 94.20%.

Liabilities as of December 31, 2016, decreased by Rp1.1 billion or 23.61% from Rp4.7 billion as of December 31, 2015, to Rp3.6 billion as of December 31, 2016. The decrease was driven by a decrease in payables to related parties by Rp1.0 billion or 23.91%.

Equity deficit as of December 31, 2016, decreased by Rp0.4 billion or 11.18% from Rp3.3 billion as of December 31, 2015, to Rp2.9 billion as of December 31, 2016. The decrease was driven by a decrease in deficit by Rp0.2 billion or 4.89% and additional paid-in capital from tax amnesty of Rp0.2 billion.

### The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014

Assets as of December 31, 2015, increased by Rp0.1 billion or 7.71% from Rp1.3 billion as of December 31, 2014, to Rp1.4 billion as of December 31, 2015. The increase was driven by an increase in trade receivables from third parties by Rp0.2 billion or 18.39%.

Liabilities as of December 31, 2015, decreased by Rp1.2 billion or 20.77% from Rp5.9 billion as of December 31, 2014, to Rp4.7 billion as of December 31, 2015. The decrease was driven by a decrease in other payables from related parties by Rp0.9 billion or 17.19%.

Equity deficit as of December 31, 2015, decreased by Rp1.3 billion or 28.82% from Rp4.6 billion as of December 31, 2014, to Rp3.3 billion as of December 31, 2015. The increase was driven by an increase in retained earnings by Rp1.3 billion or 25.36%.

#### **Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

##### **The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp2.3 billion or 85.97% from Rp2.7 billion for the 6-month (six-month) period ended June 30, 2016, to Rp0.4 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in sales as a result of the suspension of operation in April 2017.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp1.7 billion or 83.82% from Rp2.1 billion for the 6-month (six-month) period ended June 30, 2016, to Rp0.3 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was in line with the suspension of production process and the stoppage of raw material used.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp0.5 billion or 111.59% from Rp0.4 billion for the 6-month (six-month) period ended June 30, 2016, to Rp(0.0) billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in net sales, which resulted in a decrease in gross profit.

##### **The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, decreased by Rp1.5 billion or 25.04% from Rp6.1 billion for the year ended December 31, 2015, to Rp4.6 billion for the year ended December 31, 2016. The decrease was driven by a decrease in sales as a result of Axis' plan to suspend operations.

Cost of sales for the year ended December 31, 2016, decreased by Rp0.5 billion or 10.71% from Rp4.4 billion for the year ended December 31, 2015, to Rp3.9 billion for the year ended December 31, 2016. The decrease was driven by a decrease in raw material used by Rp4.4 billion or 9.62%.

Profit for the year ended December 31, 2016, decreased by Rp1.1 billion or 85.61% from Rp1.3 billion for the year ended December 31, 2015, to Rp0.2 billion for the year ended December 31, 2016. The decrease was driven by a decrease in net sales.

##### **The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, increased by Rp4.5 billion or 272.04% from Rp1.6 billion for the year ended December 31, 2014, to Rp6.1 billion for the year ended December 31, 2015. The increase was driven by an increase in domestic sales to third parties.

Cost of sales for the year ended December 31, 2015, increased by Rp3.5 billion or 362.24% from Rp1.0 billion for the year ended December 31, 2014, to Rp4.4 billion for the year ended December 31, 2015. The increase was driven by an increase in raw material purchases by Rp2.6 billion or 251.23%.

Profit for the year ended December 31, 2015, increased by Rp0.8 billion or 133.94% from Rp0.6 billion for the year ended December 31, 2014, to Rp1.3 billion for the year ended December 31, 2015. The increase was driven by an increase in net sales.

## 8.9. PT Reka Mega Inti Pratama ("RMIP")

### Brief History

RMIP is a limited liability company established, and is carrying out its activities by virtue of the prevailing laws and regulations in the Republic of Indonesia, and is domiciled in Tangerang. RMIP was established based on the Deed of Establishment of a Limited Liability Company No. 01 dated February 8, 2007, as amended by the Deed of Amendment to the Deed of Establishment No. 09 dated October 31, 2007, both of which were drawn up before Evawani, S.H., a Notary in Tangerang. The aforementioned deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia ("MoLHR") by virtue of Decree No. C-07274 HT.01.01-TH.2007 dated December 18, 2007 ("Deed of Establishment").

From the Deed of Establishment up to the date of issuance of this Prospectus, there are no amendments to RMIP's Articles of Association.

RMIP is domiciled at Jl. K.H. Agus Salim No. 15 RT.002/RW.005, Poris Plawad Sub-District, Cipondoh District, Tangerang City.

### Aims, Objectives and Business Activities

RMIP's aims and objectives pursuant to RMIP's Articles of Association are as stipulated in the Deed No. 09 dated October 31, 2007, drawn up before Evawani, S.H., a Notary in Tangerang City, are to engage in agri-business, general trade, industry, procurement of goods, transportation, mining, construction, services, telecommunication, printing, and interior design.

RMIP's current business activities are distribution of Plastic Bags.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, RMIP's latest capital structure and shareholder composition as stipulated in the Deed of Establishment are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	1,000	1,000,000,000	
<b>Issued and Paid-Up Capital</b>			
1. PT Sekamusa Kreasi Indonesia	999	999,000,000	99.90
2. Vicky Taslim	1	1,000,000	0.10
<b>Total Issued and Paid-Up Capital</b>	<b>1,000</b>	<b>1,000,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	-	-	

### Management and Supervision

Based on the Deed of the Meeting Resolutions of RMIP No. 04 dated August 2, 2017, drawn up before Esther, S.H., M.Kn., a Notary in Serang Regency, RMIP's latest Board of Commissioners and Board of Directors compositions are as follows:

#### Board of Commissioners

Commissioner : Vicky Taslim

#### Director

Director : Thomas Torana

The terms of office of RMIP's Board of Directors and Board of Commissioners have expired, and up to the issuance of this prospectus, RMIP has not re-appointed the members of RMIP's Board of Directors and Board of Commissioners.

## Key Financial Highlights

The figures in the key financial highlights presented below have been prepared based on the figures derived from, and must be read in conjunction with, the RMIP's Financial Statements for the 6-month (six-month) period ended June 30, 2017 and 2016, and the years ended December 31, 2016, 2015, and 2014. The financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

## Statements of Financial Position

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015	2014
Total assets	27.2	38.2	31.9	35.7
Total Liabilities	10.4	23.9	21.1	28.0
Total Equity	16.8	14.3	10.8	7.7

## Statements of Profit or Loss and Other Comprehensive Income

(In billions of Rupiah)

Description	June 30,		The year ended December 31,		
	2017	2016	2016	2015	2014
Net Sales	62.2	66.6	121.6	121.6	131.7
Cost of Sales	52.1	54.2	100.4	102.6	115.2
Gross Profit	10.1	12.3	21.3	19.0	16.6
Operating Income	3.7	4.7	5.4	5.9	4.8
Net Profit for the year	2.5	3.0	3.7	2.9	2.0
Comprehensive Income (Loss)	2.5	2.9	3.4	3.1	1.7

\*unaudited

## Discussions and Analysis on Statements of Financial Position

### The consolidated statements of financial position as of June 30, 2017, compared to the consolidated statements of financial position as of December 31, 2016

Assets as of June 30, 2017, decreased by Rp11.1 billion or 28.95% from Rp38.2 billion as of December 31, 2016, to Rp27.2 billion as of June 30, 2017. The decrease was driven by a decrease in trade receivables from related parties by Rp10.7 billion or 95.2%.

Liabilities as of June 30, 2017, decreased by Rp13.5 billion or 56.64% from Rp23.9 billion as of December 31, 2016, to Rp10.4 billion as of June 30, 2017. The decrease was driven by a decrease in bank loans by Rp11.9 billion or 100.00%.

Equity as of June 30, 2017, increased by Rp2.5 billion or 17.20% from Rp14.3 billion as of December 31, 2016, to Rp16.8 billion as of June 30, 2017. The increase was driven by an increase in retained earnings by Rp2.5 billion or 18.43%.

### The consolidated statements of financial position as of December 31, 2016, compared to the consolidated statements of financial position as of December 31, 2015

Assets as of December 31, 2016, increased by Rp6.3 billion or 19.78% from Rp31.9 billion as of December 31, 2015, to Rp38.2 billion as of December 31, 2016. The decrease was driven by a decrease in other receivables from related parties by Rp9.7 billion or 607.31%.

Liabilities as of December 31, 2016, increased by Rp2.8 billion or 13.35% from Rp21.1 billion as of December 31, 2015, to Rp23.9 billion as of December 31, 2016. The increase was driven by an increase in related party trade receivables by Rp0.9 billion or 31.64% and an increase in post-employment benefit liabilities by Rp0.9 billion or 50.05%.

Equity as of December 31, 2016, increased by Rp3.5 billion or 32.30% from Rp10.8 billion as of December 31, 2015, to Rp14.3 billion as of December 31, 2016. The increase was driven by an increase in retained earnings by Rp3.7 billion or 37.50%.

**The consolidated statements of financial position as of December 31, 2015, compared to the consolidated statements of financial position as of December 31, 2014**

Assets as of December 31, 2015, decreased by Rp3.8 billion or 10.49% from Rp35.7 billion as of December 31, 2014, to Rp31.9 billion as of December 31, 2015. The decrease was driven by a decrease in trade receivables from third parties by Rp1.4 billion or 9.75% and a decrease in inventories by Rp1.5 billion or 18.86%.

Liabilities as of December 31, 2015, decreased by Rp6.9 billion or 24.60% from Rp28.0 billion as of December 31, 2014, to Rp21.1 billion as of December 31, 2015. The decrease was driven by a decrease in bank loans by Rp3.0 billion or 19.95% and a decrease in trade payables to related parties by Rp2.0 billion or 65.22%.

Equity as of December 31, 2015, increased by Rp3.1 billion or 40.77% from Rp7.7 billion as of December 31, 2014, to Rp10.8 billion as of December 31, 2015. The increase was driven by an increase in unappropriated retained earnings by Rp2.9 billion or 42.37%.

**Discussions and Analysis of the Statements of Profit or Loss and Other Comprehensive Income**

**The 6-month (six-month) period ended June 30, 2017, compared to the 6-month (six-month) period ended June 30, 2016**

Net sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp4.4 billion or 6.58% from Rp66.6 billion for the 6-month (six-month) period ended June 30, 2016, to Rp62.2 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in sales to third parties.

Cost of sales for the 6-month (six-month) period ended June 30, 2017, decreased by Rp2.2 billion or 4.00% from Rp54.2 billion for the 6-month (six-month) period ended June 30, 2016, to Rp52.1 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in raw material used by Rp4.8 billion or 12.69%.

Net profit for the year for the 6-month (six-month) period ended June 30, 2017, decreased by Rp0.5 billion or 16.85% from Rp3.0 billion for the 6-month (six-month) period ended June 30, 2016, to Rp2.5 billion for the 6-month (six-month) period ended June 30, 2017. The decrease was driven by a decrease in net sales.

**The Year Ended December 31, 2016, compared to the Year Ended December 31, 2015**

Net sales for the year ended December 31, 2016, increased by Rp0.0 billion or 0.06% from Rp121.6 billion for the year ended December 31, 2015, to Rp121.6 billion for the year ended December 31, 2016. The increase was driven by an increase in sales to third parties.

Cost of sales for the year ended December 31, 2016, decreased by Rp2.2 billion or 2.18% from Rp102.6 billion for the year ended December 31, 2015, to Rp100.4 billion for the year ended December 31, 2016. The decrease was driven by a decrease in purchases of finished goods by Rp1.7 billion or 11.75% and an increase in finished goods inventory at the end of the year by Rp1.0 billion or 32.24%.

Profit for the year ended December 31, 2016, increased by Rp0.8 billion or 26.01% from Rp2.9 billion for the year ended December 31, 2015, to Rp3.7 billion for the year ended December 31, 2016. The increase was driven by a decrease in cost of sales resulting in an increase in gross profit by Rp2.3 billion or 12.16% and a decrease in financial costs by Rp1.4 billion or 70.79%.

**The Year Ended December 31, 2015, compared to the Year Ended December 31, 2014**

Net sales for the year ended December 31, 2015, decreased by Rp10.2 billion or 7.72% from Rp131.7 billion for the year ended December 31, 2014, to Rp121.6 billion for the year ended December 31, 2015. The decrease was driven by a decrease in sales to third parties.

Cost of sales for the year ended December 31, 2015, decreased by Rp12.6 billion or 10.91% from Rp115.2 billion for the year ended December 31, 2014, to Rp102.6 billion for the year ended December 31, 2015. The decrease was driven by a decrease in purchases of finished goods by Rp9.8 billion or 40.05%.

Profit for the year ended December 31, 2015, increased by Rp0.9 billion or 42.71% from Rp2.0 billion for the year ended December 31, 2014, to Rp2.9 billion for the year ended December 31, 2015. The increase was driven by a decrease in cost of sales that was steeper than the decrease in net sales.

## 8. 10. PT Panca Budi Sejahtera ("PBS")

### Brief History

PBS, is a limited liability company established, and is carrying out its activities by virtue of the prevailing laws and regulations in the Republic of Indonesia, and is domiciled in Karanganyar Regency. PBS was established by the Deed of Establishment of the Limited Liability Company, PBS, No. 06 dated May 20, 2013, drawn up before Laurensia Maria Srijani, S.H., a Notary in Sukoharjo. The aforementioned deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia ("MoLHR") by virtue of Decree No. AHU-17519.AH.01.01.Tahun 2014 dated August 20, 2014, and was registered in the Company Register under No. AHU-0037586.AH.01.09.Tahun 2014 dated August 20, 2014, in accordance with the Law of the Republic of Indonesia No. 3 of 1982 concerning Mandatory Company Registration ("Mandatory Registration Law") under the Certificate of Company Registration (*Tanda Daftar Perusahaan*, "TDP") No. 113414600606 dated April 20, 2015, signed by the Head of the Integrated Licensing Service Agency of Karanganyar Regency, as the Head of Company Register Office under the name of Karanganyar Regent ("Deed of Establishment").

From the Deed of Establishment up to the date of issuance of this Prospectus, there are no amendments to PBS' Articles of Association.

PBS is domiciled at Jl. Jaten KM (.6, Jaten Village, Jaten District, Karanganyar Regency, Central Java

### Aims, Objectives and Business Activities

PBS' aims, objectives and business activities pursuant to PBS' Articles of Association stipulated in its Deed of Establishment are to engage in trade, contractor, industry, husbandry, plantation, forestry, and transportation.

As of the date of issuance of this Prospectus, PBS is not yet operational.

### Capital Structure and Shareholder Composition

Up to the date of issuance of this Prospectus, PBS' latest capital structure and shareholder composition as stipulated in the Deed of Establishment are as follows:

Description	Total Shares	Nominal Value of Rp1,000,000 per share	(%)
<b>Authorized Capital</b>	1,000	1,000,000,000	
<b>Issued and Paid-Up Capital</b>			
PT Sekarnusa Kreasi Indonesia	990	990,000,000	99.00
Djonny Taslim	10	10,000,000	1.00
<b>Total Issued and Paid-Up Capital</b>	<b>1,000</b>	<b>1,000,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	-	-	

## Management and Supervision

Pursuant to the Deed of Establishment, PBS' latest Board of Commissioners and Board of Directors compositions are as follows:

### Board of Commissioners

Commissioner : Rudy Hartono

### Director

Director : Kartidjan Sentosa

## Key Financial Highlights

As of the date of issuance of this Prospectus, PBS has not started its commercial operation, therefore its financial statements are not yet available.

## 9. DESCRIPTION OF THE COMPANY'S FIXED ASSETS

As of the date of issuance of this Prospectus, the Company and its Subsidiaries owned the following fixed assets:

### THE COMPANY

No.	Location	Proof of Ownership	Expiry Date	Area (M <sup>2</sup> )	Description
1.	Kebon Besar Village, Batuceper District, Tangerang Regency, Banten Province	SHGB No. 85	September 30, 2041	1,668	Pledged as collaterals to PT Bank Central Asia Tbk
2.	Kebon Besar Village, Batuceper District, Tangerang Regency, Banten Province	SHGB No. 86	September 30, 2041	1,221	Pledged as collaterals to PT Bank Central Asia Tbk
3.	Kebon Besar Village, Batuceper District, Tangerang Regency, Banten Province	SHGB No. 87	September 30, 2041	2,708	Pledged as collaterals to PT Bank Central Asia Tbk

### SUBSIDIARIES

No.	Location	Proof of Ownership	Expiry Date	Area (M <sup>2</sup> )	Description
<b>PIH</b>					
1.	Rawa Arum Village, Pulo Merak District, Cilegon Regency, Banten Province	SHGB No. 22/Rawa Arum	September 24, 2026	34,929	Pledged as collaterals to PT Bank Central Asia Tbk
2.	Rawa Arum	SHGB No.	Friday, March 3,	22,945	Pledged as collaterals to PT Bank Central Asia Tbk



No.	Location	Proof of Ownership	Expiry Date	Area (M2)	Description
	Village, Pulo Merak District, Serang Regency, West Java Province	6/Rawa Arum	2034		
<b>SKI</b>					
3.	Jaten Village, Jaten District, Karanganyar Regency, Central Java	SHGB No. 2491/Jaten	December 10, 2033	15,121	
4.	Jaten Village, Jaten District, Karanganyar Regency, Central Java	SHGB No. 1594/Jaten	January 2, 2025	2,120	
<b>PBP</b>					
5.	Tangerang	SHGB No. 694/Kebon Besar	June 1, 2025	1,134	Pledged as collaterals to PT Bank Central Asia Tbk
6.	Jl. Holis No. 438 Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java.	SHGB No. 340/Caringin	July 18, 2044	363	Pledged as collaterals to PT Bank Central Asia Tbk
7.	Jl. Holis No. 438 Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java.	SHGB No. 341/Caringin	July 18, 2044	705	Pledged as collaterals to PT Bank Central Asia Tbk
8.	Jl. Holis No. 438 Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java.	SHGB No. 342/Caringin	July 18, 2044	1,174	Pledged as collaterals to PT Bank Central Asia Tbk
9.	Jl. Holis No. 438 Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java.	SHGB No. 343/Caringin	July 18, 2044	1,165	Pledged as collaterals to PT Bank Central Asia Tbk
10.	Jalan Erlangga No.7-9, Sidokare Sub-District, Sidoarjo District, Sidoarjo Regency, East Java	SHGB No. 1601/Sidokare	September 19, 2025	8,500	Pledged as collaterals to PT Bank Central Asia Tbk
11.	Jalan Warung	SHGB	October 18, 2024	430	Pledged as collaterals to PT Bank Central Asia Tbk



No.	Location	Proof of Ownership	Expiry Date	Area (M2)	Description
	Gantung No. 83 Q, Kalideres Sub-District, West Jakarta	No.8359/Kalideres			
12.	Jalan Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta	SHGB No.3063/Kalideres	September 4, 2035	1,160	Pledged as collaterals to PT Bank Central Asia Tbk
13.	Jalan Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta	SHGB No. 63/Kebon Besar	August 5, 2033	11,770	Pledged as collaterals to PT Bank Central Asia Tbk
14.	Jalan Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta	SHGB No. 100/Kebon Besar	October 1, 2042	420	Pledged as collaterals to PT Bank Central Asia Tbk
15.	Pasir Jaya Sub-District, Jatiuwung District, Tangerang City, Banten Province	SHGB No. 408/Pasirjaya	June 12, 2043	4,265	Pledged as collaterals to PT Bank Central Asia Tbk
16.	Pasir Jaya Sub-District, Jatiuwung District, Tangerang Municipality, Banten Province	SHGB No. 407/Pasirjaya	June 12, 2043	3,150	Pledged as collaterals to PT Bank Central Asia Tbk
17.	Porisgaga Baru Sub-District, Batuceper District, Tangerang Regency, Banten Province	SHGB No. 224/Porisgaga Baru	February 27, 2038	1,800	Pledged as collaterals to PT Bank Central Asia Tbk
18.	Daan Mogot Raya Warehouse District, Integrated Retail Center Blok FF/8N, AE, AF and AI, Jl. Daan Mogot Raya Km. 19,6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten	SHGB No. 292/Poris Jaya	May 31, 2032	225	Pledged as collaterals to PT Bank Central Asia Tbk

No.	Location	Proof of Ownership	Expiry Date	Area (M2)	Description
<b>PBN</b>					
19.	Buran Village, Tasikmadu District, Karanganyar Regency, Central Java Province	SHGB No. 00240/Buran	June 5, 2047	9,405	

## 10. INSURANCE

Up to the issuance of this Prospectus, the Company and its Subsidiaries have insured substantially all of its fixed assets with sufficient sum insured against risks that may arise. The sum insured is sufficient to cover losses that may arise.

Presented below is the summary of insurance policies carried by the Company and its Subsidiaries, where the Company and its Subsidiaries are the Insured:

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
1.	10101300048200000201703	PT Asuransi Dayin Mitra Tbk	The Company	<i>Machineries in the premises and those that are owned by the Insured Party, and used by the Insured Party to carry out its business at the following address: Jl. Warung Gantung No. 83 Q, RT.003/006 Kalideres, West Jakarta and/or Jl. Warung Gantung No. 83/RT.004/004. Kebon Besar Sub-District, Batu Ceper District, Tangerang For plastic manufacturing.</i>	Property/ Industry All Risk	2,100,000,000	February 21, 2017 up to February 21, 2018
2.	10101300048000000201703	PT Asuransi Dayin Mitra Tbk	The Company	<i>Raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and used for business purposes at the following locations: Jl. Warung Gantung No. 83 Q, RT.003/006 Kalideres, West Jakarta and/or Jl. Warung Gantung No. 83/RT.004/004. Kebon Besar</i>	Property/ Industry All Risk	1,500,000,000	February 21, 2017 up to February 21, 2018

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
3.	10101300048100000201703	PT Asuransi Dayin Mitra Tbk	The Company	Sub-District, Batu Ceper District, Tangerang Raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and used for business purposes at the following locations: Jl. Warung Gantung No. 83 Q, RT.003/006 Kalideres, West Jakarta and/or Jl. Warung Gantung No. 83/RT.004/004. Kebon Besar Sub-District, Batu Ceper District, Tangerang	Property/ Industry All Risk	300,000,000	February 21, 2017 up to February 21, 2018
4.	10101300229000000201612/ Property	PT Asuransi Dayin Mitra Tbk	The Company	Raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and used for business purposes at the following locations: Jl. Warung Gantung No. 83 Q, RT.003/006 Kalideres, West Jakarta and/or Jl. Warung Gantung No. 83/RT.004/004. Kebon Besar Sub-District, Batu Ceper District, Tangerang	Property/ Industry All Risk	8,000,000,000	December 20, 2016 up to December 20, 2017
5.	10101300078900000201704	PT Asuransi Dayin Mitra Tbk	The Company	Raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and	Property/ Industry All Risk	11,000,000,000	April 14, 2017 up to April 14, 2018

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
				used for business purposes at the following locations: Kompleks Industri Benoa Indah, Jl. Arya Kemuning Blok F No. 6, Nambo Jaya Sub-District; Karawaci District, Tangerang			
6.	1010130005880000201703	PT Asuransi Dayin Mitra Tbk	The Company	Raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and used for business purposes.  Sum Insured: Thinner paint inventory, printing equipment in the buildings used as the plastic manufacturing and printing locations.  Locations insured: Jl. Warung Gantung No.83 Q RT 003/006, Kalideres West Java and/or Jl Warung Gantung No.83 Q RT 004/004, Kebon Besar Sub-District, Batu Ceper District, Tangerang	Industrial All Risk Insurance Policy	Rp100,000,000	February 21, 2017 up to February 21, 2018
7.	1010130003660000201702	PT Asuransi Dayin Mitra Tbk	The Company	Plastic inventories (raw materials and finished goods) located in the building occupied as the Company's private warehouse.  Jl. KH. Agus Salim No. 15, Poris Plawad Sub-District, Cipondoh District, Tangerang	Property/ Industry All Risk	287,000,000	January 27, 2017 up to January 27, 2018
8.	1010130003930000201702 concurrently with Policy No. 1010330002820000201702	PT Asuransi Dayin Mitra Tbk	The Company	Machineries, equipment and CCTV, and installation. Location: Jl. KH. Agus	Property/Industrial All Risk Insurance Policy Earthquake	3,860,000,000	January 27, 2017 up to January 27, 2018

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
				Salim No. 15, Poris Plawad Sub-District, Cipondoh District, Tangerang			
9.	1010130022890000201612	PT Asuransi Dayin Mitra Tbk	The Company	Raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and used for business purposes at the following locations: Jl. KH. Agus Salim No. 15, Poris Plawad Sub-District, Cipondoh District, Tangerang	Property/ Industry All Risk	6,500,000,000	December 8, 2016 up to December 8, 2017
10.	10103300034500000201703	PT Asuransi Dayin Mitra Tbk	The Company	All risks of physical accidents or damages of the insured objects, namely, the raw material, materials in progress, finished goods, accessories, and spare parts inventories, inventories sold but not delivered, and various merchandises owned by the Company and used for business purposes. Warung Gantung No. 83 Q, RT.003/006 Kalideres, West Jakarta and/or Jl. Warung Gantung No. 83/RT.004/004. Kebon Besar Sub-District, Batu Ceper District, Tangerang	Earthquake	2,100,000,000	February 21, 2017 up to February 21, 2018
11.	01-82-17-0000 dated January 18, 2017	PT Asuransi Central Asia	PBN	Plastic (PP, HE, HD under Wayang Brand) Inventories at the following location: Jl. Raya Bogor km 31.Cisalak	Property All Risk Insurance	Rp40,000,000,000	January 7, 2017 up to January 7, 2018
12.	10-101-3001981-00000-2017-07	PT Asuransi Dayin Mitra Tbk	PBN	Isuzu TBR 54 Pickup Turbo with License Plate No. B 9292 CCB	Motor Vehicle Insurance Policy	Rp91,000,000	July 7, 2017 up to July 7, 2018
13.	No. 10-300-3002423-00000-2017-08	PT Asuransi Dayin Mitra Tbk	PBN	Toyota Camry 2.4 AT with License Plate No. B 8460	Motor Vehicle Insurance Policy	Rp115,000,000	August 13, 2017 up to August 13, 2018

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
				CM			
14.	No. 010102021100002	PT Asuransi Umum BCA	PBN	Toyota Avanza 1.3 G M/T with License Plate No. B 1849 COE	Motor Vehicle Insurance Policy	Rp203,800,000	October 12, 2016 up to October 12, 2019
15.	No. 21-82-17-001553	PT Asuransi Central Asia	PBN	Toyota Kijang Innova 2.5V AT with License Plate No. B 2053 CP	Motor Vehicle Insurance Policy	Rp230,000,000	March 15, 2017 up to March 15, 2018
16.	No. 21-82-17-003504	PT Asuransi Central Asia	PBN	Suzuki APV GC 415 VSTD MT with License Plate No. B 1702 BFQ	Motor Vehicle Insurance Policy	Rp126,000,000	June 19, 2017 up to June 19, 2018
17.	PSAKBI No. DI0102211702016 as a renewal of Policy No. DI0102211601442	PT Buana Independent	PBN	Honda Vario Motorcycle with License Plate No. B 6451 VMH	Motor Vehicle Insurance Policy	Rp18,000,000	February 9, 2017 up to February 9, 2018
18.	PSAKBI No. DI0102211702048 as a renewal of Policy No. DI0102211601721	PT Buana Independent	PBN	Honda Supra X CW Motorcycle with License Plate No. B 6463 URR	Motor Vehicle Insurance Policy	Rp7,500,000	March 27, 2017 up to March 27, 2018
19.	PSAKBI No. DI010221170629 as a renewal of Policy No. DI0102211606758	PT Buana Independent	PBN	Honda Supra NF 125 STD Motorcycle with License Plate No. B 6337 NTU	Motor Vehicle Insurance Policy	Rp4,000,000	July 18, 2017 up to July 18, 2018
20.	PSAKBI No. DI0102211708171	PT Buana Independent	PBN	Honda Supra X NF12A/CF MT Motorcycle with License Plate No. B 3958 BOK	Motor Vehicle Insurance Policy	Rp2,000,000	September 25, 2017 up to September 25, 2018
21.	10-101-3000262-00000-2017-01	PT Dayin Mitra Tbk	PBP	Plastic ore inventory at the following location: Jl. Daan Mogot Raya Km 19. Blok D No. 8A-D	Property All Risk Insurance Policy	Rp25,000,000,000	January 19, 2017 up to January 19, 2018
22.	10-101-3002260-00000-2016-12	PT Dayin Mitra Tbk	PBP	Plastic ore at the following location: Pergudangan Pedaringan Jl. Kentingan No. 1. Surakarta	Property All Risk Insurance Policy	Rp10,000,000,000	December 8, 2016 up to December 8, 2017
23.	10-101-3000448-00000-2017-02	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Pusat Niaga Terpadu Daan Mogot KM 19.6 Blok FF No.8 AI, Poris Jaya, Batu Ceper, Tangerang 15122	Property All Risk Insurance Policy	Rp743,500,000	February 14, 2017 up to February 14, 2018
24.	10-101-3000450-00000-2017-02	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Pusat Niaga Terpadu Daan Mogot KM 19.6 Blok FF No.8 AF, Poris Jaya, Batu Ceper, Tangerang 15122	Property All Risk Insurance Policy	Rp743,500,000	February 14, 2017 up to February 14, 2018
25.	10-106-3001477-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Kom. Bonavista Residence Jl. Bonavista V No.C1/5	Property All Risk Insurance Policy	Rp871,500,000	December 3, 2016 up to December 3, 2017
26.	10-106-3001478-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Kom. Bonavista Residence Jl. Bonavista V No.C1/17	Property All Risk Insurance Policy	Rp871,500,000	December 3, 2016 up to December 3, 2017
27.	10-106-3001475-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Kom. Bonavista Residence Jl. Bonavista V No.C2/31	Property All Risk Insurance Policy	Rp871,500,000	December 3, 2016 up to December 3, 2017

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
28.	10-106-30001482-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Kom. Bonavista Residence Jl. Bonavista V No.C2/39	Property All Risk Insurance Policy	Rp871,500,000	December 2, 2016 up to December 2, 2017
29.	10-106-30001492-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Kom. Bonavista Residence Jl. Bonavista V No.C2/57	Property All Risk Insurance Policy	Rp871,500,000	December 3, 2016 up to December 3, 2017
30.	10-106-30001479-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBP	Buildings at Kom. Bonavista Residence Jl. Bonavista V No.C2/33	Property All Risk Insurance Policy	Rp871,500,000	December 3, 2016 up to December 3, 2017
31.	01-82-17 concurrently with 01-82-17-000064	PT Asuransi Central Asia	PBP	Buildings at Jl. Raya Holis No. 438, RT001/RW003, Caringin, Bandung Kulon	Earthquake, volcanic eruption and tsunami policy Property All Risk Insurance Policy	Rp3,500,000,000	November 21, 2016 up to November 21, 2017
32.	No. 21-82-17-002441	PT Asuransi Central Asia	PBP	Sedan/JFFP Honda City B 1295 CAA	Motor Vehicle Insurance Policy	Rp165,000,000	May 6, 2017 up to May 6, 2018
33.	No.D10102211707718	PT Asuransi Buana Independent	PBP	Mitshubishi Colt Diesel, Micro Bus B 7047 IC	Motor Vehicle Insurance Policy	Rp160,000,000	
34.	10-101-3000298-00000-2017-02	PT Asuransi Dayin Mitra Tbk	RMIP	Office located at Jl. Kol. Sugiono Sp. Cakrawati No. 12-12A	Property/Industrial All Risk Insurance Policy	Rp218,000,000	January 20, 2017 up to January 20, 2018
35.	10-103-3000209-00000-2017-02	PT Asuransi Dayin Mitra Tbk	RMIP	Office located at Jl. Kol. Sugiono Sp. Cakrawati No. 12-12A	Earthquake Insurance Policy	Rp218,000,000	January 20, 2017 up to January 20, 2018
36.	No. 21-82-17-000512	PT Asuransi Central Asia	RMIP	Daihatsu Granmax 1.5 D ES MT with License Plate No. B 1174 VFV	Motor Vehicle Insurance Policy	Rp92,000,000	January 26, 2017 up to January 26, 2018
37.	No. 21-82-17-004483	PT Asuransi Central Asia	RMIP	Daihatsu Xenia 1.3 VVTI with License Plate No. B 1665 JJ	Motor Vehicle Insurance Policy	Rp75,000,000	August 14, 2017 up to August 14, 2018
38.	No. 21-82-17-004488	PT Asuransi Central Asia	RMIP	Daihatsu Grand Max D 1.5 with License Plate No. B 1911 CD	Motor Vehicle Insurance Policy	Rp90,000,000	August 14, 2017 up to August 14, 2018
39.	No. 21-82-16-006313	PT Asuransi Central Asia	RMIP	Daihatsu Terios TX MT with License Plate No. B 1925 VFM	Motor Vehicle Insurance Policy	Rp130,000,000	December 23, 2016 up to December 23, 2017
40.	No. 21-82-16-006314	PT Asuransi Central Asia	RMIP	Mitsubishi L 300 Colt PU STD with License Plate No. B 9044 VZM	Motor Vehicle Insurance Policy	Rp90,000,000	December 12, 2016 up to December 12, 2017
41.	10-101-3002117-00000-2016-12	PT Asuransi Dayin Mitra Tbk	PBHP	Plastic sacks, opp-tape, waring mono and screen cloth, shading net	Property/Industrial All Risk	Rp4,000,000,000	December 1, 2016 up to December 1, 2017
42.	No. D10102211700427	PT Asuransi Buana Independent	PHBP	Honda CBR B 6763 GHH	Motor Vehicle Insurance Policy	Rp17,000,000	January 19, 2017, up to January 19, 2018.
43.	No. 10-300-3000978-00000-2017-03	PT Asuransi Buana Independent	PHBP	Toyota Avanza B 1891 VFP	Motor Vehicle Insurance Policy	Rp115,000,000	March 18, 2017, up to March 18, 2018.
44.	10-101-3001237-00000-2017-06	PT Asuransi Dayin Mitra Tbk	PIH	Inventory (stock) located at Jl. KH. Agus Salim No.17, RT 002/05 Poris Plawad, Cipondoh District, Tangerang,	Property/Industrial All Risk	Rp13,000,000,000	June 26, 2017 up to June 26, 2018

No.	No. Insurance Policy	Insurer	Insured Party	Insured Object	Type of Insurance Policy	Sum Insured	Insurance Period
Indonesia.							
45.	10-101-3001261-00000-2017-06	PT Asuransi Dayin Mitra Tbk	PIH	Machineries and installations located at Jl. KH. Agus Salim No.17, RT 002/05 Poris Plawad, Cipondoh District, Tangerang, Indonesia.	Property/Industrial All Risk	Machineries Rp4,800,000,000 Installations: Rp800,000,000	June 26, 2017 up to June 26, 2018
46.	10-103-3000683-00000-2017-06	PT Asuransi Dayin Mitra Tbk	PIH	Machineries and installations located at Jl. KH. Agus Salim No.17, RT 002/05 Poris Plawad, Cipondoh District, Tangerang, Indonesia.	Earthquake Insurance Policy	Machineries Rp4,800,000,000 Installations: Rp800,000,000	June 26, 2017 up to June 26, 2018
47.	No. 21-82-16-001758	PT Asuransi Central Asia	Plasindo	Daihatsu Xenia 1,3 M/T (BK 1345 QO)	Motor Vehicle Insurance	Rp126,000,000	May 29, 2017 up to May 29, 2018
48.	No. DF615004020001-00	PT Asuransi MSIG Indonesia	SKI	Toyota Forklift 60-8FD25	Motor Vehicle Insurance	Rp338,800,000	November 30, 2015 up to November 29, 2017
49.	No. 01013021600114	PT Asuransi Bina Dana Arta Tbk.	SKI	Honda BRV Car	Motor Vehicle Insurance	Rp271,000,000	February 5, 2016 up to February 5, 2018
50.	No. SMD/AORF/15-A0592178	PT Asuransi Tokio Marine Indonesia	SKI	Mitsubishi Colt Diesel FE 74 S	Motor Vehicle Insurance	Rp279,000,000	December 7, 2015 up to December 7, 2017

As of the date of issuance of this Prospectus, the Company and the insurance companies are not Affiliated.

## 11. MATERIAL TRANSACTIONS AND AGREEMENTS WITH THIRD PARTIES

In carrying out its business activities, the Company and its Subsidiaries entered into material agreements with third parties to support the Company's operational activities as detailed below:

- i. Deed of Credit Agreement No. 33 dated February 15, 2005, drawn up before Gunawan Tedjo, S.H., M.H., a Notary in Jakarta, as amended several times and was most recently amended by the Deed of Amendment to Credit Agreement No. 272/Add-KCK/2017 dated September 11, 2017, privately drawn up and duly stamped, and signed by PT Bank Central Asia Tbk ("BCA") and the Company (the Company and BCA shall hereinafter be referred to as the "Parties"). BCA agreed to grant the following credit facilities to the Company, consisting of: (a) Local Credit Facility (Current Account) with a maximum limit of Rp2,500,000,000 (two billion five hundred Rupiah); (b) Time Loan Revolving 1 Facility, with a maximum principal of Rp10,000,000,000 (ten billion Rupiah); (c) Multiproduct Credit Facility consisting of Letter of Credit (L/C) and Local L/C (*Surat Kredit Berdokumen Dalam Negeri*, "SKBDN") in the form of Sight, Usance, Usance Payable at Sight (UPAS), Trust Receipt (T/R), Standby Letter of Credit (Standby L/C) Facility, Bank Guarantee facility, and Time Loan Revolving facility, with a maximum principal of Rp175,000,000,000 (one hundred seventy five billion Rupiah). The withdrawal period and/or credit availability period are as follows: (a) Local Credit Facility: effective from December 8, 2016, up to March 12, 2018; (b) Time Loan Revolving 1 Facility: effective from December 8, 2016, up to March 12, 2018; (c) Multiproduct Credit Facility: December 8, 2016, up to March 12, 2018; (d) whereas for Forex lines with sub-limit to the settlement facilities, the credit availability period shall be as stated in the Credit Approval Confirmation Letter (*Surat Pemberitahuan Pemberian Kredit*, "SPPK") provided from time to time by BCA. The securities pledged as collaterals for this Credit Agreement are as follows:
  - 7 plots of land consisting of: (i) a plot of land located at Jl. Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta, (ii) a plot of land located at Jl. Keamanan No. 229, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province, (iii) a plot of land located at Kompleks Kavling DKI, Jl. Putri Bungsu Block 139 Persil No. 1, South Meruya Sub-District, Kembangan District, West Jakarta, (iv) a plot of land located at Jl. Erlangga No. 7-9, Sidokare Sub-District, Sidoarjo District, Sidoarjo Regency, East Java, (v) a plot of land located at Kawasan Industri Titan, Jalan Raya Merak Km 116, Rawa Arum Village, Pulo Merak District, Cilegon Regency, Banten, (vi) a plot of land located at Jl. Holis No. 438, Caringin Sub-District Bandung Kulon District, Bandung Barat



- Regency, West Java, (vii) a plot of land located at Jl. Industri II Blok M No.01, Pasirjaya Sub-District, Jatiuwung District, Tangerang Municipality, Banten Province;
- 4 units of Multipurpose Warehouses/Biz Parks at di Kawasan Pergudangan Daan Mogot Raya, Pusat Niaga Terpadu Blok FF/8N, AE, AF and AI, Jl. Daan Mogot Raya KM 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten;
  - 2 units of 3-story Shophouses/Multipurpose Warehouses at Kawasan Pusat Niaga Terpadu Blok D, Jl. Daan Mogot Raya Km. 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the Company;
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the PBN;
  - Cash collateral under the Company's name.
- The agreement provides a cross-default clause, where and event of default is stipulated as follows: (a) in the event that any party whose debts are secured by the same collaterals and/or personal guarantee and/or corporate guarantee as the Company's collaterals and/or guarantees is declared in default by the Bank; (b) the Company fails to meet its obligations pursuant to other credit agreements or any agreements under any name whatsoever signed by the Company and the Bank or other parties.
- ii. Deed of Credit Agreement No. 32 dated February 15, 2005, drawn up before Drs. Gunawan Tedjo, S.H., M.H., a Notary in Jakarta, as amended several times and was most recently amended by the Deed of Amendment to Credit Agreement No. 271/Add-KCK/2017 dated September 11, 2017, privately drawn up and duly stamped, and signed by PT Bank Central Asia Tbk and PBP. BCA agreed to grant the following credit facilities to PBP, consisting of: (a) Local Credit Facility (Current Account) with a maximum limit of Rp5,000,000,000, valid up to March 12, 2018; (b) Time Loan Revolving 1 Facility, with a maximum limit of Rp15,000,000,000, valid up to March 12, 2018; (c) Multiproduct Credit Facility consisting of Letter of Credit (L/C) and Local L/C (*Surat Kredit Berdokumen Dalam Negeri*, "SKBDN") in the form of Sight, Usance, Usance Payable at Sight (UPAS), Trust Receipt (T/R), Standby Letter of Credit (Standby L/C) Facility, and Time Loan Revolving facility, with a maximum principal of Rp315,000,000,000. All of the above Credit Facilities, with the exception of the Time Loan Revolving Facility, are sub-limit to the Multiproduct Credit Facility, valid up to March 12, 2018. These facilities may also be used by the Company and PBN. BCA also granted the Foreign Exchange (Forex) facility, i.e., foreign exchange trading facilities (for Tod/Tom/Spot and Forward transactions), with a maximum limit of USD5,000,000. The securities pledged as collaterals for this Credit Agreement are as follows:
- 7 plots of land consisting of: (i) a plot of land located at Jl. Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta, (ii) a plot of land located at Jl. Keamanan No. 229, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province, (iii) a plot of land located at Kompleks Kavling DKI, Jl. Putri Bungsu Block 139 Persil No. 1, South Meruya Sub-District, Kembangan District, West Jakarta, (iv) a plot of land located at Jl. Erlangga No. 7-9, Sidokare Sub-District, Sidoarjo District, Sidoarjo Regency, East Java, (v) a plot of land located at Kawasan Industri Titan, Jalan Raya Merak Km 116, Rawa Arum Village, Pulo Merak District, Cilegon Regency, Banten, (vi) a plot of land located at Jl. Holis No. 438, Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java, (vii) a plot of land located at Jl. Industri II Blok M No.01, Pasirjaya Sub-District, Jatiuwung District, Tangerang Municipality, Banten Province;
  - 4 units of Multipurpose Warehouses/Biz Parks at di Kawasan Pergudangan Daan Mogot Raya, Pusat Niaga Terpadu Blok FF/8N, AE, AF and AI, Jl. Daan Mogot Raya KM 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten;
  - 2 units of 3-story Shophouses/Multipurpose Warehouses at Kawasan Pusat Niaga Terpadu Blok D, Jl. Daan Mogot Raya Km. 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten
  - Machineries and equipment owned by the Company;
  - Machineries (including 3-layer machinery financed by Investment Credit Facility-2) and equipment owned by PIH;
  - All inventories in the form of plastic ores owned by PBP, whether those existing or will exist in the future, in any location whatsoever.
  - All inventories in the form of plastic sacks owned by PBN, whether those existing or will exist in the future, in any location whatsoever.
  - All inventories in the form of plastic sacks and plastic ores owned by PIH, whether those existing or will exist in the future, in any location whatsoever, including but not limited to those stored at PIH's plant.
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of PBP, to any party whatsoever;
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the Company;

- All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of PBN;
- Cash collateral under the PBP's name.

The Credit Facility provides a cross-default clause, where an act of default or event of default conducted by other Debtors (the Company and PIH) in fulfilling their obligations pursuant to the Other Debtors' Credit Agreements or credit agreement or any agreement under any other names entered into by the Other Debtors and the Bank and/or other parties constitutes and Event of Default.

- iii. Deed of Credit Agreement No. 157 dated May 24, 2011, drawn up before Drs. Gunawan Tedjo, S.H., M.H., a Notary in Central Jakarta, as amended several times and was most recently amended by the Deed of Amendment to Credit Agreement No. 273/Add-KCK/2017 dated September 11, 2017, privately drawn up and duly stamped, and signed by PT Bank Central Asia Tbk and PBN. BCA agreed to grant the following credit facilities to PBN, consisting of: (a) Local Credit Facility (Current Account) with a maximum limit of Rp5,000,000,000, valid up to March 12, 2018; (b) Time Loan Revolving 1 Facility, with a maximum limit of Rp20,000,000,000, valid up to March 12, 2018; (c) Multiproduct Credit Facility consisting of Letter of Credit (L/C) (in the form of Sight, Usance, Usance Payable at Sight (UPAS), and Local L/C (Surat Kredit Berdokumen Dalam Negeri, "SKBDN") (in the form of Sight and Usance), Trust Receipt (T/R), and Time Loan Revolving facility, with a maximum principal of Rp270,000,000,000, valid up to March 12, 2018; (d) Foreign Exchange (Forex) facility, i.e., foreign exchange trading facilities (for Tod/Tom/Spot and Forward transactions), with a maximum limit of USD3,500,000, where the credit availability period shall be as stated in the Credit Approval Confirmation Letter (*Surat Pemberitahuan Pemberian Kredit*, "SPPK") provided from time to time by BCA. The securities pledged as collaterals for this Credit Agreement are as follows:

- 8 plots of land consisting of: (i) a plot of land located at Jl. Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta, (ii) a plot of land located at Jl. Keamanan No. 229, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province, (iii) a plot of land located at Kompleks Kavling DKI, Jl. Putri Bungsu Block 139 Persil No. 1, South Meruya Sub-District, Kembangan District, West Jakarta, (iv) a plot of land located at Jl. Erlangga No. 7-9, Sidokare Sub-District, Sidoarjo District, Sidoarjo Regency, East Java, (v) a plot of land located at Kawasan Industri Titan, Jalan Raya Merak Km 116, Rawa Arum Village, Pulo Merak District, Cilegon Regency, Banten, (vi) a plot of land located at Jl. Holis No. 438, Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java, (vii) a plot of land located at Jl. Industri II Blok M No.01, Pasirjaya Sub-District, Jatiuwung District, Tangerang Municipality, Banten Province; (8) a plot of land located at Kawasan Industri Blok B No. 01, Jl. Daan Mogot Raya Km 19, Poris Gaga Baru Sub-District, Batu Ceper District, Tangerang City, Banten.
- 4 units of Multipurpose Warehouses/Biz Parks at di Kawasan Pergudangan Daan Mogot Raya, Pusat Niaga Terpadu Blok FF/8N, AE, AF and AI, Jl. Daan Mogot Raya KM 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten
- 2 units of 3-story Shophouses/Multipurpose Warehouses at Kawasan Pusat Niaga Terpadu Blok D, Jl. Daan Mogot Raya Km. 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten
- The Company's machineries and equipment stored/located at the plant located at Jl. Keamanan, Tangerang and/or Jl. Rangkas Bitung, Cikande-Serang, and/or Benoa Indah, and/or those stored/located at any location whatsoever in the future;
- Machineries (including 3-layer machineries financed by Investment Credit Facility 2) and equipment owned by PIH, stored/located at the plant located at Kawasan Industri Titan, and/or those stored/located at any location whatsoever in the future;
- All inventories in the form of plastic ores owned by PBP;
- All inventories in the form of plastic sacks owned by the Company, whether those existing or will exist in the future, in any location whatsoever.
- All inventories in the form of plastic sacks owned by PBN, whether those existing or will exist in the future, in any location whatsoever.
- All inventories in the form of plastic sacks and plastic ores owned by PIH, whether those existing or will exist in the future, in any location whatsoever.
- All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the PBP;
- All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the Company, to any party whatsoever;
- All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of PBN, to any party whatsoever;
- Cash collateral under the PBN's name.

The Company also provides a cross-default clause.

- iv. Deed of Credit Agreement No. 99 dated March 21, 2011, drawn up before Dr. Gunawan Tedjo, S.H., M.H., a Notary in Jakarta, as amended several times and was most recently amended by the Deed of Amendment to Credit Agreement No. 274/Add-KCK/2017 dated September 11, 2017, privately drawn up and duly stamped, and signed by PT Bank Central Asia Tbk and PBP. BCA agreed to grant the following credit facilities to PIH, consisting of: (a) Local Credit Facility (Current Account) with a maximum limit of Rp30,000,000,000 (thirty billion Rupiah), valid up to March 12, 2018; (b) Investment Credit Facility 2, with a maximum principal of Rp10,000,000,000 (ten billion Rupiah), with a sub-limit of Usance Payable At Sight (UPAS) L/C, which has expired (c) Installment Loan Facility 2 with a maximum principal of Rp40,000,000,000.- (forty billion Rupiah), which has expired; (d) Multipurpose Credit Facility consisting of Letter of Credit (L/C) and Local L/C (Surat Kredit Berdokumen Dalam Negeri, "SKBDN") (in the form of Sight, Usance, and Usance Payable At Sight (UPAS)), Standby L/C Facility, and Bank Guarantee Facility, with a maximum limit of Rp52,500,000,000 (fifty two billion five hundred million Rupiah), valid up to March 12, 2018; (e) In addition to the Credit Facilities referred to above, the Bank also grants Foreign Exchange (Forex) facility, i.e., foreign exchange trading facilities (for Tod/Tom/Spot and Forward transactions), with a maximum limit of USD1,000,000 (one million United States Dollar), where the credit availability period shall be as stated in the Credit Approval Confirmation Letter (Surat Pemberitahuan Pemberian Kredit, "SPPK") provided from time to time by BCA to PIH. The securities pledged as collaterals for this Credit Agreement are as follows:
- 7 plots of land consisting of: (i) a plot of land located at Jl. Warung Gantung No. 83 Q, Kalideres Sub-District, West Jakarta, (ii) a plot of land located at Jl. Keamanan No. 229, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province, (iii) a plot of land located at Kompleks Kavling DKI, Jl. Putri Bungsu Block 139 Persil No. 1, South Meruya Sub-District, Kembangan District, West Jakarta, (iv) a plot of land located at Jl. Erlangga No. 7-9, Sidokare Sub-District, Sidoarjo District, Sidoarjo Regency, East Java, (v) a plot of land located at Kawasan Industri Titan, Jalan Raya Merak Km 116, Rawa Arum Village, Pulo Merak District, Cilegon Regency, Banten, (vi) a plot of land located at Jl. Holis No. 438, Caringin Sub-District Bandung Kulon District, Bandung Barat Regency, West Java, (vii) a plot of land located at Jl. Industri II Blok M No.01, Pasirjaya Sub-District, Jatiuwung District, Tangerang Municipality, Banten Province;
  - 4 units of Multipurpose Warehouses/Biz Parks at di Kawasan Pergudangan Daan Mogot Raya, Pusat Niaga Terpadu Blok FF/8N, AE, AF and AI, Jl. Daan Mogot Raya KM 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten
  - 2 units of 3-story Shophouses/Multipurpose Warehouses at Kawasan Pusat Niaga Terpadu Blok D, Jl. Daan Mogot Raya Km. 19.6, Poris Gaga Baru Sub-District (previously Poris Jaya), Batu Ceper District, Tangerang, Banten
  - The Company's machineries and equipment stored/located at the plant located at Jl. Keamanan, Tangerang and/or Jl. Rangkas Bitung, Cikande-Serang, and/or Benoa Indah, and/or those stored/located at any location whatsoever in the future;
  - Machineries (including 3-layer machineries financed by Investment Credit Facility 2) and equipment owned by PIH, stored/located at the plant located at Kawasan Industri Titan, and/or those stored/located at any location whatsoever in the future;
  - All inventories in the form of plastic ores owned by the limited liability company: "PT PANCABUDI PRATAMA", whether those existing or will exist in the future, in any location whatsoever.
  - All inventories in the form of plastic ores and plastic bags owned by the Company, whether those existing or will exist in the future, in any location whatsoever, including but not limited to those stored at Jl. Keamanan and Jl. Rangkas Bitung, and/or Benoa Indah, and/or those stored/located at any location whatsoever in the future;
  - All inventories in the form of plastic ores owned by the limited liability company: "PT PANCA BUDI NIAGA", whether those existing or will exist in the future, in any location whatsoever, including but not limited to those stored at Jl. K.H. Agus Salim and/or those stored/located at any location whatsoever in the future;
  - All inventories in the form of plastic bags and plastic ores owned by the limited liability company: PIH", whether those existing or will exist in the future, in any location whatsoever.
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the limited liability company: "PT PANCABUDI PRATAMA", against any party whatsoever.
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the limited liability company: the Company, against any party whatsoever.
  - All main rights and claims by law that are enforceable and exercisable on existing and future invoices and receivables, or those that become the rights of the limited liability company: "PT PANCA BUDI NIAGA", against any party whatsoever.
  - Cash collateral under the PIH's name.

- v. Deed of Grant of Banking Facility Agreement (Special Terms) No. 42 dated November 19, 2009, drawn up before Lie Na Rimbawan, S.H., a Notary. The Agreement has been amended several times, and the latest amendment was made by the Fifteenth Amendment to the Grant of Credit Facility Agreement No. KK/17/6026/AMD/13/SME dated February 17, 2017, privately drawn up and duly stamped, entered into between RMIP and PT Bank Permata Tbk (**"Permata"**). Permata agreed to grant the following credit facilities to RMIP, consisting of: (1) Overdraft Facility, in the amount of Rp8,000,000,000.-; (2) Revolving Loan Facility 1, in the amount of Rp6,000,000,000, and the Revolving Loan Facility 2 in the amount of Rp6,000,000,000.-, where all the facilities are valid up to November 19, 2017. The securities pledged as collateral under this agreement are the Freehold Title Certificate (SHM) under No. 370 and 371/Aur located at Dewa/Aur Sub-District, Medan Maimum District, Medan, North Sumatra, under the name of Vicky Taslim, and Land and Building under SHGB No. 10 and 139/Paya Geli, Paya Geli Village/Sub-district, Sunggal District, Medan, North Sumatra, under the name of Djonny Taslim. The Company also provides a cross-default clause.
- vi. Deed of Grant of Banking Facility Agreement (Special Terms) No. 41 dated November 19, 2009, drawn up before Lie Na Rimbawan, S.H., a Notary. The Agreement has been amended several times, and the latest amendment was made by the Thirteenth Amendment to the Grant of Credit Facility Agreement No. 12 dated November 2, 2016, drawn up before Edy, S.H., a Notary in Medan, entered into by PT Bank Permata Tbk (**"Permata"**) and PBUAP. Permata agreed to grant credit facilities to PBUAP in the form of Overdraft Facility (**"OD"**): Rp5,000,000,000.-, valid from November 19, 2016, to November 19, 2017; and the Revolving Loan Facility (**"RL"**): Rp10,000,000,000.00, valid from November 2, 2016, to November 19, 2017. The securities pledged as collaterals for this Credit Agreement are as follows: (i) First and Second Degree Mortgage Right on Right to Build Certificate (*Sertifikat Hak Guna Bangunan*, **"SHGB"**) No. 10/Paya Geli and SHGB No. 139/Paya Geli, both of which under the name of Djonny Taslim; (2) First and Second Degree Mortgage Right on Freehold Title Certificate (*Sertifikat Hak Milik*, **"SHM"**) No. 370/Aur and 371/Aur, both of which under the name of Vicky Taslim; (d) Merchandise inventories owned by PT Reka Mega Inti Pratama (**"RMIP"**), whether those existing and/or will exist in the future/owned and acquired by RMIP anywhere whatsoever; (4) Inventories owned by Plasindo, whether those existing and/or will exist in the future/owned and acquired by Plasindo located/store at anywhere whatsoever; (5) Machineries of various models, types and quantity owned by Plasindo, whether those existing and/or will exist in the future/owned and acquired by Plasindo located/store at anywhere whatsoever; and (6) personal guarantee from Mr. Djonny Taslim. The Company also provides a cross-default clause.
- vii. The Deed of Grant of Banking Facility Agreement No. 56 dated October 5, 2010, drawn up before Sjarmeini Sofjan Chandra, S.H., a Notary in Jakarta, which has been amended several times, with the latest amendment stipulated in the Deed of the Eighth Amendment to the Grant of Banking Facility Agreement No. 28 dated February 2, 2017, drawn up before Susanna Tanu, S.H., a Notary in Jakarta, entered into by PT Bank Permata Tbk (**"Permata"**) and PIM. Permata agreed to grant the following credit facilities to PIM, consisting of: (a) OD Facility with an OD Facility Limit of Rp5,000,000,000.00 (five billion Rupiah); (b) RL Facility with a RL facility Limit of USD6,000,000 (six million United States Dollar), with a maximum RL Facility of Rp1,500,000 (one million five hundred thousand United States Dollar), provided that the aggregate use of RL Facility and/or LC Facility and PIF Facility and/or IF Facility and/or SBLC Facility and/or BG Facility and/or CBN Facility shall not exceed USD6,000,000 (six million United States Dollar) at all times. The Overdraft Facility is valid from February 5, 2017, up to November 5, 2017, and the Revolving Loan Facility, which may be utilized jointly with the Invoice Financing and/or Letter of Credit and/or Post-Import Financing and/or Bank Guarantee and/or Stand-By Letter of Credit Facilities are valid from February 5, 2017, up to November 5, 2017. The securities pledged as collaterals for this Credit Agreement are as follows: (1) personal guarantee from Djonny Taslim in the sum equal to the loan principal, interest, penalty and costs that may arise in the future; (2) Inventory owned by PT Sekarnusa Kreasi Indonesia (**"SKI"**) located at SKI's warehouse at Jl. Raya Solo-Tawangmangu KM 9.6, Jaten Village, Jaten District, Karanganyar Regency, Central Java, or other locations approved by the Bank, and inventory owned by PIM located at PIM's warehouse at Jl. Daan Mogot km 19,8 km Kawasan Industri Daan Mogot Blok D No.5 Porisgaga Baru, Batuceper, Tangerang, or other locations approved by the Bank; (3) Receivables owned by SKI, whether those existing or will exist in the future, and Receivables owned by PIM, whether those existing or will exist in the future; (4) Account Blocking under the name of PIM with a maximum value of USD300,000 (three hundred United States Dollar), and (5) Machineries owned by PIM. The Company also provides a cross-default clause.
- viii. The Deed of Grant of Banking Facility Agreement No. 06 dated October 5, 2010, drawn up before Sjarmeini Sofjan Chandra, S.H., a Notary, based on the General Terms and Conditions of Grant of Banking Facility No. SKU/10/747/N/LC dated October 5, 2010, certified as a true copy by Sjarmeini Sofjan Chandra, S.H., a Notary in South Jakarta City under No. 170/Leg/2010 (**"Credit Facility"**), which has been amended several times, with the last amendment stipulated in the Eighth Amendment to the Grant of Banking Facility Agreement No. 18 dated February 2, 2017, drawn up before Susanna Tanu, S.H., a Notary in Jakarta, entered into by SKI and PT Bank Permata Tbk (**"Permata"**). Permata agreed to grant the following credit facilities to SKI, consisting of: (1) Current Account Facility (Overdraft) with a maximum limit of



- Rp20,000,000,000.00 (twenty billion Rupiah); (2) Revolving Loan Facility (“**RL Facility**”) with a maximum limit of Rp5,000,000,000.00 (five billion Rupiah). The OD and RL Facilities are valid from February 5, 2015, up to November 5, 2017. If until the end of the Credit Facility Agreement’s term the Bank has not decided to terminate or extend the term of the Credit Facility Agreement, such term shall be deemed to be automatically rolled over for 3 (three) months effective from the expiry of the Facility Agreement. The securities pledged as collaterals for this Credit Agreement are as follows: (1) Fiduciary lien on inventory owned by SKI located at SKI’s warehouse at Jl. Raya Solo-Tawangmangu KM 9.5, Jaten Village, Jaten District, Karanganyar Regency, Central Java, or other locations approved by the Bank, (ii) Fiduciary lien on inventory owned by PIM located at PIM’s warehouse at Jl. Daan Mogot km 19,8 km Kawasan Industri Daan Mogot Blok D No.5 Porisgaga Baru, Batuceper, Tangerang, or other locations approved by the Bank; (3) Fiduciary lien on Receivables owned by SKI, whether those existing or will exist in the future, and Receivables owned by PIM, whether those existing or will exist in the future; (5) Margin Deposit Guarantee in the form of Account Blocking under the name of PIM in the amount equal to 5% of the L/C opened, account blocking under the name of PIM with a maximum value of USD300,000 (three hundred United States Dollar), and (6) Fiduciary lien on Machineries owned by PIM. The Company also provides a cross-default clause.
- ix. Goods Custody Service Agreement dated November 17, 2016, privately drawn up and duly stamped between PT Benua Samudera Logistics (“**First Party**”) and PBP. Where the aims and objectives of this Agreement is for the First Party to provide custody services, including storage and handling services of plastic ores owned by PBP, located at the First Party’s warehouse at Jl. Pulau Bunaken Kav. A5, KIM 3, Medan, North Sumatra, at a price of Rp2,300.- per sack, excluding tax. The agreement is valid from December 1, 2016 - November 30, 2017. The obligations pursuant to this agreement include the First Party’s obligation to replace any shortage of plastic ores stored at the First Party’s warehouse. The governing law shall be the law of the Republic of Indonesia, and dispute settlement shall be brought before the Medan District Court.
  - x. Innoplus Supply and Purchase Agreement between PT Indo Thai Trading and PT Panca Budi Pratama dated January 1, 2017, privately drawn up and duly stamped. The agreement stipulates the purchase of Polyethylene (produced by PTT Global Chemical Public Company Limited) from the First Party, with a total quantity of 919 MT per month by PBP. The agreement is valid from January 1, 2017 - December 31, 2017, with a contract value equals to: (Average monthly price of the highest weekly spot of HDPE, LLDPE or LDPE Film Grade CFR SE ASIA during the last month before month 1, in USD Dollar per MT as published by ICIS) + (Market Adjustment) + (Packing price adjustment + destination port price adjustment + class price adjustment + term of payment adjustment) - (Discount entitlement agreement) x Exchange Rate. The governing law of the agreement is the Law of the Republic of Indonesia and any dispute shall be brought before BANI.
  - xi. Polytam Supply and Purchase Agreement between PT Indo Thai Trading and PBP No. 055/03/ITT/2017-L2 dated February 1, 2017, privately drawn up and duly stamped. The aims and objectives of the Agreement is for PBP to purchase IPP Film type Polypropylene produced by Pertamina, which shall be packed in sack packaging @ 25 kg under Polytam brand, from the First Party, with a total quantity of 225 MT/week. The agreement is valid from January 1, 2017 - December 31, 2017, with a contract value equals to the Sales Price of Polytam Film Grade (IPP Film) in USD/MT, valid for a week (weekly price) x Average BI Middle Rate for a week before the week of issuance of the Sales Confirmation + 60, IDR/USD. The governing law of the agreement is the Law of the Republic of Indonesia and any dispute shall be brought before BANI.
  - xii. Bonavista Residence Land Sale and Purchase Agreement No.161/SPPJB/BV-Kav/II/2013 dated January 31, 2013, privately drawn up and duly stamped (“**PPJB No.161/SPPJB/BV-Kav/II/2013**”); (b) Bonavista Residence Land Sale and Purchase Agreement No. 162/SPPJB/BV-Kav/II/2015 dated February 23, 2015, privately drawn up and duly stamped (“**PPJB No.162/SPPJB/BV-Kav/II/2015**”); (c) Bonavista Residence Land Sale and Purchase Agreement No.038/II/BV-Res/2013 dated January 31, 2013, privately drawn up and duly stamped (“**PPJB No.038/II/BV-Res/2013**”); (d) Bonavista Residence Land Sale and Purchase Agreement No. 039/II/BV-Res/2013 dated January 31, 2013, privately drawn up and duly stamped (“**PPJB No.039/II/BV-Res/2013**”); (e) Bonavista Residence Land Sale and Purchase Agreement No. 040/II/BV-Res/2013 dated January 31, 2013, privately drawn up and duly stamped (“**PPJB No.040/II/BV-Res/2013**”); (f) Bonavista Residence Land Sale and Purchase Agreement No. 041/II/BV-Res/2013 dated January 31, 2013, privately drawn up and duly stamped (“**PPJB No.041/II/BV-Res/2013**”); (g) Bonavista Residence Land Sale and Purchase Agreement No. 042/II/BV-Res/2013 dated January 31, 2013, privately drawn up and duly stamped (“**PPJB No.042/II/BV-Res/2013**”); (h) Bonavista Residence Land Sale and Purchase Agreement No. 043/II/BV-Res /2015 dated February 23, 2015, privately drawn up and duly stamped (“**PPJB No.043/II/BV-Res/2013**”), entered into between PT Adiguna Reksasegara (“**First Party**”) and PBP. PBP agreed to purchase the following plots of Land (1) Blok C1 No.2, with a total area of 418 m2 , 8B (Prestige Hoek) building type located at Jl. Bonavista IV (based on PPJB No.161/SPPJB/BV-

- Kav/II/2013); (2) Blok A1 No.17, with a total area of 186 m2, 8A (Prestige Standard) building type located at Jl. Bonavista I (based on PPJB No.162/SPPJB/BV-Kav/II/2015); (3) Blok C1 No.5, with a total area of 152 m2, 7A (Deluxe Standard) building type located at Jl. Bonavista V (based on PPJB No.038/II/BV-Res/2013); (4) Blok C1 No.17, with a total area of 152 m2, 7A (Deluxe Standard) building type located at Jl. Bonavista V (based on PPJB No.039/II/BV-Res/2013); (5) Blok C2 No.31, with a total area of 143 m2, 7B (Deluxe Standard) building type located at Jl. Bonavista V (based on PPJB No.040/II/BV-Res/2013); (6) Blok C2 No.33, with a total area of 140 m2, 7B (Deluxe Standard) building type located at Jl. Bonavista V (based on PPJB No.041/II/BV-Res/2013); (7) Blok C2 No.57, with a total area of 254 m2, 7B (Deluxe Hoek) building type located at Jl. Bonavista V (based on PPJB No.042/II/BV-Res/2013); (8) Blok C2 No.39, with a total area of 140 m2, 7B (Deluxe Standard) building type located at Jl. Bonavista V (PPJB No.043/II/BV-Res/2013). Within a period of 12 (twelve) months from the Land Handover Report, PBP shall complete a residential building on each land, and such period shall continue to apply in the event of assignment of rights to third party; PBP shall perform the construction of such houses in accordance with the Government regulations regarding house construction procedures, and the Estate Regulations and Design Guidelines and the development of Bonavista Residence Estate shall be the risks and responsibilities of PBP. PBP shall not change the structural parts of the construction or the external architectural facade of Bonavista Residence Standard Drawing during the validity period of the Sale and Purchase Agreement. The governing law shall be the laws of the Republic of Indonesia and any dispute shall be resolved amicably and in the event of failure to reach an agreement within 180 (one hundred eighty days) subsequent to the delivery of notice of dispute by any of the party, such dispute shall be resolved before BANI Arbitration Center Indonesia.
- xiii. Deed of Fiduciary Lien Agreement (Merchandise Inventory) No. 09 dated October 5, 2010, drawn up before Sjarneini Sofjan Chandra, S.H., a Notary in South Jakarta, registered based on the Fiduciary Lien Certificate No. W9-22324 AH.05.01.TH2010/STD dated December 1, 2010, and Amendment to Fiduciary Lien No. W10.00062645.AH.05.02 Tahun 2014 dated January 24, 2014, No. W13.00109374.AH.05.02 Tahun 2015 dated May 20, 105, which were subsequently amended by the Deed of Amendment to Fiduciary Lien Agreement (Merchandise Inventory) No. 19 dated February 2, 2017, drawn up before Susanna Tanu, S.H., a Notary in Jakarta, drawn up between PT Bank Permata Tbk ("**Fiduciary Transferee**" or the "**Bank**"; and Sekarnusi Kreasi Indonesia ("**Fiduciary Transferrer**" ) provided by the Fiduciary Transferrer as collaterals to secure the repayment a sum of money owed and payable by the Fiduciary Transferrer and PT Polypack Indo Meyer ("**Customer**") to the Bank pursuant to the Credit Agreement (Deed of Eighth Amendment to the Grant of Banking Facility Agreement No. 18 dated February 2, 2017, drawn up before Susanna Tanu, S.H., a Notary in Jakarta). Securities pledged as collateral shall be the Inventory owned by the Fiduciary Transferrer located at Jaten KM 9.6, Jaten, Karanganyar, or other locations approved by the Fiduciary Transferee on January 1, 2017, in the amount of Rp6,000,000,000.- (six billion Rupiah). As long as the Customer's Debt to the Fiduciary Transferee has not been paid, the Fiduciary Transferrer shall be prohibited from (i) mortgaging, pledging and/or leasing the Collateral Object without the Fiduciary Transferee's prior written consent, and (ii) re-transferring fiduciary lien on the Collateral Object. The Fiduciary Transferrer shall be prohibited from transferring in any way whatsoever a part or all its rights and obligations pursuant to the Agreement without the Bank's prior written consent. The governing law shall be the law of the Republic of Indonesia, and dispute settlement shall be brought before the Karanganyar District Court.
- xiv. Equipment Capital Lease Agreement with Option to Buy No. L15K01275E dated August 5, 2015, by and between PT ORIX Indonesia Finance and the Company, privately drawn up and duly stamped. The Lessor shall grant to the Company, a capital lease with an option to buy of 1 unit Toyota Forklift Model FDZN25 year 2015 at a price of Rp217,378,700.00. The term of Capital Lease shall be 36 months effective from September 10, 2015, up to September 10, 2018, with a monthly installment of Rp5,919,000.00 per month.
- xv. Multipurpose Financing Agreement for Purchases with Installment Payment ("**Consumer Financing Agreement**") No. 1040010927-PK-007 dated October 12, 2016, by and between PT BCA Finance ("**Creditor**") and PBN. Pursuant to the Consumer Financing Agreement, PBN shall use the Financing Facility to finance the procurement of an object approved by the Creditor from seller/selling agent/supplier/dealer. The object referred to in the Consumer Financing shall be Toyota Avanza 1.3 G M/T Car model year 2016. The total Financing Facility shall be Rp142,660,000.00 (one hundred forty two million six hundred sixty thousand Rupiah), subject to an interest rate of 4.35% flat p.a. or equal to 8.63% effective p.a. To secure the payment of all obligations, PBN hereby agrees and binds itself to assign the rights over the object/collateral object and to register the fiduciary lien in accordance with the provision of the Law No. 42 of 1999 on Fiduciary Lien, including the provisions of the relevant laws and government requirements/regulations. The installments shall consist of 36 monthly installment, with a total installment of Rp4,480,000.00 (four million four hundred eighty thousand Rupiah), and the last installment date shall be September 12, 2019. The Creditor and PBN agree to choose the permanent legal domicile of the South Jakarta District Court with respect to this agreement, and all the consequences and implementations thereof.

- xvi. Investment Financing Agreement for Purchases with Installment No. 0009695/2/15/11/2015 dated December 7, 2015, between PT Dipo Star Finance (“**Creditor**”) and SKI. The Creditor shall grant the financing facility to the Debtor to purchase a vehicle of 1 Unit of Unit Mitsubishi Colt Diesel FE 74 S for a period of 25 Months up to December 7, 2017. The governing law is the Law of the Republic of Indonesia.
- xvii. Consumer Financing Agreement dated February 5, 2016 (“**February 5 Agreement**”) and the Consumer Financing Agreement dated August 25, 2016 (“**August 25 Agreement**”) entered into by PT Oto Multiartha (“**Creditor**”) and SKI. Pursuant to this agreement, SKI, with respect to the February 5 Agreement, submits an application to the Creditor, which hereby has approved the grant of consumer financing facility for the purpose of purchasing a Honda BR-V Prestige CVT/Sport Utility Vehicle Car, and with respect to the August 25 Agreement, submits an application of consumer financing for the purpose of purchasing a Honda BR-V E CVT Prestige/Sport Utility Vehicle Car. The term of the agreement shall be 24 months. The governing law is the Law of the Republic of Indonesia.

## 12. TRANSACTIONS WITH AFFILIATED PARTIES

In the normal course of business, the Company and its Subsidiaries enter into transactions with Affiliated parties to support the Company's and its Subsidiaries' operational activities. All agreements with respect to transactions with Affiliated parties are entered into on an arm's length basis and the affiliated agreements are extended from time to time. Presented below are the transactions between the Company and its affiliates:

- i. The Deed of Mutual Agreement with respect to the Purchase of Land and Building with Release of Rights No. 5 dated September 19, 2016, drawn up before Fully Handayani Ridwan, S.H., M.Kn, a Notary in Tangerang Regency, entered into by Djonny Taslim, an individual who has obtained the approval of his wife (as the “**Seller**”) and the Company (as the “**Buyer**”). The Seller wishes to sell the land and building to the Company, namely those under the Freehold Title Certificate (SHM) No. 229/Kebon Besar, with a total area of 249 m2, located at RT 01/RW 002, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province. The land and building are currently mortgaged to PT Bank Central Asia Tbk. The land sale and purchase agreement shall be conducted when all license/approval documents are complete and valid and the transaction price has been paid. The price of land and building to be sold and purchased for today and in the future shall be Rp1,671,140,990 (one billion six hundred seventy one million one hundred forty thousand nine hundred ninety Rupiah) and payment shall be made in 2 Installments. The Seller shall complete all the documents and licenses/approval required to perform the sale and purchase, including but not limited to, the payment of Land and Building Tax up to 2016, payment of electricity and water, estate management contribution, until the handover of land and building, and all other liabilities or taxes that arise (if any). For each calendar day of delay to hand over the land and building, the Seller shall be subject to a penalty of Rp1,000,000 (one million rupiah). The Seller shall be prohibited from leasing, selling, mortgaging or committing anything with respect to the land and building to other parties without the approval and/or assistance from the Company. If any of the foregoing is performed without the approval and assistance of the company, such act shall be null and void and shall be the full responsibility of the Seller. Upon receipt of the First installment, the Seller shall immediately apply for the repayment of debts and/or existing/delinquent obligations to PT Bank Central Asia Tbk. Therefore, the original certificate of land and building ownership and other supporting documents can be obtained by the Seller. Subsequently the release of rights and a new request, i.e., the right to build on such land and building shall be immediately applied for. The Seller shall be obligated to pay, and shall pay all taxes and costs relating to the purchase of land and building which are part of his obligations and liabilities. The agreement shall be automatically terminated when the matters stipulated herein are satisfied. With respect to the Deed, both parties choose the permanent legal domicile of the Administration Office of Tangerang District Court in Tangerang City.
- ii. The Deed of Mutual Agreement with respect to the Purchase of Land and Building with Release of Rights No. 6 dated September 19, 2016, drawn up before Fully Handayani Ridwan, S.H., M.Kn, a Notary in Tangerang Regency, entered into by Djonny Taslim, an individual who has obtained the approval of his wife (as the “**Seller**”) and the Company (as the “**Buyer**”). The Seller wishes to sell the land and building to the Company, namely those under the Freehold Title Certificate (SHM) No. 230/Kebon Besar, with a total area of 250 m2, located at RT 01/RW 02, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province. The land and building are currently mortgaged to PT Bank Central Asia Tbk. The land sale and purchase agreement shall be conducted when all license/approval documents are complete and valid and the transaction price has been paid. The price of land and building to be sold and purchased for today and in the future shall be Rp1,677,852,250 (one billion six hundred seventy seven million eight hundred fifty two thousand two hundred fifty Rupiah) and payment shall be made in 2 Installments. The Seller shall complete all the documents and licenses/approval required to perform the sale and purchase, including but not limited to, the payment of

Land and Building Tax up to 2016, payment of electricity and water, estate management contribution, until the handover of land and building, and all other liabilities or taxes that arise (if any). The Seller shall apply for the release of rights over land and building to the land agency and register the land and building under the Company's name at the Company's cost. For each calendar day of delay to hand over the land and building, the Seller shall be subject to a penalty of Rp1,000,000 (one million rupiah). The Seller shall be prohibited from leasing, selling, mortgaging or committing anything with respect to the land and building to other parties without the approval and/or assistance from the Company. If any of the foregoing is performed without the approval and assistance of the company, such act shall be null and void and shall be the full responsibility of the Seller. Upon receipt of the First installment, the Seller shall immediately apply for the repayment of debts and/or existing/delinquent obligations to PT Bank Central Asia Tbk. Therefore, the original certificate of land and building ownership and other supporting documents can be obtained by the Seller. Subsequently the release of rights and a new request, i.e., the right to build on such land and building shall be immediately applied for. The Seller shall be obligated to pay, and shall pay all taxes and costs relating to the purchase of land and building which are part of his obligations and liabilities. The agreement shall be automatically terminated when the matters stipulated herein are satisfied. With respect to the Deed, both parties choose the permanent legal domicile of the Administration Office of Tangerang District Court in Tangerang City.

- iii. The Deed of Mutual Agreement with respect to the Purchase of Land and Building with Release of Rights No. 7 dated September 19, 2016, drawn up before Fully Handayani Ridwan, S.H., M.Kn, a Notary in Tangerang Regency, entered into by Djonny Taslim, an individual who has obtained the approval of his wife (as the "Seller") and the Company (as the "Buyer"). The Seller wishes to sell the land and building to the Company, namely those under the Freehold Title Certificate (SHM) No. 321/Kebon Besar, with a total area of 82 m2, located at RT 01/RW 002, Kebon Besar Sub-District, Batu Ceper District, Tangerang Municipality, Banten Province. The land and building are currently mortgaged to PT Bank Central Asia Tbk. The land sale and purchase agreement shall be conducted when all license/approval documents are complete and valid and the transaction price has been paid. The price of land and building to be sold and purchased for today and in the future shall be Rp550,335,530 (five hundred fifty million three hundred thirty five thousand five hundred thirty Rupiah) and payment shall be made in 2 Installments. The Seller shall complete all the documents and licenses/approval required to perform the sale and purchase, including but not limited to, the payment of Land and Building Tax up to 2016, payment of electricity and water, estate management contribution, until the handover of land and building, and all other liabilities or taxes that arise (if any). The Seller shall apply for the release of rights over land and building to the land agency and register the land and building under the Company's name at the Company's cost. For each calendar day of delay to hand over the land and building, the Seller shall be subject to a penalty of Rp1,000,000 (one million rupiah). The Seller shall be prohibited from leasing, selling, mortgaging or committing anything with respect to the land and building to other parties without the approval and/or assistance from the Company. If any of the foregoing is performed without the approval and assistance of the company, such act shall be null and void and shall be the full responsibility of the Seller. Upon receipt of the First installment, the Seller shall immediately apply for the repayment of debts and/or existing/delinquent obligations to PT Bank Central Asia Tbk. Therefore, the original certificate of land and building ownership and other supporting documents can be obtained by the Seller. Subsequently the release of rights and a new request, i.e., the right to build on such land and building shall be immediately applied for. The Seller shall be obligated to pay, and shall pay all taxes and costs relating to the purchase of land and building which are part of his obligations and liabilities. The agreement shall be automatically terminated when the matters stipulated herein are satisfied. With respect to the Deed, both parties choose the permanent legal domicile of the Administration Office of Tangerang District Court in Tangerang City.
- iv. Pursuant to the Deed of Mutual Agreement with respect to the Purchase of Land and Building with Release of Rights No 4 dated September 19, 2016, drawn up before Fully Handayani Ridwan, S.H., M.Kn, a Notary in Tangerang Regency, entered into by Djonny Taslim, an individual who has obtained the approval of his wife (as the "Seller") and the Company (as the "Buyer"). The Deed stipulates the agreement between the Seller and the Company to sell a plot of land owned by the Seller, namely the land under Freehold Title Certificate No. 297/Batu Ceper, with a total area of 1,443 m2, located at Batu Ceper Village, Batu Ceper District, Tangerang Municipality, Banten Province ("Land and Building") to the Company. In performing such legal act, the Seller has obtained the approval of his only lawfully wedded wife based on the approval letter privately drawn up and duly stamped dated September 17, 2016. The land and building are currently mortgaged to PT Bank Central Asia Tbk. The land sale and purchase agreement shall be conducted when all license/approval documents are complete and valid and the transaction price of Rp9,684,563,990 has been paid. Payment shall be made in two installments and the Seller shall complete all the documents and licenses/approval required to perform the sale and purchase, including but not limited to, the payment of Land and Building Tax up to 2016, payment of electricity and water, estate management contribution, until the handover of land and building, and all other liabilities or taxes that arise (if any). The Seller shall apply for the release of rights over land and building to the land agency and register the land and



building under the Company's name. All costs incurred shall be borne by the Company. For each calendar day of delay to hand over the land and building, the Seller shall be subject to a penalty of Rp1,000,000. Since the date of this agreement, the Seller shall be prohibited from leasing, selling, mortgaging or committing anything with respect to the land and building to other parties without the approval and/or assistance from the Company. At his own expense and risks, the Buyer shall pay the transaction price to the Seller. As long as the proper sale and purchase before a Land Conveyancer is not conducted, the Seller hereby grants the Company with the authority to perform and exercise all the Seller's rights and interests and authority over such Land and Building, and for the purpose of conducting any legal acts, both management and ownership acts. Such authorities are irrevocable by the Seller without the Company's prior written consent. The agreement shall survive if any of the parties is deceased. Matters that are not governed by this agreement shall be settled amicably and the agreement shall be automatically terminated when the matters stipulated herein are satisfied. The parties choose the permanent legal domicile of the Administration Office of Tangerang District Court in Tangerang City.

- v. Pursuant to the Deed of Mutual Agreement with respect to the Purchase of Land and Building with Release of Rights No 8 dated September 19, 2016, drawn up before Fully Handayani Ridwan, S.H., M.Kn, a Notary in Tangerang Regency, entered into by Djonny Taslim, an individual who has obtained the approval of his wife (as the "Seller") and the Company (as the "Buyer"). The Deed stipulates the agreement between the Seller and the Company to sell a plot of land owned by the Seller, namely the land under Freehold Title Certificate No. 2336/Batuceper, with a total area of 360 m2, located at Batu Ceper Village, Batu Ceper District, Tangerang Municipality, Banten Province ("Land and Building") to the Company. In performing such legal act, the Seller has obtained the approval of his only lawfully wedded wife based on the approval letter privately drawn up and duly stamped dated September 17, 2016. The land and building are currently mortgaged to PT Bank Central Asia Tbk. The land sale and purchase agreement shall be conducted when all license/approval documents are complete and valid and the transaction price of Rp2,416,107,240 has been paid. Payment shall be made in two installments. The Seller shall complete all the documents and licenses/approval required to perform the sale and purchase, including but not limited to, the payment of Land and Building Tax up to 2016, payment of electricity and water, estate management contribution, until the handover of land and building, and all other liabilities or taxes that arise (if any). The Seller shall apply for the release of rights over land and building to the land agency and register the land and building under the Company's name and all costs incurred shall be borne by the Company. For each calendar day of delay to hand over the land and building, the Seller shall be subject to a penalty of Rp1,000,000. Since the date of this agreement, the Seller shall be prohibited from leasing, selling, mortgaging or committing anything with respect to the land and building to other parties without the approval and/or assistance from the Company. As long as the proper sale and purchase before a Land Conveyancer is not conducted, the Seller hereby grants the Company with the authority to perform and exercise all the Seller's rights and interests and authority over such Land and Building, and for the purpose of conducting any legal acts, both management and ownership acts. Such authorities are irrevocable by the Seller without the Company's prior written consent. The agreement shall survive if any of the parties is deceased. Matters that are not governed by this agreement shall be settled amicably and the agreement shall be automatically terminated when the matters stipulated herein are satisfied. The parties choose the permanent legal domicile of the Administration Office of Tangerang District Court in Tangerang City.
- vi. Lease Agreement dated March 1, 2017, privately drawn up and duly stamped, and signed by the Parties between the Company and Djonny Taslim ("**Lessor**") The Lessor shall lease to the Company, 3 shophouses with a total are of approximately 345 m2 located at Kawasan Niaga Terpadu, Jl. Daan Mogot Raya KM 19.6, Block D 8A-D, Poris Jaya Sub-District, Batu Ceper District, Tangerang City ("**Shophouses**"). The agreement is valid up to February 28, 2020; The extension of the agreement shall be made by a prior written notice by the Company to Djonny Taslim by no later than 7 business days prior to the end of the Agreement's term. The rental price shall be Rp300 million per year. Djonny Taslim shall bear the Land and Building Tax and insurance for the shophouses. Upon termination of the agreement, the Company shall return the shophouses to the Lessor in an empty condition. As long as the agreement remains valid, the Company shall be prohibited from changing the design of the shophouses, however, the Company shall be allowed to make additions and/or repairs to the shophouses at the Company's own cost, and with the written approval from Djonny Taslim, and any permanent addition to the Shophouses shall be the property of Djonny Taslim without any obligation of Djonny Taslim to compensate the Company in any form whatsoever. The Company shall be prohibited from assigning the Shophouses or subletting a part or all of the all items leased by the Company referred to above, except with Djonny Taslim's prior written consent. The agreement is subject to the laws of the Republic of Indonesia, and any disputes in the future shall be resolved amicably, in the event of failure to do so, such disputes shall be resolved before the Tangerang District Court in Tangerang City.

- vii. Office Space Lease Agreement dated December 1, 2015, as amended by the Addendum I to the Lease Agreement dated December 1, 2016, all of which were privately drawn up and duly stamped, and signed by the Parties between the Company and Tan Yuliana (the "**Lessor**"). The Lessor shall lease to the Company, a plot of land and building located at Green Ville Blok Ax No. 31-32, 1<sup>st</sup> Floor, Room 103, RT/RW 011/014, Duri Kapa, Kebon Jeruk, West Jakarta. The agreement is valid up to December 31, 2017; As long as the agreement remains valid, the Company shall be prohibited from changing the design, however, the Company shall be allowed to make additions and/or repairs to the building in accordance with its needs at the Company's own cost and risks, and with the written approval from the Lessor, and at the end of the lease period, the additions shall be the property of the Lessor. The Company shall be prohibited from assigning the lease object or subletting a part or all of the all items leased by the Company referred to above, except with Lessor's prior written consent. Upon termination of the agreement, the Company shall return the lease object to the Lessor in an empty condition. The agreement may be extended by submitting a prior written notice to the Lessor by no later than 1 month before the end of the Lease Period. Any dispute with respect to the enforcement of this agreement shall be resolved amicably by both parties. In the event of failure to do so, such dispute shall be resolved before the Tangerang District Court.
- viii. Lease Agreement dated August 1, 2016, privately drawn up and duly stamped ("Agreement") between PT Panca Budi Logistindo ("First Party") and PT Prima Bhakti Pratama ("Second Party" or "Prima Bhakti"). The First Party and the Second Party shall be jointly referred to as the Parties. The Second Party leases the Office at Green Apple No. 03 with a total area of 45 m2 from the First Party based on the Office Space Rate Offer Letter No. 048/LOG/PBL/VIII/16 dated August 1, 2016 ("Lease Object"). The agreement is valid from August 1, 2016, up to July 31, 2018. The Second Party shall be prohibited from changing the design of the Lease Object, however, the Second Party shall be allowed to make additions and/or repairs to the building in accordance with its needs at the Second Party's own cost and risks, with due compliance to the prevailing regulations and with the prior written approval from the First Party. Upon expiry of the lease period, any addition to the office made by the Second Party during the lease period shall be the property of the First Party, without any obligations of the First Party to compensate the Second Party. The Second Party shall be prohibited from assigning the Lease Object or subletting a part or all of the all items leased to any other party, except with First Party's prior written consent. The governing law shall be the law of the Republic of Indonesia, and dispute settlement shall be brought before the Tangerang District Court.
- ix. Goods Custody Service Agreement dated November 17, 2016, privately drawn up and duly stamped between PT Panca Budi Logistindo and PIH ("**Agreement**"). Pursuant to the Agreement, PT Panca Budi Logistindo shall provide goods custody services, which include goods storage and handling services. The products referred to are the products used by PIH, namely plastic ores. The agreed goods custody service per unit shall be Rp41.- (forty one Rupiah) per kilogram and loading/unloading cost of Rp13.- (thirteen Rupiah) per kilogram. The Agreement is effective from January 1, 2016, up to December 31, 2017.
- x. Lease Agreement dated March 5, 2015, privately drawn up and duly stamped, and signed by the Parties between the Company and Djonny Taslim ("**Lessor**") The Lessor leases to the Company, the land and building located at Jl. Arya Kemuning No. 6, Nambo Jaya, Karawaci, Tangerang. The agreement is valid up to December 31, 2017; The Land and Building Tax shall be borne by the Company. As long as the agreement remains valid, the Company shall be prohibited from changing the design, however, the Company shall be allowed to make additions and/or repairs to the building in accordance with its needs at the Company's own cost and risks, and with the written approval from the Lessor, and at the end of the lease period, the additions shall be the property of the Lessor. The Company shall be prohibited from assigning the lease object or subletting a part or all of the all items leased by the Company referred to above, except with Lessor's prior written consent. Upon termination of the agreement, the Company shall return the lease object to the Lessor in an empty condition. The agreement may be extended by submitting a prior written notice to the Lessor by no later than 1 month before the end of the Lease Period, and the Company shall submit a written notice to the Lessor. Any dispute with respect to the enforcement of this agreement shall be resolved amicably by both parties. In the event of failure to do so, such dispute shall be resolved before the Tangerang District Court.
- xi. Lease Agreement dated March 5, 2015, privately drawn up and duly stamped, and signed by the Parties between the Company and Djonny Taslim ("**Lessor**") The Lessor leases to the Company, the land and building located at Jl. Arya Kemuning (previously Raya Mauk) KM 2 F No. 6, Nambo Jaya, Karawaci, Tangerang. The agreement is valid up to December 31, 2017; The Land and Building Tax shall be borne by the Company. As long as the agreement remains valid, the Company shall be prohibited from changing the design, however, the Company shall be allowed to make additions and/or repairs to the building in accordance with its needs at the Company's own cost and risks, and with the written approval from the Lessor, and at the end of the lease period, the additions shall be the property of the Lessor. The Company shall be prohibited from assigning the lease object or subletting a part or all of the all items leased by the

Company referred to above, except with Lessor's prior written consent. Upon termination of the agreement, the Company shall return the lease object to the Lessor in an empty condition. The agreement may be extended by submitting a prior written notice to the Lessor by no later than 1 month before the end of the Lease Period, and the Company shall submit a written notice to the Lessor. Any dispute with respect to the enforcement of this agreement shall be resolved amicably by both parties. In the event of failure to do so, such dispute shall be resolved before the West Jakarta District Court.

- xii. Loan Agreement dated October 27, 2016, privately drawn up, duly stamped, and signed by the parties, namely the Company and PBP as the borrower. The Company grants PBP a loan of Rp15,000,000,000.00 (fifteen billion Rupiah), which shall be disbursed gradually by PBP by way of transfer to the bank account designated by PBP. The agreement is valid up to October 28, 2017, and may be extended based on a written agreement to the Company by no later than 7 business days prior to the end of the agreement. The interest rate on loan shall be equal to the interest rate on loan obtained by the Company from Bank BCA. Payment of Loan Principal shall be made by PBP in installments according to PBP's ability by way of transfer to the bank account designated by the Company on a monthly basis. In the event of early repayment before the end of the agreement, PBP shall first notify the Company by no later than 7 business days prior to the repayment. Events of default shall occur if PBP fails to meet its obligations pursuant to the Agreement, if the representations provided by PBP to the Company are false or inconsistent with the fact. In the event that PBP defaults, the Company may declare PBP in default solely by a written notice provided by the Company. The Company may unilaterally terminate the agreement. In the event of termination of agreement by the Company, the entire loan principal and interest, and penalty (if any) that constitute PBP's liabilities to the Company shall be due and payable immediately from the date of termination of the Agreement unilaterally by the Company, and PBP shall immediately pay all the outstanding liabilities to the Company. Any disputes shall be resolved amicably, in the event of failure to do so, such disputes shall be resolved before the Tangerang District Court. City.
- xiii. Lease Agreement dated September 1, 2016, as amended by Addendum I to the Lease Agreement dated November 30, 2016, by and between PT Panca Budi Logistindo and PBN ("**Agreement**"). Pursuant to the Agreement, PBN intends to lease the Warehouse owned by PT Panca Budi Logistindo. The agreement is valid from January 1, 2017, up to December 31, 2017. Rental agreement for the Warehouse shall be Rp9,375,000.00 (nine million three hundred seventy five thousand Rupiah) per month and Rp26,000.00 (twenty six thousand Rupiah) per day for electricity usage.
- xiv. Lease Agreement dated March 1, 2017, by and between Djonny Taslim as Owner and PBP ("**Agreement**") Pursuant to the Agreement, PBP intends to lease the second floor of a shophouse located at Jl. Daan Mogot Raya Km. 19.6 Blok D No. 8 AD owned by Djonny Taslim. The Agreement is effective from January 1, 2017, up to December 31, 2017. The rental fee is set at Rp240,000,000.00 (two hundred forty million Rupiah).
- xv. Lease Agreement No. 04 dated October 10, 2012, between PT Alphen Internasional Corporindo as the lessor ("**First Party**") and PIM as the lessee ("**Second Party**") as amended in Addendum to the Lease Agreement No. 9 dated November 26, 2013. The lease object shall be the land and everything thereon owned by the First Party pursuant to the Lease Agreement privately drawn up dated December 12, 2011, registered under SHGB No. 1647/Poris Plawad, Location Map dated May 1, 1995 No. 1658 with a total area of 13,169 m<sup>2</sup>, located at Jl. Haji Agus Salim No. 17, Poris Plawad Sub-District, Cipondoh District, Tangerang City, registered under the name of PT Alphen International Corporindo. The right to lease has been obtained from the owner of the land and building based on the Lease agreement privately drawn up dated December 7, 2011. The building is also equipped with PLN electricity installation and PDAM water installation. The lease agreement is valid for 7 (seven) years, effective from October 1, 2012, up to September 30, 2019. If the contract will be extended or terminated, one party shall notify the other party by no later than 3 (three) months prior to the end of the lease agreement. The rental fee shall be Rp200,000,000.00 (two hundred million Rupiah) per month or Rp2,400,000,000.00 (two billion four hundred million Rupiah) per year. Total rental fee shall be paid by the Second Party to the First Party on an installment basis every 3 (three) months in the amount of Rp600,000.00 (six hundred thousand Rupiah). Both parties agree that the lease shall be subject to a rental tax of 10% (ten percent) of the rental fee and shall be borne by the First Party. The Second Party shall use the building solely as an office and plant and shall not use the building for any activities against the law of the government of Indonesia.
- xvi. Lease Agreement dated November 25, 2013, between PIM and PT Stellarway Indonesia ("**Stellarway**"). Pursuant to the Agreement, PIM intends to lease a portion of space located in the Plant leased by PIM from PT Alphen Internasional Corporindo, located at Jl. Haji Agus Salim No. 17, Poris Plawan Sub-District, Cipondoh District, Tangerang City to Stellarway. PIM has obtained the approval from PT Alphen Internasional Corporindo to sub-let a portion of space in the plant to Stellarway based on the Approval Letter dated November 22, 2013. The size of space to be leased shall be

- 1,898 m2, for a period of 5 (five) years from December 1, 2013 to December 31, 2018. The rental fee shall be Rp60,000,000.00 (sixty million Rupiah). The agreement may be extended upon agreement of the parties, by submitting a written notice to PMI by no later than 1 month before the end of the Lease Period.
- xvii. Machinery Sale and Purchase Agreement dated June 6, 2016, between PIM and PIH, where PIM sells machineries to PIH at the price of Rp3,975,000,000.00 (three billion nine hundred seventy five million Rupiah), excluding VAT.
  - xviii. Marketing Service Agreement dated December 7, 2015, as amended by the Addendum to the Marketing Service Agreement dated December 20, 2016, between PIM and PT Reka Mega Inti Pratama. The agreement shall expire on December 31, 2017.
  - xix. Lease Agreement dated August 1, 2016, between PT Panca Budi Logistindo ("**First Party**") and Prima Bhakti ("**Second Party**"), based on this Agreement, the Second Party intends to lease the office space at Green Apple No. 03, with a total area of 45 m2 from the First Party based on the Office Space Rental Fee Offer Letter No. 048/LOG/PBL/III/16 dated August 1, 2016. The lease period is effective from August 1, 2016, up to July 31, 2008. The rental fee shall be Rp1,750,000.00 per month (including electricity and computer), excluding phone bills and taxes that shall be borne by the Second Party.
  - xx. Lease Agreement dated March 1, 2017, privately drawn up and duly stamped, by and between the Djonny Taslim ("First Party/Owner") and Plasindo as the Lessee. Plasindo intends to lease from the First Party/Owner, a plot of land and building located at Jl. Mesjid No. 142, Dusun V, Paya Geli Sunggal, Deli Serdang, North Sumatra ("Lease Object"). The agreement is effective from July 1, 2017 up to June 30, 2027, with a rental fee of Rp400,000,000.- for the first 3 (three) years, which shall increase from the 4th (fourth) year to the 10th (tenth) year according to the agreement of the parties, which shall be determined in the future. Plasindo shall be prohibited from changing the design of the building, however, the Company shall be allowed to make additions and/or repairs to the building in accordance with its needs at the Plasindo's own cost and risks, with due considerations to the prevailing regulations and with the First Party's prior written approval. All matters relating to the agreement shall be settled before the Medan District Court in Medan City.

Presented below are the related parties that enter into transactions with the Company:

Parties	Affiliation	Nature of Account
PT Panca Budi Logistindo	Shareholder and common key management personnel	Other receivables, other payables, warehouse lease, and expedition
PT Panca Budi Agro Pratama	Shareholder and common key management personnel	Trade receivables, other receivables, trade payables, sales and purchases
Penta Strategic Resources Pte Ltd	Common key management personnel	Trade receivables, trade payables, and purchases
PT Reka Sukses Adi Pratama	Common key management personnel	Other receivables, trade payables, and purchases
PT Stellarway Indonesia	Common key management personnel	Other receivables, trade payables, purchases and rental income
PT Gavinco Tri Energi	Common key management personnel	Other receivables
PT Penta Power Indonesia	Common key management personnel	Trade receivables, trade payables, other payables, sales and purchases
PT Geotechnical Systemindo	Common key management personnel	Other receivables, bank guarantee
PT Chemco Prima Mandiri	Common key management personnel	Bank Guarantee
PT Alphen Internasional Corporindo	Shareholder and common key management personnel	Trade receivables, other receivables, trade payables, other payables, capital, sales, purchases, rental expenses
PT Prima Kreatif Foodindo	Common key management personnel	Other receivables
PT Cahaya Plastindo Sejahtera	Common key management personnel	Trade receivables, other receivables, other payables, and sales
PT Garda Bhakti Nusantara	Common key management personnel	Other receivables and security services
CV Mahkota Mas Pratama	Common key management personnel	Trade receivables, other receivables, trade payables, sales, purchases and sub-contract service fee

CV Adipura Mas Plasindo	Common key management personnel	Trade payables, sales, purchases, and sub-contract service fee
PT Rendaplas Andika	Common key management personnel	Trade receivables, other receivables, trade payables, sales, purchases and sub-contract service fee
PT Andalan Sukses Mandiri	Common key management personnel	Trade receivables, trade payables and sales
PT Multi Global Plastindo	Common key management personnel	Trade receivables, other receivables, other payables, and sales
Panca Harapan Foundation	Common key management personnel	Corporate social responsibility
Djonny Taslim	Shareholder	Other receivables, other payables, and capital
Vicky Taslim	Shareholder	Trade receivables, other payables, capital and rental expenses
Robby Taslim	Shareholder	

The impact of transactions with related parties to the Company's consolidated statements of financial position as of June 30, 2017:

	Amount (in billions of Rupiah)	%Age to Total Assets/Liabilities
<b>Assets</b>		
Trade Receivables:	21.6	1.57%
Other receivables	4.5	0.33%
Due from related parties	0.01	0.001%
<b>Liabilities</b>		
Trade Payables	7.2	1.46%
Other Payables	3.1	0.63%
Due to related parties	0.1	0.03%

### 13. INTELLECTUAL PROPERTY RIGHTS

Presented below are the Intellectual Property Rights owned and/or controlled by the Company and its Subsidiaries as of the issuance of this Prospectus"

#### Registered Brands

No.	Registration Number and Receipt Date	Etiquette	Class of Products/Services	Color	Term	Brand Owner	Description
1.	DOO-2003-11582-11692 / May 9, 2003, as extended in the Brand Protection Period Extension No. R009122/2012 dated December 21, 2012.	JERUK : Fruit name	16	Black and White	10 years since the date of receipt	PBP	
2.	D002005011933 / July 15, 2005	222	16	Black and White	20 years	PBP	
3.	D002005020476 / September 27, 2005	BANGKUANG : A Brand	16	Red and White	20 years	PBP	
4.	D002009016492 / May 18, 2009	BANGKUANG : A Brand	16	Red, Aubergine, and White	10 years	PBP	



No.	Registration Number and Receipt Date	Etiquette	Class of Product s/Services	Color	Term	Brand Owner	Description
5.	D552005008931 / March 24, 2005	BENGKOANG : A Brand	16	Not specified	20 years	PBP	
6.	D002013058992 / December 10, 2013	SPARTA : A Brand	21	Not specified	20 years	PBP	
7.	D002003011692 / May 9, 2003	JERUK + Image	16	Not specified	20 years	PBP	
8.	D002013058988 / December 10, 2013	JERUK + Logo	21	Not specified	10 years	PBP	
10.	D00200600625 / March 1, 2006	WAYANG	22	Not specified	20 years	Djonny Taslim	
11.	D002005020475 / September 27, 2005	GAPURA + Image	16	Not specified	20 years	Djonny Taslim	
12.	D002005020474 / September 27, 2005	CABE	16	Not specified	20 years	Djonny Taslim	
13.	D002012010072 / March 5, 2012	CABE + Image	18	Not specified	10 years	Djonny Taslim	
14.	R002008000523 / June 30, 2008	LIBERTY + Image	16	Not specified	10 years	Djonny Taslim	
15.	R002007004789 / December 10, 2007	CAP PLUIT	16	Not specified	10 years	PBN	
16.	R002009007879 / August 21, 2010	PUSAKA	16	Black and White	10 years	Djonny Taslim	
17.	DOO-2005-09257-09346 / March 30, 2005, as extended in the Brand Protection Period Extension No. R00625/2014	PEPAYA : A Brand	16	Black and White	10 years	PBP	

#### **Brands under Registration Process**

No.	No. of Application and Application Receipt Date	Etiquette	Class of Products/Services	Color	Applicant	Description
1.	D002013058990 / December 10, 2013	SPARTA + Image of a Person's Head	16 - 21	Red and White	PBP	
2.	D002014054014 / November 24, 2014	SPARTA	22	Blue, Black and White	PBP	
3.	D002013058992 / December 10, 2013	SPARTA: A Brand	16	Not specified	PBP	
4.	D002015013488 / April 1, 2015	SPARTA: A Brand	16	Red, Yellow, Black, and White	PBP	
6.	D002015013481 / April 1, 2015	WAYANG	16		Djonny Taslim	

#### **Brands under Assignment Process to PBN**

- i. Assignment of brand under Registration Number DM000066784 of TOMAT etiquette, good class 22, under the name of Djonny Taslim to PBN based on the Application of Assignment Registration No. DN/KI/LV/0632/II/2017/M-05 dated February 10, 2017, which was received and recorded by the Directorate General of Intellectual Property based on No. R002005004121 dated February 10, 2017.
- ii. Assignment of brand under Registration Number IDM0000204282 of TOMAT etiquette, good class 21, under the name of Djonny Taslim to PBN based on the Application of Assignment Registration No. DN/KI/LV/0632/II/2017/M-05 dated February 10, 2017, which was received and recorded by the Directorate General of Intellectual Property based on No. D0020070353558 dated February 10, 2017.
- iii. Assignment of brand under Registration Number IDM0000239646 of GAPURA etiquette, good class 16, under the name of Djonny Taslim to PBN based on the Application of Assignment Registration No. DN/KI/LV/0632/II/2017/M-05 dated February 10, 2017, which was received and recorded by the Directorate General of Intellectual Property based on No. R002009007880 dated February 10, 2017.
- iv. Assignment of brand under Registration Number IDM000457195 of DAYANA etiquette, good class 16, under the name of Djonny Taslim to PBN based on the Application of Assignment Registration No. DN/KI/LV/0632/II/2017/M-05 dated February 10, 2017, which was received and recorded by the Directorate General of Intellectual Property based on No. R002011013796 dated February 10, 2017.
- v. Assignment of brand under Registration Number IDM000172114 of Cap Pluit etiquette, good class 17, Registration Number IDM000172115, good class 16, Registration Number IDM000172116, good class 20, Registration Number IDM000172117, good class 22, all of which under the name of Djonny Taslim to PBN based on the Application of Assignment Registration No. DN/KI/LV/0634/II/2017/M-05 dated February 10, 2017, which was received and recorded by the Directorate General of Intellectual Property based on No. R002007004788, R002007004789, R002007004791, and R002007004793, respectively, dated February 10, 2017.
- vi. Assignment of brand under Registration Number IDM000305691 of WANG WANG etiquette, good class 16, under the name of Djonny Taslim to PBN based on the Application of Assignment Registration No. DN/KI/LV/0633/II/2017/M-05 dated February 10, 2017, which was received and recorded by the Directorate General of Intellectual Property based on No. D002010000908 dated February 10, 2017.

#### **14. LEGAL PROCEEDINGS OF THE COMPANY, ITS SUBSIDIARIES, BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS, AND THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE SUBSIDIARIES**

Other than the proceedings referred to above, the Company, its Subsidiaries, the Company's Board of Commissioners and Board of Directors, and the Board of Commissioners and Board of Directors of the Subsidiaries have not been/are not involved in any civil, criminal, bankruptcy, state administration, industrial relation, arbitration, and tax proceedings before any authorized judicial institutions in all jurisdictions of the Republic of Indonesia, and have not received any legal notice, litigation or other claims from any other parties, and are not currently involved in any legal dispute or conflict whether in or outside the judicial institutions that are material or having any effect to the Company's and its Subsidiaries' business activities, financial condition and operations, and the Initial Public Offering plan.

#### **15. THE COMPANY'S AND ITS SUBSIDIARIES' BUSINESS ACTIVITIES**

The Panca Budi Group was established by Mr. Djonny Taslim in 1979, who began his career as a general trader who distributed finished goods in the form of plastic bags made of PP, HDPE and PE as raw materials. In 1990, Mr. Djonny Taslim established the Company to produce and distribute finished goods in the form of plastics bags. The Company began its commercial operation in 1991 by manufacturing plastic bags. In 2003, the Company obtained the ISO 9001 certificate for its production process management. The Company is an integrated company that manufactures and distributes plastic packaging. The Company's business activities comprises of trading of plastic ores, manufacturing of plastic packaging, and distribution of plastic packaging for both the domestic and export markets.

The Company is the first company in Indonesia to produce branded plastic bags. The first brand sold by the Company was Pluit, and subsequently, the Company developed other brands, such as Tomat, Bangkuang, Jeruk, Cabe, 222, 007, Wayang, Gapura, Sparta, Liberty, Dayana, Dayak and PB. In addition, the Company is also the first company in the plastic bag industry to obtain the Halal certificate from the Indonesian Council of Ulemma (*Majelis Ulama Indonesia*, "MUI") in 2013, and to break a record of the World of Records Museum - Indonesia in 2013.

The Company is also the first company in Indonesia to place TV advertisements for plastic bag products, and has obtained various Best Brand Awards from MARS. The Tomat brand won the best brand award in 2009, the Wayang brand has obtained the best brand award in 2010 and Platinum won the best brand award in 2015. .

Greater Jakarta was the first market penetrated by the Company. Since then, the Company has gradually develop its market share to cover all parts of Indonesia. In 2011, the Company established PBN as a distribution company of plastic bag products produced by the Company. The Company distributes its products by several distribution channels, namely:

1. Direct distribution to retail merchants in traditional markets;
2. Distribution to semi-wholesalers to be further distributed to retail merchants in traditional markets; and
3. Distribution to wholesalers to be further distributed to semi-wholesalers to be further distributed to retail merchants in traditional markets.

The Company began to export its plastic bag products in 2006 through its Subsidiary, PIM. Its export markets include the UK (46.27%), Germany (16.32%), Somalia (12.56%), the Netherlands, Spain, UAE, Nigeria, United States and Taiwan.

The Company also built additional plants in several cities such as Solo - West Java, Medan - North Sumatera, Tangerang - Banten, Cilegon - Banten. The plant in Cilegon, Banten produces heavy duty sacks to store plastic ores.

The Company and its Subsidiaries built its first plant in Batu Ceper, Tangerang, in 1997 ("Plant I"). Plant I was the Company's first plant to produce PE and HDPE. Subsequently, the Company built its second plant in Cikande ("Plant II") to produce PP. In 2015, Plant II was relocated to Karawaci, Tangerang. In 2006, the Company and its Subsidiaries built 2 more plants to increase production capacity, one in Medan, owned by PBUAP ("Plant IV") and another in Cipondong, Tangerang, owned by PIM ("Plant VII"). The plant in Medan was also built to expand distribution network, particularly in Sumatra Island. The Company and its Subsidiaries also acquired a plant located in Solo, West Java in 2006, to expand its distribution network to Eastern Indonesia. Plant III is owned by SKI. In 2010, the Company, through its Subsidiary, PIH, began to produce a new product, the heavy duty sack, by building a plant in Grogol, Cilegon ("Plant V"). Most recently, in 2016, the Company and its Subsidiaries built a plant in Cipondoh, Tangerang ("Plant VI"), which currently operates under PIH.

Additional machineries have been added to each plant after their establishment. In 2012, Plant I gradually modified its blowing machine from 1-layer to 2-layer and 3-layer blowing machines. Furthermore, the Company added more cutting machines to keep up with the increase number of blowing machines. In 2012, Plant II and Plant V also gradually added their blowing machine to 2-layer blowing machines. In 2013, Plant III and Plant VI purchased more blowing machines and cutting machines to increase production capacities. Plant III's increase in capacity did not stop in 2013, and has gradually increased up to 2016. In 2016 and 2017, Plant IV also added their blowing machine and cutting machine to increase production capacities. In 2017, Plant V built a warehouse to increase production and inventory capacities.

Over time, the Company has grown into one of the market leaders in the plastic bag products that consistently prioritize its customers. In order to provide excellent services, the Company utilizes all its marketing, sales and distribution personnel to distribute its products across all of the Company's marketing areas.

The Company is a company engaged in plastic bag manufacturing and distribution of plastic bags and several other products. In carrying out its business activities, the Company has set a vision to become a plastic manufacturing and distribution company with the most extensive distribution network that prioritizes quality and service to customers and business partners. The Company's missions are as follows:

- To expand the Company's distribution network across Indonesia and overseas;
- To improve production standards and product quality;
- To provide the best services with the support of trained and reliable human resources;
- To use a fast and accurate information technology system; and



- To improve employee welfare and business partners' satisfaction

In carrying out its business, the Company and its Subsidiaries have secured the licenses required by the prevailing regulations. The material licenses are, among others, as follows: (i) Large Trading Business Permit ("SIUP") No. 45/24.1PB.1/31.73/-1.824.27/e/2016 dated April 8, 2016, signed by the Head of One Stop Integrated Service Office of the West Jakarta Municipality; (ii) Industrial Business Permit based on the Decree of Banten Governor No. 530/681-Perindag/SK/IUI/IV/2011 regarding Industrial Business Permit (Through Principal Approval) dated April 7, 2011, signed by the Head of Industry and Trade Agency of Banten Province on behalf of the Banten Governor and Industrial Business Permit (Through Principal Approval Stage) No. 317/Dirjen-IKAH/IUI/VII/1999 dated July 26, 1999, dated July 26, 1999, signed by the Director General of Chemical, Agro and Forest Product; (iii) Importer Identification Number - Producer (API-P) No. 090400892-P dated September 14, 2012, issued by the Head of Cooperatives, Micro, Small and Medium Enterprise and Trade Agency of DKI Jakarta Province on behalf of the Minister of Trade. As of the issuance of this Prospectus, the licenses are valid, and the Company has obtained all the licenses required by the Government to carry out the Company's business activities.

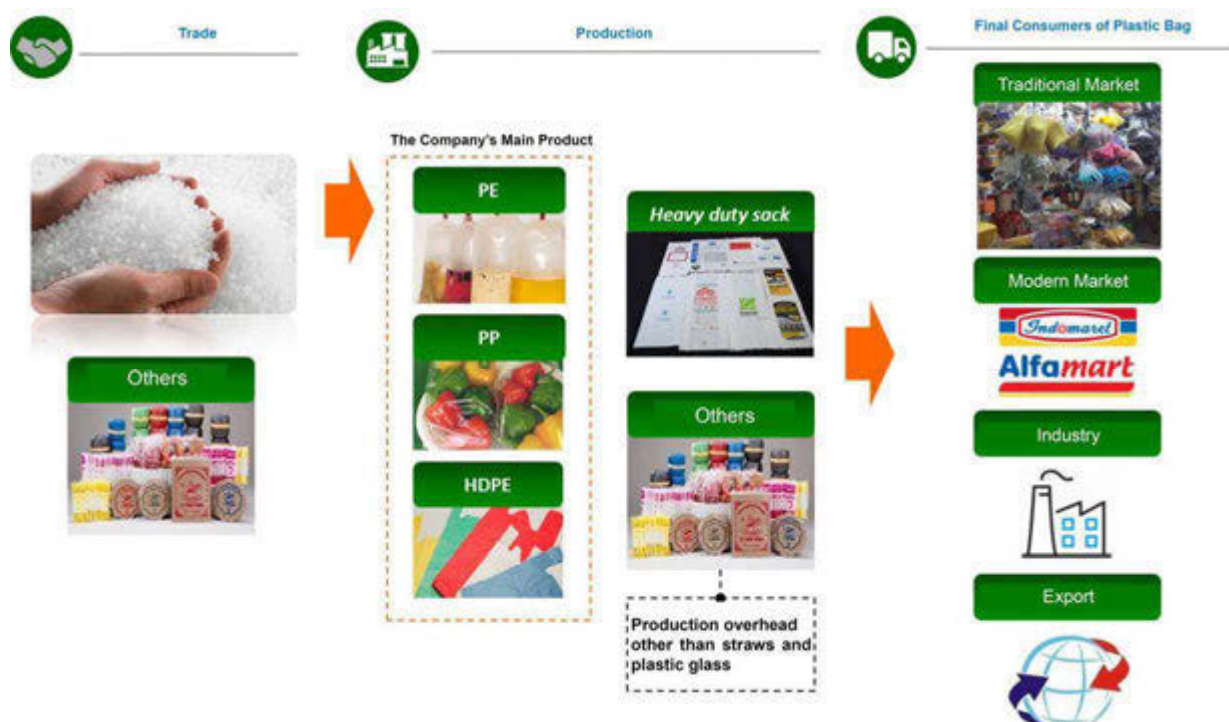
The following table presents the business activities and products sold by the Company and its Subsidiaries:

Business Activity			Product					
			PE	PP	HDPE	Heavy Duty Sack	Plastic Pellets	Others
PBP	Trade						✓	
PBI	Production	Distribution	✓	✓	✓			✓
PIH	Production	Distribution	✓		✓	✓	✓	✓
PBUAP	Production	Distribution	✓	✓	✓			✓
SKI	Production	Distribution	✓	✓	✓			✓
PIM	Production	Distribution	✓		✓			
Axis	Trade							✓
RMIP	Distribution		✓	✓	✓			✓
PBN	Distribution		✓	✓	✓			✓
PBHP	Distribution							✓

The Company distributes and sells its product to the domestic and international market, with domestic sales accounting for 97% and export sales accounting for 3% of total sales. The Company's domestic sales include DKI Jakarta, Banten, West Java, Central Java, Yogyakarta, East Java, Bali, Lampung, Pontianak, Banjarmasin, Balikpapan, Makassar, Manado, Aceh, North Sumatra, West Sumatra, South Sumatra, Riau, Jambi, Bengkulu, Riau Islands and Bangka Belitung Islands. The Company's export sales include Timor Leste, United Arab Emirates, Australia, the Netherlands, Denmark, Germany and New Zealand.

As of the date of issuance of this Prospectus, the Company and its Subsidiaries have 7 (seven) factories across Java and Sumatra as described below: 5 (five) in the Banten Province, 1 (one) in the Central Java Province, and 1 (one) in the North Sumatra Province.

The Company's and its Subsidiaries' main business activities are manufacturing, distribution and trade.



## PRODUCTION

### A. Plastic Bag

#### a) Polyethylene (PE)

Polyethylene or PE is plastic produced by the Company by polymerizing ethylene. The characteristics of PE is slightly opaque, transparent and elastic. This plastic is water resistant, odorless, and durable, making it suitable for frozen or liquid food packaging, heavy or solid object packaging or for trash bags. This type of plastic is able to withstand heat up to 135 degree Celsius. PE is generally sold in the form of bags, rolls, and sheets.

#### b) Polypropylene (PP)

Polypropylene or PP is a thermoplastic polymer made from monomer propylene. The characteristics of PP are clear, transparent and inelastic. This plastic is water resistant, odorless, and durable, making it suitable for dry food packaging or finished product packaging. This type of plastic is able to withstand heat up to 135 degree Celsius. PP is generally sold in the form of bags, rolls, and sheets.

#### c) High Density Polyethylene (HDPE)

High Density Polyethylene or HDPE is a derivative form of PE; it is the high-density form of polymerization of ethylene. As a result, HDPE has a low degree of branching whereby the intermolecular forces are stronger than in highly branched polymers as the molecules are linearly packed together. Hence, HDPE has higher durability than PE. The characteristics of HDPE is slightly opaque, transparent and elastic. This plastic is water resistant, odorless, and durable. This type of plastic is able to withstand heat up to 135 degree Celsius. HDPE is generally sold in the form of bags, rolls, and sheets and comes in various colors.








HDPE consists of several types as described below:

1. **Anti-Heat HDPE (HD ATP) Plastic Bag**  
Generally used for hot liquid, food or drink packaging.
2. **HDPE (HD) Plastic Bag**  
Generally used for daily shopping bags for various products.
3. **HDPE Roll (HD Roll) Plastic Bag**  
Generally used as a bag to contain fruits, vegetables and other products, and is also used as paper packaging.
4. **HDPE Sheet (HD Sheet) Plastic**  
Generally used as a base/coatings of warm food container or as food wrapping.

The following chart presents the characteristics, applications and sizes of the Company's Plastic Bag products.

	PE	PP	HDPE
Characteristic	<ul style="list-style-type: none"> <li>Heat resistant (until 135°C)</li> <li>Elastic</li> <li>Water resistant</li> <li>Odorless</li> <li>Opaque</li> <li>Durable</li> </ul>	<ul style="list-style-type: none"> <li>Heat resistant (until 135°C)</li> <li>Elastic</li> <li>Water resistant</li> <li>Odorless</li> <li>Opaque</li> <li>Durable</li> </ul>	<ul style="list-style-type: none"> <li>Nearly similar to PE however the use is specific and is offered in various colours and pattern</li> </ul>
Application	<ul style="list-style-type: none"> <li>Frozen food / Liquid Packaging</li> <li>Heavy products packaging</li> <li>Trash Bag</li> </ul>	<ul style="list-style-type: none"> <li>Dryfood Plastic Packaging</li> <li>Finished Product packaging</li> </ul>	<ul style="list-style-type: none"> <li>Shopping Bag</li> </ul>
Size	<ul style="list-style-type: none"> <li>Width: 3.5 - 200cm</li> <li>Length: by request</li> <li>Thickness: 25 - 400 micron</li> </ul>	<ul style="list-style-type: none"> <li>Width: 4 - 60cm</li> <li>Length: by request</li> <li>Thickness: 12.5 - 100 micron</li> </ul>	<ul style="list-style-type: none"> <li>Width: 10 - 120cm</li> <li>Length: by request</li> </ul>

Presented below are the main brands of PE, PP and HDPE plastic products produced by the Company:

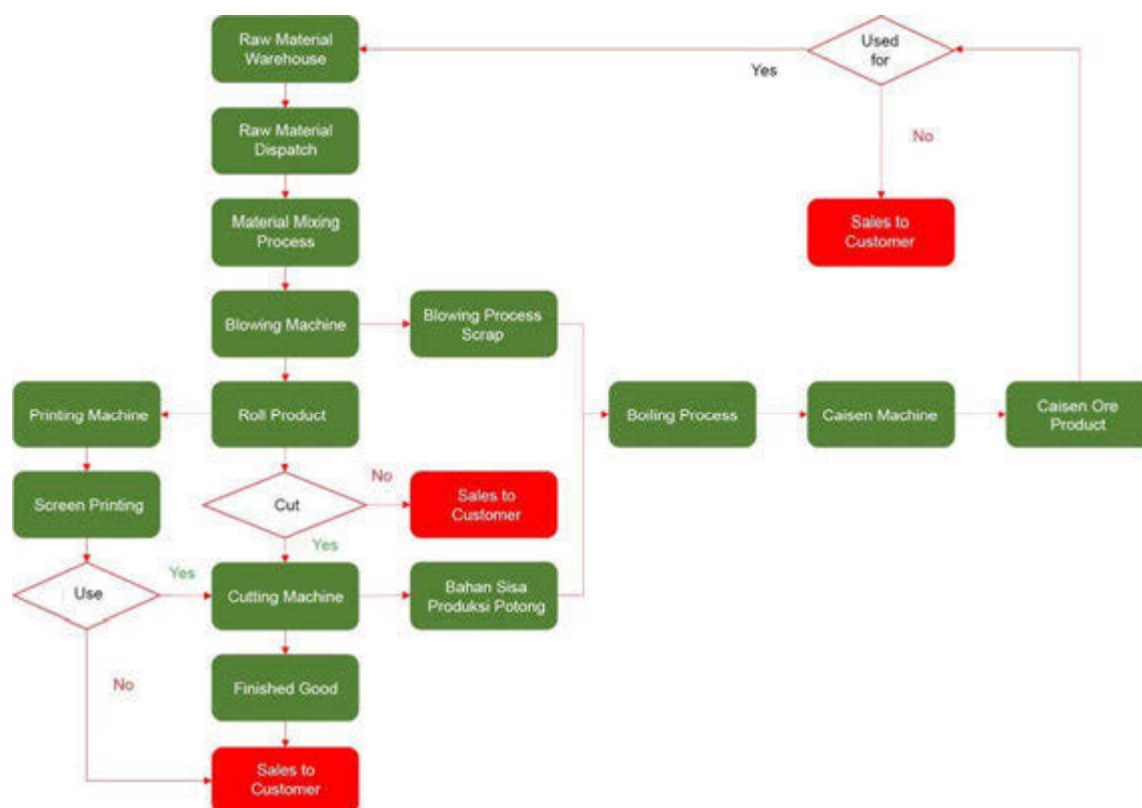
PE	PP	HDPE
 <b>TOMAT®</b>	 <b>WAYANG®</b>	 <b>Sparta®</b>
 <b>BANGKUANG®</b>	 <b>GAPURA</b>	 <b>PLUIT®</b>
 <b>JERUK®</b>	 <b>BANGKUANG®</b>	 <b>LIBERTY</b>
<b>CABE</b> 	<b>PUSAKA</b>	 <b>DAYANA®</b>
<b>222®</b>		 <b>JERUK®</b>

In addition, the Company also owns other brands that are marketed to the Company's customers, however their sales contributions are insignificant. The brands are created to expand the Company's consumer target in order to cover all segments of consumers. The quality of each brand is different according to the needs of the respective segment.

The Company does not have any specific brand for heavy duty sacks, as they are generally sold to institutional customers with their own brands.

## Production Process

### PE, PP and HDPE



The PE, PP and HDPE production processes begin by dispatching raw materials from raw material warehouse. Subsequently, the raw materials are poured to the mixer to be mixed evenly. From the mixer, the materials enter the feeder and subsequently the blowing machine to be processed into plastic film in rolls. The rolls may or may not be cut in accordance with the customer's request. The Company may also print any logo or design on the plastic according to the customer's request. The Company's production generally results in scraps. The production scraps are processed into recycled resins and sold to customers or distributed to the Company's group.

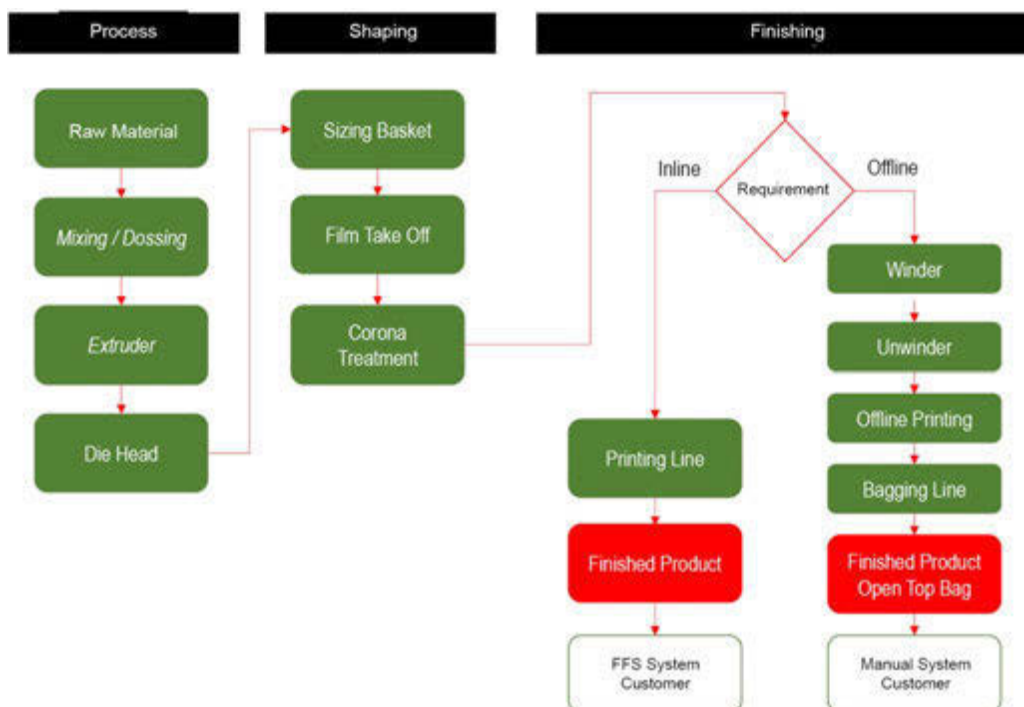
PE and HDPE are produced by the Company, PBUAP and PIM. Whereas SKI only produces PE. PE production is performed in several plants owned by the Company and its Subsidiaries in Tangerang, Medan and Solo. Whereas HDPE is only produced in Tangerang and Medan. The plant allocation is made based on distribution areas, where the Company's, PBUAP's and SKI's plants specialize on domestic distribution and PIM's plant specializes on overseas distribution.

PP is only produced by the Company, PBUAP and SKI as the Company does not have any export sales for PP products.

#### d) Heavy Duty Sack

Heavy Duty Sack is a plastic sack with special material used to package materials that are sensitive to its surrounding environment and therefore require special protection. The characteristics of this product are, among others, durable with the ability to protect the content from air pollution or liquid, water resistant, recyclable, low cost. The products may be sent in rolls or bags.

## Heavy Duty Sack



The Heavy Duty Sack production process begins with the dispatch of raw materials from the raw material warehouse. The raw materials are put into the dosing unit, absorbed by extruder and enter the die head to be heated in accordance with the desired size in the sizing basket. During the film take off process, the product is blown and put in the corona treatment for printing of logo or image so the product can be used according to the customers' needs. However, if the customers do not require logo or images, the products can be produced plain according to the customers' needs. In general, customer needs depend on whether the customer owns any auto filling machine (FFS System) or not (Manual System).

Heavy Duty Sack is produced by the Company's Subsidiary, PIH. Heavy Duty Sack production is conducted at PIH's plant in Tangerang.

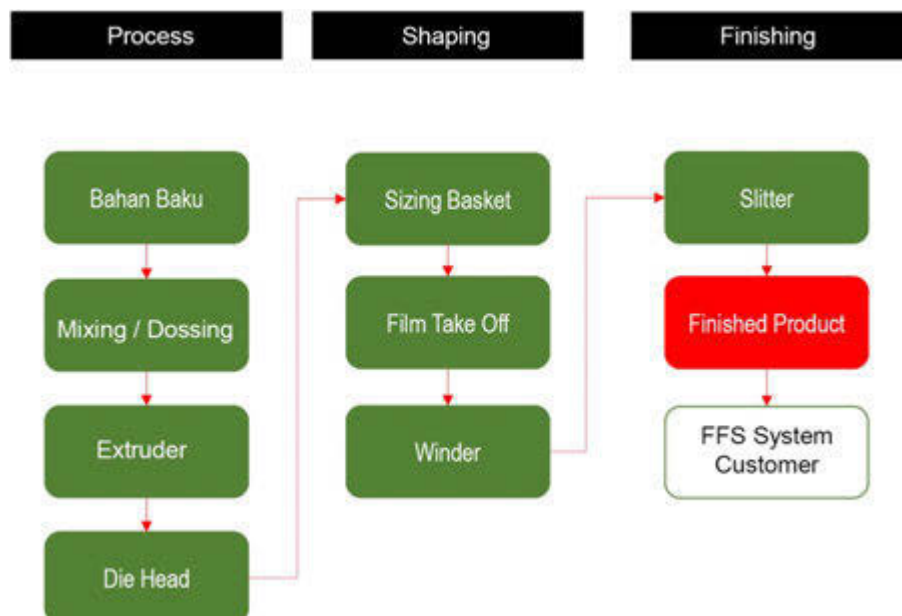
## B. Other Products

In addition to plastic bags, the Company also produces shrink packaging. Shrink packaging is a plastic product that is clear, water resistant, inelastic, thick and slightly hard. The product is generally used by customers to wrap several products into one package, such as drink bottles, milk containers and shampoo bottles. The main function of this product is to facilitate customers' relocation or delivery processes as well as a replacement or combination of cardboards/card boxes. The product is mainly sold to institutional customers having their own products to be packaged.

Presented below are several brands of the Company's other products.



#### Shrink Packaging Production Process



The shrink packaging production process begins with the dispatch of raw materials from the raw material warehouse. The raw materials are put into the dossing unit, absorbed by extruder and enter the die head to be heated in accordance with the desired size in the sizing basket. After the film take of process, the material enter the winder machine to be processed in to rolls and then cut into finished goods that is ready to be delivered to customers.



Shrink packaging is produced by PIH and is manufactured at PIH's plants in Tangerang.

In addition to plastic bags and shrink packaging, the Company also produces straws and recycled resins. Straws are produced by PBI, SKI and PBUAP whereas recycled resins are produced by PBI, SKI, PBUAP, PIM and PIH as production scraps. As of the date of issuance of this Prospectus, the other products produced by the Company do not contribute significantly to the Company's revenue.

The following table presents the development of the Company's and its Subsidiaries' plant capacity for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In Kg)

	The 6-month (six-month) period ended June 30,		The year ended December 31,		
	2017	2016	2016	2015	2014
<b>Plant I, the Company</b>					
Installed	27,780,000	27,780,000	27,780,000	25,800,000	25,800,000
Utilized	12,459,512	13,202,507	26,397,487	24,525,397	24,398,102
<b>Plant II, the Company</b>					
Installed	10,590,000	10,590,000	10,590,000	10,800,000	14,400,000
Utilized	3,409,192	3,927,345	7,638,073	7,624,136	10,336,977
<b>Plant III, SKI</b>					
Installed	21,900,000	21,900,000	21,900,000	16,700,000	12,750,000
Utilized	9,945,304	10,239,439	20,610,056	16,483,644	12,280,220
<b>Plant IV, PBUAP</b>					
Installed	4,500,000	4,500,000	4,500,000	3,950,000	3,550,000
Utilized	1,905,085	2,035,936	4,158,703	3,730,083	3,309,514
<b>Plant V, PIH</b>					
Installed	4,492,800	4,492,800	4,492,800	3,607,200	3,607,200
Utilized	1,602,469	1,952,807	3,634,432	3,117,282	2,288,261
<b>Plant VI, PIH</b>					
Installed	3,000,000	-	3,000,000	-	-
Utilized	2,337,911	-	735,608*	-	-
<b>Plant VII, PIM</b>					
Installed	2,088,000	5,202,000	4,202,000**	5,202,000	5,202,000
Utilized	1,042,580	1,799,089	3,384,734	3,171,731	3,644,281
<b>Total Installed</b>	<b>74,350,800</b>	<b>74,464,800</b>	<b>76,464,800</b>	<b>66,059,200</b>	<b>65,309,200</b>
<b>Total Utilized</b>	<b>32,702,053</b>	<b>33,157,122</b>	<b>66,559,094</b>	<b>58,652,272</b>	<b>56,257,354</b>

\* Plant VI was built in August 2016, therefore the utilized capacity as of December 31, 2016, only represents 4 months. While installed capacity is calculated based on the plant's capacity for 1 year.

\*\* In 2016, some of Plant VII's machineries were relocated to Plant VI.

The following table presents the Company's export sales for the years ended December 31, 2016, 2015, and 2014, and the 6-month (six-month) periods ended June 30, 2017, and 2016, and the proportion total production during the years and periods referred to above.



(In Kg)

	The 6-month (six-month) period ended June 30,		The year ended December 31,		
	2017	2016	2016	2015	2014
Plastic bag export sales	2,283,922	2,039,367	3,836,573	3,495,737	3,960,311
Total production	32,702,053	33,157,122	66,559,094	58,652,272	56,257,354
Export sales to total plastic bag production	6.98%	6.15%	5.76%	5.96%	7.04%
Total plastic bag sales	42,679,763	42,975,713	86,428,381	76,962,953	71,097,282
Export sales to total plastic bag sales	5.35%	4.75%	4.44%	4.54%	5.57%

Presented below are the awards received by the Company for products produced by the Company and its Subsidiaries:

- Won for 4 consecutive years the Best Brand Gold 2014 for Wayang Brand Indonesia Best Brand Award;
- Won for 6 consecutive years the Best Brand Platinum 2014 for Tomat Brand from Indonesia Best Brand Award for 6 consecutive years;

In addition, the Company has also obtained the halal certificate from the Indonesian Council of Ulemma (MUI) for products under the brand Wayang, Bangkuang and Gapura in accordance with Halal Certificate No. 00170053111209 dated May 20, 2014.

The Company's plants have also obtained the ISO 9001:2008 certificate for the production of plastic rolls and plastic sheets that the Company has continued to maintain since 2003.

## DISTRIBUTION AND TRADE

### Plastic Bag

*PE, PP and HDPE Plastic Bags*

PE, PP and HDPE plastic bags are distributed to customers through the Company and its Subsidiaries according to the following regional allocation:

Distributor	Region
PBN	DKI Jakarta, Banten, West Java, East Java, Bali, Lampung, Pontianak, Banjarmasin, Balikpapan, Makassar and Manado
The Company	DKI Jakarta and Banten (only for long-term customers)
SKI	West Java and DI Yogyakarta
PBUAP	Aceh, North Sumatra, West Sumatra, South Sumatra, Riau, Jambi, Bengkulu, Riau Islands, Bangka Belitung Islands
RMIP	DKI Jakarta, Banten, West Java, Central Java, East Java, North Sumatra, Jambi, Lampung, Balikpapan, Makassar, Manado and Timor Leste
PIM	United Arab Emirates, Australia, the Netherlands, Denmark, Germany and New Zealand.

The Company, PBN, SKI and PBUAP specifically handle distribution to traditional markets, while RMIP and PIM specifically handle distribution to institutional markets. PE and HDPE plastic bags for distribution to customers are produced by the Company, SKI, PBUAP, and PIM, whereas PP plastic bags are produced only by the Company, SKI and PBUAP. However, the Company may purchase PE, PP and HDPE plastic bags from third parties to meet additional demand from customers.

*Heavy duty sack*

Production and distribution of heavy duty sacks are conducted by the Company's Subsidiary, PIH. heavy duty sacks are generally sold and distributed directly to institutional customers. PIH's distribution area include DKI Jakarta and Banten.

## Plastic Ore

Plastic ores are purchased through third parties and resold to customers through PBP. In order to utilize its bulk discount, the Company trades plastic ore to several plastic manufacturers of smaller scales. PBP's sales area include DKI Jakarta, Banten, West Java, Central Java, DI Yogyakarta, East Java, Bali, North Sumatra, South Sumatra and Lampung. In addition to sales to third parties, PBP also sells plastic ores to the Company and its Subsidiaries to be processed into finished goods. As of the date of issuance of this Prospectus, plastic ore sales accounted for 37.42% of the Company's total net sales.

## Other Products

### *Shrink Packaging*

Production and distribution of shrink packaging are conducted by the Company's Subsidiary, PIH. Shrink Packaging are generally sold and distributed directly to institutional customers. PIH's distribution area include DKI Jakarta and Banten.

### *Recycled Resins*

Recycled resins are production scrap that are resold to third party, particularly institutional customers, through the Company's Subsidiary, Axis. Recycled resins are distributed to third parties, with distribution areas that include DKI Jakarta and Banten.

### *Others*

Other than the above products, the Company and its Subsidiaries also sell several other products such as woven, straws, rubber bands, raffia strings and wax paper. Woven products are distributed by PBHP to DKI Jakarta and Banten. Whereas the remaining are distributed by PBN, SKI, PBUAP and RMIP with the following distribution allocation:

Distributor	Region
<b>PBN</b>	DKI Jakarta, Banten, West Java, East Java, Bali, Lampung, Pontianak, Banjarmasin, Balikpapan, Makassar and Manado
<b>SKI</b>	West Java and DI Yogyakarta
<b>PBUAP</b>	Aceh, North Sumatra, West Sumatra, South Sumatra, Riau, Jambi, Bengkulu, Riau Islands, Bangka Belitung Islands
<b>RMIP</b>	DKI Jakarta, Banten, West Java, Central Java, East Java, North Sumatra, Jambi, Lampung, Balikpapan, Makassar, Manado and Timor Leste

The Company's distribution through traditional markets have a wide coverage. Distribution points are located in 143 markets in Jakarta, 36 markets in Bogor, 15 markets in Depok, 104 market in Tangerang, and 36 markets in Bekasi and cover more than 10,000 wholesalers and stores across Indonesia. Distribution through traditional market generally targets wholesalers, semi-wholesalers and retail merchants. In addition, the Company also distributes its products to institutional markets, where sales are made directly to the respective institution. As of June 30, 2017, plastic bag sales to institutional customers accounted for 15.32% of the Company's total sales.



As of June 30, 2016, the Company and its Subsidiaries have a fleet of 30 units of trucks that are used to deliver their products. The Company also uses third parties for its distribution needs. The Company's cooperation with third parties is also a part of the Company's efforts to minimize the risks that may arise in the event of damages or other constraints that may delay or stop the Company's distribution process. Third party delivery services are selected based on their historical performance, fleet availability and readiness when required from time to time, price and speed of delivery. The Company's selection process is conducted to ensure the quality and speed of delivery so that the Company's products are received by customers at the scheduled time. The Company is committed to deliver its products in 24 hours.

The following table presents the details of the Company's and its Subsidiaries product sales volume for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In Kg)

	June 30,		December 31,		
	2017	2016	2016	2015	2014
Plastic Bag	42,679,763	42,975,713	86,428,381	76,962,953	71,097,282
Plastic Ore	34,958,394	35,174,610	70,788,490	53,984,999	26,615,683
<b>Total</b>	<b>77,638,157</b>	<b>78,150,323</b>	<b>157,216,871</b>	<b>130,947,952</b>	<b>97,712,965</b>

In addition to plastic bags and plastic ores, the Company also sells other products such as recycled resins, shrink packaging, woven, straws, rubber bands, raffia strings, and wax papers, which have different sales unit, among others in packages, kg, units, binds, rolls, and others, therefore their unit sales are not comparable to sales of Plastic Bags and plastic ores. In the past 3 years, total net sales from other products accounted for less than 3% compared to the Company's and its Subsidiaries' total net sales.

## 16. INVENTORY MANAGEMENT

The Company has established a system to manage product or finished goods inventory to obtain efficient use of space and orderly delivery to maintain customer satisfaction. The Company has 4 raw material warehouses in Tangerang, 1 (one) in Cilegon, 1 (one) in Solo, 1 (one) in Medan, and 1 (one) in West Jakarta. In general, the raw material warehouses are located in the plants owned by the Company and its Subsidiaries to facilitate production process, with a storage time ranging between 4 to 6 weeks. Whereas the warehouses to store finished goods are located in Tangerang, Cilegon, Solo, Medan, Bandung, Surabaya, Denpasar, Banjarmasin and Ujung Pandang. Finished goods in the warehouses are generally stored between 2 to 4 weeks before the products are delivered to customers. The Company's inventories are valued based on the weighted average method. To improve distribution coverage and increase storage capacity, the Company plans to build more warehouses as part of the Company's long-term strategy.

## 17. PRODUCT QUALITY CONTROL

The Company must maintain its product quality to secure its market share. The Company's product quality control begins with raw material selection. The raw materials to be used in the production process are first tested to ensure the melting point and type of material meet the Company's requirements and standards. After entering the production process, products that have undergone the blowing process will undergo further testing, i.e., dimensional measurement (width and thickness); basic material color testing; clarity, durability and adhesiveness testing. The products are further tested when the printing process begins, whether the image design and text have agreed with the customer request, and the precision and ink color have agreed with the request. During the cutting process, the product's dimension (length, width, and thickness), seal strength, and weight are further tested. Lastly, before the products are sent to customers, the Company performs sample testing to check the dimension, durability, weight, and the accuracy of information printed on the packaging.

Product quality control is performed by the Company's quality control team. The Company provides special trainings for quality control personnel to enable them to detect production defect or product defect. The Company assigns an average of 15 personnel in the quality control team for each plant. Product quality control is performed every 2.5 hours. In addition to the quality control team, operators also inspect the products every 20 minutes.

Below are the criteria of defective products that will not pass quality control:

- Size discrepancy;
- Thickness discrepancy;

- Defect/stains on products;
- Insufficient seal strengths;
- Printing errors that do not match the design;
- Sticky products; and
- Errors in the information on the packaging.

If the operators or quality control team identify products with the above criteria, the products are separated and recycled into recycled resins at the respective plant. The Company places recycled resins machine in all its plants. The recycled resins products are sent to Subsidiaries to be distributed to the Company's group in accordance with the needs of each plant. The moisture level and size of recycled resins to be sent are first tested to ensure compliance with the applicable standards. Testing of recycled resins are conducted by operators.

## **18. MARKETING, SALES AND CUSTOMERS**

### **MARKETING**

The Company's marketing and promotional activities include market surveys, advertisements in banners and billboards, and distributions of packages during certain periods such as the fasting month. Standing banners and banners are also placed at the customers' stores whereas promotional billboards are generally placed at the designated spaces in the traditional markets. The Company has a marketing division that is responsible for the development and success of the Company's marketing strategies. The division performs researches on customers, market condition, competitors' data, and implementation of marketing strategies and analyzes any changes that may be required. The Company's marketing division also actively markets the Company's products through social media, exhibitions and other events.

Marketing is a key factor to maintain and increase the Company's market share. Therefore, the Company aims to increase its market share by implementing the following marketing strategies:

#### **1. Increase Brand Awareness**

The Company intends to increase brand awareness by placing sales or signboard, display racks, posters and flag chains in the stores of its customers. The Company believes that the stores still have a strong influence to offer products with certain brands to consumers. Therefore, the locations are the most effective locations to market the Company's products and to prompt impulse buying. In addition, the strategy could also be implemented by placing arches, banners and billboards in traditional markets. The Company also performs car branding by placing the Company's brands on the vehicles used for distribution in order to create brand awareness.

#### **2. Secure and maintain customers;**

The Company intends to continue to secure new customers and to maintain its existing customers. The Company intends to achieve this by conducting promotional activities and outlet decorating contests among customers to allow the Company to better understand its customers' needs and to maintain good relationship with customers. The Company's activities are generally conducted to make the Company's products more memorable to customers and to encourage marketing by word of mouth.

The Company also grants awards for loyal customers that have used the Company's products for a long time.

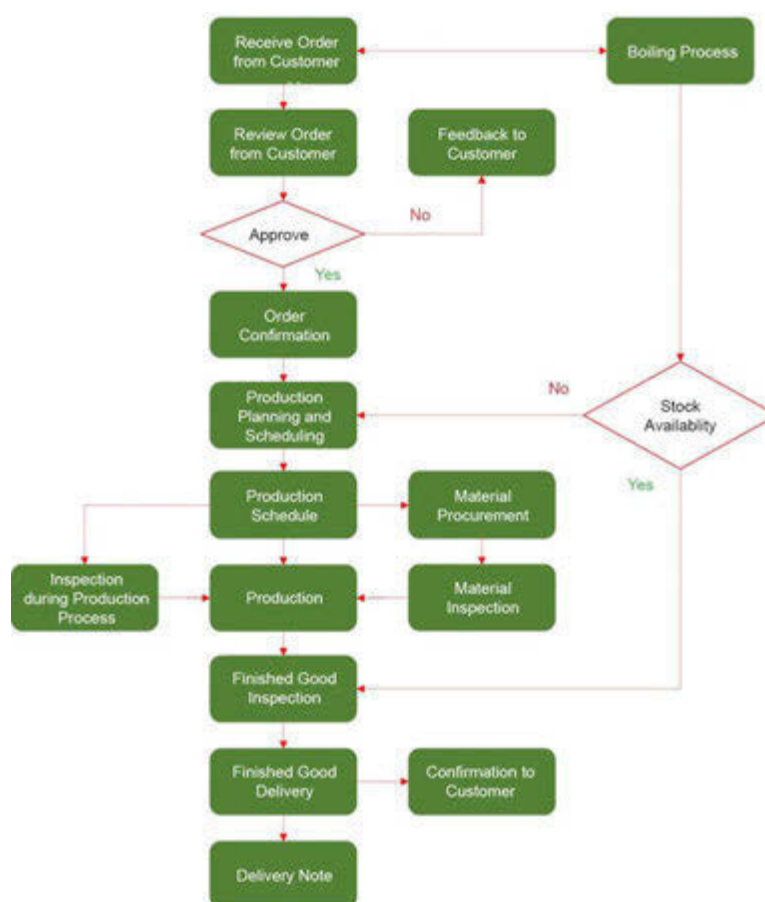
#### **3. Build Brand Image**

The Company builds its brand image by placing advertisements in television and new jingles on the radio. The purpose of those activities are to build the image of the Company's brands so that the customers will perceive the Company's products as safe products with guaranteed quality.

### **SALES**

The Company's sales are conducted through the Company and its Subsidiaries, namely, PBN, PBHP, PBUAP, SKI, RMIP, PIH, PIM, PBP and Axis.

Presented below is the flow chart demonstrating the Company's sales from receiving order until the product is sent to the customer.



As of June 30, 2017, the Company and its Subsidiaries employed 270 sales personnel. The sales team is responsible for selling the Company's products with the objective to expand the Company's distribution coverage. The team receives order from customers by completing the order form, either in cash or on credit. The sales team then reviews the order to check if it matches the applicable requirements. After an order is confirmed, such order is provided to the production planning and scheduling team to determine the appropriate time to commence production of the products ordered and to deliver the products to the customers. After the production process is completed, which includes material procurement and inspection, the product is inspected for its quality. Subsequently, products that pass quality control will be sent to customers. The sales team may use a smart phone application to send order instruction to the Company's order receiving department, therefore finished products can be prepared and delivered within 24 hours. The average receivable turnover is 3 weeks.

Products to be delivered to customers are sent using the Company's vehicles. If the Company's vehicles are not sufficient due to high level or demand, the Company will use the services of third parties that have previously cooperated with the Company. In selecting third parties for delivery, the Company has specific considerations to ensure the appointed party does not encounter any issues in delivering products.

The sales team generally informs the customers and distributors before the products are dispatched and will also notify its customers and distributors when the products are delivered to the destination. The steps above are taken in an effort to provide the Company's customers with the best services and to maintain good relationship with its customers to secure future sales.

For export sales, products are delivered by PT Panca Budi Logistindo to the port. Subsequently, the products are delivered by sea using a third party. Delivery time generally takes an average of 4 weeks. L/C and TT are generally used as the payment system for export sales.

With respect to sales, the Company intends to set competitive prices for its products by considering factors such as the market condition, foreign exchange rate, fuel price, demand and supply.

The following table presents the details of the Company's and its Subsidiaries net sales for the 6-month (six-month) periods ended June 30, 2017, and 2016, and for the years ended December 31, 2016, 2015, and 2014:

(In billions of Rupiah)

	June 30,		December 31,		
	2017	2016	2016	2015	2014
Plastic Bag	991.2	989.3	1,946.1	1,757.5	1,658.9
Plastic Ore	595.5	577.2	1,175.5	962.1	522.2
Other Products	20.6	19.8	46.4	68.0	37.0
<b>Total</b>	<b>1,607.3</b>	<b>1,586.3</b>	<b>3,168.0</b>	<b>2,787.6</b>	<b>2,218.1</b>

## **CUSTOMERS**

The majority of Plastic Bags produced by the Company are sold to retail customers, which accounted for 84.68% of the Company's total consolidated plastic bag sales for the 6-month (six-month) period ended June 30, 2017. As the majority of the Company's customers are retail customers, which consist of more than 10,000 customers. The Company is not dependent to any specific customer. The Company's retail customers consist of stores, semi-wholesalers and wholesalers. Whereas the Company's institutional customers consist of modern markets and companies that use the Company's products as a complementary product to their products. All off the Company's sales are made without contracts. However, due to the Company's product quality and timely product delivery, the Company has gained the trust from customers, who purchases the Company's products regularly from time to time. The majority of Plastic Ores produced by the Company are sold to institutional customers, which accounted for 78.06% of the Company's total consolidated plastic bag sales for the 6-month (six-month) period ended June 30, 2017.

The Company and its Subsidiaries offer a grace period of a maximum 21 (twenty one) days after payments are due. If a customer does not pay within such grace period, the Company will blacklist such customer and will not process future order. In addition, the Company also sets a credit limit per customer to minimize the risk of payment default. New customers are required to pay in cash.

## **19. MAIN RAW MATERIALS AND SUPPLIERS**

The Company uses plastic ores as the main raw materials to produce its products. The raw materials are sourced from a number of main customers, i.e., PT Panca Budi Agro Pratama, Penta Strategic Resources Pte Ltd and PT Indo Thai Trading. The Company orders raw materials using purchase orders. Raw materials purchased domestically are paid by Local L/C, and the imported raw materials are paid by L/C. Raw material used accounted for 86.35%, 86.73%, 82.87%, 86.44%, and 78.57% of total production costs for the years ended December 31, 2014, 2015, 2016, and the 6-month (six-month) periods ended June 30, 2016, and 2017, respectively.

## **20. INFORMATION TECHNOLOGY**

Information technology plays an important role in the Company's production process in order to improve the Company's production performance and efficiency. The Company will continue to develop its information technology. The Company believes that technology will create added value to the Company, whether in the present and in the future. Therefore, the Company has established a dedicated division that is in charge of managing and developing information technology to support the Company's business activities.

The Company's information technology division has developed several information technology systems, including the use of application to order products. At present, the sales teams are able to order products order by customers using a smart phone



application. As a result, orders are processed faster and the products can be delivered faster to customers. In addition, the IT division has also developed a bar code system at the Company's warehouses to facilitate inventory management, as well as the GPS-based tracking and monitoring system for product delivery to allow the Company to monitor all deliveries and anticipate any delay in product deliveries.

## **21. PRODUCT DEVELOPMENT AND INNOVATION**

In addition to maintaining its product quality, the Company continues to develop its products to maintain its current market share. The Company realizes the importance of product development and innovation. Therefore, the Company has established a product research and development team with the objective to increase the quality and functionality of the Company's current product to meet future customer needs.

The division is committed to meeting customers' needs and satisfaction with the Company's products by researching the characteristics of products that are regularly needed by customers and performing scalable developments and experiments to meet customer needs.

During the last 5 years, the Company's research and development division has managed to improve the quality of the Company's products. The products now have better durability and strengths and are able to better preserve its contents. In addition, the sealing of the Company's products has also been developed to allow it to hold more weight. Product adhesiveness has also improved so that the products are more easily opened and used by customers.

The Company believes that it has the capability to anticipate future competitions with product development and innovation.

As of December 31, 2014, 2015, 2016, and June 30, 2017, the Company's has incurred product development and innovation costs of Rp2.0 billion, Rp0.7 billion, Rp5.5 billion, and Rp1.2 billion, respectively, which accounted for 0.09%, 0.02%, 0.17%, and 0.8%, respectively, of the Company's total consolidated net sales.

## **22. INDUSTRY OVERVIEW**

### **Macroeconomic Overview of Indonesia**

#### **Gross Domestic Product (GDP) Growth**

According to Frost and Sullivan, Indonesia is the largest economy in the Association of Southeast Asian Nations (ASEAN), accounting for 36.4% of the total GDP of the region in 2016. The GDP growth rate of the country has seen many volatile fluctuations recently (2009-2016) owing to a combination of internal and external factors. One major factor underpinning economic growth in Indonesia has been an increase in infrastructure development projects including building roads, railways and seaports translating into a rise of approximately 5% in domestic consumption in 2016. In addition, government spending on infrastructure and social services such as education and healthcare are likely to bring about inclusive growth on a larger scale. Deregulation measures buoyed by strong fiscal and monetary policies are also enabling private investments to flourish in the country. Interest rates dropped six times in 2016. The key interest rate (reverse repo rate) for Indonesia fell from 7.5% at the beginning of 2016 to 4.75% during the last quarter of the same year. However, inflation remained at a constant 3.3%, one of the lowest rates in the past 16 years (2000-2016). Both the International Monetary Fund (IMF) and the World Bank envisage better growth prospects for the Indonesian economy in the next five years.

Frost & Sullivan further wrote, Indonesia's nominal GDP increased from Rp7,832 trillion (USD892.6 million) in 2011 to Rp12,553 trillion (USD941.0 million) in 2016 at a CAGR of 9.8% during the period. However, its year-on-year (Y-o-Y) nominal GDP growth rate experienced a steep fall from 14.1% in 2011-2012 to 10% in 2012-2013, plummeting further to 8.8% in 2016. According to the IMF, the Indonesian economy is forecast to recover from 2016 onwards at a CAGR of 10.10% from a GDP of Rp12,553 trillion (USD941.0 million) in 2016 to a GDP of Rp20,305 trillion (USD1,408.1 million) in 2021, likely seeing a Y-o-Y nominal GDP growth rate from 8.8% in 2015-2016 to 10.2% in 2020-2021.

**Nominal GDP Size and Nominal GDP Growth Rate, Indonesia, 2011-2021F**  
 (In trillions of Rupiah)



Source: IMF, World Economic Outlook Report, October 2016, Prepared by Frost & Sullivan

In terms of real GDP growth during the period 2011-2016, Indonesia outperformed ASEAN peers such as Malaysia and Singapore. The country recorded real GDP growth rate of 5.2% between 2011 and 2016 while Malaysia and Singapore managed to grow at 5.09% and 3.06% respectively over the same period. The growth rate for Indonesia is likely to sustain over the next five years from 2016 to 2021. The IMF is optimistic of a Y-o-Y growth rate of real GDP that is pegged at approximately 6% over the 2020-2021 period.

**Real GDP Size and Real GDP Growth Rate, Indonesia, 2011-2021F**  
 (In trillions of Rupiah)



Source: IMF, World Economic Outlook Report, October 2016, Prepared by Frost & Sullivan

As Southeast Asia's largest economy, Indonesia's exports are primarily resource-based such as palm oil and natural rubber. The slight decreases in GDP growth rates during 2015 and 2016 could be attributed partly to lower resource-based exports income against the backdrop of weakening commodity prices. Furthermore, sluggish global economic prospects especially in China,



resulted in a decline of Indonesia's exports to China from USD 17.6 billion in 2014 to USD 15.0 billion in 2015. As China accounted for 10.0% of total Indonesian exports in 2015, its economic slowdown has caused pressure on Indonesia's economy.

The impact of the faltering global economy has significantly impacted the plastics industry in Indonesia. The country's plastics exports decelerated by negative 1.77% from USD2,513 in 2011 to USD2,340 million in 2015 (USD1,922 million as of October 2016). While plastics imports grew at a CAGR of 0.86% from USD6,687 million in 2011 to USD 6,919 million in 2015 (USD5,815 million as of October 2016).

Indonesia imports more than 50% of raw materials used to make plastics such as plastic ore, polyethylene (PE) and polypropylene (PP) due to a limited supply resulting from a shortage of oil refineries and petrochemical companies producing the required raw materials for plastics.

Despite the weaker economic growth, the outlook for Indonesia's plastics industry remains positive. In fact, the Indonesian Olefin, Aromatic and Plastic Industry Association (INAPLAS) forecasts a 6.5% rise of sales in the plastic industry in 2016 driven by higher domestic consumption of food and beverage products that require plastic packaging, on the back of steady population growth and an expanding middle-income population. Additionally, the Indonesian Retail Enterprises Association's (Aprindo) decision in October 2016 to scrap the plastic bag tax policy instituted in February 2016 after a six-month trial basis is also expected to reinstate the usage of plastic bags by both retailers and consumers alike.

Exports and Imports of Plastic, Indonesia, 2011-October 2016

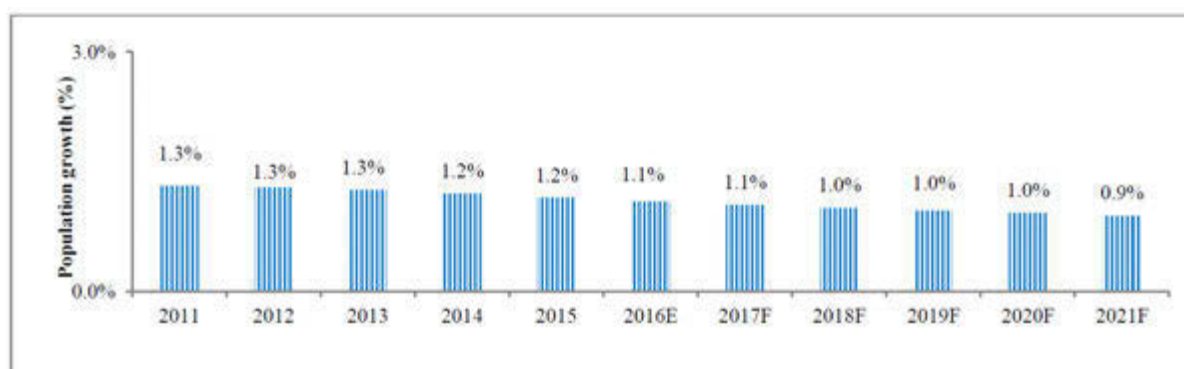
	Unit	2011	2012	2013	2014	2015	2016 (Oct)	CAGR 2011 - 2015 (%)
Export Plastics	USD million	2,513	2,487	2,602	2,760	2,340	1,922	-1.77%
Import Plastics	USD million	6,687	7,126	7,740	7,920	6,919	5,815	0.86%

Source: Ministry of Trade, compiled by Frost & Sullivan

#### Population Growth

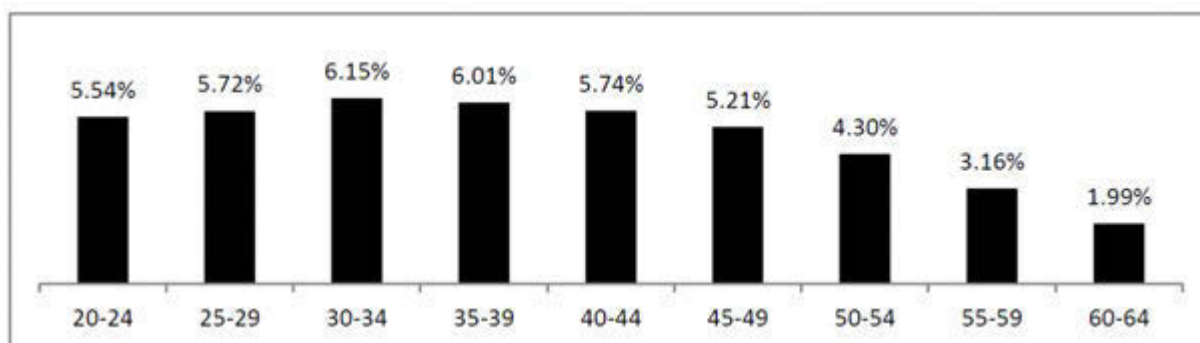
Indonesia is the most populous country in Southeast Asia and the fourth most populous country globally (2016). The country's population grew at a CAGR of 1.26% from 244.8 million in 2011 to 260.6 million in 2016, with the United Nations forecasting an almost steady population growth rate of approximately 1 % Y-o-Y to reach 276.2 million during the period from 2016 - 2021. The country's demographic composition of the labor force (aged 15-64) is envisaged to increase the size of consumer class to 90 million by 2013. The consumer class is envisaged to contribute USD1 trillion to consumer spending, and will increase the use of plastic bags in the forecast period. Indonesia's labor force (aged 20-64) grew at a CAGR of 1.4% from 105.1 million in 2010 to 112.7 million in 2015, trending upwards at a CAGR of 1.41% from 114.1 million in 2016 to 120.9 million by 2020. Indonesia's young demographic with rising disposable incomes and purchasing power plays a crucial role in driving the economy forward, and potentially fueling demand for plastic bags in the forecast period.

Population Growth, Indonesia, 2011-2021F



Source: UN, World Population Prospects, 2015 revision, Compiled by Frost & Sullivan

### Labor Force as Percentage of Total Population, Indonesia, 2016

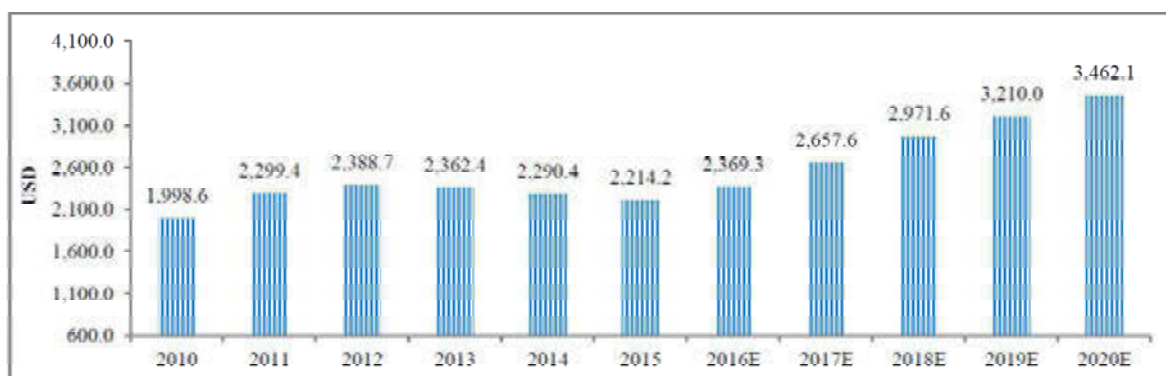


Source: ILO estimations and projections, Compiled by Frost & Sullivan

### Growth in Per Capita Disposable Income

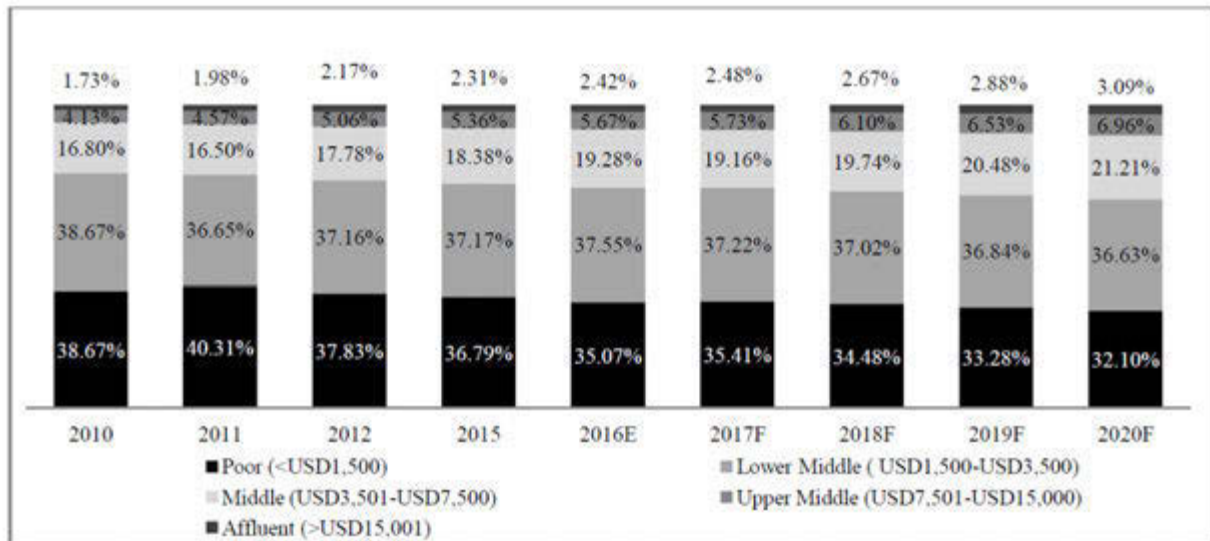
Since the late 1990s, Indonesia has transitioned from low-income to middle-income status, experiencing significant growth rates of 7.0% over the past two decades (2000 and 2010). Such consistent growth rates have helped to shift the majority of the population from “low-income class” to “middle-income class” and subsequently contributed to an increase of per capita disposable income in the country at a CAGR of 2.1% from USD2,299.4 in 2011 to USD2,369.3 in 2016. Going forward, the country is expected to record a steep increase in per capita disposable income to reach USD3,462 by 2020 growing at a CAGR of over 9% from 2015-2020. The rise in disposable incomes and ability for consumers to increasingly spend on discretionary items (food and non-food items) are likely to boost usage of plastic bags in the modern and traditional retail markets.

### Per Capita Disposable Income, Indonesia, 2010-2020F (In USD)



Source: Economist Intelligence Unit, Compiled by Frost & Sullivan

### Population Distribution Based on Average Income in USD per Person per Year, Indonesia, 2010-2020F

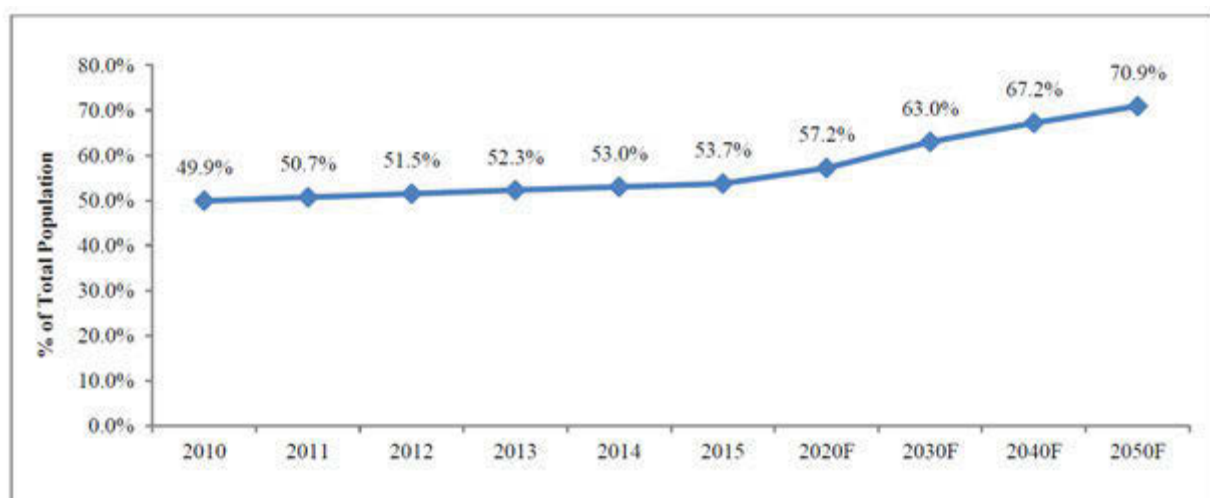


Source: Compiled by Frost & Sullivan

### Urbanization

According to the United Nations Department of Economic and Social Affairs, the proportion of Indonesia's population living in urban areas was 49.9% in 2010, anticipating to reach 57.2% by 2020 and 70.9% by 2050. The World Bank estimates that for every 1% growth in the urban population, Indonesia's per capita GDP is forecast to increase by 4%. Growing urbanization is anticipated to lead to more people entering the workforce placing a premium on personal time and prompting consumers to opt for frequent meal takeaways and higher spending on non-food items. This, in turn, is likely to promote the usage of plastic bags in the forecast period.

### Urban Population, Indonesia, 2010-2050F



Source: World Bank, United Nations Department of Economic and Social Affairs (Population Division), Compiled by Frost & Sullivan

## Conclusion

The major indicators of economic development point towards better prospects for the Indonesian economy in the next five years from 2016 to 2021. Consistent GDP growth rate, lower inflation rates, sustained population growth, the demographic shift towards higher employable population, greater number of people living in cities and rising income levels not only suggest an increase in domestic demand, but also attractive markets for investments. Domestic demand is expected to be generated in every aspect of a household including food, living requirements, travel, hospitality, entertainment, demand for electronics, and consumer goods. These are likely to step up demand in ancillary markets including plastics and plastic bags.

Given the factors mentioned above, the use of plastic bags is anticipated to increase in near term. The plastic bag is still a predominant form of packaging especially for food and beverage products in both modern and traditional retail due to its easy handling, affordability, and function to protect the goods. However, the industry experienced a minor setback recently after the Ministry of Environment and Forests (KLHK) reported a 25% to 30% drop in plastic bag usage during the first three months of the plastic bag tax policy trial which required retailers and vendors to charge consumers for opting to pack their goods in plastic bags. The negative impact on the industry could lead the Government of Indonesia to rethink its policy and opt for a new and more comprehensive regulation regarding plastic bag usage. New policies are likely to aim at reducing plastic waste by promoting the use of recyclable plastic bags. This, in turn, could significantly alter the dynamics of the plastic bags industry with a likelihood of minimal impact to the manufacturers in the forecast period.

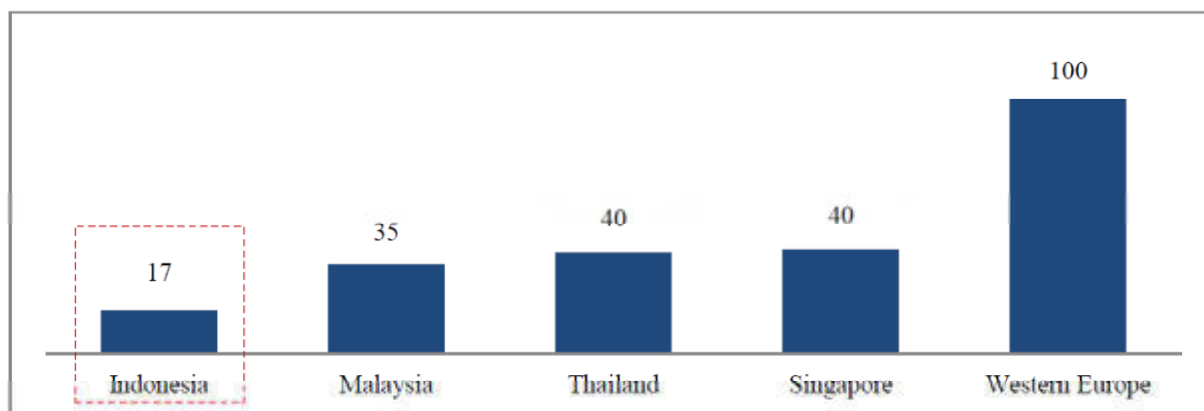
## Overview of Plastic Bags Industry in Indonesia

### Market Overview

Indonesia's plastic and packaging industry continues to thrive on the back of increasing domestic consumption. While the food & beverage (F&B) sector is the top end-user in terms of volume, demand for plastics in the infrastructure and automotive sectors are serving as growth drivers to the industry. The industry produces various types of plastic packaging products such as flexible packaging (plastic bags and pouches), rigid packaging, and extrusion thermoformed products.

Despite a thriving F&B industry and the government's thrust in improving infrastructure in the country, Indonesia still has one of the lowest plastic consumption per capita rates in ASEAN, at 17kg per person. In addition, Indonesia imports 40% of its plastic requirements with the principal import partners being Malaysia, Thailand, Singapore, the United States, and Europe. The excessive reliance on imports can be mainly attributed to the lack of production facilities for raw materials such as naphtha and condensate which were imported on the scale of 1.6 million tons and 33 million barrels respectively in 2015. As of 2016, Indonesia imports nearly 50% of raw materials such as plastic ores, polyethylene and polypropylene from Singapore, China, South Korea and the Middle East.

**Plastic Consumption, Indonesia vs. Other Countries, 2015**  
(In Kg per Capita)



Source: INAplas, Compiled by Frost & Sullivan

### Industry Segmentation

Plastic is made from polymer augmentation that has the capability to be shaped by heat and pressure. There are three kinds of plastics based on their functions, plastic for consumers, plastic for engineering, and plastic for special engineering.

Plastic bags can be made from three kinds of plastic resins namely polyethylene (PE), polypropylene (PP), and high-density polyethylene (HDPE), a derivative of PE. PE is produced from polymerization of ethylene, has high flexibility, is odorless, durable, and can withstand cold temperatures. Based on these characteristics, PE is generally used for food packaging.

HDPE is a derivative form of PE; it is the high-density form of polymerization of ethylene. As a result, HDPE has a low degree of branching whereby the intermolecular forces are stronger than in highly branched polymers as the molecules are linearly packed together. Hence, HDPE has higher durability than PE and due to its characteristics, is mainly used for plastic carry bags and can be in any color (usually red, black, white, and opaque).

PP is a thermoplastic polymer made from the monomer propylene. It provides a highly protective barrier against moisture and vapors, has a high clarity crystal clear bag, delays evaporation and dehydration to preserve the freshness and taste of packaged foods. PP and PE have the same functionality, but due to their different levels of clarity PP is used mainly for food whereas PE is used for beverages.

**Characteristics of PE, HDPE, and PP**

Types of Plastic	Flexibility	Clarity	Durability
PE	High	Opaque	Medium
HDPE	Medium	Can be in several colors	High
PP	Low	Clear	High

#### Industry Dynamics

Plastic resin used in manufacturing plastic bags in Indonesia are mostly imported from other countries such as Singapore and Malaysia, as there are only a few petrochemical companies in Indonesia that produce plastic resins. Operating at almost 100% capacity, these companies are currently unable to cater to local demand necessitating the import of raw materials. In addition, equipment used in the manufacturing plants are also imported mainly from Taiwan.

Plastic bag manufacturers use the manufactured/imported resin to develop both thin and thick continuous polymeric material using extrusion and rolling processes. Mostly, thin films are used to make plastic bags. Post-manufacturing, the plastic films are shaped into plastic bags and pouches by heat sealing and cutting the rolls of films. Small bags can be produced at the rate of 70,000 bags per hour while large plastic bags may be produced at only 2,000 bags per hour.

PE and PP and non-customized HDPE bags are mostly sold to vendors at the traditional wet market via wholesalers or semi-wholesalers whereas HDPE sold to modern retail outlets are usually customized whereby modern retail usually place orders with their logos printed on the plastic bags.

#### Growth Drivers

##### *Few options serving as substitutes for plastic bags*

In Indonesia, there is barely any substitute for PE and PP used for food packaging as these plastics are cheap and easily available. This is also the case for HDPE carry-on bags, for which “eco bags” are a close substitute. However, these eco bags are priced at Rp10,000 and above, rendering them unaffordable for low-middle income earners. What’s more, these bags are not easily available as some use pulp as their primary raw material. With the recently issued moratorium on forest clearing, there has been a reduction in the supply of pulp and therefore limited availability of eco bags.

##### *Macro-economic factors contributing to significant growth potential*

Indonesia’s economic growth is projected to increase in the next five years from 4.9% in 2015 to 6% in 2020 as it recovers from recent setbacks partly due to low commodity prices and China’s economic slowdown. With the ongoing tax amnesty program, the Government of Indonesia has pledged to use the funds to increase spending on infrastructure development, healthcare, and education. Indonesia’s disposable income per capita is also forecast to rise from USD2,214 in 2015 to USD3,462 in 2020. This, combined with Indonesia’s low plastic usage at 17kg per capita compared to Malaysia’s 35kg per capita is indicative of a nascent plastic industry with significant potential for growth.

### *Incentives from the government*

Due to a shortage of oil refineries in the country, Indonesia imports 50% of total plastic raw materials such as plastic ore, polyethylene (PE) and polypropylene (PP), which contribute to approximately 60% of the total production cost of plastic. With a view to boost the plastic industry by reducing production costs and making it more economically viable, the government has introduced the “Government-Borne Import Duty” (BMDTP) facility whereby the government pays the import duty with the allocation of funds set in the State Budget.

### *Wet market revitalization*

The government has launched a revitalization program for wet markets as part of its objective to revitalize 1,000 wet markets every year until 2019. According to the Ministry of Trade, Indonesia, in 2015, a total of 1,002 traditional markets (out of a target of 1,017) were revitalized at the cost of Rp12 trillion.

The revitalization program is expected to encourage higher consumption of plastic bags and motivate more SMEs to participate in the traditional wet market since the revitalization program entails refurbishment of these areas. This, in turn, is likely to promote greater ease of shopping and attract consumers to shop at traditional wet markets to support their local communities.

## **Growth Restraints and Challenges**

### *Policies that could discourage plastic bag manufacturers*

In 2016, the Government of Indonesia introduced a plastic bag policy trial requiring modern retail outlets to charge consumers Rp200 per bag. The policy was later retracted due to complaints from both consumers and plastic manufacturers. According to industry sources, the likelihood for potential regulations in the forecast period to regulate the usage of plastic bags due to pressure from environmental organizations that perceive plastic as an environmental hazard are likely to serve as a deterrent to the growth of this industry in Indonesia.

### *Heavy dependence on imported raw materials*

The petrochemical industry is heavily dependent on the oil & gas sector. As of 2016, there were only two local companies, Lotte and CAP, that manufacture plastic resins with a capability of producing petrochemical upstream products such as olefin, aromatic, ethylene, propylene, butadiene, benzene, toluene, and xylene and certain midstream products derived from upstream products of ethylene and propylene.

However, the production facilities for feedstock (naphtha and condensate) used in the petrochemical industry, however, are not integrated with the petrochemical plant posing challenges in the petrochemical industry. Furthermore, Indonesia's crude oil output continues to decline each year raising concerns in terms of security for feedstock used in the petrochemical industry.

Due to the limited supply of feedstock, companies such as Lotte and CAP are only able to provide 40% of plastic resin needed by plastic manufacturers, with the remaining imported. Importing plastic resin is subject to various risks such as:

- Exchange rate movement which could increase production cost if Rupiah depreciates.
- Shipment delays due to high dwelling time in ports (current dwelling time in Tanjung Priok is 4.9 days compared to Malaysia at three days, and Singapore at 1.5 days) which could potentially delay the production of plastic and disrupt the operations of the plant.

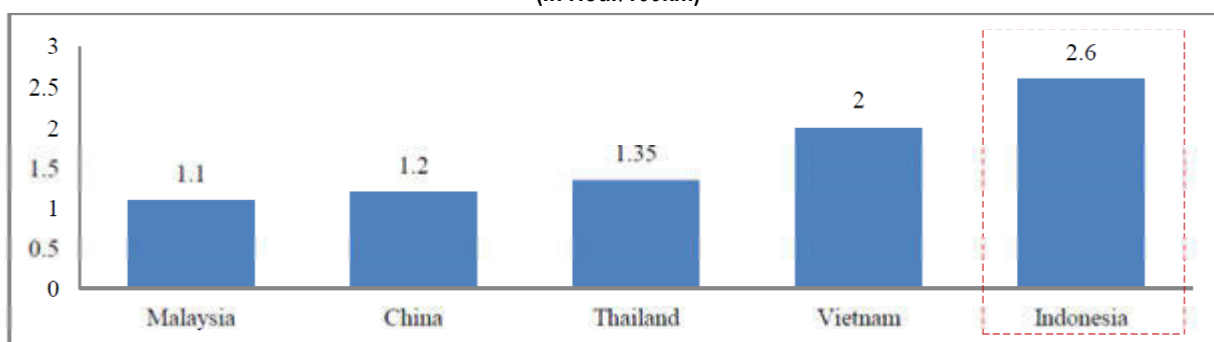
To overcome this challenge, the government has issued a Presidential Regulation No. 146 of 2015, which states that ‘investors interested in building a new refinery in Indonesia will be given permission for processing business for 30 years and may be extended once up to 20 years.’ The government-led measures to strengthen the energy infrastructure are anticipated to stimulate petrochemical investments, in turn, reducing the dependency on imported raw materials.



#### *Lack of infrastructure for efficient supply chain management*

Infrastructure plays a vital role in any supply chain for the distribution of both raw materials and finished products. Indonesia has a very low railway density (2.65 km per 1,000 km<sup>2</sup>) compared to other countries such as Thailand (7.93 km per 1,000 km<sup>2</sup>), Malaysia (5.61 km per 1,000 km<sup>2</sup>). In addition, the growing number of motor vehicles is outpacing the development of roads in Indonesia. From 2010-2015, the total length of the toll-road network in Indonesia increased by a CAGR of 4.6% while the number of cars over the same period grew at a CAGR of 10.6%. This overload of cars continues to worsen traffic congestion, further deteriorating road conditions and increasing travel times and costs for transporting goods for plastic manufacturers. This is because plastic manufacturers primarily rely on the road network for distribution from the manufacturing plant to the warehouse, and later to traditional and modern retail outlets. In addition, during the monsoon season, it takes twice the time to deliver both raw materials and finished goods due to possible flooding that worsens road conditions leading to higher operational costs for plastic manufacturers.

**Traveling time 2015  
(In Hour/100km)**



Source: Ministry of Transportation, Compiled by Frost & Sullivan

#### *Volatile pricing of raw materials; though prices of plastic to end consumer is inelastic*

Pricing of plastic resin is dependent on oil prices which are prone to volatile fluctuations. On the contrary, the prices of plastic as finished goods are relatively stable. This may have an adverse effect if the price of oil goes up, potentially resulting in an increase in production costs and reducing the profitability of plastic manufacturers as their prices of finished goods remain unchanged.

#### *Higher energy prices compared to other countries*

Competitiveness in the manufacturing sector in Indonesia is challenging partly due to its higher energy production costs compared to that of neighboring countries such as Singapore, Malaysia, and Vietnam. In 2015, the price of natural gas in Indonesia was USD10.2 per MMBTU; whereas the cost in Singapore was USD3.94 per MMBTU and Malaysia was USD3.69 per MMBTU. Additionally, the price of electricity in Indonesia was approximately 12 cents per kWh, whereas in Vietnam it was 6 cents per kWh. As the plastic industry is labor-intensive and requires a significant amount of energy to operate, the higher energy prices are likely to dampen plastic manufacturers' competitiveness as they could incur higher production costs compared to other countries where both energy and labor are cheaper.

#### *Technology and manpower barriers*

Machinery for plastic manufacturing is mostly imported from countries such as Taiwan, China, and Germany owing to limited manpower and associated technical know-how to design such equipment. Indonesian manufacturers are therefore exposed to various risks when importing machinery ranging from exchange rate movements, lack of qualified engineers for maintenance in their country, to import tax tariffs from countries that do not have Free Trade Agreements (FTAs) with Indonesia. A combination of these factors could potentially increase the total investment needed to establish or expand the plastic plant's capacity, deterring further investments in the industry in Indonesia.

#### *Misconceptions about environmental issues*

Most plastic bags manufactured in Indonesia are recyclable with HDPE plastic bags supplied to modern retail chains such as Indomaret and Carrefour being degradable. Challenges associated with waste disposal due to the lack of disposal management protocols and professional waste management expertise have resulted in the substantial accumulation of plastic litter over the

years resulting in grave environmental concerns. As of 2016, Indonesia had 200 landfill sites, with only 10% having sanitary landfill technology. Furthermore, only 7.9% of the population in the metropolitan cities recycle plastic with this figure being much lower in other regions of Indonesia at 1.9%. Poor public awareness and minimal waste disposal management are creating a biased image that plastic bags are hazardous slowing the growth rate of plastics historically and possibly in the forecast period.

## 23. COMPETITION AND BUSINESS PROSPECTS

### Market Size and Industry Forecast

#### Market Size and Forecast of Plastic Bags Industry in Traditional Wet Market Retail in Indonesia

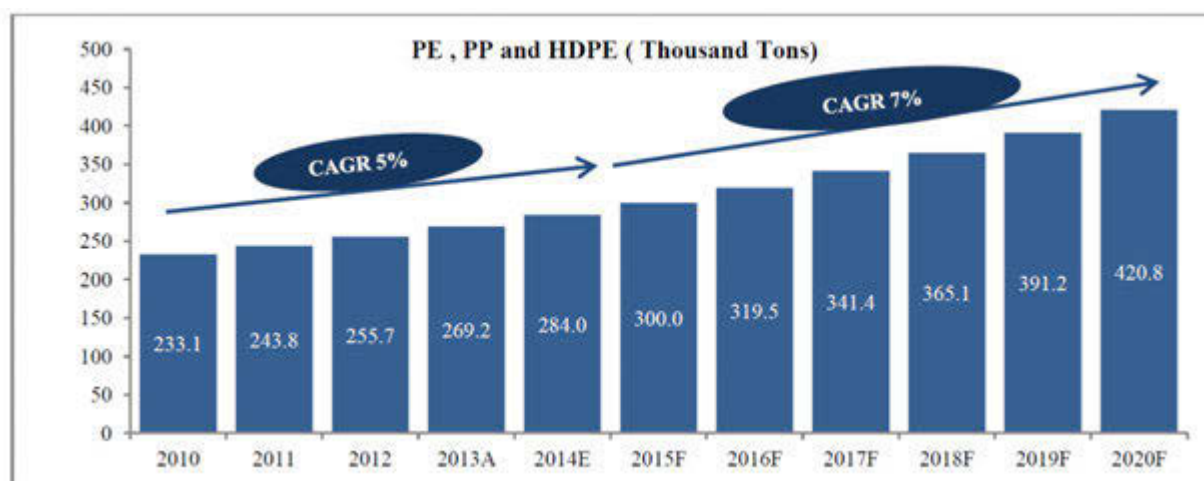
Consumers in Indonesia generally purchase fresh food and vegetables from traditional wet markets as they consider it to be cheaper. A large proportion of retail sales in Indonesia occurs in traditional wet markets. Frost & Sullivan believes this trend is likely to grow as shopping at traditional markets is entrenched in the Indonesian consumer lifestyle. While modern retail is gaining momentum, the traditional wet markets remain popular among middle and upper-middle-income earners.

Most fresh food and vegetables are packed in PE and PP plastic bags and later stacked inside a larger HDPE plastic bag. Approximately 75% of PP, PE, and HDPE plastic bags are sold to vendors in the traditional wet market via semi-wholesalers with the remaining 25% to modern retail.

The sale of plastic bags has been increasing steadily over the past five years growing at a CAGR of 5% from 2010-2015 despite the recent economic slowdown. This is mainly because plastic bags are considered to be an integral part of food packaging with few substitutes.

The consumption of plastic bags is forecast to grow at a CAGR of 7% from 2015-2020 amid Indonesia's gradual economic recovery and increasing consumer spending due to higher disposable income per capita, wet market revitalization program by the Government and other factors mentioned above. The government also aims to attract investors to build more oil refineries in Indonesia to obtain a steady supply of raw materials. This may not only reduce local plastic manufacturers' reliance on resin imports, but also ensure they are not subject to shortages of resins and exchange rate risks.

#### Market Size and Forecast of Plastic Bags Industry in Traditional Wet Market Retail in Indonesia, 2010-2020F (In thousand tons)



Source: Interview, Compiled by Frost & Sullivan

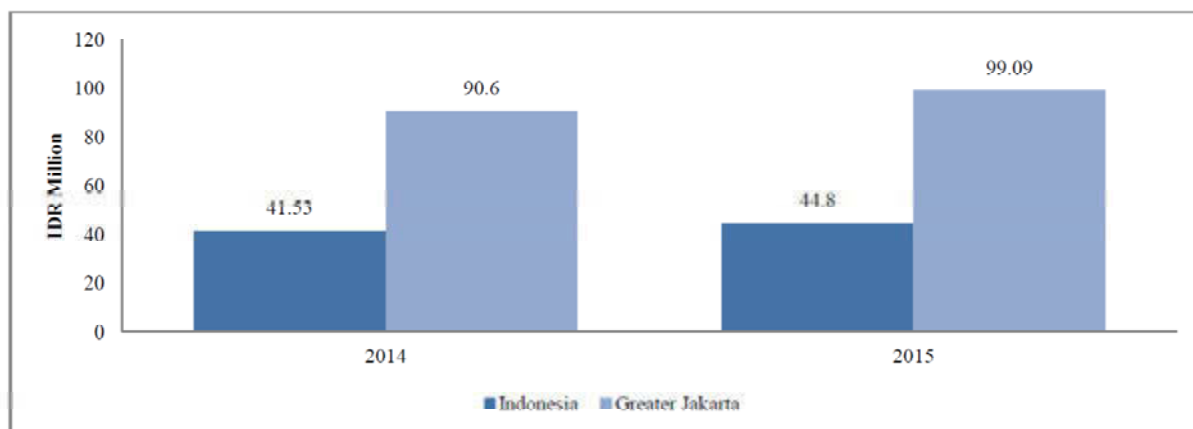
#### Market Size and Forecast of Plastic Bags Industry in Traditional Wet Market Retail in Greater Jakarta

In 2014 and 2015, Greater Jakarta recorded a higher GDP per capita of over two times than that of the national average; despite the former contributing to only 10% of the country's population. This is reflective of a relatively better standard of living driven by



higher levels income due to a significantly promising economic growth (GDP at current price) of 12 % in Greater Jakarta compared to a national average of 9%.

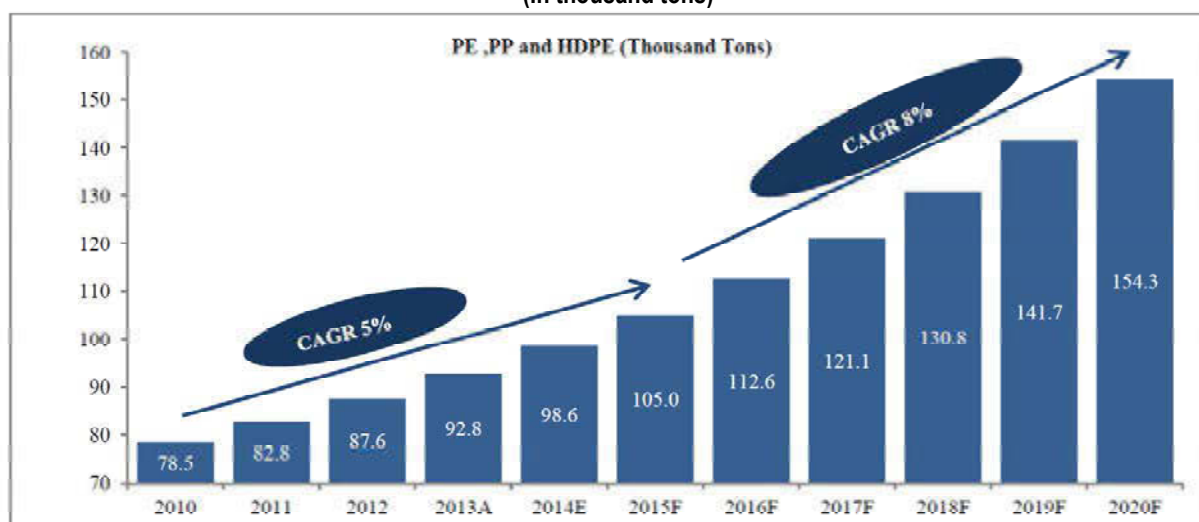
**GDP per Capita, Indonesia and Greater Jakarta, (2014-2015)**  
(In millions of Rupiah)



Source: Statistics Indonesia (BPS), Compiled by Frost & Sullivan

Consumers with higher income tend to spend more on both food & non-food related items, which can be purchased in both traditional market and modern retail. This in turn could potentially increase consumption of plastic bags as it is primarily used for food packaging by vendors in traditional market and carry-on bags. According to Frost & Sullivan's analysis, Greater Jakarta consumes approximately 30% of PE, PP, and HDPE bags out of total plastic bags in traditional wet markets in Indonesia. The consumption of plastic bags in Greater Jakarta grew at a CAGR of 5% from 78,500 tons in 2010 to 105,000 tons in 2015. This is anticipated to reach 154,300 tons in 2020 at a CAGR of 8% from 2015-2020 mainly driven by an increase in GDP per capita of about 9% in 2015. According to Frost & Sullivan, plastic consumption is likely to move in tandem with the improved economic conditions over the forecast period.

**Market Size and Forecast of Plastic Bags in Traditional Wet Market Retail in Greater Jakarta, 2010-2020F**  
(In thousand tons)

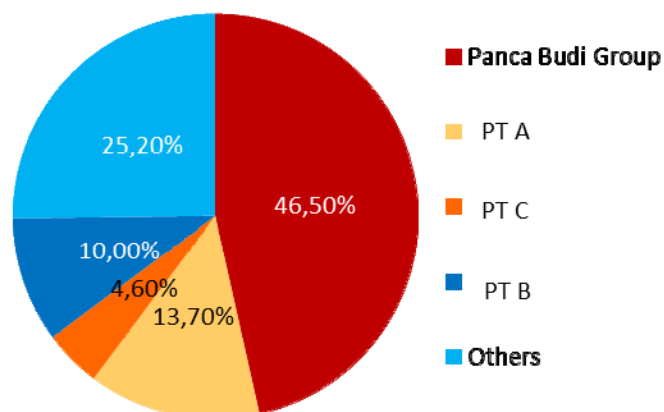


Source: Interview, Compiled by Frost & Sullivan

#### Market Share Estimates and Profiles of Key Plastic Bags Manufacturers in Traditional Wet Market Retail in Greater Jakarta

The market is dominated by Panca Budi with approximately 50% market share followed by PT A at a distant second with about 14% market share. PT. C and PT B account for a cumulative 15% market share with the remaining 25% coming from miscellaneous smaller participants in the traditional wet market retail in Greater Jakarta.

**Estimated Market Share in Traditional Wet Market Retail in Greater Jakarta, 2015**



Source: Compiled by Frost & Sullivan

#### List of Other Major Competitors

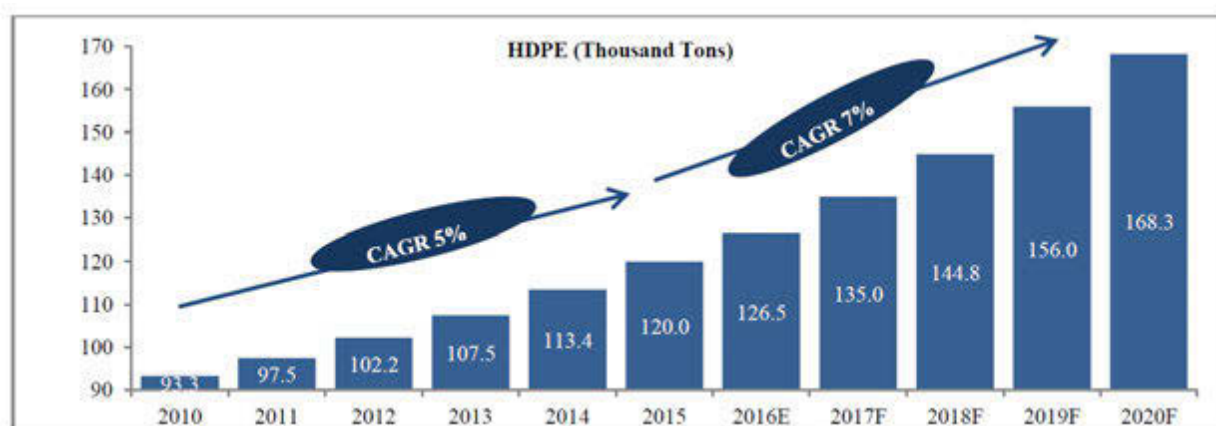
Description	Head Office Location	Estimated production capacity per year (tons)	Product
PT D	Tangerang, West Java	10,000	HDPE, PE, PP
PT E	Magelang, Central Java	34,000	HDPE, PE, PP
PT F	Malang, East Java	30,000	HDPE, PE, PP

Source: Frost and Sullivan

#### Market Size and Forecast of HDPE Plastic Bags Sold to Modern Retail in Indonesia

In 2016, the government issued a policy that resulted in charging consumers for each HDPE plastic bag used when shopping in modern retail outlets. Due to this policy, in 2016 HDPE plastic bags sale dampened marginally as its closest substitute, “eco-bags” were expensive compared to paying IDR200 for each HDPE plastic bag. However, the policy was revoked after six months of implementation as it specifically targeted modern retail. Since Tier 1 cities have more modern retail outlets, the policy was only effective in Tier 1 cities.

### Market Size and Forecast of HDPE Plastic Bags Sold to Modern Retail in Indonesia, 2010-2020F (In thousand tons)



Source: Interview, Compiled by Frost & Sullivan

While this led to a temporary dip in the uptake of HDPE bags, sales have since picked up with the scrapping of the policy. The market is likely to record a CAGR of 7% growing from 120,000 tons in 2015 to reach approximately 168,300 tons by 2020.

#### Industry Prospects and Outlook

As an integral part of the F&B packaging segment, the plastic bags industry is poised for significant growth spurred by Indonesia's expanding middle class that is predicted to reach 63% of its population by 2020 resulting in higher disposable income per capita. Due to the greater consumption associated with higher income, plastic usage is likely to rise as consumers spend more on F&B items both in the traditional and modern markets.

F&B vendors in traditional markets often package their goods in PE and PP plastic bags that are placed inside standard HDPE bags. For modern retail, consumers generally buy both food and non-food items that are placed in customized HDPE bags.

Frost & Sullivan also expects the plastic bags industry in Indonesia to grow at a 7% CAGR between 2015 and 2020 due to wet market revitalization efforts encouraging the establishment of more micro businesses in this retail segment alongside easy access loans provided by government banks. Modern retail is also likely to continue to expand in Tier 1 and Tier 2 cities as consumers demand greater convenience due to their busier lifestyles.

With few reasonably priced substitutes to "eco bags", plastic bags are anticipated to continue to be the primary commodity for Indonesian consumers. That stated, growing consumer awareness of the negative effects of non-biodegradable plastic waste on the ecosystem could adversely impact the plastic industry. In order to remain competitive, Frost & Sullivan believes that plastic packaging manufacturers who obtain "degradable certification" to show that their plastic products are not harmful to the environment are likely to be less affected in the forecast period.

Additionally, since approximately 80% to 90% of Indonesians are Muslim; the majority of consumers are more inclined to purchase Halal-certified products. This factor is motivating a growing number of plastic manufacturers in the country to obtain Halal certification from MUI to assure consumers that the bags are compliant with Islamic law. Halal certification alongside eco-friendly grading is likely to further encourage users to use the certified HDPE bags.

Despite increasing production costs due to rising raw materials prices (40% is imported), high logistics expenses, and soaring energy prices, the outlook remains positive for the plastic bags manufacturing industry. With a view to combat import costs and to make Indonesia self-sufficient in feedstock, PT Lotte Chemical Titan plans to construct a naphtha plant in Indonesia in 2018 which is likely to start operations between 2023-2024. Company sources state that once operational, the plant has the capacity to produce 1 million ton of ethylene and 600,000 tons of propylene annually. Additionally PT CAP is also currently expanding its plant to double its capacity to 2 million tons of ethylene per year. In conclusion, companies that are able to adapt to the rapid shifts in manufacturing practices and leverage technology to achieve high levels of productivity are likely to reap the benefits of economies of scale to maximize profitability.

As of the date of issuance of this Prospectus, there are no trend, uncertainty, demand, commitment, or event that are known to potentially have significant impact on net sales, operating income, profitability, liquidity or source of capital, or any event, which may cause the reported financial information to become unreliable indication of future operating results or financial condition.

## **24. COMPETITIVE ADVANTAGES**

As one of the largest plastic bag manufacturing and distribution companies in Indonesia by capacity according to Frost and Sullivan, the Company and its Subsidiaries possess the following competitive advantages:

### **Track record and experience of 37 years in manufacturing and distributing plastic bags and other plastic products**

The Panca Budi Group was established by Mr. Djonny Taslim in 1979, who began his business by distributing finished goods in the form of plastic bags made of PP, HDPE and PE as raw materials. The Panca Budi Group's business continued to grow and began to produce Plastic Bags and conducted a number of expansions and innovations by selling other plastic products. The Panca Budi Group's experience and achievement from 1979 up to today is a proof of the Company's effective strategy to respond to the market, and excellent innovations and in-depth knowledge on the Plastic Bag industry in Indonesia. In addition, such extensive experience also demonstrates the Company's ability to predict and meet customer needs. The Company believes that its extensive experience is the key success factor to develop its distribution network to cover areas that are not yet covered by the Company. In addition, the Company's brands have become trusted brands to its customers owing to the Company's long existence. Such trust not only creates good relationships between the Company and its customers, but also generates trust and good relationship with suppliers. Such good relationships will continue to support the Company's business developments in the future.

### **Competent and experienced management team, and qualified human resources**

At present, the Company has a highly skilled and experienced management team with in-depth understanding of the Company and its business activities. The Company's management team is led by Djonny Taslim, the founder and the key person behind the success that the Company has achieved so far. The Company believes that a management team with high expertise and understanding in the Company's business activities, as well as good relationships with business partners, suppliers and customers will benefit the Company's future growth and development.

### **Well-known and Trusted Product Brands**

The Company's finished products are complementary products generally used by customers to support and complement their business activities. Any errors or defects in the Company's products would indirectly affect the quality of products sold by the Company's customers, and would have adverse impacts to their revenues. Therefore, the Company's customers are very selective in sourcing quality products to support their business activities. Based on the report published by Frost and Sullivan, the Company is the largest PP, PE and HDPE plastic bag manufacturer in Jakarta, controlling a market share of 47%. The foregoing demonstrates that the Company's products are well-known and trusted by most plastic users in Jakarta due to the suitability of its quality for their needs. The Company will continuously maintain customer trust by performing consistent quality control over the Company's products, and continues to develop the superior features of its products. The Company believes that by continuously improving quality and intensifying marketing activities, the Company's market share will continue to grow and the Company will grow towards a better direction.

### **Extensive and reliable distribution network**

As of the date of this Prospectus, the Company has an extensive distribution network that covers 5 most densely populated islands in Indonesia, Java, Sumatera, Kalimantan, Bali and Indonesia. Supported by experience and expertise in product distribution, and good relationship with third party suppliers of distribution vehicles, the Company has successfully developed its distribution network consistently during the past 5 years. In addition, the Company also has plants located across Indonesia to facilitate the distribution system to allow faster product delivery to customers and meet the customer needs. With the support of well-known brands and the capability to expand its distribution network, the Company believes that the foregoing will benefit the Company's future expansion of distribution coverage.

### **The Company produces plastic bags in various types and sizes**

The Company requires products with special characteristics tailored to their business activities and specific usage. To meet those requirements, the Company carries a portfolio of diverse plastic bag products in terms of product types (e.g., PE, HDPE, and PP) and in terms of product size. The diversity of its portfolio allows the Company to tailor its products to local and regional preferences of the markets targeted, therefore further strengthen the Company's position in the plastic bag industry to become a

leader in the Company's target markets. The Company also owns a number of secondary brands, which are used to penetrate markets and meet segmented customer needs.

**Long-term and good relationship with suppliers across Indonesia and overseas;**

The Company has built and maintain long-term good relationship with its suppliers, which are located across Indonesia and overseas; with good relationship with its suppliers, the Company is able to secure continuous supply of raw materials used in the Company's production activities. Therefore, the Company's production activities can be carried out efficiently without any interruption. In addition, by maintaining good relationship with a number of suppliers, the Company is able to mitigate the risk of interruption in the Company's production activities by obtaining raw materials from other suppliers.

**Long-term good relationship with customers**

The Company maintains good relationship with customers by providing quality products and timely product delivery according to customer needs. The Company's more than 30 years of experience in the plastic industry has provided the Company with superior understanding of its customers and networks, which play a key role in selling and distributing the Company's products. The Company's good understanding about customer networks allows the Company not only to distribute Plastic Bags and plastic ores, but also other products.

Long-term good relationship will also nurture customer loyalty. High customer loyalty allows the Company to position itself as the price leader in the industry. The Company's ability to be the price leader, and high customer loyalty allows the Company to minimize the risk of customer loss. With good relationship and customer satisfaction that are expected to continue in the future, the Company is confident of its ability to maintain its current market share.

## **25. THE COMPANY'S BUSINESS STRATEGIES**

**Market Share Expansion**

The Company realizes that its current market shares still have rooms for development, considering the market potentials of areas that are not presently covered by the Company. Considering current needs and positive response from the market, the Company is optimistic that it will receive similar positive response if its distribution network is expanded further. For this reason, the Company will expand its market share by building warehouses to serve as distribution points in areas that are not yet covered and add distribution facilities to support the expansion. In addition, the Company will also develop IT system, recruit and train human resources to support the expansion of distribution. By taking the above measures, the Company believes that it is capable of developing its market share and brand to be more well-known to the public.

**Brand Value Improvement**

At present, the Company owns high-value Brands such as Tomat and Wayang. In addition, the Company also owns Second Brands with high quality and sales potential that has not achieved high-value Brand. By increasing its marketing activities in social media, television and other media, the Company believes in its ability to increase the brand value of the Company's second brands. Therefore, in the future the brand may become one of the largest contributors to the Company's revenue.

**Production Capacity Upgrade**

At present, the Company is facing high demand while already operates with full capacities. To meet such high demand, the Company cooperates with third parties to manufacture its products. In the future, the Company will increase the number of production facilities such as machineries, factories, and human resources to minimize cooperation with third parties, which will allow the Company to operate at a more efficient cost. The Company also performs the aforementioned steps to support the potential distribution development conducted by the Company. In the future, the Company plans to open warehouses and plants in Central Java and outside Java Island based on the following considerations, i.e., lower human resource costs and closer proximity to distribution points.

**Product Innovation and Diversification**

The Company will continue to develop its business activities by creating new products and applications to meet various consumer needs, e.g such as tapping e-commerce sector, and medical sector through launch of plastic-based blood bags and breast milk storage bags. New products produced by the Company will also open new business opportunities and the opportunity to develop its business. Development of new product range will be focused on products with similar distribution network.

### **Improvement of Efficiency and Operational Excellence.**

The Company will continue to observe and improve the performance of each line, from raw material supply to distribution, in order to provide the best service and product quality to its customers. Regular trainings, stringent monitoring and routine briefings are expected to improve work efficiency and generate products with better quality that will create added value to customers.

## **26. ENVIRONMENTAL LICENSES**

The business activities of the Company and its Subsidiaries are subject to various environmental regulations. Presented below are the environmental licenses of the Company and its Subsidiaries:

- The Company has secured environmental licenses as stipulated in the Letter No. 660/531-Konservasi dated April 14, 2010, regarding the Response to UKL-UPL (*Upaya Pengelolaan Lingkungan - Upaya Pemantauan Lingkungan*, or Environmental Management Efforts - Environmental Monitoring Efforts) Document Draft issued by the Head of Environmental Control Agency, which, among others, stipulated the approval from the Environmental Control Agency of Tangerang City Government for the environmental management and monitoring guidelines submitted by the Company. That in accordance with Government Regulation No. 27/2012, the Company's UKL-UPL shall be equal to Environmental License.
- PMI has secured environmental licenses as stipulated in the Letter No. 660/325-Konservasi dated February 27, 2013, regarding the Recommendations on Plastik Industry Activities UKL-UPL Documents by PIM, issued by the Head of Environmental Control Agency of Tangerang City.
- PIH has secured the environmental license pursuant to the Decree of Head of Investment and Integrated Licensing Agency of Cilegon City No. 503/2657/09-029/3134 regarding Environmental License for PIH's Heavy Duty Sack Industry Activities dated September 18, 2015, which granted the Environmental License to PIH, conducting its activities at Jl. Raya Merak Km. 116, Rawa Arum Sub-District, Grogol District, Cilegon City. The license is valid for as long as PIH carries out its business activities and as long as there are no changes to PIH's business and/or activities.
- Plasindo has obtained the UKL-UPL document for activities located at Jl. Mesjid No. 142 Dusun v, Paya Gali Village, Sunggal District, Deli Serdang Regency, North Sumatera, and has reported the Environmental Monitoring Result for the 1<sup>st</sup> Semester of 2017.
- SKI has obtained its UKL and UPL under No. 660.1/656.2 dated August 16, 2008, signed by the Head of Environmental Control Agency of Karanganyar Regency.

For the years ended December 31, 2014, 2015 and 2016, and the 6-month period ended June 30, 2017, the Company has incurred a total cost of Rp0.4 billion, Rp0.1 billion Rp0.1 billion, and nil, respectively, with respect to the Company's environmental management responsibility.

## **27. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In addition to carrying out its business activities and creating job opportunities for the surrounding communities, the Company is also active in various social activities as a proof of its concern and responsibilities towards its surrounding environment and communities. The Company's social activities are carried out by Panca Harapan Foundation, a foundation established by the Company in 2009, having the vision and main mission to improve welfare through education and health. The Panca Harapan Foundation actively carries out various internal social activities (within the Company) and external social activities (for the surrounding communities), with the motto "Joining Hearts by Sharing Love" or "*Satukan Hati dalam Berbagi Kasih*."

The Company, through the Panca Harapan Foundation, has provided various assistance to its surrounding community as a form of the Company's social responsibility, including, among others, as follows:

### **Education**

The Panca Harapan Foundation has provided a number of renovation aids to several private schools in Serang, North Jakarta and several other locations. The aids are expected to support schools in providing adequate educational facilities to students.

### **Social**

Considering the significant benefits of blood donation, and to support of the Indonesian Red Cross in providing blood for the public, the Company, through the Panca Harapan Foundation, together with Indonesian Red Cross in Tangerang City, routinely conducts blood drive every 3 months. In addition, the Panca Harapan Foundation, also offers mass health services, in cooperation with one of medical university in Jakarta. The activities is carried out to provide health care service to the people with poor access to health care services due to the long distance to the local public health care service centers.

In addition to health care services, the Panca Harapan Foundation also provides various social aids in the form of distribution of *sembako* (9 basic commodities) packages, construction of sanitation and clean water facilities in villages, distribution of aids to nursing homes, natural disaster relief aids in the form of medicines and other social activities to help improve the standard of living of the surrounding communities.

For 2017 onwards, the Company, through the Panca Harapan Foundation intends to continue its social activities, consisting of, among others, distribution of *sembako* packages, nutrition supplement for toddlers, blood drive, natural disasters alertness training and education, development of educational facilities, children quiz contest, free health care services, drug awareness campaign, and other social activities to help improve the standard of living of the surrounding communities.



## IX. EQUITY

The following table presents the Company's statements of equity, which have been prepared based on the figures derived from, and must be read in conjunction with, the Company's Financial statements as of June 30, 2017, December 31, 2016, 2015, and 2014. The consolidated financial statements as of and for the 6-month (six-month) period ended June 30, 2017, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2016, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unqualified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, the consolidated financial statements as of and for the year ended December 31, 2015, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA, and the consolidated financial statements as of and for the year ended December 31, 2014, have been audited by the Registered Public Accountant Rama Wendra, which expressed an Unmodified Opinion in its report signed by Acep Kusmayadi Ak., CA, CPA.

(In billions of Rupiah)

Description	June 30,		December 31,	
	2017	2016	2015*	2014*
<b>Equity attributable to owners of parent entity</b>				
Authorized, Issued and Paid-Up Capital	150.0	150.0	40.0	20.0
Proforma Equity	-	-	-	94.8
Additional Paid-in Capital				
Difference in restructuring transactions of entities under common control	99.6	99.6	99.6	-
Tax amnesty	14.7	14.7		
Other Comprehensive Income:				
- Surplus in revaluation of fixed assets	341.4	345.2	-	-
- Actuarial loss on post-employment benefit liabilities	4.2	3.0	4.6	2.6
Retained Earnings:	254.9	158.8	22.7	10.1
	864.8	771.3	166.9	127.5
Non-Controlling Interest	21.7	20.1	6.1	1.7
<b>TOTAL EQUITY</b>	<b>886.5</b>	<b>791.4</b>	<b>173.0</b>	<b>129.2</b>

\*unaudited

There are no changes to the capital structure from the date of the last financial statements until the date of issuance of this Prospectus.



## Table of Proforma Equity

Assuming the changes to the Company's and its Subsidiaries' equity as a result of the Initial Public Offering to the Public had occurred on June 30, 2017, the Company's and its Subsidiaries' proforma capital structure as of such date shall be as follows:

(In billions of Rupiah, except for total shares and Offer Price)			
Description and Notes	Statement of Equity based on the statement of financial position as of June 30, 2017	Changes in equity subsequent to June 30, 2017 assuming that the followings had occurred on such date: Initial Public Offering in a sum of ●(●) ordinary registered shares with a nominal value of Rp● per share, at an Offer Price of Rp● per share	Proforma equity position as of June 30, 2017, subsequent to the Initial Public Offering
<b>Equity attributable to owners of parent entity</b>			
Authorized, Issued and Paid-Up Capital	150.0	●	●
Proforma Equity	-	-	●
Additional Paid-in Capital			
- Difference in restructuring transactions of entities under common control	99.6		
- Tax amnesty	14.7	-	●
- Initial Public Offering	-	●*	●
Other Comprehensive Income:			
- Surplus in revaluation of fixed assets	341.4	-	●
- Actuarial loss on post-employment benefit liabilities	4.2	-	●
Retained Earnings	254.9	-	●
	864.9	●	●
Non-Controlling Interest	21.7	-	●
<b>TOTAL EQUITY</b>	<b>886.5</b>	●	●

\*Net of issuance cost

## **X. DIVIDEND POLICY**

All issued and paid-up Ordinary Registered Shares, including the Ordinary Registered Shares offered in this Public Offering, shall have the same and equal rights, including the rights to receive dividend distributions.

In accordance with the laws and regulations in Indonesia, particularly the Company Law, the Company is allowed to distribute dividends. Distribution of dividends shall refer to the provisions set forth in the Company's Articles of Association and the approval of shareholders in the GMS, and with due consideration to the fairness of such dividend distribution and the Company's best interest. Dividends shall be distributed only if the Company reports a positive retained earnings.

Interim dividends may be distributed at the end of the year, provided that such distribution is not in contrary to the provisions of the Company's Articles of Association, and such distribution shall not result in the Company's net assets to be lower than the issued and paid-up capital. Distribution of interim dividends shall be determined by the Board of Directors upon approval from the Board of Commissioners. If the Company experiences losses at the end of the fiscal year, the distributed interim dividend must be refunded by the shareholders to the Company. The Board of Commissioners and Board of Directors shall be jointly and severally responsible for the Company's losses in the event that the Shareholders are unable to return the interim dividends.

Subsequent to this Initial Public Offering, the Company's management intends to distribute dividends to the Company's shareholders, in a maximum sum of 40% (forty percent) of the net profit of the respective fiscal year, beginning from 2018 based on the 2017 profit for the year, with due considerations to the resolution of the shareholders in a GMS. If the GMS approve a dividend distribution, such dividends shall be distributed to all shareholders registered in the Shareholder Register as of the recording date, with due considerations to Income Tax and withholding tax in accordance with the prevailing regulations, if any. The Company's Board of Directors may change its dividend policy from time to time, subject to the approval of the shareholders in a GMS.

The determination of amount and dividend distribution shall depend on the recommendations of the Company's Board of Directors, in consideration of several factors, including, among others, as follows:

- Retained earnings, operating results and financial performance, financial condition, liquidity, future business prospects (including capital market and acquisition), cash flow requirements, business opportunities;
- Dividend distribution from the Subsidiaries to the Company; and
- Other factors considered relevant by the Board of Directors.

There are no negative covenants that may prevent the Company from distributing dividends to Shareholders.

## XI. TAXATION

Pursuant to Article 4 paragraph 3 point (f) of the Law of the Republic of Indonesia No. 7 of 1983, as last amended by Law No. 36 of 2008 ("Income Tax Law No. 36 of 2008") on Income Tax (effective from January 1, 2009), dividend or distribution of profit received or earned by Limited Liability Companies as Domestic Taxpayers, Co-operatives, State Owned or Regional Government Owned Enterprises as a result of their equity investment in any business entity established and domiciled in Indonesia are not subject to Income Tax, provided that the following requirements are satisfied:

- i. Dividends are paid out from retained earnings; and
- ii. In the case where the recipient of a dividend is a Limited Liability Company or a State or Regional Government-owned Enterprise, its ownership in the enterprise paying the dividend must not be less than 25.00% of the total fully paid-up capital.

In accordance with Government Regulation No. 14 of 1997 concerning the Amendment to the Government Regulation No. 41 of 1997 concerning Income Tax on Proceeds from Sale of Shares Transaction at the Stock Exchange and the Circular Letter of the Directorate General of Taxation No. SE-07/PJ.42/1995 dated February 21, 1995, concerning the Withholding of Income Tax on Proceeds from Sale of Shares Transaction at the Stock Exchange (General WHT Series No. 3 *juncto* SE-06/PJ.4/1997 dated June 20, 1994, concerning the Withholding of Income Tax on Proceeds from Sale of Shares Transaction at the Stock Exchange), the following provisions shall apply:

- i. On any income received or earned by any Individual Taxpayer or Corporate Taxpayer from the sale of shares listed in the Stock Exchange, a final income tax will be imposed at 0.10% (zero point one percent) of the gross value of the transactions. Payment shall be made as a deduction by the Stock Exchange through the Stock Brokers at the time of payment of the sale transaction of shares;
- ii. Founding shareholders shall be charged with an additional final Income Tax of 0.50% (zero point five percent) of the total value of the founding shareholder's shares at the time of the Initial Public Offering. The value of such shares shall be the value of the Company's shares at the time of the Initial Public Offering. Payment of additional Income Tax payable on founding shareholder's shares shall be conducted by the Company on behalf of each founding shareholder by no later than 1 (one) month after such shares are traded on the Stock Exchange.
- iii. "Founding Shareholder" shall refer to the person or entity whose name is registered in the Company's Shareholder Register or stated on the Company's Articles of Association before the Effective Statement with respect to Registration Statement submitted to the OJK in relation to the Initial Public Offering is received.
- iv. The founding shareholders are provided with the option to meet its tax obligation based on its own calculation in accordance with the provisions referred to above. However, if the founding shareholders opt not to use the facility referred to in point 2 above, the capital gain arising from the sale of founding shareholders' shares shall be subject to Income Tax in accordance with the generally applicable tariff pursuant to Article 17 of Income Tax Law No. 36 of 2008.

Pursuant to Article 17 paragraph (2c) of Income Tax Law No. 36 of 2008 and Government Regulation No. 19 of 2009 concerning Income Tax on Dividends received or accrued by Domestic Individual Income Taxpayers, income in the form of dividends received or accrued by Domestic Individual Income Taxpayers shall be subject a final income tax of 10% (ten percent) of the gross amount. In accordance with Article 2 of the Ministry of Finance Regulation No. 111/PMK.03/2010 on Withholding, Payment and Reporting Procedures of Income Tax on Dividends Received or Earned by Domestic Individual Taxpayer, the final income tax of 10% shall be imposed by way of withholding by the party paying such dividends or any other party appointed as the payor of dividends when the dividends are available for distribution.

Article 23 paragraph (1) of Income Tax Law No. 36 of 2008 stipulates that dividends paid or available to be paid, or are due for payment to Domestic Individual Taxpayer or permanent establishment are subject to Withholding Income Tax Article 23 of 15% (fifteen percent) of the gross dividend by the party obligated to pay (the Company). In the event that the Taxpayer receiving or earning such dividend income does not possess a Tax Registration Number, the amount of tax withheld is 100% higher of the initial tax rate or 30% of the gross income.

The withholding of income tax referred to in Article 23 paragraph (1a) of the Income Tax Law No. 36 of 2008 referred to above shall not apply for dividends paid to Taxpayers referred to in Article 4 paragraph (3f) of the Income Tax Law No. 36 of 2008

(referred to in the first paragraph above) and dividends received by individuals referred to in Article 17 paragraph (2c) of the Income Tax Law No. 36 of 2008.

In accordance with Ministry of Finance Regulation No. 234/PMK-03/2009 dated December 29, 2009 concerning Certain Investment Sectors Generating Income for Pension Funds Exempted as Object of Income Tax, dividends from shares that are received or accrued by Pension Funds incorporated under the approval of the Minister of Finance of the Republic of Indonesia are not included as an Income Tax Object.

Pursuant to Article 26 paragraph (1a) of Income Tax Law No. 36 of 2008, dividends paid, available to be paid, or due for payment by the Company to Foreign Taxpayers other than Permanent Establishment in Indonesia, shall be subject to a withholding income tax of 20% of the gross income, which shall be withheld by the Company, or a lower tax rate in the event that such dividend payment is made to citizens of a country that has signed the Double Tax Avoidance Agreement (*Perjanjian Penghindaran Pajak Berganda*, "P3B").

In order for such Foreign Taxpayer to become eligible to lower tax rate facility according to the P3B, based on the Director General of Taxes ("DGT") Regulation No. PER-24/PJ/2010 dated April 30, 2010, concerning the Amendment to the DJP Regulation No. PER-61/PJ/2009 concerning the Procedures of Implementation of Double Tax Avoidance Agreement, Foreign Tax Payers are required to submit a Certificate of Domicile (COD) of Non-Resident Taxpayer for Indonesia Tax Withholding, namely:

- i. Form-DGT 1 for Foreign Tax Payers other than those referred to in point 2 below.
- ii. Form-DGT 2 for bank and Foreign Taxpayers receiving or earning income through custodians with respect to income from transfer of shares or bonds traded or reported in the capital market in Indonesia, other than interest and dividends, and Foreign Taxpayers in the form of pension fund, which incorporation has complied with the provisions of the laws and regulations in the partner country and is a tax subject in the partner country.
- iii. The COD form customary approved or issued by the P3B partner country may be used in the event that the competent authorities in the P3B partner country refuse to sign the Form-DGT 1/Form -DGT 2. The COD Form shall be issued in the English Language and shall meet other requirements stipulated in Article 4 paragraph (4) of PER-24/PJ/2010. In that event, the Form-DGT 1/Form DGT-2 shall be signed by the Foreign Taxpayer receiving such income, as an appendix to the COD Form of the P3B partner country.

In addition to the requirements to submit Form-DGT-1 or Form DGT-2 or COD Form from the Partner Country, according to the Directorate General of Taxation Regulation No. PER-25/PJ/2010 dated April 30, 2010, concerning the Amendment to the DJP Regulation No. PER-62/PJ/2009 on the Prevention of Misappropriation of the Double Tax Avoidance Agreement, in general, the Foreign Taxpayer receiving dividends shall meet the requirement that the establishment of a company or arrangement of transaction structure/scheme are not made solely to benefit the P3B. More specifically, Foreign Taxpayer receiving dividends that is domiciled in the P3B partner country having regulations on beneficial owner of the economic benefit of income with respect to the P3B, shall be subject to the following provisions:

- i. The business activities shall be managed by an independent management authorized to conduct transactions; and
- ii. The company employs employees; and
- iii. The company has active business or activities; and
- iv. Income from Indonesia are taxable in the country of recipient; and
- v. Does not use more than 50% (fifty percent) of the total income to meet obligations to other parties in the form of, e.g., interest, royalty, or other compensations, excluding compensations to employees granted on an arm's length conditions in a work relationship, and other costs that are customarily incurred by the Foreign Taxpayers in carrying out their business, and distribution of profit in the form of dividends to shareholders.

### **Fulfillment of the Company's Tax Obligations**

As a Taxpayer, the Company is generally subject to the tax obligations arising from Income Tax ("WHT"), Value Added Tax ("VAT") and Land and Building Tax (*Pajak Bumi dan Bangunan*, "PBB"). The Company has fulfilled all of its tax obligations in accordance with the prevailing tax laws and regulations. Up to the date of issuance of this Prospectus, the Company has no overdue tax obligations.

<p><b>PROSPECTIVE BUYERS OF THE SHARES IN THIS INITIAL PUBLIC OFFERING ARE EXPECTED TO CONSULT THEIR RESPECTIVE TAX CONSULTANTS ABOUT THE TAX CONSEQUENCES THAT MAY ARISE FROM THE PURCHASE, POSSESSION AND SALE OF SHARES PURCHASED THROUGH THIS INITIAL PUBLIC OFFERING.</b></p>
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## XII. SECURITIES UNDERWRITING

### 1. Description of Underwriting

In accordance with the terms and conditions stipulated in the Deed of Securities Underwriting Agreement, the Underwriters whose names are stated below, severally and not jointly, fully agree to offer and sell the Offering Shares to the Public in accordance with their respective underwriting portion in full commitment and bind themselves to purchase the remaining Offering Shares unsubscribed on the closing date of the Initial Public Offering Period.

The Securities Underwriting Agreement shall annul any similar agreements, whether written or unwritten, which have previously existed and will exist in the future, between the Company and the Underwriters.

Furthermore, the Underwriters participating in the Company's Securities Underwriting have agreed to carry out their duties in accordance with Regulation No. IX.A.7.

The underwriting composition, portion and percentage of members of the securities underwriter syndicate participating in the Company's Initial Public Offering are as follows:

Description	Underwriting Portion		
	Shares	Rp	(%)
<b>Joint Lead Underwriters</b>			
1. PT Bahana Sekuritas	•	•	•
2. PT BCA Sekuritas	•	•	•
3. PT CIMB Sekuritas Indonesia	•	•	•
<b>Underwriters</b>			
(To be determined)	•	•	•
<b>Total</b>	•	•	•

The Joint Lead Underwriters and Underwriters referred to above, hereby expressly represent that they are not affiliated to the Company, whether directly or indirectly, according to the definition set forth in the Capital Market Law.

The allotment shall be conducted by PT Bahana Sekuritas as the Allotment Manager, in accordance with Regulation No. IX.A.7.

### 2. Determination of Offer Price in the Primary Market

The Offer Price of the Offering Shares shall be determined based on the agreement and negotiation between the shareholders, the Company and the Joint Lead Underwriters.

Pursuant to results of the Preliminary Offering (bookbuilding) conducted from • – • 2017, the price ranged from Rp• (• Rupiah) - Rp• (• Rupiah) per share. In consideration of the highest bid received by the Joint Lead Underwriters during the Preliminary Offering (Bookbuilding), then, based on the agreement between the Company and the Joint Lead Underwriters, the Offer Price is set at Rp• (• Rupiah).

The determination of offer price range is made based on a combination of several valuation methods, such as the Discounted Cash Flow methods on the Company's projected consolidated revenue and EV/EBITDA and P/E ratios of several comparable public companies listed on the regional Stock Exchange. The offer price range is submitted to the prospective investors during the Preliminary Offering (bookbuilding).

The price setting has also takes the following factors into consideration:

- Market condition at the time of the bookbuilding;
- The Company's financial performance;
- Data and information concerning the Company, the Company's performance, brief history, business prospects and information on the consumer goods industry in Indonesia;
- Assessment on the Board of Directors and management, the Company's operations or performance, both in the past and in the future, and future business prospects and revenue prospects.
- Valuation based on comparison of P/E ratios and EV/EBITDA of several comparable public companies listed on the regional Stock Exchanges; and
- Status of the Company's latest development;
- Share performance on the secondary market.
- .

### XIII. CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS

The Capital Market Supporting Institutions and Professionals participating in this Limited Public Offering are as follows:

**Legal Advisor :** **Makes & Partners Law Firm**  
Menara Batavia, 7<sup>th</sup> Floor  
Jl. K.H. Mas Mansyur Kav. 126  
Jakarta 10220

STTD Number: 227/PM/STTD-KH/1998

STTD Date: October 5, 1998

Member of the Association of Capital Market Legal Consultants (*Himpunan Konsultan Hukum Pasar Modal*, "HKHPM") No. 200924

Partner-in-Charge: Irfan Ghazali, S.H., M.H.

With respect to this Public Offering, the Legal Consultant Makes & Partners Law Firm has been appointed as a Legal Advisor by the Company pursuant to the letter with reference No. 0418/L/MP/IS/nf/10/16 dated October 25, 2016, regarding the Appointment of Legal Consultant of PT Panca Budi Idaman with respect to PT Panca Budi Idaman's Initial Public Offering Plan.

**Main duties:** To conduct examination and research to the best of its ability on the legal aspects of the existing facts about the Company and other related information as provided by the Company. The results of the legal examination and research which are summarized in the Legal Due Diligence Report, which represents the basis of the Legal Opinion expressed objectively and independently, and to examine the information included in this Prospectus as far as legal aspects are concerned. The duties and functions of a Legal Consultant described herein are in accordance with the Professional Standards and the prevailing Capital Market Regulations to implement the transparency principles.

The work framework is based on the applicable Professional Standards of the Association of Capital Market Legal Consultants, based on the principles of transparency and materiality.

**Public Accountant :** **Registered Public Accountant Rama Wendra**  
**(Member Firm of McMillan Woods)**

Graha Mampang 2<sup>nd</sup> Floor  
Jl. Mampang Prapatan No.100  
Jakarta 12760

STTD Number: **262/PM/STTD-AP/2000**

STTD Date: **July 26, 2000**

Association Membership: Indonesian Institute of Accountant ("*Ikatan Akuntan Indonesia*", "IAI") No. **IAP1935**

Partner-in-Charge: Acep Kusmayadi Ak, CA, CPA,

With respect to this Public Offering, the Registered Public Accountant Rama Wendra has been appointed by the Company as the Public Accountant based on the engagement letter No. 028/RW-AK/PRO/2017 dated March 20, 2017, regarding Request for Audit.

**Main duties:** Perform audit based on the auditing standards set forth by the Indonesian Institute of Public Accountant (IAP). The standards require the public accountant to plan and perform an audit in



order to obtain a reasonable assurance about whether the financial statements are free from material misstatements. The Public Accountant shall be responsible for the opinion expressed on audited financial statements. The duties of the Public Accountant shall include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Based on the Framework of Statements of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan*, "PSAK") a Public Accountant Professional Standards (*Standar Profesional Akuntan Publik*, "SPAP").

**Notary** : **Fathiah Helmi, S.H., M.Kn.**  
Graha Irama, 6th Floor, Suite C  
Jl. HR Rasuna Said Blok X-1 Kav 1&2  
Kuningan  
Jakarta 12950

No. STTD No. 02/STTD-N/PM/1996

STTD Date: February 12, 1996

Association Membership: Indonesian Notary Association (*"Ikatan Notaris Indonesia* , "INI")  
011.003.027.260958

With respect to this Public Offering, the Notary Office Fathiah Helmi, S.H., M.Kn., has been appointed by the Company as the Notary based on the engagement letter No. 001/PBI/SPK/XI/2016 dated November 1, 2016, regarding the Appointment of Notary Services with respect to PT Banca Budi Idaman Tbk's Initial Public Offering Plan.

Framework based on the Law No. 30 of 2004 regarding the Notary Office and the Indonesian Notary Association Code of Ethics.

Main duties: Prepare deeds of minutes of GMS and Agreements in connection with the Initial Public Offering.

**Securities Administration Bureau** : **PT Datindo Entrycom**  
Jl. Hayam Wuruk No. 28  
Jakarta 10120

STTD Number: Kep 16/PM/1991

STTD Date: April 19, 1991

Association Membership: Indonesian Securities Administration Bureau Association (Asosiasi Biro Administrasi Efek Indonesia, "ABI"))

The Company appointed PT Datindo Entrycom as the SAB pursuant to the Share Administration Management Agreement.

Main duties: : The duties and responsibilities of the Securities Administration Bureau (SAB) in the Initial Public Offering according to the applicable Professional Standards and the prevailing Capital Market Regulations include: admission of share subscription in the form of Share Subscription Register (SSR) and Share Subscription Form (SSF), which are supported by documents required in the share subscription procedures and have been approved by the Joint Lead Underwriters as subscriptions eligible for share allotment, and undertaking the administration of share subscriptions in according using the application available at the SAB. Together with the Joint Lead Underwriters, the SAB shall have the right to reject share subscriptions that fail to satisfy the applicable subscription requirements, with due considerations to the prevailing laws and regulations. In the event of oversubscription of the Offering Shares, the SAB shall conduct the allotment process in accordance with the allotment formula set by the Joint Lead Underwriters,

print the Allotment Confirmation Form and prepare the allotment report. The SAB is also responsible for issuing the Allotment Confirmation Form ("ACF") under the name of the subscribers receiving allotment, and prepare the Initial Public Offering Report in accordance with the prevailing regulations.

The Capital Market Supporting Institutions and Professionals participating in this Public Offering hereby represent that they are not affiliated with the Company within the meaning of affiliate relationship defined in the Capital Market Law.

The Capital Market Supporting Institution and Professionals hereby represents their compliance with the Otoritas Jasa Keuangan Regulation No. 3/POJK.02/2014 concerning the Procedures of Levy by the Otoritas Jasa Keuangan.

## **XIV. KEY PROVISIONS OF THE ARTICLES OF ASSOCIATIONS AND OTHER KEY PROVISIONS RELATING TO THE SHAREHOLDERS**

As of the date of issuance of this Prospectus, the Company's applicable Articles of Association is the Articles of Association stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated September 13, 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta. The key provisions in the Company's Articles of Association presented below are the key provisions stipulated in the last and latest Articles of Association that has been approved by the Minister of Law and Human Rights and registered in the Company Register and has conformed to the provisions of Regulation IX.J.1 and the Company Law.

### **A. Aims, Objectives and Business Activities**

1. The aims and objectives of the Company are:
  - a. to engage in the industrial sector;
  - b. to engage in the general trade sector;
  - c. to engage in the service sector;
2. To achieve the aims the objectives referred to above, the Company may carry out the following business activities:
  - a. to engage in the plastic industry, including the manufacturing of plastic bags;
  - b. to engage in trade, particularly trade of plastic bags, plastic ores, and plastic raw materials, export-import trade, inter-island and domestic trade, of products produced independently or by other parties that are marketed by the Company; act as a wholesaler, purveyor/supplier, franchisee, and commission house and other related business activities; act as distributor, agent and representative of other domestic and international enterprises; and trade of daily necessities, including but not limited to, household appliances, clothing and food, and trade relating to real estate, i.e., sales and purchase of residential houses, office buildings, commercial buildings, apartment units, hotels, condominiums, office spaces and retail spaces.
  - c. to engage in service business, except for legal and tax services, including:
    - Consulting Services, in the form of management advice, input, opinion and consultation.
3. In addition to the main business activities referred to in paragraph 2, the Company may carry out supporting business activities, namely, creative activities related to graphic design creations, interior designs, industrial designs, corporate identity consulting and marketing research service and packaging production and packing services.

### **B. Capital**

1. The Company's authorized capital shall be in the sum of 600,000,000,000.- (six hundred billion Rupiah), consisting of 6,000,000,000 (six billion) shares, each share having a nominal value of Rp100.00 (one hundred Rupiah).
2. Of such Authorized Capital, a total of 1,500,000,000 (one billion five hundred million) shares, each having a nominal value of Rp100.00 (one hundred Rupiah), with a total nominal value of Rp150,000,000,000.- (one hundred fifty billion Rupiah), have been issued and paid up by the Shareholders, the details and nominal value of shares of which are stated at the end of this Deed.
3. 100% (one hundred percent) of the nominal value of each share that has been issued and paid-up referred to above, or a total of 150,000,000,000.- (one hundred fifty billion Rupiah), which have been issued and paid up by the Company's Shareholders consisted of the initial paid-up capital as stipulated in the Deed No. 77 dated September 30, 2016 (thirtieth September of two thousand sixteen), drawn up before me, the Notary, the notification of changes in company data of which has been received and recorded in the Legal Entity Administration System database of the Ministry of Law and Human Rights of the Republic of Indonesia under Number: AHU-AH.01.03-0085057 dated September 30, 2016 (thirtieth September of two thousand sixteen).
4. Shares in portfolio shall be issued by the Company upon approval of the General Meeting of Shareholders ("**GMS**"). Shares in portfolio shall be issued by the Company with the approval of the **GMS**, under certain conditions and at the price stipulated by the Board of Directors with the approval of the Board of Commissioners, and such price shall not be lower than the par (nominal) value per share, with due consideration to the provisions of this Articles of Association and the prevailing laws and regulations in the Capital Market and the regulations in the Stock Exchange where the Company's shares are listed.
5. Payment of shares may be made in the form of cash or other forms of payment and/or in the form of rights to charge. Such payment of shares shall comply with the Capital Market regulations and other laws and regulations governing such payment.

6. Payment of shares in the form other than cash, whether in the form of tangible or intangible article(s), shall comply with the following provisions:
  - a). The article(s) to be made as capital contribution(s) shall be announced to the public in conjunction with the summon to convene the General Meeting of Shareholders concerning such contribution;
  - b). The article(s) to be made as capital contribution(s) shall be appraised by an Appraiser registered with the Otoritas Jasa Keuangan (hereinafter referred to as the "OJK"), and shall be free of any encumbrance in any way whatsoever;
  - c). Subject the approval from the General Meeting of Shareholders at the quorum as stipulated in this Articles of Association.
  - d). In the event that the article(s) to be deposited as capital contribution(s) is(are) in the form of the Company's shares listed on the Stock Exchange, such shares shall be valued at the fair market value; and
  - e). In the event that the capital contributions shall be derived from the Company's retained earnings, capital paid in excess of par value, net profit, and/or other components of own capital, then the said retained earnings, capital paid in excess of par value, the Company's net profit, and/or other components of own capital shall be first reported in the last Annual Financial Statements audited by an Accountant registered with the OJK with Unmodified Opinion.
7. In raising additional capital with the issuance of Preemptive Rights to shareholders, the Company shall be obligated to announce information on the plan to raise additional capital with the issuance of Preemptive Rights to shareholders in simultaneously with the announcement of GMS, at the latest, in 1 (one) newspaper published in the Indonesian language with national circulation, at the minimum, or the Stock Exchange's website and the Public Company's website, the content of which shall meet the principles required by the Capital Market.
8. In the event that the GMS approving the issuance of shares in portfolio by raising additional capital without issuance of Preemptive Rights determines the maximum number of shares in portfolio to be issued, such GMS shall grant the Board of Commissioners with the authority and power to declare the final number of shares issued in connection with additional capital without Preemptive Rights.
9. Equity Securities Issuance;  
Every additional capital acquired through the issuance of Equity Securities (Equity Securities shall be Shares, Securities convertible to shares or Securities with the right to obtain shares from the Company as the issuer), shall be conducted in accordance with the following provisions:
  - a). by granting Preemptive Rights, i.e. an inherent right of the shares that allows existing shareholders to purchase shares and/or other equity securities convertible to shares or granting the rights to purchase shares, before such securities are offered to other parties;
  - b). issuance of shares/additional capital with Preemptive Rights/without Preemptive Rights shall be conducted with the approval of the GMS in accordance with the regulations in the Capital Market;
  - c). the issuance of shares from portfolio for the holders of Securities convertible to shares or Securities containing the right to acquire shares, may be carried out by the Board of Directors based on the Company's GMS which approved the issuance of such Securities.
  - d). the Company is required to conduct allocation of Shares and/or other Equity Securities that are unsubscribed at the same subscription price to all shareholders stating their intents to subscribe to additional shares and/or other Equity Securities during the relevant Preemptive Rights exercise period.
  - e). the Preemptive Rights are tradable and transferrable to other parties, with due considerations to the provisions of this Articles of Association and the prevailing laws and regulations in the Capital Market in Indonesia.
  - f). in the event that there are remaining Equity Securities that are not subscribed by the shareholders referred to in point d referred to above, then, in the event that a stand-by buyer is available, the aforementioned Equity Securities shall be allocated to the Party acting as the stand-by buyer at equal price and terms.
  - g). in the event that the Company intends to raise capital which proceeds shall be used to enter into a transaction with a given amount, such capital raise shall have a Stand-By Buyer that guarantees to subscribe to the remaining Shares and/or Equity Securities at a price that shall be no lower than the Offer price of the Shares and/or Equity Securities, that are not exercised by the holders of Preemptive Rights.
  - h). additional paid-in capital shall be effective upon payment and the shares issued shall have equal rights with other shares under the same class issued by the Company, without prejudice to the Company's obligations to report to the Minister of Law and Human Rights.
  - i). issuance of Equity Securities/additional capital without granting the Preemptive Rights to the Shareholders may be carried out in the event that such issuance is:
    - 1). designated to the Company's employees; and/or
    - 2). designated to the holders of Bonds or other Securities convertible to shares, which have been issued with the approval of the GMS; and/or
    - 3). effected in the course of reorganization and/or restructuring that has been approved by the GMS; and/or

- 4). conducted in accordance with the regulations in the Capital Market allowing additional capital without preemptive rights.
10. Increasing the Company's Authorized Capital:
  - a) The increase of the Company's Authorized Capital shall be conducted based on a GMS resolution. An Amendment to the Articles of Association in connection with any change in the Authorized Capital shall require the approval from the Minister of Justice and Human Rights of the Republic of Indonesia and/or its successors.
  - b) The increase of authorized capital resulting in the issued and paid-up capital to be less than 25% (twenty five percent) of the Authorized Capital may be conducted provided that:
    - b.1. Approval from the GMS to increase the Authorized Capital has been obtained;
    - b.2. Approval from the Minister of Law and Human Rights has been obtained;
    - b.3. The increase in issued and paid-up capital to become at least 25% (twenty five percent) of the authorized capital shall be conducted by no later than 6 (six) months subsequent to the approval from the Minister of Law and Human Rights of the Republic of Indonesia and/or its successors.
    - b.4. In the event that the increase in Paid-up Capital as defined in Article 4 paragraph 7.b.3 of this Articles of Association is not fully satisfied, the Company shall re-amend its Articles of Association so that the Authorized Capital and Issued and Paid-up Capital conform to the provisions of Article 33 paragraph (1) and paragraph (2) of the Law No. 40 of 2007 concerning Limited Liability Company and any amendments/replacements thereof (hereinafter referred to as the "**Company Law**"), within a period of 2 (two) months subsequent to the failure to satisfy the period stipulated in Article 4 paragraph 7.b.3 of this Articles of Association;
    - b.5. The approval of the GMS referred to in Article 4 paragraph 7.b.1 of this Articles of Association shall include the approval to amend the Articles of Association referred to in Article 4 paragraph 7.b.4 of this Articles of Association.
  - c) The amendment of Articles of Association with regard to the increase of Authorized Capital shall become effective after the payment of shares resulting in the paid-up capital to become at least 25% (twenty five percent) of the authorized capital takes place, and such shares shall bear equal rights as other shares issued by the Company, without prejudice to the Company's obligation to apply for the approval on the amendment of Articles of Association from the Minister of Law and Human Rights of the Republic of Indonesia and/or its replacement upon such increase of paid-up capital.
11. The Company may buy back the shares that have been fully paid-up, and such share buyback shall be conducted with due considerations to the provisions of the prevailing laws and regulations, particularly the Capital Market regulations.

### **C. Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders**

#### General Meeting of Shareholders (Article 11)

1. GMS consists of Annual GMS and other GMS (hereinafter referred to as the "Extraordinary GMS").
2. The Annual GMS shall convene within a period no later than 6 (six) months after the closing of the Company's fiscal year.
3. Extraordinary GMS may convene from time to time in accordance with the Company's needs.  
The term GMS in this Articles of Association shall mean both the Annual GMS and Extraordinary GMS, unless expressly stated otherwise.
4. GMS with others as the agenda shall not be entitled to pass any resolution.
5. The Board of Directors shall hold the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders upon request of the Company's Board of Commissioners or upon request of the shareholders with due considerations to the provisions of paragraph 9 of this article, and the request to hold a GMS by the Board of Commissioners shall be submitted to the Board of Directors by registered mail and shall be supported with the reasons thereof.
6. During the Annual GMS, the Board of Directors shall present:
  - a. The Annual Report referred to in Article 21 paragraph 3 of this Articles of Association, which has been reviewed by the Board of Commissioners.
  - b. Proposal on the appropriation of net profit, in the event that the Company has positive retained earnings.
  - c. Proposal on the appointment of Public Accountant registered in the OJK.Other than the agenda referred to in letter a, b and c of this paragraph, the Annual GMS may discuss other agenda provided such agenda is allowed based on this Articles of Association and the prevailing laws and regulations.
7. The approval of the annual report by the Annual GMS shall constitute the full release and discharge of the members of the Board of Directors and the members of the Board of Commissioners for the management and supervision undertaken during the previous fiscal year, to the extent that such actions are reflected in the said annual report, with the exception of embezzlement, fraud and other criminal acts.

8. Request for the GMS to Convene by the Shareholder(s):
  - (1). One shareholder or more who jointly represents 1/10 (one tenth) or more of the total shares with voting rights, may request the GMS to convene.
  - (2). The request for the GMS to convene referred to in point (1) of this article shall be submitted to the Board of Directors with registered mail supported with the reasons thereof.
  - (3). The request for the GMS to convene referred to in point (1) of this paragraph shall:
    - a. be made in good faith;
    - b. be made in consideration the Company's interests;
    - c. be a meeting agenda that require the resolutions of the GMS.
    - d. be supported by reasons and materials related to the matters requiring the resolutions of the GMS; and
    - e. not be contrary to the prevailing laws and regulations and the Company's Articles of Association.
  - (4). The Board of Directors shall announce the GMS to the shareholders by no later than 15 (fifteen) days commencing on the date of request for the GMS to convene referred to in point (1) of this paragraph is received by the Board of Directors.
  - (5). In the event that the Board of Directors fails to announce the GMS referred to in point (4) of this paragraph, the shareholders may re-apply the request for the GMS to convene to the Board of Commissioners.
  - (6). The Board of Commissioners shall announce the GMS to the shareholders by no later than 15 (fifteen) days commencing on the date of request for the GMS to convene referred to in point (5) of this paragraph is received by the Board of Commissioners.
  - (7). In the event that the Board of Directors or the Board of Commissioners fails to announce the GMS during the period set forth in point (4) of this paragraph and point (6) of this paragraph, the Board of Directors or the Board of Commissioners shall be obligated to announce:
    - a. that there has been a request from the shareholder for the GMS to convene as referred to in point (1) of this paragraph;
    - b. the reasons for not convening a GMS.
  - (8). The announcement referred to in point (7) of this paragraph shall be made by no later than 15 (fifteen) days commencing on the date of request for the GMS to convene referred to in point (4) of this paragraph and paragraph (6) of this article is received.
  - (9). Such announcement referred to in point (7) of this paragraph shall be made in at least:
    - a. 1 (one) newspapers published in the Indonesian language with national circulation;
    - b. the Stock Exchange' website; and
    - c. the Company's website in the Indonesian and foreign language, provided that the foreign language used shall be the English language, at the minimum.
  - (10). The announcement in foreign language referred to in point (9) letter c of this paragraph must contain the same information with the information contained in the announcement in the Indonesian Language.
  - (11). In the event of any difference in interpretation of information announced in the foreign language and that announced in the Indonesian Language as referred to in point (10) of this paragraph, the information in the Indonesian Language shall prevail.
  - (12). Proof of announcement referred to in point (9) letter a of this paragraph and a copy of the letter requesting the GMS to convene referred to in point (2) of this paragraph must be submitted to the OJK by no later than 2 (two) business days following such announcement.
  - (13). In the event that the Board of Commissioners fails to announce the GMS referred to in point (6) of this article, the Shareholders referred to in point (1) of this article may file the request for the GMS to convene to the head of district court which jurisdiction encompasses the Company's place of domicile, to issue a ruling granting the permission for the GMS to convene.
  - (14). Shareholders having obtained the ruling granting the permission for the GMS to convene referred to in point (13) of this paragraph shall be obligated to:
    - a. issue the announcement, summon to the GMS, announcement of the GMS agenda, with respect to the GMS convening in accordance with this Otoritas Jasa Keuangan Regulation.
    - b. issue notification for the GMS to convene and submit the proof of announcement, proof of summons, GMS agenda, and proof of announcement of GMS agenda with respect to the GMS convening in accordance with the OJK Regulations to the OJK.
    - c. submit the document containing the name of shareholders who have obtained the court ruling to convene a GMS and their respective shareholdings in the Company and the court ruling along with the notification referred to in letter b to the OJK with respect to the plan to convene such GMS.
  - (15). The shareholders referred to in point (1) of this paragraph are prohibited from transferring their shares as stipulated in Article 10 paragraph 8.



Venue, Notice, Announcement, Summon And Timing Of The General Meeting Of Shareholders (Article 12)

1. The GMS shall convene within the jurisdiction of the Republic of Indonesia.
2. The Company shall determine the venue and time of the GMS.
3. The venue of the GMS referred to in paragraph 2 shall be:
  - a. the Company's place of domicile;
  - b. the location on which the Company carries out its main business activities;
  - c. the capital of the province of the Company's place of domicile or where the Company's main business activities take place; or
  - d. the province which is the place of domicile of the Stock Exchange where the Company's shares are listed.
4. Notification of GMS to the OJK:
  - (1). The Company shall first notify the meeting agenda to the OJK by no later than 5 (five) business days prior to the announcement of the GMS, without considering the GMS announcement date.
  - (2). Meeting agenda referred to in point (1) of this article must be clearly disclosed in detail.
  - (3). In the event of changes to the meeting agenda referred to in point (2) of this paragraph, the Company shall be obligated to submit such change of meeting agenda to the OJK by no later than the summon to the GMS.
5. The provisions of paragraph 4 of this article shall apply, *mutatis mutandis*, to the announcement of GMS convening due to the request of shareholders who have obtained the court ruling granting the permission for the GMS to convene referred to in Article 11.9.(14).
6. Announcement of GMS:
  - (1) The Announcement of GMS shall be made by no later than 14 (fourteen) days prior to the summon to the GMS, excluding the date of the announcement and the date of the summon.
  - (2) Such announcement referred to in point (1) of this paragraph shall, at the minimum, contain the followings:
    - a. provisions concerning the Shareholders eligible to attend the GMS;
    - b. provisions concerning shareholders eligible to propose meeting agenda;
    - c. the date of the GMS; and
    - d. the date of summon to the GMS.
  - (3) In the event of a GMS convening upon request of the shareholders referred to in Article 11 paragraph 9, the announcement of the GMS referred to in point (1) of this paragraph shall include the information that the Company is holding the GMS upon request of the shareholders, in addition to the matters stated in point (2) of this paragraph.
  - (4) The announcement of the GMS to the shareholders referred to in point (1) of this paragraph shall be made, at the minimum, in the followings:
    - a. 1 (one) newspapers published in the Indonesian language with national circulation;
    - b. the Stock Exchange' website; and
    - c. the Company's Website, in the Indonesian and foreign language, provided that the foreign language used shall be the English language, at the minimum.
  - (5) The announcement of the GMS in foreign language referred to in point (4) letter c of this paragraph must contain the same information with the information contained in the announcement of the GMS in the Indonesian Language.
  - (6) In the event of any difference in interpretation of information announced in the foreign language and that announced in the Indonesian Language as referred to in point (5) of this paragraph, the information in the Indonesian Language shall be used as a reference.
  - (7) Proof of the GMS announcement referred to in point (4).a of this paragraph shall be submitted to the OJK by no later than 2 (two) business days subsequent to the GMS Announcement.
  - (8) In the event of a GMS convening upon request of the shareholders, the submission of proof of the GMS announcement referred to in point (&) of this paragraph shall be supported by a copy of letter of request for the GMS to convene as referred to in Article 11.9.(2).
  - (9) The Announcement and Summon to the GMS to resolve matters with conflict of interest shall be conducted in accordance with the manner required by the Capital Market regulations.
7. The provisions of paragraph 6 of this article shall apply, *mutatis mutandis*, to the announcement of GMS convening due to the request of shareholders who have obtained the court ruling granting the permission for the GMS to convene referred to in Article 11.9.(14).
8. Proposal of the Meeting Agenda:
  - (1) The shareholders may propose the meeting agenda in writing to the Board of Directors by no later than 7 (seven) days prior to the summon to the GMS.
  - (2) The shareholders entitled to propose the meeting agenda referred to in point (1) of this paragraph shall be 1 (one) shareholder or more representing 1/20 (one twentieth) or more of the total shares with voting rights, except in the

- event that the Company's Articles of Association stipulates a lower number.
- (3) The proposal of meeting agenda referred to in point (1) of this articles shall:
    - a. be made in good faith;
    - b. be made in consideration the Company's interests;
    - c. be supported by the reasons and materials for the proposed meeting agenda;
    - d. not be contrary to the prevailing laws and regulations.
  - (4) The proposal of agenda from the shareholders referred to in point (1) of this paragraph shall be an agenda that require the resolution of the GMS.
  - (5) The Company shall state the meeting agenda proposed by the shareholders referred to in point (1) of this paragraph to point (4) of this paragraph in the meeting agenda stated in the summon.
9. Summon to the GMS:
- (1) The Company shall issue the summon to GMS to the shareholders by no later than 21 (twenty one) calendar days prior to the GMS, excluding the date of the summon and the date of the GMS.
  - (2) The summon to the GMS referred to in point (1) of this paragraph shall, at the minimum, contain the following information:
    - a. The date of the GMS;
    - b. The time of the GMS;
    - c. The venue of the GMS;
    - d. Provisions concerning the Shareholders eligible to attend the GMS;
    - e. Meeting agenda, including elucidation of each meeting agenda; and
    - f. Information stating that the material for the meeting agenda shall be available to Shareholders from the date of summon to the GMS until the time of the GMS.
  - (3). The summon of the GMS to the shareholders referred to in point (1) of this paragraph shall be made, at the minimum, in the followings:
    - a. 1 (one) newspapers published in the Indonesian language with national circulation;
    - b. the Stock Exchange' website; and
    - c. the Company's website in the Indonesian and foreign language, provided that the foreign language used shall be the English language, at the minimum.
  - (4). The summon to the GMS in the foreign language referred to in point (3).c of this paragraph shall include the same information as the information stated on the summon to the GMS made in the Indonesian Language.
  - (5). In the event of a difference in interpretation of summon to the GMS announced in the foreign language and that announced in the Indonesian Language referred to in point (4) of this paragraph, the information in the Indonesian language shall control.
  - (6). The proof of summon to the GMS referred to in point (3).a of this paragraph shall be submitted to the OJK by no later than 2 (two) business days subsequent to the summon to the GMS.
  - (7). Without prejudice to other provisions in this Articles of Association, the Summon shall be issued by the Board of Directors or the Board of Commissioners in accordance with the procedures stipulated in this Articles of Association, with due considerations to the Capital Market Regulations.
10. The provisions of paragraph 9 of this Article shall apply, *mutatis mutandis*, to the announcement of GMS convening due to the request of shareholders who have obtained the court ruling granting the permission for the GMS to convene referred to in Article 11 paragraph 9 number (14).
11. Summon to the second GMS shall be made in accordance with the following provisions:
- (1) Summon to the second GMS shall be made by no later than 7 (seven) days prior to the day the second GMS convenes.
  - (2) The summon to the third GMS shall state that the second GMS has convened and failed to achieve quorum of attendance. The provision shall apply without prejudice to the Capital Market regulations and other laws and regulations, and the regulations of the Stock Exchange where the Company's shares are listed.
  - (3) The Second GMS shall convene within a period that shall be no earlier than 10 (ten) days and no later than 21 (twenty one) days subsequent to the first GMS.
  - (4) The provisions concerning the media used for the summon and the correction of the summon to the GMS referred to in point (3) paragraph 9 up to point (6) paragraph 9 of this article shall apply, *mutatis mutandis*, to the summon to the second GMS.
12. Summon to the third GMS shall be made in accordance with the following provisions:
- (1). Summon to the third GMS upon request of the Company shall be stipulated by the OJK;
  - (2). The summon to the third GMS shall state that the second GMS has convened and failed to achieve quorum of attendance.
13. Material of the Meeting Agenda:



- (1) The Company shall be obligated to provide the material of meeting agenda to the shareholders.
  - (2) The material of the meeting agenda referred to in point (1) of this paragraph shall be available from the date of summon to the GMS until the date of the GMS.
  - (3) In the event that other laws and regulations stipulates the obligation to provide the material of meeting agenda from a period earlier than that stipulated in the preceding provision of point (2) of this article, the material of meeting agenda referred to above shall be provided in accordance with the provisions of the said other laws and regulations.
  - (4) The material of meeting agenda referred to in point (2) of this paragraph may be made available in the form of physical documents and/or electronic copies.
  - (5) Copies of physical documents referred to in point (4) of this paragraph shall be provided free of charge by the Company upon written request of the shareholders.
  - (6) Copies of electronic documents referred to in point (4) of this paragraph shall be available for access or download in the Company's website.
  - (7) In the event that the meeting agenda involves the appointment of members of the Board of Directors and/or members of the Board of Commissioners, the curricula vitae of the prospective members of the Board of Directors and/or Board of Commissioners shall be made available:
    - a. on the Company's website, at the minimum from the time of the summon until the date of the GMS; or
    - b. at any other time other than those referred to in point a, but no later than the time of the GMS, to the extent such requirement is stipulated by the laws and regulations.
14. Correction of Summon:
- (1). The Company shall be obligated to issue a correction of summon to the GMS in the event of any change of information in the issued summon of the GMS referred to in paragraph 9 point (2) of this Article.
  - (2). In the event that the correction of summon to the GMS referred to in point (1) of this article contains information concerning the date of the GMS and/or addition of the GMS meeting agenda, the Company shall be obligated to re-issue the summon to the GMS in the manner according to the procedures of summon stipulated in paragraph 9 of this Article.
  - (3). The provisions concerning the obligation to re-issue the summon to the GMS referred to in point (2) of this paragraph shall not apply in the event that the correction of summon to the GMS concerning the change in the date of the GMS and/or addition to the GMS meeting agenda occurs through no fault of the Company.
  - (4). The proof of correction of summon issued through no fault of the Company referred to in point (3) of this paragraph shall be submitted to the Otoritas Jasa Keuangan on the same day of the re-issuance of the summon.
  - (5). Provisions concerning the media used for and proof of the summon to the GMS referred to in point paragraph 9 point (3) and paragraph 6 point (7) of this Article shall apply, *mutatis mutandis*, to the summon to the media used for and proof of the re-issuance of summon to the GMS referred to in point (1) of this paragraph.
15. Rights of the Shareholders:
- (1). The shareholders, whether by himself/herself or represented based on a power of attorney, shall have the right to attend the GMS.
  - (2). The Shareholders may be represented by other Shareholders or other third parties by power of attorney, with due considerations to the prevailing laws and regulations.
  - (3). In a GMS, each share shall provide its holder with the right to cast 1 (one) vote.
  - (4). The shareholders entitled to attend the GMS are the shareholders whose names are registered in the Company's Shareholder Register at 1 (one) business day prior to the summon to the GMS
  - (5). In the event of correction of summon to the GMS referred to in paragraph 14 point (1) of this Article, the shareholders entitled to attend the GMS are the shareholders whose names are registered in the Company's Shareholder Register at 1 (one) business day prior to the correction of the summon to the GMS.
16. During the GMS, the shareholders shall have the right to obtain information concerning the meeting agenda and the materials related to the said meeting agenda provided they are not in contrary to the Company's interests.
17. During the GMS, the Company may invite other parties that are relevant to the GMS agenda.
18. As long as the Company has not received the Effective Statement from the Otoritas Jasa Keuangan, the Shareholders may adopt valid resolutions without holding a GMS, provided that all Shareholders have been notified in writing and all Shareholders have approved the proposed resolutions in writing and signed such approval.  
A resolution so adopted shall have the same binding power as a resolution validly adopted in a GMS.

#### Chairman and Procedures of the General Meeting of Shareholders (Article 13)

1. Chairman of the GMS:
  - (1) The GMS shall be chaired by a member of the Board of Commissioners appointed by the Board of Commissioners.

- (2) In the event that all members of the Board of Commissioners are not present or are prevented from attending the GMS, the GMS shall be chaired by a member of the Board of Directors appointed by the Board of Directors.
  - (3) In the event that all members of the Board of Commissioners are not present or are prevented from attending the GMS as referred to in point (1) of this paragraph and point (2) of this paragraph, the GMS shall be chaired by a shareholder present at the GMS, who is appointed by and from the participants of the GMS.
  - (4) In the event that the member of the Board of Commissioner appointed by the Board of Commissioners to chair the GMS has a conflict of interest with regard to any of the agenda to be resolved in the GMS, the GMS shall be chaired by another member of the Board of Commissioners who does not have such conflict of interest, appointed by the Board of Commissioners.
  - (5) In the event that all members of the Board of Commissioners have a conflict of interest, the GMS shall be chaired by a member of the Board of Directors appointed by the Board of Directors.
  - (6) In the event that the member of the Board of Directors appointed by the Board of Directors to chair the GMS has a conflict of interest with regard to the agenda to be resolved in the GMS, the GMS shall be chaired by a member of the Board of Directors who has no conflict of interest.
  - (7) In the event that all members of the Board of Directors have a conflict of interest, the GMS shall be chaired by a non-controlling shareholder appointed by the majority of shareholders attending the GMS.
  - (8) The Chairman of GMS shall have the right to request those present to prove their authority to attend the GMS.
2. Procedures of the GMS:
- (1) During the GMS, the procedures of the GMS shall be distributed to the shareholders present.
  - (2) The main points of the GMS procedures referred to in point (1) of this paragraph shall be read out before the GMS begins.
  - (3) On the opening of the GMS, the Chairman of the GMS shall, at the minimum, present to the shareholders an explanation concerning the followings:
    - a. The Company's general condition in brief;
    - b. The meeting agenda;
    - c. The mechanisms to adopt a resolution with regard to the meeting agenda; and
    - d. The procedures to exercise the rights of the shareholders to raise questions and/or opinions.

Resolutions, Quorum of Attendance, Quorum of Resolutions in a General Meeting of Shareholders and Minutes of General Meeting of Shareholders (Article 14)

1. Resolutions of the GMS:
  - (1) Resolutions of the GMS shall be adopted by way of amicable discussions, and in compliance with the provisions of this Articles of Association.
  - (2) In the event of failure to reach a resolution by way of amicable discussion referred to in point (1), resolutions shall be adopted by way of voting.
  - (3) Adoption of resolutions by way of voting referred to in point (2) of this paragraph shall be conducted with due considerations to the provision regarding quorum of attendance and quorum of resolutions of a GMS.
2. Quorum of Attendance and Quorum of Resolutions of the GMS:
  - (1) Unless otherwise stipulated in this Articles of Association, quorum of attendance and quorum of resolutions in the GMS for meeting agenda requiring the resolutions of the GMS (including issuance of Equity Securities within the limit of authorized capital) shall be subject to the following provisions:
    - a. A GMS may convene if more than 1/2 (one half) of the total shares with voting rights are present or represented in the GMS, unless the Laws and/or the Company's Articles of Association stipulate a higher quorum.
    - b. In the event of failure to achieve the quorum referred to in point a, a Second GMS may convene provided that the Second GMS shall be valid and entitled to adopt valid resolutions if at least 1/3 (one third) of total shares with valid voting rights are present or represented in the GMS, except in the event that the Company's Articles of Association determines a higher quorum.
    - c. The GMS resolution referred to in letter a and letter b shall be valid if approved by more than 1/2 (one half) of the total shares with valid voting rights that are present at the GMS, unless the Laws and/or the Company's Articles of Association stipulate that a resolution shall be valid if approved by higher number of votes in favor.
    - d. In the event of failure to achieve quorum in the second GMS referred to in point b of this article, the third GMS may convene provided that the third GMS shall be valid and authorized to adopt resolutions if such GMS is attended by the shareholders with valid voting rights in accordance with the quorum of attendance and the quorum of resolutions determined by the OJK at the request of the Company.
  - (2) The quorum of attendance and quorum of resolutions of GMS convening with the agenda concerning the

- amendment to the Company's Articles of Association which require the approval from the Minister of Law and Human Rights of the Republic of Indonesia, except for the amendment to the Company's Articles of Association in order to extend the duration of establishment of the Company, shall be in accordance with the following provisions:
- a. The GMS may convene provided that the GMS is attended by the Shareholders representing at least 2/3 (two-third) of the total shares with valid voting rights.
  - b. Resolutions of the GMS referred to in point a shall be valid if approved by more than 2/3 (two third) of the total shares with valid voting rights that are present in the GMS.
  - c. In the event of failure to achieve the quorum referred to in point a, a Second GMS may convene provided that the Second GMS shall be valid and entitled to adopt valid resolutions if the GMS is attended by shareholders representing at least 3/5 (three fifth) of total shares with valid voting rights.
  - d. Resolutions of the GMS shall be valid if approved by more than 1/2 (one half) of the total shares with valid voting rights that are present in the GMS.
  - e. In the event of failure to achieve quorum in the second GMS referred to in point c, the third GMS may convene provided that the third GMS shall be valid and authorized to adopt resolutions if such GMS is attended by the shareholders with valid voting rights in accordance with the quorum of attendance and the quorum of resolutions determined by the OJK at the request of the Company.
- (3) The quorum of attendance and quorum of resolutions of a GMS with the agenda to transfer more than 50% of the Company's net assets in 1 (one) or more transactions, whether or not such transactions are related to one another, to encumber the Company's assets representing more than 50% (fifty percent) of the Company's net assets in 1 (one) transaction or more, whether or not such transactions are related to one another, to effect a merger, amalgamation, acquisition, spin-off, to file a petition of bankruptcy for the Company, to extend the duration of establishment of the Company, and dissolution of the Company, shall be in accordance with the following provisions:
- a. The GMS may convene provided that the GMS is attended by the Shareholders representing at least 3/4 (three quarter) of the total shares with valid voting rights.
  - b. Resolutions of the GMS referred to in point a shall be valid if approved by more than 3/4 (three fourth) of the total shares with valid voting rights that are present in the GMS.
  - c. In the event of failure to achieve the quorum referred to in point a, a Second GMS may convene provided that the Second GMS shall be valid and entitled to adopt valid resolutions if the GMS is attended by shareholders representing at least 2/3 (two third) of total shares with valid voting rights.
  - d. Resolutions of the GMS shall be valid if approved by more than 3/4 (three quarter) of the total shares with valid voting rights that are present in the GMS.
  - e. In the event of failure to achieve quorum in the second GMS referred to in point c, the third GMS may convene provided that the third GMS shall be valid and authorized to adopt resolutions if such GMS is attended by the shareholders with valid voting rights in accordance with the quorum of attendance and the quorum of resolutions determined by the OJK at the request of the Company.
- (4) The quorum of attendance and quorum of resolutions of the GMS with the agenda concerning transactions with conflict of interest shall be in accordance with the following provisions:
- a. The GMS may convene provided that the GMS is attended by the Independent Shareholders representing at least 1/2 (three quarter) of the total shares with valid voting rights owned by the Independent Shareholders.
  - b. The GMS resolutions referred to in point a shall be valid if approved by the Shareholders representing at least 1/2 (one half) of the total shares with valid voting rights owned by the Independent Shareholders.
  - c. In the event of failure to achieve the quorum referred to in point a, a Second GMS may convene provided that the Second GMS shall be valid and entitled to adopt valid resolutions if the GMS is attended by shareholders representing at least 1/2 (one half) of total shares with valid voting rights owned by the Independent Shareholders.
  - d. Resolutions of the GMS shall be valid if approved by more than 1/2 (one half) of the total shares with valid voting rights owned by the Independent Shareholders that are present in the GMS.
  - e. In the event of failure to achieve quorum in the second GMS referred to in letter c, the third GMS may convene provided that the third GMS shall be valid and authorized to adopt resolutions if such GMS is attended by the Independent Shareholders with valid voting rights in accordance with the quorum of attendance determined by the OJK at the request of the Company.
  - f. Resolutions of the third GMS shall be valid if approved by the Independent Shareholders representing more than 50% (fifty percent) shares owned by the Independent Shareholders who are present.
  - g. Shareholders having conflict of interests shall be considered to have rendered the same decision as that approved by the Independent Shareholders without any conflict of interests;
- (5) Shareholders with voting rights who are present in the Meeting but abstained (cast no vote) shall be deemed to

- have cast the same vote as the majority shareholders who cast their votes.
- (6) In the event of voting, the votes cast by a shareholder shall apply for all shares owned by such shareholder and the shareholder shall have no right to authorize to cast a different vote to more than one proxy for a portion of the shares owned by such shareholder.
  - (7) The provisions referred to in point (7) of this paragraph shall not apply to:
    - a. Custodian Banks or Securities Companies acting as Custodians representing their customers who are the shareholders of the Company.
    - b. Investment Managers representing the interest of Mutual Fund under their management.
  - (8) In a voting, members of the Board of Directors, members of the Board of Commissioners and employees of the Company are prohibited from acting as representatives of the Shareholders.
  - (9) Voting shall be conducted verbally, unless the Chairman of the Meeting determines otherwise.
3. Minutes of the GMS:
- (1) The Company shall prepare the minutes of the GMS
  - (2) The Minutes of GMS must be prepared and signed by the chairman of the meeting and by at least 1 (one) shareholder appointed from and by the participants of the GMS.
  - (3) The signature referred to in point (2) of this paragraph shall not be required if the said Minutes of Meeting is prepared by a Notary in the form of Deed of Minutes of GMS.
  - (4) The Minutes of the GMS referred to in point (1) of this paragraph shall be submitted to the OJK by no later than 30 (thirty) business days subsequent to the GMS.
  - (5) In the event of submission deadline of the minutes of the GMS referred to in point (4) of this article falls on a holiday, the said minutes of GMS shall be submitted by no later than the next business days.
4. Summary of Minutes of the GMS:
- (1) The Company shall prepare the Summary of Minutes of the GMS.
  - (2) The Summary of Minutes of the GMS referred to in point (1) of this article shall at least contain the following information:
    - a. The date of the GMS, venue of the GMS, time of the GMS, and agenda of the GMS;
    - b. Members of the Board of Directors and Board of Commissioners who are present in the GMS;
    - c. Total shares with valid voting rights that are present in the GMS and the percentage to total shares with valid voting rights;
    - d. Whether or not the opportunities for shareholders to raise questions and/or present their opinions concerning the meeting agenda are granted;
    - e. Total shareholders raising questions and/or presenting opinions concerning the meeting agenda, if such opportunities are provided;
    - f. Mechanism for the adoption of GMS resolutions;
    - g. Voting results, which include the total votes in favor, not in favor, and abstained (not casting any vote) for each meeting agenda, if the resolutions are adopted by way of voting;
    - h. GMS resolutions; and
    - i. The execution of payment of cash dividends to eligible shareholders, in the event of GMS resolution concerning distribution of cash dividends.
  - (3) The Summary of Minutes of the GMS referred to in point (2) of this article shall be announced to the public in, at the minimum:
    - a. 1 (one) newspapers published in the Indonesian language with national circulation;
    - b. the Stock Exchange' website; and
    - c. the Company's Website, in the Indonesian and foreign language, provided that the foreign language used shall be the English language, at the minimum.
  - (4) The summary of minutes of GMS in foreign language referred to in point (3) letter c of this paragraph must contain the same information with the information contained in the summary of minutes of GMS in the Indonesian Language.
  - (5) In the event of any difference in interpretation of information stated in the summary of minutes of GMS in the foreign language and that stated in the summary of minutes of GMS in the Indonesian Language as referred to in point (4) of this paragraph, the information in the Indonesian Language shall be used as a reference.
  - (6) The summary of minutes of the GMS referred to in point (3) of this paragraph shall be announced to the public by no later than 2 (two) business days subsequent to the GMS.
  - (7) Proof of the announcement of summary of minutes of the GMS referred to in point (3) letter a of this paragraph shall be submitted to the OJK by no later than 2 (two) business days subsequent to the said announcement.
  - (8) The provisions of paragraph 3 point (4), paragraph 3 point (5) and point (3), point (6), and point (7) of this paragraph shall apply, *mutatis mutandis*, for:

- a. The submission of minutes of the GMS and the announced summary of minutes of GMS to the OJK; and
- b. Announcement of the Summary of Minutes of the GMS of the GMS convening due to the request of shareholders who have obtained the court ruling granting the permission for the GMS to convene referred to in Article 11 paragraph 9 point (14).

#### **D. Rights, Preference, and Restrictions Applicable to Shares**

##### Right of Dividends (Article 22)

1. The Company's net profit in a fiscal year as stated in the statement of financial position and statement of comprehensive income ratified by the Annual GMS, which constitutes a positive balance of profit, may be distributed in accordance with the appropriation determined by the aforementioned GMS.
2. Dividends shall be paid in accordance with the capabilities of the Company's financial condition based on a resolution adopted in the GMS, the said resolution shall also determine the time and manners of the dividend distribution. Dividends for a share shall be paid to the person whose name is registered as the owner of such share in the Shareholder Register, with due considerations to Article 9 of this Articles of Association, which shall be determined or authorized by the GMS in which the resolution to distribute such dividend is adopted, one and another shall be without prejudice to the provisions of the regulations of the Stock Exchange where such shares are listed.
3. In the event that the Annual GMS does not stipulate other appropriation, then, the net profit, net of statutory reserves required by the Law and the Articles of Association may be distributed as dividends.
4. In the event of a GMS resolution concerning the distribution of cash dividends, the Company shall be obligated to execute the payment of cash dividends to the eligible shareholders by no later than 30 (thirty) days subsequent to the announcement of minutes of meeting of the GMS adopting the resolution to distribute cash dividends.
5. In the event that the profit and loss calculation of a fiscal year results in a loss that cannot be covered by the reserve fund, such loss shall remain recorded in the profit and loss calculation and for the following years the Company shall be considered not to have generated profit for as long as the loss recorded in the profit and loss calculation has not been entirely covered, without prejudice to the prevailing laws and regulations.
6. Dividends which remain uncollected within a period of 5 (five) years after the date determined for the payment of dividends has lapsed, will be entered into a special reserve. The GMS shall determine the procedure to withdraw the dividends that have been entered into such special reserve. The dividends that have been entered into the special reserve as mentioned above and uncollected within a period of 10 (ten) years will become the possession of the Company.
7. The regulations of the Stock Exchange where the Company's shares are listed shall apply to the shares listed on the Stock Exchange.
8. Distribution of interim dividends shall be conducted based on the decisions of the Board of Directors, with the approval of the Board of Commissioners, with due considerations to the Company's profit projection and financial ability, and with due considerations to paragraph 6 of this Article.
9. If the Company experiences losses subsequent to the end of the fiscal year in which the interim dividend is distributed, the distributed interim dividend must be refunded by the shareholders to the Company.
10. The Board of Commissioners and Board of Directors shall be jointly and severally responsible for the Company's losses in the event that the Shareholders are unable to return the interim dividends referred to in paragraph 8 of this Article.

##### Voting Rights (Article 5)

1. The Company's shares consist of registered shares as registered in the Company's Shareholder Register.
2. The Company may issue shares with or without nominal value. Issuance of shares without nominal value shall be conducted in accordance with the prevailing laws and regulations in the Capital Market.
3. The Company shall only acknowledge one individual or 1 (one) legal entity as the owner of 1 (one) share.
4. Every 1 (one) share shall provide 1 (one) vote to the owners of such share, which shall be the person or legal entity which name is registered as the shareholder in the Shareholder Register.
5. In the event that 1 (one) share, for any reason whatsoever, is owned jointly by several persons, then those who jointly own such share shall appoint in writing, one person among themselves or another person as their joint representative and only the said representative shall be registered in the Shareholder Register and the said representative shall be deemed as the legitimate owner of such share and shall have the right to exercise and use all the rights vested by law over such share.
6. As long as the provisions in paragraph 5 of this Article are not satisfied, the shareholders shall not have the right to cast their votes in a GMS, and dividend payments for such shares shall be suspended.



7. In the event that the joint owner neglects to notify the appointment of such joint representative to the Company in writing, the Company shall have the right to treat the shareholder whose name is registered in the Company's Shareholder Register as the sole legitimate owner of such share(s).
8. Every Shareholder shall comply with this Articles of Association and all resolutions validly adopted in a GMS and the prevailing laws and regulations.
9. All shares issued by the Company may be encumbered with due compliance with the provisions of laws and regulations concerning encumbrance of shares, the laws and regulations in the Capital Market and the Company Law.
10. The Share Ownership Evidence shall be the followings:
  - a. In the event that the Company's shares are not administered in a Collective Depository at the Securities Depository and Settlement Institution, the Company shall be obligated to provide the share ownership evidence in the form of share certificates or collective share certificates to its shareholders.
  - b. In the event that the Company's shares are not administered in a Collective Depository at the Securities Depository and Settlement Institution, the Company shall be obligated to issue certificates of written confirmation signed by the Board of Directors to the Securities Depository and Settlement Institution as evidence of registration in the Company's Shareholder Register.
11. For the Company's shares that are listed on the Stock Exchange, the laws and regulations in the Capital Market and the regulations in the Stock Exchange where the shares are listed shall apply.

#### Dissolution, Liquidation and Termination of Status as a Legal Entity (Article 26)

1. Dissolution of the Company may be carried out pursuant to the resolutions of the GMS according to the provisions set forth in Article 14 of this Articles of Association.
2. Further provisions concerning Dissolution, Liquidation, and Termination of Status as a Legal Entity shall be in accordance with the prevailing laws and regulations, particularly the Capital Market regulations.

#### Preemptive Rights

12. In raising additional capital with the issuance of Preemptive Rights to shareholders, the Company shall be obligated to announce information on the plan to raise additional capital with the issuance of Preemptive Rights to shareholders in simultaneously with the announcement of GMS, at the latest, in 1 (one) newspaper published in the Indonesian language with national circulation, at the minimum, or the Stock Exchange's website and the Public Company's website, the content of which shall meet the principles required by the Capital Market.
13. In the event that the GMS approving the issuance of shares in portfolio by raising additional capital without issuance of Preemptive Rights determines the maximum number of shares in portfolio to be issued, such GMS shall grant the Board of Commissioners with the authority and power to declare the final number of shares issued in connection with additional capital without Preemptive Rights.
14. Equity Securities Issuance;  
Every additional capital acquired through the issuance of Equity Securities (Equity Securities shall be Shares, Securities convertible to shares or Securities with the right to obtain shares from the Company as the issuer), shall be conducted in accordance with the following provisions:
  - j). Granting Preemptive Rights, i.e. an inherent right of the shares that allows existing shareholders to purchase shares and/or other equity securities convertible to shares or granting the rights to purchase shares, before such securities are offered to other parties;
  - k). Issuance of shares/additional capital with Preemptive Rights/without Preemptive Rights shall be conducted with the approval of the GMS in accordance with the regulations in the Capital Market;
  - l). The issuance of shares from portfolio for the holders of Securities convertible to shares or Securities containing the right to acquire shares, may be carried out by the Board of Directors based on the Company's GMS which approved the issuance of such Securities.
  - m). The Company is required to conduct allocation of Shares and/or other Equity Securities that are unsubscribed at the same subscription price to all shareholders stating their intents to subscribe to additional shares and/or other Equity Securities during the relevant Preemptive Rights exercise period.
  - n). The Preemptive Rights are tradable and transferrable to other parties, with due considerations to the provisions of this Articles of Association and the prevailing laws and regulations in the Capital Market in Indonesia.
  - o). In the event that there are remaining Equity Securities that are not subscribed by the shareholders referred to in point d referred to above, then, in the event that a stand-by buyer is available, the aforementioned Equity Securities shall be allocated to the Party acting as the stand-by buyer at equal price and terms.

- p). In the event that the Company intends to raise capital which proceeds shall be used to enter into a transaction with a given amount, such capital raise shall have a Stand-By Buyer that guarantees to subscribe to the remaining Shares and/or Equity Securities at a price that shall be no lower than the Offer price of the Shares and/or Equity Securities, that are not exercised by the holders of Preemptive Rights.
- q). Additional paid-in capital shall be effective upon payment and the shares issued shall have equal rights with other shares under the same class issued by the Company, without prejudice to the Company's obligations to report to the Minister of Law and Human Rights.
- r). Issuance of Equity Securities/additional capital without granting the Preemptive Rights to the Shareholders may be carried out in the event that such issuance is:
  - 1). designated to the Company's employees; and/or
  - 2). designated to the holders of Bonds or other Securities convertible to shares, which have been issued with the approval of the GMS; and/or
  - 3). effected in the course of reorganization and/or restructuring that has been approved by the GMS; and/or
  - 4). conducted in accordance with the regulations in the Capital Market allowing additional capital without preemptive rights.

## **E. Director**

### Duties and Authorities of the Board Of Directors (Article 16)

1. The Board of Directors shall undertake and shall be responsible for the management of the Company for the Company's interest in accordance with Company's aims and objectives set forth in the Articles of Association.
2. In carrying out its duties and responsibilities referred to in paragraph 1, the Board of Directors shall hold the Annual GMS and other GMS as stipulated by the laws and regulations and the Articles of Association.
3. Members of the Board of Directors shall perform their duties and responsibilities referred to in paragraph 1 in good faith, with full responsibility and prudence.
4. In order to support the Board of Directors' effectiveness in performing its duties and responsibilities referred to in paragraph 1, the Board of Directors may establish committees.
5. In the event that such committees referred to in paragraph 4 are established, the Board of Directors shall evaluate the performance of such committees at the end of each fiscal year.
6. The Board of Directors, jointly with the Board of Commissioners, shall prepare:
  - a. Guidelines that bind all members of the Board of Directors and Board of Commissioners in accordance with the prevailing laws and regulations.
  - b. A set of Code of Ethics that shall apply to all members of the Board of Directors and Board of Commissioners, employees/workers, and the Company's other supporting organs, in accordance with the prevailing laws and regulations.
7. Every member of the Board of Directors shall be jointly and severally responsible in full for all losses borne by the company resulting from the errors or negligence of the member of the Board of Directors in carrying out their duties.
8. Members of the Board of Directors shall not be held responsible for the Company's losses referred to in paragraph 7 of this Article, if such member is able to prove:
  - a. Such losses do not result from his/her errors or negligence;
  - b. Such member has undertaken the management of the Company in good faith, responsibly and prudently for the interest of and in accordance with the Company's aims and objectives;
  - c. Such member has no conflict of interest, whether directly or indirectly, pertaining to the act of management resulting in such losses; and
  - d. Such member has taken actions to prevent such losses from occurring or continuing.
9. The Board of Directors shall have the right to represent the Company in and outside the Court of law with respect to all matters and events, to bind the Company with other parties, and other parties to the Company, and to take all actions relating to management and ownership, subject to the limitations referred to in paragraph 10 of this article.
10. The Board of Directors shall first obtain the written approval of the Board of Commissioners with due considerations to the prevailing laws and regulations and the Company's Articles of Association before:
  - a. obtaining or extending any medium/long-term loans, in the sum of 20% (twenty percent) to 50% (fifty percent) of the Company's total net assets.
  - b. binding the Company as a guarantor (*borg* or *avalist*) with certain financial consequences exceeding certain sum determined by the Board of Commissioners;
  - c. selling or otherwise transferring or disposing immovable assets, including the Company's land rights or companies in the sum that shall be determined from time to time by the Board of Commissioners.

- d. pledging or otherwise charging encumbrance to the Company's assets in the sum that shall be determined from time to time by the Board of Commissioners;
  - e. subscribing or participating, or disposing a portion or all investment, or incorporating new companies for purposes other than credit restructuring in accordance with the prevailing laws and regulations, in the sum that shall be determined from time to time by the Board of Commissioners;
- without prejudice to the provisions of paragraph 11 stated below and the prevailing laws and regulations.
11. Making any legal act to (a) transfer or release the right of or (b) pledge as collateral for loans, a portion or all of the Company's assets in the sum exceeding 50% (fifty percent) of the Company's net assets in 1 (one) transaction or more, whether or not such transactions are related to one another and the transaction to transfer the Company's net assets that occur within 1 (one) fiscal year, which shall require the approval of the GMS in accordance with the terms and conditions referred to in Article 14 paragraph 3 of this Articles of Association.
  12. Any legal act to undertake Material Transactions, Transactions with Affiliates, or Transactions with Conflicts of Interest as defined in the prevailing laws and regulations and transactions that shall require the approval from the Company's GMS according to the terms stipulated in the prevailing laws and regulations in the Capital Market.
  13.
    - a. The President Director shall have the rights and authorities to act for and on behalf of the Board of Directors and to represent the Company;
    - b. In the event that the President Director cannot attend or is unavailable for any reasons whatsoever, of which no evidence to third parties shall be required, then 2 (two) other members of the Board of Directors shall have the rights and authorities to act for and on behalf of the Board of Directors and to lawfully represent the Company.
    - c. The Board of Directors may grant written authorization to 1 (one) of the Company's employees or more or to other person to conduct certain legal act for and on behalf of the Company for a certain period of time as stipulated in the power of attorney.
  14. The delegation of duties and authorities of each member of the Board of Directors shall be determined by the GMS, in the event that the GMS does not so specify, the delegation of duties and authorities of each member of the Board of Directors shall be determined by the Board of Directors' decisions.
  15. In the event that the interest of the Company is conflicting with the personal interest of a member of the Board of Directors, the Company shall be represented by other members of the Board of Directors with no conflict of interest and in the event that the Company's interest is conflicting with the interests of all members of the Board of Directors, the Company shall be represented by the Board of Commissioners or a person appointed by the Board of Commissioners. In the absence of such member of the Board of Commissioners, the General Meeting of Shareholders shall appoint one person or more to represent the Company in carrying out the duties referred to above.
  16. Member of the Board of Directors shall not be authorized to represent the Company in the event of the followings:
    - a. There exist a proceeding in the court of law between the Company and the concerned member of the Board of Directors; and
    - b. The interests of the concerned member of the Board of Directors conflicts with the interests of the Company.
  17. Should the event referred to in paragraph 18 occur, the person authorized to represent the Company shall be:
    - a. Other members of the Board of Directors with no conflict of interest with the Company;
    - b. The Board of Commissioners, in the event that all members of the Board of Directors have conflict of interest with the Company; or other party appointed by the GMS in the event that all members of the Board of Directors or Board of Commissioners have conflict of interest with the Company.
  18. Provisions regarding the duties and authorities of the Board of Directors that are not stipulated in this Articles of Association shall refer to the OJK Regulation and other prevailing laws and regulations.

#### Term of Office of Members of the Board of Directors

1. Members of the Board of Directors shall be appointed and discharged by the GMS, the appointment of which shall be effective on the date stipulated by the GMS appointing such members and shall expire after 1 (one) term of office of the members of the Board of Directors, which shall be 5 (five) years or until the closing of the Annual GMS at the end of 1 (one) term of office referred to above. Therefore, the term of office of the members of the Board of Directors shall be no longer than 5 (five) years, without prejudice to the rights of the GMS to discharge the members of the Board of Directors at any time prior to the end of their term of office, with due considerations to the provisions of this Articles of Association.
2. Members of the Board of Directors whose term of office has ended may be reappointed based on the resolution of the GMS.
3. The terms of office of members of the Board of Directors shall cease automatically, if such member:
  - a. is declared bankrupt or under guardianship pursuant to a court order; or
  - b. is no longer qualified pursuant to the prevailing laws and regulations; or
  - c. is deceased; or
  - d. is discharged pursuant to a resolution of the GMS.



## **F. Board of Commissioners**

1. The Board of Commissioners shall consist of 2 (two) members, at the minimum, consisting of: - 1 (one) President Commissioner; - 1 (one) Commissioner or more; with due considerations to the prevailing laws in the Capital Market.
2. In the event that the Board of Commissioners consist of (2) members of the Board of Commissioners, 1 (one) person among them shall be an Independent Commissioner.
3. In the event that the Board of Commissioners consists of more than 2 (two) members of the Board of Commissioners, the number of Independent Commissioners shall be no less than 30% (thirty percent) of the total members of the Board of Commissioners.
4. Each member of the Board of Commissioners is prohibited from taking any action individually, but shall be based on the resolutions of the Board of Commissioners or the appointment of the Board of Commissioners.
5. The persons eligible to be appointed as members of the Board of Commissioners are individuals that satisfy the following requirements at the time of appointment and during their term of office:
  1. Possess good character, moral, and integrity.
  2. Competent to conduct legal acts.
  3. Within 5 (five) years prior to and during his/her appointment:
    - a. has never been declared bankrupt;
    - b. has never become a member of the Board of Directors and/or a member of the Board of Commissioner found guilty for causing a company to be declared bankrupt;
    - c. has never been convicted for any criminal acts that inflict financial losses to the state and/or criminal acts related to the financial sector; and
    - d. has never become a member of the Board of Directors and/or a member of the Board of Commissioners who, during his/her terms of office:
      - ii. neglected to convene the annual GMS;
      - iii. in reporting his/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has been rejected by the GMS or has failed to report his/her accountability as a member of the Board of Directors and/or a member of the Board of Directors to the GMS; and
      - iv. has caused a company that has obtained the license, approval or registration from the OJK fail to meet its obligation to submit its annual report and/or financial statements to the OJK.
  4. has the commitment to comply with the laws and regulations; and
  5. has the knowledge and/or expertise in the fields required by the Company
6. The criteria of a member of the Board of Commissioners shall be in accordance with the provisions of:
  - a. the Company Law;
  - b. the laws and regulations in the Capital Market; and
  - c. the laws and regulations that are relevant to the Company's business activities.
7. With respect to Independent Commissioners, in addition to satisfying the provisions of paragraph 5 and paragraph 6, the candidate shall satisfy the criteria of an Independent Commissioner as stipulated in the Capital Market regulations.
8. The satisfaction of requirements referred to in paragraph 5, 6 and 7 of this Article shall be included in a representation letter and submitted to the Company.
9. The representation letter referred to in paragraph 8 of this Article shall be examined and documented by the Company.
10. The requirements as a member of the Board of Commissioners stipulated in this Articles of Association shall be complied with during the term of office of members of the Board of Commissioners.
11. The appointment of any member of the Board of Commissioners that fails to satisfy the requirements set forth in this Article shall be null and void by law, commencing from the time such failure to satisfy the aforementioned requirements become known to other members of the Board of Directors or Board of Commissioners. Within a period of no longer than 7 (seven) calendar days since such fact become known, other members of the Board of Directors or Board of Commissioners shall announce the annulment of appointment of the concerned member of the Board of Directors in at least 1 (one) Newspaper and notify the Minister of Law and Human Rights of the Republic of Indonesia and/or its replacement about such annulment to be recorded in the Company Register.
12. The Company shall convene a GMS to replace any member of the Board of Commissioners who no longer satisfies the criteria as a member of the Board of Commissioners during his/her term of office.
13. Proposals for the appointment, discharge, and/or replacement of members of the Board of Commissioners submitted to the GMS shall duly consider the recommendations from the Board of Commissioners or the committee undertaking the nomination function.
14. Members of the Board of Commissioners shall be appointed and discharged by the GMS, the appointment of which shall be effective on the date stipulated by the GMS appointing such members and shall expire after 1 (one) term of office of

- the members of the Board of Directors, which shall be 5 (five) years or until the closing of the Annual GMS at the end of 1 (one) term of office referred to above, unless determined otherwise by the GMS.
15. Members of the Board of Commissioners whose term of office has ended may be reappointed based on the resolution of the GMS.
  16.
    - a. The GMS may discharge members of the Board of Commissioners from time to time by stating the reasons thereof.
    - b. Reasons to discharge a member of the Board of Commissioners referred to in this Article may include, if such member of the Board of Commissioners no longer satisfies the criteria as a member of the Board of Commissioners, including, among others, taking actions that injure the Company or any other reasons deemed appropriate by the GMS.
    - c. The decision to discharge such member of the Board of Commissioners shall be taken after the concerned member is provided with the opportunity to present a defense in a GMS.
    - d. The opportunity to present such defense shall not be required if the concerned member has no objection to such discharge.
    - e. The discharge of members of the Board of Commissioners shall be effective upon the closing of the GMS referred to in point (a) of this article or any other date stipulated in the GMS resolution.
  17.
    - a. A member of the Board of Commissioners shall have the right to resign from his/her position prior to the end of his/her term of office by submitting a written notice concerning his/her intention to resign to the Company.
    - b. The Company shall convene a GMS to resolve the request for resignation of the concerned member of the Board of Commissioners within a period of no longer than 90 (ninety) days following the receipt of such resignation letter.
    - c. The Company shall disclose to the public and report to the OJK by no later than 2 (two) business days following the receipt of such request for resignation of the member of the Board of Directors referred to in point a of this paragraph and the results of the GMS referred to in point b of this article.
    - d. Before such resignation is effective, the concerned member of the Board of Commissioners shall remain obligated to carry out his/her duties and responsibilities in accordance with the Articles of Association and the prevailing laws and regulations.
    - e. The resigned member of the Board of Commissioners referred to above may be requested to present his/her accountability as a member of the Board of Commissioners from the appointment date of such member until the date on which his/her resignation is approved by the GMS.
    - f. The release and discharge of a resigning member of the Board of Commissioners shall be provided after the Annual GMS releases and discharges such member.
  18. The term of office of the Board of Commissioners shall be automatically ceased if such member of the Board of Commissioners:
    - a. is declared bankrupt or under guardianship pursuant to a court order; or
    - b. is prohibited from serving as a member of the Board of Commissioners due to the provisions of the law or the prevailing laws and regulations.
    - c. is deceased; or
    - d. is discharged pursuant to a resolution of the GMS.
  19. Salaries, honorarium and other benefits of members of the Board of Commissioners shall be determined by a GMS.
  20. In the event that the position of a member of the Board of Commissioners is vacant for any reasons whatsoever, thereby causing the number of members of the Board of Commissioners to be less than 2 (two) persons as defined in paragraph 1 of this Article, a GMS shall convene to fill in the vacancy by no later than 60 (sixty) calendar days following the vacancy, with due considerations to the prevailing laws and regulations in the Capital Market.
  21. In the event that the position of the President Commissioner is vacant and for as long as the replacement has not been appointed or has not assumed his/her position, then, a member of the Board of Commissioners appointed by the Board of Commissioners Meeting shall carry out the President Commissioner's obligation and shall have equal authority and responsibilities as the President Commissioner.
  22. Every member of the Board of Commissioners shall be prohibited from earning personal gains, whether directly or indirectly, from the Company's activities other than the lawful income.
  23. Members of the Board of Commissioners are prohibited from holding any dual positions if such dual positions are prohibited by and/or are in violation of the laws and regulations.
  24. Provisions regarding the Board of Commissioners that are not stipulated in this Articles of Association shall refer to the OJK Regulation and other prevailing laws and regulations.

#### Duties and Authorities of the Board of Commissioners

1. The Board of Commissioners shall undertake the supervision of and be responsible of the supervision of management policy, the course of management in general, whether those concerning the Company or the Company's business, and provide advices to the Board of Directors.
2. In certain conditions, the Board of Commissioners shall be obligated to hold an Annual GMS and other GMS in accordance with its authority as stipulated by the laws and regulations and the Articles of Association.
3. Members of the Board of Commissioners shall perform their duties and responsibilities referred to in paragraph (1) in good faith, with full responsibility and prudence.
4. The Board of Commissioners shall, at any time, during office hours of the Company, be entitled to enter the building and the premises of the Company or other places used or controlled by the Company and be entitled to inspect all records, letters, and other evidences, to inspect and reconcile the Company's cash, the Company's documents and assets and to know all actions taken by the Board of Directors.
5. The Board of Commissioners shall have the right to demand an explanation from the Board of Directors on all questions raised and members of the Board of Directors shall provide explanations concerning all questions raised by the Board of Commissioners.
6. If all members of the Board of Directors are temporarily discharged and the Company does not have any member of the Board of Directors, then the Board of Commissioners shall be temporarily obligated to undertake the management of the Company. Under such circumstances, the Board of Commissioners shall be authorized to grant temporary authorities to one or more persons among them on their joint responsibility.
7. In the event that there is only one member of the Board of Commissioners, then all duties and authorities granted to the President Commissioner or members of the Board of Commissioners in this Articles of Association shall apply to him/her.
8. At any time, the Board of Commissioners, pursuant to a resolution of the Board of Commissioners Meeting shall have the right to temporarily discharge one or more members of the Board of Directors in the event that the concerned member(s) of the Board of Directors has(have) acted in contrary to this Articles of Association and/or the prevailing laws and regulations in the Capital Market, such discharge shall be carried out by stating the reasons thereof.
9. Such temporary discharge shall duly consider the provisions of Article 15 paragraph 11 of this Articles of Association.
10. Members of the Board of Commissioners are prohibited from holding any dual positions if such dual positions are prohibited by and/or are in violation of the laws and regulations.
11. Provisions regarding the Board of Commissioners that are not stipulated in this Articles of Association shall refer to the OJK Regulation and other prevailing laws and regulations.

## **XV. EQUITY SECURITIES SUBSCRIPTION PROCEDURES**

### **1. Share Subscription**

Share subscriptions shall be made in accordance with the provisions set forth in this Prospectus and the SSF. Share subscriptions shall be made using the original SSFs issued by the Joint Lead Underwriters, which may be obtained from the Underwriters and/or Selling Agents whose names are listed in Chapter XVI of this Prospectus. Upon completion of the SSFs by the subscribers, the share subscriptions shall be submitted to the members of the Underwriters and/or Selling Agents whose names are listed in Chapter XVI of this Prospectus. Share subscriptions that are not in conformity to the terms referred to above shall not be processed.

Each subscriber must already own a securities account at the securities companies/custodian banks registered as Account Holders at KSEI.

### **2. Eligible Subscribers**

Subscribers eligible to subscribe shares shall be individuals and/or Institutions/Business Entities as stipulated in the Capital Market Law and Regulation No. IX.A.7.

### **3. Number of Subscriptions**

The share subscription shall be made in the sum of no less than one unit of trading, which shall be 100 (one hundred) shares and subsequently in the multiples of 100 (one hundred) shares

### **4. Securities Registration in Collective Depository**

The Offering Shares are registered at KSEI based on the Securities Registration Agreement.

a) Pursuant to the registration of such shares in KSEI, the following provisions shall apply on the Offering Shares:

1. The Company shall not issue any Share Collective Certificates for shares from the Initial Public Offering, however, the shares shall be distributed electronically and administered in the Collective Depository of KSEI Shares from the Public Offering shall be credited to the Securities Accounts under the name of the account holders by no later than December 8, 2017, upon receipt of share registration confirmation under the name of KSEI from the Company or the SAB;
2. Before the Offering Shares offered in this Initial Public Offering are listed on the IDX, the subscribers shall receive share ownership evidence in the form of Share Allotment Confirmation Forms, which shall also serve as proof of registration of shares under collective custody in the Company's Shareholder Register.
3. KSEI, the Securities Companies, or the Custodian Banks shall issue a written confirmation to the account holders as a confirmation letter concerning the ownership of the Shares. The said Written Confirmation shall constitute a legitimate confirmation of ownership on Shares registered in the Securities Account.
4. Transfer of Share ownership shall be made by way of book-entry settlement between Securities Accounts at KSEI;
5. The holders of shares listed in the Securities Account shall be entitled to dividends, bonuses, preemptive rights, cast votes in a GMS, and other rights inherent to the shares;
6. Payment of dividends, bonuses to, and distribution of preemptive rights to the shareholders shall be conducted by the Company, or the SAB appointed by the Company, through the Securities Account at KSEI to be further forwarded to the beneficial owners who own/open the Securities Account Holders at the Securities Companies or Custodian Banks;
7. Subsequent to the Initial Public Offering and listing of the Company's shares, shareholders intending to have share certificates may redeem the shares from the Collective Depository at KSEI after the shares from the Initial Public Offering are distributed to the Securities Accounts of the appointed Securities Companies/Custodian Banks;

8. Such redemption shall be made by submitting the share redemption request to KSEI through the Securities Companies or Custodian Banks managing such shares by completing the Securities Redemption Form;
  9. For Shares redeemed from the Collective Depository, a Share Collective Certificate shall be issued by no later than 5 (five) business days subsequent to the receipt of such redemption request by KSEI, and shall be issued under the name of the shareholders in accordance with the requests of the Securities Companies or Custodian Banks managing such shares;
  10. Parties intending to settle stock exchange transactions on the Company's shares shall be obligated to appoint Securities Companies or Custodian Banks that are already registered as Account Holders at KSEI to administer such Shares.
- b) Shares that are redeemed from the Collective Depository at KSEI for which Share Collective Certificate has been issued cannot be used to settle stock exchange transactions. Further information concerning the share redemption procedures are available at the Underwriters where the said SSFs are submitted.

## **5. Submission of Share Subscriptions**

During the Initial Public Offering Period, eligible subscribers may submit the share subscriptions during the office hours determined by the Joint Lead Underwriters or Underwriters and/or Selling Agents where the SSF is obtained.

Each party shall have the right to submit only one SSF and such SSF must be submitted by the concerned subscriber by attaching photocopies of identity (Resident Card (KTP)/Passport for individuals and Articles of Association for legal entities), and by presenting the original identity (KTP)/Passport for individuals and Articles of Association for legal entities) and evidence as a customer of members of the Stock Exchange and shall perform payment in accordance with the subscription amount. For foreign subscribers, in addition to attaching the photocopy of passport to the SSF, such subscribers shall state their names and addresses abroad/or the legitimate legal domicile in a complete and clear manner and shall perform payment in accordance with the subscription amount.

The Underwriters, Joint Lead Underwriters, and the Company shall have the right to refuse the share subscriptions if the SSFs are not filled in completely or if the terms of share subscriptions, including the criteria of eligible subscribers, are not satisfied. Whereas subscribers that have submitted the share subscription and satisfied the share subscription requirements are not allowed to cancel their share subscriptions.

### **The Company's Employee Share Ownership Program through a Share Allocation for Employees (The Employee Stock Allocation or ESA Program)**

The employees entitled to participate in the ESA Program are the Company's employees, and the ESA Program is not designated to the Directors and Commissioners of the Company and its Subsidiaries ("ESA Program Participant"). The ESA Program Participants shall satisfy the following criteria:

- 1) Active employees of the Company and its Subsidiaries at the time of the share subscription;
- 2) Employees who are not subject to any administrative sanction upon implementation of the ESA Program.

Under the ESA Program, a Fixed Allotment to subscribe shares shall be granted to the eligible Participants in accordance with their respective positions and years of service. The Fixed Allotment Shares allocated to the ESA Program Participants are not mandatory, therefore, if there are remaining shares unsubscribed by the Participants, such remaining shares shall be offered to the public. The Participants are entitled to purchase the Fixed Allotment Shares at the Offer Price. Shares that are not subscribed by the ESA Program Participants shall not be subject to a lock-up period.

A 6-month (six-month) lock-up period shall apply to the Fixed Allotment Shares, commencing on the listing date of the Company's shares on the IDX. The Company shall not bear the cost of Fixed Allotment Shares subscriptions made by the ESA Program Participants.

The Company shall issue Fixed Allotment Shares allocation confirmations to the ESA Program Participants. The ESA Program Participants shall be required to submit a Representation and Consent to be Bound with respect to the Share Ownership Program with respect to the Company's Initial Public Offering, which states that the Participants shall subscribe to the Fixed

Allotment Shares, which shall be funded by loans from the Company's Employee Cooperatives in accordance with the requirements stipulated by the Company with regard to the ESA Program. The Company shall submit the ESA Program Participants register and the number of shares under the ESA Program to the Joint Lead Underwriters, and shall pay the entire shares under the ESA Program in full at the price equal to the share Offer Price, and such payment shall be deposited in full amount to the bank account appointed by the Joint Lead Underwriters to receive share subscription payments in connection to this Public Offering.

## **6. Initial Public Offering Period**

The Initial Public Offering Period shall commence from November 30, 2017, up to December 5, 2017, from 10.00 to 15.00 Western Indonesian Time. However, if the aggregate amount of shares subscribed exceed the Offering Shares, then, the Joint Lead Underwriters, by first notifying the OJK, may shorten the Public Offering Period, provided that the Public Offering Period shall be no less than 1 (one) business day.

## **7. Allotment Date**

Allotment Date shall mean the date on which the Allotment Manager and the Company determine the share allotment for each subscription in accordance with the prevailing regulations, which shall be December 7, 2017.

## **8. Terms of Payment**

Payments may be made in cash, cheques, or bank drafts denominated in Rupiah and paid to the Joint Lead Underwriters at the time the SSFs are submitted. All payments shall be addressed to the Joint Lead Underwriters' accounts at:

PT Bank ●  
Branch ●  
Under the name of: ●  
No. A/C: ●

If payments are made in cheques, the cheques shall be personal checks/owned by the Parties submitting (signing) the SSF. Cheques owned by/under the name of third parties are unacceptable as payments. All payments shall be received in good funds by the Joint Lead Underwriters from the syndicate, retail and institutional customers by no later than December 5, 2017, at 15.00 Western Indonesian Time in the bank account referred to above, whereas payments from foreign investors shall be received in good funds on the Share Distribution Date.

All bank charges and transfer fees related to such payments shall be borne by the subscribers. All cheques and bank drafts received shall be immediately endorsed upon receipt. In the event that such cheques or bank drafts are dishonored by the drawing bank upon endorsement, the said share subscriptions shall be automatically considered void. For payments made by transfer from other bank, Subscribers shall attach the photocopy of Clearing Credit Note from the concerned bank and state the SSF/SSR number.

## **9. Receipt**

The Joint Lead Underwriters and Underwriters and/or Selling Agents accepting the submission of SSFs shall return to the subscribers, the copy of the 5th (fifth) page of the SSF as a Receipt of Share Subscription. The Share Subscription Form receipt is not a guarantee of the fulfillment of subscription and shall be safely kept to be submitted upon refund of subscription fund and/or upon receipt of the ACF for the share subscriptions.



## 10. Share Allotment

The allotment shall be conducted by PT Bahana Sekuritas as the Allotment Manager, in accordance with Regulation No. IX.A.7.

### a. Fixed Allotment

Fixed allotment shall be limited to a maximum of ●% (● percent) of the total Offering Shares or ● (●) shares, which shall be allocated to, but not limited to, Pension Funds, Insurance, Mutual Funds, Foundations, other types of Institutions, both domestic or international.

In the event of allotment based on the Fixed Allotment system, such allotment shall be conducted solely if the following requirements are satisfied:

- a. The Allotment Manager shall determine the percentage and the parties entitled to the fixed allotment in the Initial Public Offering. The determination of Fixed Allotment percentage shall consider the interests of individual subscribers;
- b. The total Fixed Allotment referred to in point (a) has included the allocation for the Company's employees submitting subscriptions in the Initial Public Offering (if any), in a maximum sum of 10% (ten percent) of the total Offering Shares in the Initial Public Offering; and
- c. Fixed Allotment are prohibited to be granted to Affiliated Shareholders, namely:
  - 1) Directors, Commissioners, employees, or Parties holding 20% (twenty percent) or more of the shares in a Securities Company acting as Underwriter with respect to the Initial Public Offering;
  - 2) The Company's Directors, Commissioners and/or majority shareholders; and
  - 3) Affiliates of the Parties referred to in point (1) and (2), which are not the Parties that subscribe shares on behalf of third parties.

### b. Pooling Allotment

Pooling allotment is limited up to a minimum of ●% (● percent) of the total Offering Shares or ● (●) shares.

In the event that the total shares subscribed exceeds the number of Offering Shares in the Initial Public Offering, the Allotment Manager shall perform the following allotment procedures for the remaining Securities subsequent to the Fixed Allotment:

- a. If, after excluding share subscribers from affiliated parties, which are not the parties making subscriptions on behalf of third parties, there are remaining shares in the sum equal to or higher than the amount subscribed, then:
  - (i) the subscribers that are not excluded shall receive all the shares subscribed; and
  - (ii) in the event that the subscribers that are not excluded have received full allotment and there are remaining shares available, such remaining shares shall be allotted proportionally to the Affiliated Share Subscribers.
- b. If, after excluding the Affiliated Share Subscribers there are remaining shares in the sum lower than the subscribed shares, then, the allotment for the subscribers that are not excluded shall be conducted in accordance with the following provisions:
  - The subscribers who are not excluded shall be entitled to one unit of trading at the IDX, if there is sufficient units of trading available. In the event of insufficient units available, the available units of trading shall be allocated by way of lottery. The number of shares included in the unit of trading referred to above shall be the highest full unit of trading determined by the IDX where the shares are listed; and
  - If, there are remaining shares available, then after one unit of trading is allocated to subscribers who are not excluded, allocation shall be performed proportionally, in the unit of trading according to the amount subscribed by the subscribers.



## **11. Postponement of the Initial Public Offering Period or Cancellation of the Initial Public Offering**

Within the period since the receipt of the Effective Statement on the Registration Statement up to the end of the Initial Public Offering Period, the Company may postpone the Initial Public Offering Period for a maximum period of 3 (three) months since the receipt of the Effective Statement on the Registration Statement or cancel the Initial Public Offering, provided that:

- i. An event beyond the Company's ability and control has occurred, which includes the followings:
  - a. The IDX composite index declines by more than 10% (ten percent) for 3 (three) consecutive Exchange Days;
  - b. Natural disasters, war, riots, fire, strikes which significantly affect the Company's going concern; and/or
  - c. Other events that have significant effect to the Company's business continuity as stipulated by the OJK based on the Form No. IX.A.2-11, Appendix 11; and
- ii. The Company shall comply with the following provisions:
  - a. announce the postponement of the Initial Public Offering Period or cancellation of the Initial Public Offering in at least one daily newspapers published in the Indonesian Language with national circulation by no later than one business day following such postponement or cancellation. In addition to the obligation to issue an announcement in the newspapers, the Company may also issue such information in other mass media;
  - b. inform the postponement of the Initial Public Offering Period or cancellation of the Initial Public Offering to the OJK on the same day as the announcement referred to in point (a) above;
  - c. submit the proof of announcement referred to in point a to the OJK by no later than one business day subsequent to the said announcement; and
  - d. the Company postponing the Initial Public Offering Period or canceling an ongoing Initial Public Offering shall, in the event that Securities subscriptions have been paid, refund the Securities Subscription fund to the subscriber by no later than two Business Days following such decision to postpone or cancel the Public Offering.

## **12. Refund of Subscription**

For subscribers whose subscriptions are fully or partially rejected, or in the event of a postponement or cancellation of this Initial Public Offering, shall be refunded in the Rupiah currency by the Underwriters and/or Selling Agents where the respective SSFs are filed. The refund shall be made by no later than two Business Days subsequent to the Allotment Date or the announcement date of the postponement or cancellation of the Initial Public Offering.

The refund may be made by way of book-entry settlement to the account under the name of the subscriber or by other payment instruments in the form of cheque or *bilyet giro* that may be collected directly by the concerned subscribers from the Underwriters by submitting the receipt of subscription of the Offering Shares and personal identification.

## **13. Distribution of ACF with respect to the Share Subscriptions**

Distribution of shares to each Securities Account at KSEI under the name of the Securities Companies or Custodian Banks appointed by the share subscribers for the benefit of the share subscribers shall be carried out by no later than 2 (two) Business Days subsequent to the Allotment Date. ACF for the share subscriptions shall be available at the appointed SAB's office, and may be obtained by presenting the original personal identification of the subscriber and submitting the receipt share subscriptions.

## **14. Others**

In accordance with the provisions of Regulation No. IX.A.7, in the event of oversubscription of Securities and it is proven that certain parties have submitted Securities subscriptions through more than one subscription form for each Initial Public Offering, whether directly or indirectly, then, for the purpose of allotment, the Allotment Manager shall include only one Securities subscription form that is first submitted by the concerned subscribers.

In the event of oversubscription in the Initial Public Offering, the Underwriters, or Affiliates of the Underwriters and/or Selling Agents, or Affiliates of the Selling Agents, shall be prohibited from purchasing or holding shares for their own share portfolio.

In the event of under subscription in the Initial Public Offering, the Underwriters, or Affiliates of the Underwriters and/or Selling Agents, or Affiliates of the Selling Agents, shall be prohibited from selling the shares they have subscribed or will subscribe based on the Securities Underwriting Agreement until such shares are listed on the Stock Exchange.

The Underwriters shall submit the Results of Public Offering Report to the OJK by no later than 5 (five) business days subsequent to Allotment Date in accordance with Regulation No. IX.A.2.

The Allotment Manager shall submit the Accountant Audit Report to the OJK concerning the fairness of the allotment with reference to Regulation No. VII.G.12, Annex to the Decision of Bapepam Chairman No. Kep-17/PM/2004 dated April 13, 2004, concerning the Guidelines on Audit by Accountant on Securities Subscription and Allotment or Distribution of Bonus Shares and Regulation No. IX.A.7, by no later than 30 (thirty) days subsequent to the closing of the Initial Public Offering Period.

## **XVI. DISTRIBUTION OF PROSPECTUS AND SHARE SUBSCRIPTION FORM**

From the opening of the public offering period on November 30, 2017 until the closing of the public offering period on December 5, 2017, Prospectus and Share Subscription Form are available at the office of the Joint Lead Underwriters and Underwriters, and the Public Offering Counters stated below:

### **JOINT LEAD UNDERWRITERS**

**PT Bahana Sekuritas**  
Graha CIMB Niaga, 19<sup>th</sup> Floor  
Jl. Jend. Sudirman Kav.58  
Jakarta 12190

Phone. (021) 2505081  
Fax. (021) 5225869  
Email: [bs\\_ibcm@bahana.co.id](mailto:bs_ibcm@bahana.co.id)  
Website: [www.bahana.co.id](http://www.bahana.co.id)

**PT BCA Sekuritas**  
Menara BCA  
Grand Indonesia, 41<sup>st</sup> Floor  
Jl. M.H. Thamrin No. 1  
Jakarta 10310  
Phone. (021) 2358 7222  
Fax. (021) 2358 7290 / 7300 / 7250  
Email: [cf@bcasekuritas.co.id](mailto:cf@bcasekuritas.co.id)  
Website: [www.bcasekuritas.co.id](http://www.bcasekuritas.co.id)

**PT CIMB Sekuritas Indonesia**  
Gedung Bursa Efek Jakarta, Tower II  
11<sup>th</sup> Floor  
Jl. Sudirman Kav. 52-53  
Jakarta 12190  
Phone. (021) 515 4660  
Fax. (021) 515 4661  
Email: [jk.cso@cimb.com](mailto:jk.cso@cimb.com)  
Website: [www.cimb.com](http://www.cimb.com)

### **UNDERWRITERS**

(to be determined)

### **PUBLIC OFFERING COUNTER**

(to be determined)

## **XVII. LEGAL OPINION**

To:

**PT Panca Budi Idaman Tbk.**

Pusat Niaga Terpadu D 8A-D Block

Jl. Daan Mogot Km.19,6

Kelurahan Poris Jaya, Kecamatan Batuaceper

City of Tangerang, Indonesia

**Attention: the Board of Directors**

**Re: Legal Opinion on PT Panca Budi Idaman Tbk with regard to the Plan on the Initial Public Offering of the Shares of PT Panca Budi Idaman Tbk.**

Dear Sirs,

We, the legal consultants of Makes & Partners Law Firm (hereinafter shall be referred to as "**Makes**"), having an office address at Batavia Tower 7th Floor, Jalan K. H. Mas Mansyur Kay. 126, Jakarta 10220, whose partners have been registered with the Financial Services Authority ("**OJK**") as Capital Market Supporting Professionals with registration number 31/STTD-KH/PM 1993, 227/PM/STTD-KH/1998 and 135/BL/STTD-KH/2012 have been appointed and requested by PT **Panca Budi Idaman Tbk**, a limited liability company incorporated pursuant to and in accordance with applicable laws and regulations of the Republic of Indonesia and domiciled in the City of Tangerang (hereinafter shall be referred to as the "**Company**") pursuant to the Company Letter No. Ref.: 003/PBI-Dir/IX/2017 dated September 19, 2017 on the Appointment as Legal Consultant of PT Panca Budi Idaman for the Public Offering of Shares of PT Panca Budi Idaman to conduct the work of Legal Consultancy Services, including to provide legal opinion (hereinafter shall be referred to as the "**Legal Opinion**"), in respect of the Company's plan to offer to the public by way of a public offering of a maximum of 738,806,000 (seven hundred thirty eight million eight hundred and six thousand) new shares of common stock on behalf of, with a nominal value of IDR100.00 (one hundred Rupiah) per share (hereinafter all shares to be offered and sold to the public as referred to in the above shall be hereinafter referred to as the "**Shares**" and respectively shall be referred to as the "**Share**" and the initial public offering of the Shares shall be referred to as the "**Initial Public Offering**"). The Shares to be issued and offered in the Initial Public Offering shall have the same and equal rights in all respects with the shares of the Company which have been subscribed and fully paid up prior to the implementation of the Initial Public Offering.

As mentioned in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated 13 September, 2017, drawn up before Fathiah Helmi, SH, Notary in Jakarta, for the Initial Public Offering, the Company intends to carry out a fixed allocation program for the Company's employees ("**Employee Stock Allocation Program**" or "**ESA Program**") at a maximum amount of 10% (ten percent) of the new shares to be issued in the ESA Program or a maximum of 73,880,600 (seventy-three million eight hundred and eighty thousand six hundred) shares representing 10% of all Shares.

The implementation of ESA shall comply with the provisions contained in the Regulations of the Capital Market and Financial Institutions Supervisory Agency. 1X.A.7, Attachment of Decision of Chairman of Bapepam and LK No.Kep-691BL/2011 dated 30 December 2011 concerning Subscription and Allotment of Securities in Public Offering.



As stated in the Deed of Securities Underwriting Agreement No. 59 dated 19 September 2017 as amended by the Deed of Amendment I to the Securities Underwriting Agreement for the Initial Public Offering of PT Panca Budi Idaman Tbk No. 12 dated 11 October 2017, both of which were made before Fathiah Helmi, S.H., Notary in Jakarta, the offering of Shares will be fully guaranteed (full commitment) by the Underwriters whose names and portion of guarantee will be listed thereafter after obtaining certainty regarding the offer price of the Shares.

All Shares will be listed and traded on the Indonesia Stock Exchange ("**IDX**").

As disclosed in the Initial Prospectus of the Initial Public Offering, the fund to be obtained by the Company from the proceeds of the Initial Public Offering, net of any issuance fee that shall be the obligation of the Company, according to the plan shall be fully utilized by the Company for:

1. Approximately 70% shall be used by the Company and/ or Subsidiaries for business expansion which includes the addition of machinery of around 25% and the addition of factories and distribution facilities in the expansion of the marketing area of approximately 45%. The addition of machines to be funded, includes among others, the replacement of existing production machinery and/or the purchase of new machines. The addition of factories and distribution facilities to be funded includes the addition of factories, warehouses and other distribution support facilities in Java and eastern Indonesia, which are expected to be implemented until 2019. This matter is conducted to increase production capacity, both existing products as well as new products, in order to meet the needs of customers, considering at this time there are some needs of customers that cannot be fulfilled by the Company. In addition, the Company also notices the potential in eastern Indonesia, so as to increase market penetration and to improve efficiency, the Company plans to add distribution facilities.

Subsidiaries that may receive funding for business expansion are wholly or partly owned by the Company's Subsidiaries, either existing in the present or future, in support of the expansion of the Company in accordance with the needs of each Subsidiaries.

2. The remaining 30% shall be used by the Company and/or Subsidiaries for the working capital of the Company and Subsidiaries. The operational plan to be financed is the operational activities of the plant relating to production, which includes among others the purchase of raw materials and other fee payment which may arise in connection with the Company's production activities.

Subsidiaries that may receive funding for working capital are wholly or partly Subsidiary owned by the Company, either existing in the present or future, in order to support the expansion of the Company, in accordance with the needs of each Subsidiaries. Funds obtained from the Initial Public Offering of Share by the Subsidiary of the Company shall be made in the form of additional capital issuance by the Company to Subsidiaries. If the proceeds from the Initial Public Offering of Shares is not sufficient, the Company still has various financing alternatives to carry out business expansion and additional working capital as mentioned above, which among others, derived from internal cash of the Company and/or bank loan considering the Company's financial ratios makes it possible to carry out such matters.

The utilization of funds shall be an affiliate transaction as referred to in Bapepam and LK Regulation No. IX.E.1, Attachment of Decision of Chairman of Bapepam and LK No. KEP-412 / BL / 2009 concerning Affiliated Transactions and Conflicts of Interest on Certain Transactions ("**Rule IX.E.1**")



if the utilization of such funds by a subsidiary which was conducted by subscribing shares by the Company in a subsidiary of the Company. As confirmed by the Company, the utilization of the funds does not amount to 20% or more of the Company's equity, and therefore is not a material transaction as referred to in Bapepam and LK Regulation No. IX.E.2., Attachment of Decision of Chairman of Bapepam and LK no. ICEP-614 / BL / 2011 concerning Material Transactions and Changes in Primary Business Activities ("**Rule IX.E.2**").

To provide this Legal Opinion, Makes has examined and inspected the documents received for the purpose of conducting a due diligence on the legal aspects of the Company and its subsidiaries in relation with the Initial Public Offering plan which executive summary is disclosed in the due diligence report on the legal aspects as set out in the letter of Makes no. Ref. 0947/LUT/MP/IG/MA/sp/10/2017 dated 13 October 2017 concerning Due Diligence Report of PT Panca Budi Idaman Tbk. in connection with the Initial Public Offering Plan of PT Panca Budi Idaman Tbk. which was prepared and addressed by Makes to the Company for the Initial Public Offering and forwarded to OJK, (the aforementioned due diligence report of legal aspects made by Makes, as well as its amendments and additions from time to time hereinafter shall be referred to as the "**Due Diligence Report**" or "**DDR**")

This Legal Opinion supersedes all previous legal opinions provided in the letter of Makes no. Ref. 0917/PSH/MP/IG/HS/sp/09/2017 dated 20 September 2017.





## I. BASIS AND SCOPE OF LEGAL OPINION

The basis and scope of this Legal Opinion are as follows:

1. This Legal Opinion is provided based on the DDR and also an integral and inseparable part of the DDR which contains a detailed description of the matters contained in the Legal Opinion.
2. This Legal Opinion solely covers legal aspects under the laws of the Republic of Indonesia and therefore excludes any other aspects which may be included implicitly.
3. Makes does not conduct investigative legal examination of any important facts or circumstances referred to in this Legal Opinion.
4. This Legal Opinion is provided by considering and pursuant to assumptions, qualifications and observations as contained in section III of this Legal Opinion.
5. Unless as otherwise expressly provided in the Legal Opinion, the Legal Opinion is provided by taking into consideration the circumstances of the Company as of the date of 3 December 1997 as the ratification date from the Minister of Justice of the Republic of Indonesia on the establishment of the Company up to 13 October 2017 (the "**Examination Date**"), taking into account that (i) 30 June 2017 is the date of the financial statements of the Company used in the Initial Public Offering plan of the Company and (ii) in accordance with the provisions of Article 11 of the Financial Services Authority Regulation Number 7/POJK.04/2017 concerning the Document of Registration Statement for the Public Offering of Equity Securities, Debt Securities, and/or *Sukuk* ("**POJK 7/2017**"), that the examination of the articles of association only covers the articles of association at the time of the establishment and the latest articles of association of the Company, as well as the examination on capital structure and changes in share ownership for the last 3 (three) years.
6. This Legal Opinion is not to be consulted in assessing (i) the commercial and/or financial reasonableness of the Initial Public Offering plan, including but not limited to, transactions in which the Company is a party or has interests or where the Company's property is related, (ii) commercial and financial aspects related to the plan and implementation of the utilization of proceeds of the fund of the Initial Public Offering, (iii) aspects of business risks which may be suffered by the shareholders of the Company are derived from the Shares including business risks as disclosed in the draft of Initial Prospectus derived from Shares, and (iv) the offer price of shares in an Initial Public Offering.
7. This Legal Opinion is provided pursuant to and by considering the laws and regulations prevailing in the Republic of Indonesia, including the provisions set forth in Law Number 30 of 2004 on Notary Position (*Jabatan Notaris*) as amended by Law No. 2 of 2014 on Amendment to Law Number 30 Year 2004 on Notary Position (*Jabatan Notaris*) (hereinafter "**Law of Notary Position (*Jabatan Notaris*)**") and Article 1870 of Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*).
8. On the Examination Date, there were no other agreements (both verbal or written) between the parties in the documents examined by Makes, that amended, added, terminated, cancelled, revoked, assigned and/or replaced any part or all of the matters contained therein, which are disclosed, declared or contained in the documents



examined by us, the DDR and this Legal Opinion, that may render that the disclosure of documents inspected by Makes in the DDR and this Legal Opinion to be incorrect and/or misleading.

9. This Legal Opinion is issued in the framework of the law of the Republic of Indonesia, which is by the examination of agreements and documents that are governed by the laws of the Republic of Indonesia and the prevailing laws and regulations in the Republic of Indonesia, and therefore is not intended by any means whatsoever to be applicable or to be construed under any other law or jurisdictions.

## II. LEGAL OPINION

Pursuant to the DDR prepared by Makes within the framework of the prevailing laws and regulations of the Republic of Indonesia, in particular the law and regulations of the capital market pertaining to the Initial Public Offering plan and by taking into account of Part I and Part II of this Legal Opinion, Makes hereby provides the following Legal Opinion:

1. The Company, domiciled in City of Tangerang, is a limited liability company which has been established lawfully in accordance with and pursuant to the prevailing laws and regulations of the Republic of Indonesia, pursuant to the Deed of Liability Company of PT Panca Budi Idaman No. 16, dated 10 January 1990, drawn up before Endang Irawati Ekaputri, S.H, a Notary in Cibinong, as amended by Deed of Amendment of Limited Liability Company no. 3 dated July 2 1997, made before Jenny Jacinta Lukas, S.H., a Notary in Tangerang, in order to conform the Articles of Association of the Company with UUPt 1995. The establishment of the Company has been ratified by the Minister of Justice of the Republic of Indonesia based on the Decree of the Minister of Justice of the Republic of Indonesia No. C2-12575 HT.01.01.Th.97 dated 3 December 1997, registered in company regulations in accordance with the Law of the Republic of Indonesia No. 3 of 1982 on Mandatory Company Registration ("UUPt") under No. TDP 09021608114 at the office of Company Registration of Municipality of West Jakarta No. 906 / BH.09.03 / XIV97 dated 19 December 1997, and published in the Official Gazette of the Republic of Indonesia No. 1451 dated 6 March 1998, Supplement No. 19 ("**Deed of Establishment**").

The latest amendment of the Articles of Association of the Company is as contained in the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Panca Budi Idaman No. 29 dated 13 September 2017, drawn up before Fathiah Helmi, S.H., Notary in Jakarta, which: (i) has obtained the approval of the Minister of Law and Human Rights pursuant to Decree no. AHU-0018831.AH.01.02.YEAR 2017 on Approval of Amendment of Articles of Association of PT Panca Budi Idaman Tbk on 13 September 2017 which has been registered in the company register based on UUPt. AHU-0113984.AH.01.11.YEAR 2017 dated 13 September 2017; and (ii) have been received and recorded in the database of Legal Entity Administration System of the Ministry of Justice and Human Rights of the Republic of Indonesia, with AHU-AH.01.03-0171141 dated 13 September 2017 and has been registered in the Company Register pursuant to the provisions of Law No. 40 Year 2007 on Limited Liability Company ("UUPt") under No.AHU-0113984.AH.01.11.YEAR 2017 dated 13 September 2017 ("**Deed No. 29/2017**"), which approved: (a) the amendment of the entire articles of association of the Company, among others: (i) amendment of the articles of association in order to become a publicly listed Company, among others, changes in the status of the Company and private company



into a publicly listed company; (ii) the adjustment of the Company's articles of association to adhere to laws and regulations in the capital market; and (b) to approve the issuance of shares in portfolio of up to 1,000,000,000 (one billion) new shares issued from the portfolio offered to the public through the public offering of each of these shares at a nominal value of IDR100.00 (one hundred Rupiah) offered with the Bid price including the allocation of issuance of new shares within the Company, maximum 10% of the new shares to be issued under the Employee Stock Allocation (ESA) program with due observance to the applicable laws and regulations including the capital market and stock exchange regulations applicable in places where the Company's shares are listed.

The Articles of Association of the Company contained in the Deed No. 29/2017 substantially is in accordance with the provisions of Regulation of the Capital Market and Financial Institution Supervisory Agency ("**Bapepam-LK**") No. IX.J.1, Attachment of Decision of Chairman of Bapepam-LK no. Kep-179/BL/2008 dated 14 May 2008 on the Principles of Articles of Association of Companies Conducting Public Offering of Equity Securities and Public Companies, OJK Regulation No. 32 / POJK.04/2014 on the Plan and Implementation of the General Meeting of Shareholders and OJK Regulation no. 33 / POJK.04 / 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies.

2. The latest amendment of the Articles of Association of the Company has been duly made in accordance with the Articles of Association of the Company and the prevailing laws and regulations, except with regard to Deed No. 29/2017, in which case up to the Examination Date, the Company has not yet registered the Deed No. 29/2017 in the Company Register in accordance with UUWDP.

In connection with unregistered amendments to the Articles of Association contained in the Deed No. 29/2017 in the Company Register pursuant to the provisions of UUWDP, the provisions of Article 32 paragraph (1) UUWDP stipulated that, any person who is required to register his company in the Company Register, who is intentionally or due to his negligence does not fulfill his duty is threatened with imprisonment for a maximum of 3 (three) months or a maximum fine of IDR3,000,000.00 (three million Rupiah).

3. The purposes and objectives of the Company are as contained in Article 3 of the Articles of Association of the Company as set forth in the Deed No. 29/2017 are, as follows:
  - a. conducting business in the field of industry;
  - b. conducting business in the field of general trade; and
  - c. conducting business in the field of services

To achieve aforementioned purposes and objectives, the Company may carry out the following business activities:

- a. businesses in the plastic industry including manufacturing of plastic bags;
- b. business in the field of trade, including the trade of plastic bags, plastic seeds, and plastic raw materials, import-export, interisland and local trade, whether for its own production or the products of other parties marketed by the Company, acting as wholesaler, purveyor/ supplier, franchises and commission house as well as related business activities acting as distributors, agents and as representatives of other entities, companies, both domestic and overseas, daily necessities trade, including but not limited to, household



- appliances, food and clothing needs, and trade related to real estate business, namely the sale and purchase of houses, office buildings, shopping malls, apartment units, hotels, condominiums, office spaces and retail spaces; and
- c. business in the field of services except services in the field of law and tax, that covers consultancy services in the form of advice, suggestion, opinion and consultation in the field of management.

In addition to the main business activities referred above, the Company may undertake supporting business activities such as creative activities related to graphic design, interior design, product design, industrial design, corporate identity consulting and marketing research services as well as packaging and packing services.

On the Examination Date, pursuant to an examination conducted on principal and material licenses owned by the Company or the articles of association of the Company, Company's business activities are in accordance with the Company's business activities as contained in the Articles of Association of the Company.

4. Pursuant to the provisions of Article 4 of the Articles of Association of the Company which is contained in the Deed No. 29/2017, the capital structure of the Company at the Examination Date is as follows:

Authorized Capital	:	IDR.600,000,000,000.00 (six hundred billion Rupiah) divided into 6,000,000,000 (six billion) shares, each with a nominal value of IDR100.00 (one hundred Rupiah);
Subscribed Capital	:	IDR150,000,000,000.00 (one hundred and fifty billion Rupiah) divided into 1,500,000,000 (one billion five hundred million) shares, each with a nominal value of IDR100.00 (one hundred Rupiah); and
Paid Up Capital	:	IDR150,000,000,000.00 (one hundred fifty billion Rupiah) representing 100% (one hundred percent) of the nominal value of each share subscribed in the Company.

5. Pursuant to the Deed No. 29/2017 and also as contained in the Shareholder Register of the Company, the composition of the Company's shareholders in accordance with the capital structure as described in Figure 5 above are as follows:

No.	Name of Shareholders	Number of Shares	Amount/Value/Par Value of Shares (IDR) @IDR100.00	%
<b>Authorized Capital</b>		<b>6,000,000,000</b>	<b>600,000,000,000.00</b>	
<b>Subscribed Capital</b>				
<b>1.</b>	<b>PT Alphen Internasional Corporindo</b>	<b>1,400,000,000</b>	<b>140,000,000,000.00</b>	<b>93,3</b>



2.	Djonny Taslim	100,000,000	10,000,000,000.00	6,7
Amount of Paid Up Capital		1,500,000,000	150,000,000,000.00	100
Amount of Shares in Portfolio		4,500,000,000	450,000,000.,00.00	

The history of changes in the Company's capital and shareholding structure for the last three years, i.e. 2014, 2015 and 2016 until Examination Date were maintained sustainably and conducted in accordance with the Articles of Association of the Company and the prevailing laws and regulations except for the changes in the Company's capital and shareholding structures as included in: (a) Deed of Minutes of Extraordinary General Meeting of Shareholders of the Company No. 16, dated 8 December 2015, drawn up by Martina, S.H., a Notary in Jakarta; (b) Deed of Circular Decision Statement in lieu of the Company's Extraordinary General Meeting of Shareholders No. 77 dated 30 September 2016, drawn up by Fathiah Helmi, S.H., a Notary in Jakarta; (c) Deed of Joint Approval of All Shareholders of PT Panca Budi Idaman Tbk No.28 dated 12 September 2017; and (d) Deed No. 29/2017, which, until Examination Date, are not yet registered in Company Register pursuant to UUWDP.

6. The composition of the members of the Board of Directors and Board of Commissioners of the Company which is in office on the Examination Date shall be as contained in the Deed of Minutes of Extraordinary General Meeting of PT Panca Budi Idaman No. 8 dated 6 March 2017, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta ("**Deed No. 8/2017**"), with the following composition:

#### **Board of Commissioners**

President Commissioner : Robby Taslim  
Independent Commissioner : Makmur Darmo

#### **Board of Directors**

President Director : Djonny Taslim  
Director : Vicky Taslim  
Director : Emiyanti  
Director : Fu Yin Ling  
Director : Tan Hendra  
Independent Director : NG Hay Yam

The appointment of members of the Board of Directors and Board of Commissioners of the Company as mentioned above has been conducted in accordance with the provisions of the Articles of Association of the Company and POJK No. 33/2014, except for the Deed No. 8/2017 which is not registered in the Company Register pursuant to the provisions of UUWDP.

On the Examination Date, as required by OJK Regulation No. 35/POJK.04 / 2014 dated 8 December 2014 on the Corporate Secretary of the Issuer or Public Company, the Company has appointed Lukman Hakim as Corporate Secretary based on the





Decree of the Board of Directors of the Company No. 001/PBI-Dir/III/ 2017, dated 21 March 2017 on Appointment of the Corporate Secretary.

On the Examination Date, as required by Regulation No. 55 / POJK.04 / 2015 of 2015, dated 29 December 2015 on the Establishment and Guidelines for the Implementation of the Audit Committee Work, the Company has established an audit committee charter and the Company has established an Audit Committee pursuant to the Decree of the Board of Commissioners of the Company No. 001/PBI-D1011/2017 dated 21 March 2017, with the following composition:

Chairman	: Makmur Darmo
Member	: Simon Ferryanto Silalahi
Member	: Sutopo Insja

On the Examination Date, as required by OJK Regulation No. 56/POJK.04/2015 dated 29 December 2015 on the Establishment and Guidelines for the Formation of the Charter of the Internal Audit Unit, the Company has appointed Ria Lusiya as Head of the Company's Internal Audit Unit based on the Decree of the Board of Directors of the Company No. 002 / PBI-Dir / III / 2017 dated 21 March 2017 on the Appointment of Head of Internal Audit Unit. The Company also has the Charter of the Internal Audit Unit

On the Examination Date, the Company has had a nomination and remuneration function that has been conducted in accordance with OJK Regulation No. 34/POJK.04/2014 dated 8 December 2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.

7. On the Examination Date, based on the examination conducted on the Company, the Company has the principal and material licenses necessary to conduct the Company's current main business activities as contained in the purposes and objectives and business activities of the Company as contained in the Articles of Association of the Company, namely: (i) Industrial Business License for plastic packaging business activities based on the Decree of Governor of Banten No.530/681-Industry/SIMINV/2011 on Industrial Business License (through Principle Approval) dated 7 April 2011 signed by Head of Industry and Trade Office of Banten Province on behalf of the Governor of Banten with factory located at Jl. Keamanan No.228-229, Sub-District of Kebon Besar, Batureper, City of Tangerang, Province of Banten; (ii) Trading Business License (*Surat Izin Usaha Perdagangan/SIUP*) - Large No. 45/24.1PB.1/31.73/-1.824.27/e/2016 dated 8 April 2016, signed by the Head of One Door Integrated Services of the Municipality of West Jakarta and (iii) Importer-Producer Identification Number (*Angka Pengenal Importir – Produsen/API-P*) No .090400892-P dated 29 April 2016 issued by the Head of the One Door Integrated Services of the Province of DKI Jakarta on behalf of the Minister of Trade, except in connection with the lack of Industrial Business License covering the factory in Jl. Arya Kemuning No. 6, District of Nambo Jaya Sub, Sub-district of Karawaci, City of Tangerang, which is in the process of handling as mentioned in the Files Receipt dated 20 July 2017 issued by the Coordinating Agency for Investment and One Door Integrated Services of the Government of City of Tangerang. Such principal and material licenses are still in force and up to the date of examination, the Company has fulfilled the material obligations of such licenses, except on the delivery of industrial information to the Industrial Agency which has not been implemented as required in the Industrial Business License under the Decree of the Governor of Banten



No.530/681-Perindag/SK/IUVIV/2011 concerning Industrial Business License (Through Principle Approval) dated 7 April 2011.

Based on the examination conducted on the Company and as confirmed in the Statement Letter (as defined hereunder), the Company has never received any warning from the competent authorities in relation to the absence of an industrial business license for the Company's factory located at Arya Kemuning No.6 RT 001, RW 005, Sub-district of Nambo Jaya, District of Karawaci, City of Tangerang and the unfulfilled obligations of industrial information submission as indicated in the Industrial Business License under the Decree of Governor of Banten No.530/681-Perindag/SK/IUMV/2011 on Industrial Business License (Through Principle Approval) dated 7 April 2011.

In connection with the absence of Industrial Business License for the location of the Company's factory at Jl. Arya Kemuning No. 6 RT 001, RW 005, Su-district of Nambo Jaya, District of Karawaci, City of Tangerang. The provisions of Article 30 of Government Regulation No.107 of 2015 on Industrial Business License which stipulates that industrial companies that do not have Industrial Business License shall be subject to administrative sanctions in the form of: (a) Written warning; (b) Administrative fines; and (c) Temporary closure.

8. The Company owns and/or controls material assets pursuant to valid documents of ownership and/or possession, including land and buildings and motor vehicles in which the details of such material property as well as the documents of ownership rights of the Company and/or its supporting documents are further described in DDR ("**Material Assets**").

Whereas pursuant to an examination of documents submitted to us including the Statement Letter (as defined below) and based on Statement of Directors of the Company, except on Material Assets of the Company, namely: (a) in the form of land owned by the Company as contained in and Right to Build Certificate ("SHGB") No. 85 / Kebon Besar, SHGB No. 86/Kebon Besar, SHGB No. 87/Kebon Besar and lands that are being controlled by the Company pursuant to: (i) the Deed of Mutual Agreement for Land and Building Purchase With Rights Disposition No. 5 dated 19 September 2015, made before Fully Handayani Ridwan, SH, M.Kn , a Notary in the Regency of Tangerang of land with Certificate of the Right to Own No.229/Kebon Besar; (ii) the Deed of Mutual Agreement for Land and Building Purchase With Rights Disposition No. 6, dated 19 September 2016, made before Fully Handayani Ridwan, SH, M.Kn, a Notary in the Regency Tangerang of land with a Certificate of Right to Own No. 230/Kebon Besar, (iii) the Deed of Mutual Agreement for Land and Building Purchase with Rights Disposition No. 7 dated 19 September 2016, made before Fully Handayani Ridwan, SH, M.Kn, a Notary in the Regency of Tangerang of Land with the Certificate of the Right to Own No.321/Kebon Besar; (iv) Deed of Mutual Agreement for Land and Building Purchase No. 4 dated 19 September 2016 made before Fully Handayani Ridwan, S.H., M.Kn., a Notary in Tangerang of land with Certificate of the Right to Own No. 297 / Batuceper; (v) Deed of Mutual Agreement for Land and Building Purchase No. 8 dated 19 September 2016, made before Fully Handayani Ridwan, S.H., M.Kn., a Notary in the Regency of Tangerang of land with Certificate of the Right to Own No. 2336/Batuceper, all of which were made between the Company and Djonny Taslim as the owner of the land; (b) machinery and equipment owned by the Company which are stored/placed in factories located at Jalan Keamanan, Tangerang and/or at Jalan Rangkas Bitung,





Cikande Serang; (c) all inventories in the form of plastic seeds and plastic bags owned by the Company, existing the present or future, placed everywhere, including, but not limited to, items stored on Jalan Keamanan and on Jalan Rangkas Bitung; (d) all principal rights and legal demands which may be exercised and used for current and future receivables and claim and receivables that exist or owned now or in the future, or which shall become the rights of the Company, are being secured for the fulfillment of obligations of the Company and its subsidiaries, PT Panca Budi Niaga ("**PBN**"), PT Panca Budi Pratama ("**PBP**") and PT Polytech Indo Hausen ("**PIH**") to the creditors of PT Bank Central Asia Tbk.; and (e) the cash collateral on behalf of the Company, are being pledged as a security for fulfilling the obligations of the Company to the creditors of PT Bank Central Asia Tbk., Material Assets owned by the Company are not collateralized/secured/used as a security to other parties. In the event of an attachment of Material Assets of the Company as mentioned above, such matters shall have a material impact to the sustainability of Company's business activities.

In the course of carrying on business activities currently carried on by each Subsidiary (as defined below), except for Axis and PBS which do not own and/or possess material assets and have not actively conduct business activities, each Subsidiary own and/or control possess assets based on valid ownership and/or possession documents and on such material assets, pursuant to Statement Letter of each Subsidiary, not being in dispute or lawsuit.

The Company and each Subsidiary, except for Axis and PBS which do not own and/or possess material assets and have not actively conducted the business activities, have insured their material assets, and each of these insurance policies is still valid except for property/industry risk and earthquake insurance policy on behalf of the expired Company and property/industry and earthquake insurance policy on behalf of SKI and PBN. As reinforced by the Statement Letter, the Company is in the process of extending each of the insurance policies. Based on the examination conducted on each of the insurance policies, as well as reinforced by the Statement Letter, the insurance coverage of the insurance covered by the Company and each of the Subsidiaries mentioned above, also considering the extension of each expired policy, the coverage that is covered by the Company is adequate to replace the insured object or to cover the risk insured.

9. On the Examination Date, except for the Company's regulation which is in the process of extension based on the Receipt dated 23 August 2017 issued by the Employment Agency of the Government of City of Tangerang, the Company has fulfilled material obligations in the field of employment, i.e. pays the wages of employees in accordance with the provisions of the applicable regional minimum wage, submits the employment reporting obligations as required by Law no. 7 of 1981 on Mandatory Employment Report and engages its workforce in the labor and social security program organized by the Social Security Agency.
10. On the Examination Date, related to the fulfillment of environmental obligations, the Company already has UKL-UPL as evidenced by the UKL-UPL of the Company which has been approved by the Head of the Environmental Control Agency of the Government of the City of Tangerang pursuant to the ratification of UKL-UPL No. 660/531-Conservation dated 14 April 2010 ("**UKL-UPL of the Company**"). Based on the examination conducted on the Company, the Company has not fulfilled the periodic reporting requirements of the Company's UPL and does not have a



temporary storage permit (TPS) of B3 oil waste as required in the UKL-UPL of the Company.

In relation to the non-fulfillment of environmental obligations, the provision of Article 53 paragraph (1) of Government Regulation No.27 of 2012 on Environmental License ("**PP No. 27/2012**") stipulates that the Holders of Environmental License are obliged to: (a) comply with the requirements and obligations contained in the Environmental License and environmental protection and management license; (b) prepare and submit an implementation report on the Environmental requirements and obligations to the Minister, governor or regent/mayor; and (c) providing a guarantee fund for the restoration of environmental functions in accordance with laws and regulations. Furthermore, the provisions of Article 53 paragraph (2) of PP. 27/2012 stipulates that Reports referred to in paragraph (1) letter b shall be submitted periodically every 6 (six) months. Pursuant to provisions of Article 71 of PP. 27/2012, Holders of Environmental License violating the provisions referred to in Article 53 shall be liable to administrative sanctions which include: (a) written warning; (b) government coercion; (c) freezing of Environmental license; or (d) revocation of Environmental license. The administrative sanctions as referred to in paragraph (1) shall be applied by the Minister, governor or regent/mayor in accordance with their authority.

In connection with the absence of a temporary storage permit (TPS) of B3 waste, the provisions of Article 12 paragraph (1) and paragraph (3) of Government Regulation No .101 of 2014 on the Management of Hazardous and Toxic Waste ("**PP No. 101 / 2014**") regulates the matters that Any Person producing B3 Wastes shall be obliged to have B3 Waste Storage, and to be able to conduct B3 Waste Storage, Everyone as referred to in paragraph (1) shall have a Waste Management license for B3 Waste Storage activities. Furthermore, the provisions of Article 243 paragraphs (1), paragraphs (2) and (3) of Government Regulation No.101 / 2014 stipulate that Any Person producing B3 Waste that does not meet or violate the provisions of Article 12 paragraph (1), paragraph (2) or paragraph (3) above shall be liable to administrative sanctions in the form of: (a) Written warning; (b) Government coercion; or (c) Freezing of B3 Waste Management license for B3 Waste Storage activities. Government coercion as intended including: (a) Temporary suspension of such activities; and/or (b) Other measures which intended to stop violations and restoring environmental functions.

In relation to the fulfillment of the obligation of submitting the Company's annual financial statements ("**LKTP**"), the Company has fulfilled the obligation to submit LKTP for 2016 financial year based on the temporary receipt of LKTP dated 12 July 2017 issued by the Directorate of Business Development and Distributors of the Ministry of Trade.

Whereas in relation to the unfulfilled obligations based on the Statement Letter, the Company has never received any reprimands, warnings, imposition of sanctions or claims from any party attributable to non-compliance with such obligations.

11. On the Examination Date, the Company has assets in the form of ownership of shares in a limited liability company, made through direct and indirect shares participation in the limited liability company with details as follows:



- a. **PT Polytech Indo Hausen ("PIH")**  
Directly of 4,999 shares, each having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR4,999,000,000 (four billion nine hundred ninety-nine million Rupiah), representing 99.98% of all issued and fully paid capital in PIH.
- b. **PT Panca Budi Niaga ("PBN")**  
Directly of 20,900 shares, each having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR20,900,000,000 (twenty billion nine hundred million Rupiah), representing 99.52 % of all issued and fully paid capital in PBN.
- c. **PT Panca Budi Pratama ("PBP")**  
Directly of 20,000 shares, each having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR20,000,000,000 (twenty billion Rupiah), which constitutes 95.24% of the total issued and fully paid capital in PBP.
- d. **PT Prima Bhakti Pratama ("Prima Bhakti")**  
Indirectly through PBP of 450 shares, each share having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR450,000,000 (four hundred fifty million Rupiah), which represents 90% of all issued and fully paid capital in Prima Bhakti.
- e. **PT Panca Buana Plasindo ("Plasindo")**  
Indirectly through PBP of 499 shares, each share having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR499,000,000 (four hundred ninety-nine million Rupiah), which represents 99.8% of all issued and fully paid capital in.
- f. **PT Polypack Indo Meyer ("PIM")**  
Indirectly through PBP of 999 shares, each share having a nominal value of IDR1,000,000.00 (one million Rupiah) or in aggregate having the total nominal value of IDR999,000,000.00 (nine hundred ninety-nine million Rupiah), which is 99.90% of all issued and fully paid capital in PIM.
- g. **PT Sekarnusa Kreasi Indonesia ("SKI")**  
Indirectly through PBP of 1,990 shares, each share having a nominal value of IDR1,000,000.00 (one million Rupiah) or in aggregate having the total nominal value of IDR1,990,000,000.00 (one billion nine hundred and ninety million Rupiah), which represents 99.50% of all issued and fully paid capital in SKI.
- h. **PT Axis Global Integrasi ("AXIS")**  
Indirectly through SKI of 615 shares, each share having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR615,000,000 (six hundred fifteen million Rupiah), which is 98.40% of all issued and fully paid capital in AXIS.
- i. **PT Panca Budi Sejahtera ("PBS")**  
Indirectly through the SKI of 990 shares, each share having a nominal value of IDR1,000,000 (one million Rupiah) or in aggregate having the total nominal value of IDR990,000,000 (nine hundred ninety million Rupiah), which is 99% of all issued and fully paid capital in PBS.
- j. **PT Reka Mega Intl Pratama ("RMIP")**  
Indirectly through SKI of 999 shares, each share having a nominal value of IDR1,000,000.00 (one million Rupiah) or in aggregate having the total nominal value of IDR999,000,000.00 (nine hundred ninety-nine million Rupiah), which is 99,9% of all issued and fully paid capital in RMIP.



Each of PIH, PBN, PBP, Prima Bhakti, Plasindo, PIM, SKI, AXIS, PBS and RMIP, which are subsidiaries (hereinafter referred to as "**Subsidiaries**"), is a limited liability company that was duly established under the laws of the Republic of Indonesia legally and conducts its business activities in accordance with its purposes and objectives as stated in its respective articles of association except for AXIS and PBS which on the Examination Date are not actively conducting business activities. On the Examination Date, based on the examination conducted and based on the Company's Statement, the Company's participation in any Subsidiary is not being secured to any third party and such participation is not being engaged in any dispute or litigation.

Each member of the Board of Directors and Board of Commissioners of the Subsidiaries in office if appointed in accordance with the provisions of the Articles of Association applicable to each Subsidiary, except on the registration in the register of companies in accordance with UUWDP which has not been made by:

- (i) PIH on the Deed of Statement of Resolution of Meeting No. 03 dated November 14, 2016 drawn up before Esther, S.H., M.Kn., Notary in the Regency of Serang;
- (ii) PBN on the Deed of Statement of Meeting Resolutions of PBN No. 12 dated 18 January 2016, drawn up before Esther, S.H., M.Kn., Notary in the Regency of Serang;
- (iii) PBP on the Deed of the Minutes of Extraordinary General Meeting of Shareholders of PBP No. 56 dated 22 December 2015 drawn up before Veronica Indrawati, S.H., Notary in the City of Tangerang Selatan;
- (iv) Prima Bhakti on the Deed of Statement of Meeting Resolutions of Prima Bhakti No.11 dated 18 April 2017, drawn up before Esther, S.H., Notary in the Regency of Serang;
- (v) Plasindo on the Deed of Resolution of Meeting No. 09 dated 23 March 2015, drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang;
- (vi) PIM on the Deed of Statement of Meeting No.9 dated 9 August 2017, drawn up before Esther, S.H., Mkn, Notary in Municipality of Tangerang;
- (vii) SKI on the Deed of Resolution of Meeting of SKI No.01 dated 2 October 2015 drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang;
- (viii) AXIS on the Deed of Resolution of Meeting of Axis No. 05 dated 20 March 2014, drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang;
- (ix) PBS on the Deed of Establishment of PBS No. 06 dated 20 May 2013, drawn up before Laurensia Maria Srijani, S.H., Notary in Sukoharjo; and
- (ix) RMIP on the Deed of Resolution of Meeting of RMIP No. 04 dated 2 August 2017 drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang.

The Articles of Association and the latest amendments of the Articles of Association of the Subsidiaries have been duly made and in accordance with the provisions of its Articles of Association and the prevailing laws and regulations, except on the registration in the register of companies in accordance with UUWDP which have not been undertaken by: (i) Plasindo on the Deed of Establishment of Limited Liability Company of Panca Buana No. 1 dated 8 March 2006, as amended by the Deed of Amendment to the Deed of Establishment of Limited Liability Company of Panca Buana No. 06 dated 26 May 2008, both of which were drawn up before Evawani, S.H., Notary in Tangerang; (ii) PBN on the Deed of Limited Liability Company of PBN No. 6 dated 20 January 2011, drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang; (iii) PIH on Deed of Establishment of Limited Liability Company PIH No. 09 dated 15 October 2010, drawn up before Esther, S.H., M.Kn., Notary in



Regency of Serang; (iv) PBP on Deed of Limited Liability Company of PBP No. 29 dated 13 November 1990, drawn up before Endang Irawati Ekaputri, S.H., Notary in Cibinong; (v) RMIP on the Deed of Establishment of Limited Liability Company of RMIP No.01 dated 8 February 2007 as amended by the Deed of Amendment of Deed of Establishment No. 09 dated 31 October 2007, both of which were drawn up before Evawani, S.H., Notary in the City of Tangerang; (vi) SKI on the Deed of Limited Liability Company of SKI No. 19 dated 27 February 1989, drawn up before Cornelia Juanda Tanuraharja, S.H., Notary in Surakarta as amended by the Deed of Amendment No.14 dated 29 October 1990 drawn up before Cornelia Juanda Tanuraharja, S.H., Notary in Surakarta; (vii) Prima Bhakti on the Deed of Limited Liability Company of Prima Bhakti No. 2 dated 9 December 2004, drawn up before Martina, S.H., Notary in Jakarta.

In accordance with the obligation of registration in the Register of Companies in accordance with the UUWDP, the provisions of Article 32 paragraph (1) of the UUWDP regulate that the person who is required to register their company in the Register of Companies who intentionally or due to negligence fails to meet its obligations is punishable by imprisonment for a maximum of 3 (three) months or a fine of up to IDR3,000,000.00 (three million Rupiah).

On the Examination Date, the capital structure and composition of the Subsidiaries' shareholders for the last three years is continuous and in accordance with the provisions of the prevailing laws and regulations and their respective articles of association, except for the registration of companies in accordance with UUWDP which have not been undertaken by:

- (i) Plasindo on the Deed of Establishment of Limited Liability Company of Panca Buana No. 1 dated 8 March 2006, as amended by the Deed of Amendment of Deed of Establishment Limited Liability Company of Panca Buana No. 06 dated 26 May 2008, both of which were drawn up before Evawani, S.H., Notary in Tangerang;
- (ii) PBN on the Deed of Limited Liability Company of PBN No. 6 dated 20 January 2011, drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang, Deed of Minutes of Extraordinary General Meeting of Shareholders of PBN No. 18 dated 8 December 2015, drawn up before Martina, S.H., Notary in Jakarta;
- (iii) PIM of Deed of Minutes of Meeting of PIM No. 08 dated 27 May 2008, drawn up before Evawani, S.H., Notary in Tangerang City;
- (iv) Deed of Establishment of Limited Liability Company of PIH No. 09 dated 15 October 2010, drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang, PIH on the Deed of Statement of Resolution of Meeting No. 08 dated 14 December 2015, drawn up before Esther, S.H., Notary in Regency of Serang, and Deed of Resolution of Meeting No. 14 dated 31 August 2015, drawn up before Esther, S.H., M.Kn., Notary in Regency of Serang;
- (v) PIH on Deed of Minutes of Meeting of Axis No. 01 dated 1 April 2008, drawn up before Evawani, S.H., Notary in the City of Tangerang, Deed of Statement of Meeting Resolutions of Axis No. 08 dated 8 December 2012, drawn up before Esther, S.H., M.Kn., Notary in the Regency of Serang;
- (vi) PBS on the Deed of Limited Liability Company of PBS No. 06 dated 20 May 2013, drawn up before Laurensia Maria Srijani, S.H., Notary in Sukoharjo;
- (vii) PBP on the Extraordinary General Meeting of Shareholders of PBP No. 17 dated 8 December 2015 made before Martina, S.H., Notary in Jakarta;





- (viii) RMIP on the Deed of Establishment of Limited Liability Company of RMIP No.01 dated 8 February 2007 as amended by Deed of Amendment of Deed of Establishment No. 09 dated 31 October 2007, both of which were drawn up before Evawani, S.H., Notary in City of Tangerang;
- (ix) SKI on the Deed of Minutes of Meeting No. 02 dated 6 June 2008, drawn up before Evawani, SH., Notary in City of Tangerang, as confirmed by the Deed of Minutes of Meeting No. SKI. 07 dated 21 July 2009 made before Evawani, S.H., Notary in City of Tangerang;
- (x) Prima Bhakti on Deed of Minutes of Meeting of Prima Bhakti No. 05 dated 5 January 2012 drawn up before Evawani, S.H., Notary in City of Tangerang.

Each of the Subsidiaries has the necessary principal and material licenses to perform its business activities, except that (a) SKI has not re-register its industrial business permit; (b) Plasindo, PIM and SKI have not obtained their environmental license, respectively; (c) RMIP has not obtained its distributor registration number; and (d) AXIS has not extending its Domicile Certificate.

Subsidiaries (except for AXIS and PBS in accordance with the Statement of inactivity) have complied with their material obligations, among others, to pay the wages of employees in accordance with the applicable minimum wage, to include its workforce in the Social Security Administrator (*Badan Penyelenggara Jaminan Sosial/BPJS*) and submit employment reporting obligations, except for:

- (a) AXIS and PBS which are not actively conducting their business activities so that they do not have any obligation in the area of manpower;
- (b) the non-fulfillment of minimum wage payment obligation based on the provisions of each local regulations of the respective Subsidiaries namely for Plasindo, PBP, and Prima Bhakti;
- (c) the non-fulfillment of the requirement to have company regulations by PBP, RMIP, SKI, and Prima Bhakti;
- (d) the non-fulfillment of the requirement to submit the Company's Annual Financial Report (*Laporan Keuangan Tahunan Perusahaan/LKTP*) by PIH;
- (e) the non-fulfillment of the requirement to submit reports on employment in accordance with the provisions of Article 6 paragraph (2) of Law no. 7 of 1981 concerning the Employment Reporting Obligation (*Wajib Laporan Ketenagakerjaan/"WLTK"*) by PIM;
- (f) the non-fulfillment of the obligation to re-register the WLTK by PBN, RMIP and Prima Bhakti;
- (g) the non-reporting of changes of WLTK to the Manpower Office by AXIS for termination of AXIS business activities;
- (h) the extension of Employment Reporting Obligation which has not been made by: PIH and SKI;
- (i) the UKL-UPL documents which has not been obtained by Plasindo; and
- (j) the non-fulfillment of periodic reporting obligations under UKL-UPL by: PIM, PIH, and SKI; and
- (k) the non-fulfillment of inspection and re-testing of power installations obligation by PBP.

12. The Company has signed a credit agreement under the Deed of Credit Agreement No. 33 dated 15 February 2005, that was drawn up before Gunawan Tedjo, SH, MH, Notary in Jakarta, and the amendments thereof, which were last amended based on Amendment of Credit Agreement No.272 / Add-KCK / 2017 dated 11 September



2017, made privately, duly stamped and made by and between the Company and PT Bank Central Asia Tbk. ("BCA"). As confirmed by the Company in the Statement, the Company has never or has not been declared in default condition that may adversely affect the Company's operational, business, and revenue. In relation to the plan of the Initial Public Offering, the Company has obtained a letter of approval from BCA based on the Letter of the Company Ref.No.:001/Legal/f11/2017 dated 2 March 2017 regarding the Application for Approval and Revocation which has been approved and signed by BCA and in connection with the use of funds of the IPO proceeds which will be used by the Company's Subsidiaries, the Company shall issue a notification letter delivered to BCA.

13. The Company and Subsidiaries (except for AXIS and PBS which are based on our investigations and as confirmed by the Company in the Statement are not conducting business activities and have not signed any agreements) have entered into material agreements described in DDR, including but not limited to lease agreements, goods custody agreements, land sale agreements, collective agreements in the purchase of land and buildings with the disposal of rights, leasing agreements, in which the material agreements are still in force and binding on the Company and Subsidiaries, and the Company and Subsidiaries are not declared to be in defaulting circumstances that may adversely affect the operational and income of the Company and Subsidiaries materially, and the Company and Subsidiaries continue to fulfill their obligations as defined in the agreements or consents made and signed by the Company and Subsidiaries in accordance with the Articles of Association of the Company and Subsidiaries. Material agreements or consents entered into by the Company and Subsidiaries do not contain restrictions that may limit the rights of public shareholders and shall not limit the Initial Public Offering.
14. On the Examination Date, as well as affirmed by the Statement, as well as the Statement of each member of the Board of Directors and Board of Commissioners of the Company and the Board of Directors and Board of Commissioners of the Subsidiaries, dated 13 October 2017, the Company and Subsidiaries and each member of the Board of Directors and the Board of Commissioners of the Company and the Subsidiaries is not facing or engaging as a party - either in its capacity as a plaintiff, defendant, claimant, respondent and/or other capacity - in any case, dispute and/or differences in any form, including but not limited to civil, criminal, bankruptcy, intellectual property rights, state administration, industrial relations, arbitration and taxes, whether to the judiciary, arbitration and/or other bodies or institutions of dispute resolutions within the territory of the Republic of Indonesia - including but not limited to the District Court, Commercial Court, Administrative Court, Industrial Relations Court and / or the Indonesian National Arbitration Board (*Badan Arbitrase Nasional Indonesia/BANI*) that materially affect the financial condition and/or business continuity of the Company and Subsidiaries.
15. On the Examination Date, in connection with the Initial Public Offering, the Company has entered into the following agreements:
  - a. Deed of Securities Underwriting Agreement No. 59 dated 19 September 2017 as amended by the Deed of Amendment I to of Securities Underwriting Agreement for the Initial Public Offering of PT Panca Budi Idaman Tbk No. 12 dated 11 October 2017, both of which were made before Fathiah Helmi, S.H., Notary in Jakarta;





- b. Deed of the Company's Share Administration Management Agreement No. 60 dated 19 September 2017 as amended by the Deed of the Company's Share Administration Management Agreement of PT Panca Budi Idaman Tbk. No. 13 dated 13 October 2017, both of which were made before Fathiah Helmi, S.H., Notary in Jakarta;
- c. The Preliminary Listing Agreement dated 27 July 2017 between the Company and BEI; and
- d. Registration of Equity Securities Agreement in KSEI with Registration Number: SP-026/SHM/KSEI/0717 dated 27 July 2017 between the Company and PT Kustodian Sentral Efek Indonesia.

The agreements set forth above are binding on the Company and have been legally made in accordance with the Articles of Association of the Company and the prevailing laws and regulations of Indonesia.

### III. ASSUMPTIONS AND QUALIFICATIONS

This Legal Opinion is given under the following understandings, assumptions and qualifications:

- a. The execution of documents and agreements examined by Makes and/or created in the order of the Initial Public Offering may be affected by the laws and regulations of the Republic of Indonesia which is of a coercive nature and subject to the principle of good faith which must be adhered to as set out in Article 1338 of the Civil Code.
- b. This Legal Opinion expressly includes only the matters mentioned herein and in no way include matters which may be implicitly deemed to be included and matters provided in this Legal Opinion are inseparable from the risk factors described in the Initial Public Offering Prospectus on Business Risks.
- c. This Legal Opinion is given under the assumption that all signatures contained in all documents submitted or referred by the Company and/or third parties to Makes are original and that the documents submitted to Makes in the form of photocopies, scanned copies or other forms are true, accurate, appropriate, consistent to the original and not misleading.
- d. This Legal Opinion is affirmed, among others, by confirmation or statement and/or explanation both verbal and written submitted by the Company and the representatives of the Company including the Statement Letter, and considering the statements and confirmations submitted are true, complete, in accordance with the actual circumstances and not misleading.
- e. There is no system of registration and/or registration of cases in the judiciary in Indonesia that is open to the public and uses a uniform database to obtain correct, complete and accurate information in relation to existing and/or ongoing cases, claims or disputes. Despite it may be possible to conduct case involvement and bankruptcy examinations at the courts in Indonesia, however the registration system to ascertain the existence of such cases in Indonesia is unable to be ensured accurately.



- f. The Legal Opinion as stated in item 16 of section II This Legal Opinion is provided based on the Decree of the Association of Capital Market Legal Consultants (*Keputusan Himpunan Konsultan Hukum Pasar Modal / "HKHPM"*) No. KEP.04 / HICHPM / XU2012 dated 6 December 2012 on Amendment of Professional Standards of Association of Capital Market Legal Consultants, which among others decided to remove the provision of No. 341 letter.j.2 HKHPM Professional Standard which is an Appendix of HKHPM Decree No. KEP.01 / HKHPM / 2005 dated 31 March 2005. In relation thereto, the legal opinion referred to in item 14 of section II of this Legal Opinion is submitted based on statements given by the Company and members of the Board of Directors and Board of Commissioners of the Company including the Statement.
- g. Under the UUWDP, a company incorporated in the Republic of Indonesia must be registered with the Company Registration Office at the Ministry of Trade of the Republic of Indonesia. The registration system under the UUWDP is considered unreliable for the purposes of obtaining the latest corporate data such as the complete articles of association, shareholder name and changes thereof from time to time, the composition of the Board of Directors and Board of Commissioners as well as changes thereof from time to time and excluding related information with the imposition of company assets or mortgage on the company's Shares and the filing of a bankruptcy or bankruptcy order. With the enactment of the Company Law, the MoLHR is now responsible for organizing the Company Register. The Company Register is intended to contain data on limited liability companies including but not limited to names, places of domicile, intentions and objectives as well as changes in data of limited liability companies, among others, regarding the replacement of members of the Board of Directors and Board of Commissioners as further elaborated in Article 29 of the Company Law. Further the General Description of the Company Law states that in the case of granting the status of a legal entity, approval and/or acceptance of notice of amendment to the articles of association and other changes of data, the Company Law is not associated with UUWDP. However, until now, the UUWDP is still in full force and has not been revoked. As outlined in the DDR, all of the Company's deeds are made after the enactment of the Company Law and have been registered at the Company Register, but currently the latest amendment of the Company's articles of association has not been registered in the Company Register at the Company Registration Office as required in the UUWDP. Under the UUWDP, negligence in the registration process in the Company Register at Company Registration Office as referred to in the UUWDP shall be punishable by imprisonment for a maximum of 3 (three) months or a maximum fine of IDR3,000,000.00 (three million Rupiah).
- h. This Legal Opinion is provided based on (i) the documents and/or information which copies are referred to in the DDR and (ii) a statement and/or confirmation by the Board of Directors of the Company, including the Statement of the Company dated 13 October 2017 ("**Statement**"), which mentions that: (a) documents and/or matters delivered and/or information given to Makes have been properly and accurately disclosed in this DDR and Legal Opinions, and (b) if in the opinion of the Company, there are documents and/or matters which are not required to be provided and/or information which are not necessary to be given to Makes, and therefore not received by Makes, it shall not make this Legal Opinion incorrect, incomplete and / or misleading.



- i. Notwithstanding the above letters (h), this Legal Opinion is given on the assumption that all documents, information, details, data and/or statements submitted or provided to Makes including a Statement to perform a due diligence of legal aspects and to prepare and make the DDR and providing this Legal Opinion are valid, in effect, complete, true, accurate, correct, in accordance with actual circumstances, not misleading and unchanged until the Examination Date, including but not limited to the absence of amendments to the Articles of Association, purpose and objective, capital structure, shareholder structure, composition of members of the Board of Directors and Board of Commissioners, permits, Material Assets and/or material agreements of the Company.
- j. Legal Opinions in respect of "material permit" and "Material Assets" is to the extent that the permit or approval of such assets directly affects the operations of the Company and Subsidiaries materially in accordance with the purposes and objectives of the Company based on the Articles of Association of the Company and Subsidiaries.
- k. This Legal Opinion is given on the assumption that the party entering into an agreement with the Company (including but not limited to material agreements) or officials of institutions, agencies, government bodies and/or other parties issuing permits, approvals, assignments, consents, decisions, notices and/or acceptance of reporting or acceptance to, for or on behalf of the Company or a limited liability company wherein the Company owns a share subscription or which make registration or recording for the interest or in connection with the Company or a limited liability company whereby the Company has subscription in the shares (including but not limited to licensing, approval, confirmation, ratification, decision, notification and/or acceptance of reporting as disclosed or contained in the DDR) have the authority and power to take such action lawfully and binding and to legally issue, publish send and / or deliver the document to the Company and/or other related parties.
- m. The Company and Subsidiaries have fulfilled all their obligations in accordance with: (i) agreements in which the Company and Subsidiaries are parties (including but not limited to material agreements as described in this Legal Opinion as well as the DDR), (ii) licensing and/or approvals owned by the Company and Subsidiaries as well as those issued and/or granted for or on behalf of the Company and Subsidiaries (including but not limited to the main licenses and materials as contained in the DDR), (iii) Articles of Association of the Company and Subsidiaries, and (iv) the prevailing laws and regulations.
- n. The entire operation and execution of the General Meeting of Shareholders ("**GMS**") of the Company and Subsidiaries as well as the resolutions of the General Meeting of Shareholders of the Company and Subsidiaries since the establishment of the Company and Subsidiaries up to the Date of Examination are conducted in accordance with the Articles of Association of the Company and Subsidiaries applicable at that time as well as the prevailing laws and regulations and therefore all such decisions are valid and binding on the Company and Subsidiaries.
- o. The creation, execution, delivery and/or performance of all other agreements and/or documents as contained in the DDR and as disclosed in this Legal Opinion where the Company and Subsidiaries are parties or which bind the assets of the Company and Subsidiaries which are made under the laws of the country foreign, are consistent to



the laws governing such agreements and/or documents and thereby binding on the parties therein so that it may be performed in accordance with the terms and conditions as set out in such agreement and/or the document.

- p. Makes is not a tax law consultant and therefore this Legal Opinion shall not be considered, interpreted and/or construed as opinions and/or views in relation to tax and/or tax-related matters.
- q. Makes does not provide views and/or opinions regarding matters relating to finance, accounting, statistical data or industry data.
- r. Makes shall be responsible for this Legal Opinion and Makes' responsibility as an independent Legal Consultant of the Company in respect of matters provided in this Legal Opinion is limited to and in accordance with the provisions of Article 80 of Capital Market Law Number 8 of 1995 Regarding Capital Market.
- s. This Legal Opinion is granted solely for use by the Company in order of the Initial Public Offering, despite the copy is delivered to the parties mentioned below, and not for any purpose other than the plan of the Initial Public Offering. Thus, this Legal Opinion will be null and void if the plan of Initial Public Offering for any reason is not followed through.
- t. This Legal Opinion is made by Makes as an independent Legal Consultant who is not affiliated with the Company.

Best regards,  
for and on behalf of  
**Makes & Partners Law Firm**

**Irfan Ghazali, S. H., M.H**  
*Partner*

**AFFIDAVIT**

This is to certify that I have translated the foregoing translation that is true and complete, and I am competent in both languages.

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**SOESILO**  
Decree of Governor of DKI Jakarta No. 527/1995

## **XVIII. INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S FINANCIAL STATEMENTS**

**LAPORAN KEUANGAN KONSOLIDASIAN/ CONSOLIDATED FINANCIAL STATEMENTS  
BESERTA/ WITH  
LAPORAN AUDITOR INDEPENDEN/ INDEPENDENT AUDITORS' REPORT**

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK/  
PT PANCA BUDI IDAMAN AND SUBSIDIARIES**

**Tanggal 30 Juni 2017 Dan 31 Desember 2016, 2015 dan 2014  
Serta Untuk Periode Enam Bulan Yang Berakhir  
Pada Tanggal-Tanggal 30 Juni 2017 dan 2016 (Tidak Diaudit)  
Dan Untuk Tahun Yang Berakhir Pada Tanggal-Tanggal  
31 Desember 2016, 2015 dan 2014/**

*As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six –Month Periods Ended June 30, 2017 and 2016 (Unaudited)  
and the Years Ended December 31, 2016, 2015 and 2014*





# PT. PANCA BUDI IDAMAN, Tbk

HEAD OFFICE : Kawasan Pusat Niaga Terpadu Jl.Daan Mogot Raya Km 19,6 Blok D No. 8A-D  
Tangerang 15122, Indonesia.  
Phone : (021) 5436 5555, Faks. (021) 5436 5559 Website : [www.pancabudi.com](http://www.pancabudi.com)  
Email : [investor.relation@pancabudi.com](mailto:investor.relation@pancabudi.com), [corpsec@pancabudi.com](mailto:corpsec@pancabudi.com)  
FACTORY-I : Jl.Keamanan RT/RW 001/004 Batu Ceper Tangerang – Banten  
FACTORY-II : Jl.Raya Mauk Km 2 Blok F No.6 Nambo Jaya Karawaci, Tangerang – Banten

## SURAT PERNYATAAN DIREKSI

## DIRECTOR'S STATEMENT LETTER

### TENTANG TANGGUNG JAWAB ATAS

### REGARDING THE RESPONSIBILITY FOR

### LAPORAN KEUANGAN KONSOLIDASIAN

### THE CONSOLIDATED FINANCIAL STATEMENTS

UNTUK PERIODE ENAM BULAN YANG  
BERAKHIR 30 JUNI 2017 DAN 2016 DAN  
TAHUN - TAHUN YANG BERAKHIR 31  
DESEMBER 2016, 2015 DAN 2014

FOR THE SIX MONTH PERIODS ENDED  
JUNE 31, 2017 AND 2016 AND FOR THE  
YEARS ENDED DECEMBER 31, 2016, 2015  
AND 2014

## PT PANCA BUDI IDAMAN DAN ENTITAS ANAK

Kami yang bertandatangan  
di bawah ini:

*We, the undersigned:*

1. Nama	:	Emiyanti	:	Name
Alamat kantor	:	Pusat Niaga Terpadu Blok D 8A-D, D, Jl. Daan Mogot KM 19,6 Poris Jaya , Batu Ceper - Tangerang	:	Office Address
Alamat domisili	:	Taman Surya 3 Blok H-4/4, Pegadungan, Kalideres, Jakarta Barat	:	Domicile address
Nomor telepon	:	021-54394844	:	Phone number
Jabatan	:	Direksi/ Director	:	Title
2. Nama	:	Tan Hendra	:	Name
Alamat kantor	:	usat Niaga Terpadu Blok D 8A-D, Jl. Daan Mogot KM 19,6 Poris Jaya , Batu Ceper - Tangerang	:	Office Address
Alamat domisili	:	Green Ville Blok BR/15, Kebon Jeruk, Jakarta Barat	:	Domicile address
Nomor telepon	:	021-54365555	:	Phone number
Jabatan	:	Direksi/ Director	:	Title





# PT. PANCA BUDI IDAMAN, Tbk

HEAD OFFICE : Kawasan Pusat Niaga Terpadu Jl.Daan Mogot Raya Km 19,6 Blok D No. 8A-D  
Tangerang 15122, Indonesia.  
Phone : (021) 5436 5555, Faks. (021) 5436 5559 Website : [www.pancabudi.com](http://www.pancabudi.com)  
Email : [investor.relation@pancabudi.com](mailto:investor.relation@pancabudi.com), [corpsec@pancabudi.com](mailto:corpsec@pancabudi.com)  
FACTORY-I : Jl.Keamanan RT/RW 001/004 Batu Ceper Tangerang – Banten  
FACTORY-II : Jl.Raya Mauk Km 2 Blok F No.6 Nambo Jaya Karawaci, Tangerang – Banten

## Menyatakan Bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan periode bulan yang berakhir pada tanggal 30 Juni 2017, dengan angka perbandingan untuk periode bulan yang berakhir pada tanggal 30 June 2016 dan tahun yang berakhir 31 Desember 2016, 2015, 2014
2. Laporan keuangan konsolidasian Perusahaan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia.
3. a. Semua informasi dalam laporan keuangan konsolidasian Perusahaan telah diungkapkan secara lengkap dan benar dan  
b. Laporan keuangan konsolidasian Perusahaan tersebut tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material.
4. Kami bertanggungjawab atas sistem pengendalian intern dalam Perusahaan.

Demikian pernyataan ini dibuat dengan sebenarnya.

## Stated that:

1. We are responsible for the preparation and presentation of the financial statement the month period ended June 31, 2017 with comparative figures for the month period ended June 30, 2016 and the years ended December 31, 2016, 2015, 2014
2. The consolidated financial statements have been prepared and presented in accordance with Indonesia Financial Accounting Standard.
3. a. All information has been fully and correctly disclosed in the Company's consolidated financial statements, and  
b. The Company's consolidated financial statements do not contain materiality misleading informations or facts and do not conceal any informations or facts
4. We are responsible for the Company's internal control system.

This statement has been made truthfully

Tangerang, 10 Oktober 2017

Direktur / Director

(EMIYANTI) (TAN HENDRA)

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No : 095/RW-AK/LAP/2017

No : 095/RW-AK/LAP/2017

**Laporan Auditor Independen**

**Independent Auditor's Report**

**Pemegang Saham, Dewan Komisaris dan Dewan Direksi PT Panca Budi Idaman Tbk dan Entitas Anak**

**The Stockholders, Boards of Commissioners and Directors PT Panca Budi Idaman Tbk and Subsidiaries**

Kami telah mengaudit laporan keuangan konsolidasian PT Panca Budi Idaman Tbk dan Entitas Anak terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014, serta laporan laba rugi dan penghasilan komprehensif lain konsolidasian, laporan perubahan ekuitas konsolidasian, dan laporan arus kas konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 dan tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

*We have audited the accompanying consolidated financial statements of PT Panca Budi Idaman Tbk and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2017 and December 31, 2016, 2015 and 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the six-month period ended June 30, 2017, and the years ended December 31, 2016, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.*

**Tanggung jawab manajemen atas laporan keuangan konsolidasian**

**Management's responsibility for the consolidated financial statements**

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

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

**Tanggung jawab auditor**

**Auditor's responsibility**

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

*Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by 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 consolidated financial statements are free from material misstatement.*



Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, 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 konsolidasian 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 konsolidasian secara keseluruhan.

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

#### Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar dalam semua hal yang material, posisi keuangan konsolidasian PT Panca Budi Idaman Tbk dan Entitas Anak tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014, serta kinerja keuangan konsolidasian dan arus kas konsolidasian periode enam bulan yang berakhir pada tanggal 30 Juni 2017, dan tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.*

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

#### Opinion

*In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of PT Panca Budi Idaman Tbk and Subsidiaries as of June 30, 2017 and December 31, 2016, 2015 and 2014, and their consolidated financial performance and consolidated cash flows for the six-month period ended June 30, 2017 and the years ended December 31, 2016, 2015 and 2014, in accordance with Indonesian Financial Accounting Standards.*





#### Hal Lain

Laporan laba rugi dan penghasilan komprehensif lain konsolidasian, laporan perubahan ekuitas konsolidasian dan laporan arus kas konsolidasian untuk periode enam bulan yang berakhir tanggal 30 Juni 2016 tidak kami audit dan disajikan untuk tujuan perbandingan saja.

Seperti yang dijelaskan dalam catatan No. 1e dan 4 atas laporan keuangan konsolidasian. Pada tahun 2015 Perusahaan mengakuisisi 95,24% kepemilikan saham PT Panca Budi Pratama dan meningkatkan kepemilikan saham di PT Panca Budi Niaga dari sebelumnya 90% menjadi 99,52% kepemilikan saham serta mengalihkan seluruh saham di PT Polytech Indo Hausen kepada PT Alphen Internasional Corporindo sebanyak 4.999 lembar saham, serta mengakuisi kembali dari PT Alphen Internasional Corporindo sebanyak 4.999 lembar saham.

Akuisisi saham tersebut merupakan transaksi restrukturisasi entitas sepengendali, oleh karenanya dicatat dengan metode penyatuan kepentingan sesuai dengan PSAK 38 (Revisi 2012), "Kombinasi Bisnis Entitas Sepengendali".

Sesuai dengan PSAK No.38 laporan keuangan konsolidasian grup tanggal 31 Desember 2014 dan untuk tahun yang berakhir pada tanggal tersebut telah disajikan kembali untuk mencerminkan seolah-olah transaksi restrukturisasi entitas sepengendali tersebut telah terjadi sejak permulaan tahun disajikan. Kami juga mengaudit penyesuaian yang dijelaskan dalam catatan 4 yang digunakan untuk menyajikan kembali laporan keuangan konsolidasian tanggal 31 Desember 2014. Menurut pendapat kami penyesuaian tersebut telah wajar dan telah diterapkan dengan semestinya.

Sebelum laporan ini, kami telah menerbitkan laporan auditor independen No. 090/RW-AK/LAP/2017 tanggal 7 September 2017 atas laporan keuangan konsolidasian PT Panca Budi Idaman Tbk dan Entitas Anak tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014, serta kinerja keuangan konsolidasian dan arus kas konsolidasian periode enam bulan yang berakhir pada tanggal 30 Juni 2017, dan tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014, dengan pendapat wajar dalam semua hal yang material.

#### Other Matter

*Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the six-month period ended June 30, 2016 were not audited by us and presented for comparative purpose only.*

*As described in notes No. 1e and 4 of the consolidated financial statements. In year 2015 the Company acquired 95.24% share of PT Panca Budi Pratama and raising share ownership in PT Panca Budi Niaga from 90% to be 99.52% shares ownership, and transfer all shares in PT Polytech Indo Hausen to PT Alphen Internasional Corporindo as much as 4,999 shares, and re-acquired from PT Alphen Internasional Corporindo as much as 4,999 shares.*

*The acquisition is a restructuring transaction entities under common control, therefore accounted for pooling of interest method according to PSAK 38 (Revised 2012), "Business Combined Entity Under common Control".*

*In accordance with PSAK No.38, the consolidated financial statements as of December 31, 2014 and for the years ended on that date have been restated to reflect as if the restructuring transaction entities under common control occurring since the beginning of the year presented. We also audited adjustment described in note 4 used for restated consolidated financial statements dated December 31, 2014. In our opinion the adjustments has been fairly and properly implemented.*

*Prior to this report, we have issued the independent auditor's report No. 090/RW-AK/LAP/2017 dated September 7, 2017 to consolidated financial statements PT Panca Budi Idaman Tbk and Subsidiaries as of June 30, 2017 and December 31, 2016, 2015 and 2014, and their consolidated financial performance and consolidated cash flows for the six-month period ended June 30, 2017 and the years ended December 31, 2016, 2015 and 2014, with opinion fairly in all material respects.*



Dalam rangka penawaran umum perdana saham, sebagaimana diungkapkan dalam catatan 45 atas laporan keuangan konsolidasian, grup telah menerbitkan kembali laporan keuangan konsolidasian untuk periode dan tahun yang di sebutkan di atas dengan perubahan pada laporan arus kas konsolidasian dan catatan atas laporan keuangan konsolidasian.

*In relation to the Initial Public Offering as disclosed in note 45 to the consolidated financial statement, group has reissued consolidated financial statement for the years mentioned above with changes to the consolidated statement of cash flows and to the consolidated financial position.*

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam prospektus sehubungan dengan rencana penawaran umum di Bursa Efek Indonesia, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

*This report has been prepared solely for inclusion in the prospectus in connection with the planned Initial Public Offering on the Indonesia Stock Exchange, and is not intended to be and should not be, used for any other purposes.*

**KAP Rama Wendra**

**Acep Kusmayadi Ak, CA, CPA**

Registrasi Akuntan Publik No. AP.0202  
Public Accountant Registration No. AP.0202

10 Oktober 2017 /October 10, 2017

PT PANCA BUDI IDAMAN DAN ENTITAS ANAK  
**LAPORAN POSISI KEUANGAN KONSOLIDASIAN**  
**PER 30 JUNI 2017 DAN 31 DESEMBER 2016, 2015 DAN 2014**  
*(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)*

PT PANCA BUDI IDAMAN AND SUBSIDIARY  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2017 AND DECEMBER 31, 2016, 2015 AND 2014**  
*(Expressed in Thousand Rupiah, unless otherwise stated)*

					Disajikan kembali/ Restated	
	Catatan/ Notes	30 Juni 2017/ June 30, 2017	31 Desember/ 2016	December 31, 2015	1 Januari 2015/ January 1, 2015/ 31 Desember 2014/ December 31, 2014	
<b>ASET</b>						<b>ASSETS</b>
<b>Aset Lancar</b>						<b>Current Assets</b>
Kas dan setara kas	2e, 2h, 5, 39, 40, 41	18.824.901	21.910.910	15.877.044	36.842.103	Cash and cash equivalents
Dana yang dibatasi penggunaannya	2e, 2i, 6, 39, 40, 41	21.548.564	24.380.728	26.782.501	22.089.607	Restricted deposit
Piutang usaha						Account receivables
Pihak ketiga	2e, 2o, 7, 39, 40, 41	227.800.005	197.040.329	183.553.278	163.542.893	Third parties
Pihak berelasi	2e, 2l, 20, 7, 38, 40, 41	21.638.408	14.973.924	31.169.795	11.505.374	Related parties
Piutang lain-lain						Other receivables
Pihak ketiga	2e, 2o, 8, 39, 40, 41	7.141.371	6.285.731	13.384.662	26.332.271	Third parties
Pihak berelasi	2e, 2l, 2o, 8, 38, 39, 40, 41	4.547.510	4.292.509	39.052.662	28.162.561	Related parties
Persediaan	2m, 9, 40	375.597.151	372.349.896	346.135.835	282.451.467	Inventories
Biaya dibayar di muka	2n, 10, 40	4.114.110	3.878.272	2.614.796	2.234.863	Prepaid expenses
Uang muka pembelian	12, 40	32.235.554	53.173.741	4.923.273	10.253.630	Advance purchase
Pajak dibayar dimuka	2u, 17a, 40	35.535.105	25.587.098	44.119.387	30.573.784	Prepaid taxes
<b>Jumlah Aset Lancar</b>		<b>748.982.679</b>	<b>723.873.138</b>	<b>707.613.233</b>	<b>613.988.553</b>	<b>Total Current Assets</b>
<b>Aset Tidak Lancar</b>						<b>Non Current Assets</b>
Piutang pihak berelasi	2l, 38c, 40	10.000	207.483	41.301.272	74.254.868	Account receivables - related parties
Aset tetap	2j, 11, 40	548.702.385	548.873.339	147.939.332	152.166.026	Property, plant and equipment
Properti Investasi	2w, 13, 40	1.534.561	1.548.089	1.575.146	1.602.203	Investment property
Surat berharga		-	-	-	4.000.000	Securities investment
Aset pajak tangguhan	2u, 17d, 40	9.070.995	8.307.168	9.126.380	8.688.826	Deferred tax assets
Uang muka pembelian	12, 40	19.057.199	15.300.149	13.542.108	7.065.665	Purchase advances
Beban ditangguhkan	16, 40	1.411.558	477.500	-	-	Deferred charges
Aset tidak berwujud	2x, 14, 40	34.394.334	35.336.698	113.966	60.848	Intangible Assets
Aset tidak lancar lainnya	15, 40	19.441.016	19.339.606	299.686	456.676	Other non current assets
<b>Jumlah Aset Tidak Lancar</b>		<b>633.622.048</b>	<b>629.390.032</b>	<b>213.897.890</b>	<b>248.295.112</b>	<b>Total Non Current Assets</b>
<b>JUMLAH ASET</b>		<b>1.382.604.727</b>	<b>1.353.263.171</b>	<b>921.511.123</b>	<b>862.283.665</b>	<b>TOTAL ASSETS</b>

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

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



PT PANCA BUDI IDAMAN DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN KONSOLIDASIAN  
PER 30 JUNI 2017 DAN 31 DESEMBER 2016, 2015 DAN 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

PT PANCA BUDI IDAMAN AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2017 AND DECEMBER 31, 2016, 2015 AND 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

					Disajikan kembali/ Restated 1 Januari 2015/ January 1, 2015/ 31 Desember 2014/ December 31, 2014	
	Catatan/ Notes	30 Juni 2017/ June 30, 2017	31 Desember/ 2016	December 31, 2015		
LIABILITAS DAN EKUITAS						
LIABILITIES AND EQUITY						
LIABILITAS						
LIABILITIES						
Liabilitas Jangka Pendek						
Current Liabilities						
Utang bank	2e, 18, 39, 40, 41	256.958.224	253.531.356	384.292.099	335.895.148	Bank loans
Utang usaha						Account payables
Pihak ketiga	2e, 2p, 19, 39, 40, 41	118.589.624	172.421.261	63.879.809	125.925.926	Third parties
Pihak berelasi	2e, 2l, 2p, 19, 38, 39, 40, 41	7.220.609	4.764.199	202.176.562	198.392.152	Related Parties
Biaya yang masih harus dibayar	20, 40, 41	10.728.348	15.656.367	7.598.022	8.155.709	Accrued expenses
Utang pajak	2u, 17b, 40	22.094.361	34.958.077	5.212.461	3.125.271	Tax payables
Utang lain-lain						Others payables
Pihak ketiga	21, 40, 41	7.662.199	5.170.093	3.660.087	7.113.747	Third parties
Pihak berelasi	2l, 21, 38, 40, 41	3.125.734	2.644.181	1.891.688	1.128.425	Related Parties
Uang muka penjualan	22, 40	5.517.521	4.910.360	6.627.644	3.236.261	Sales advances
Liabilitas jangka panjang yang akan jatuh tempo dalam satu tahun :						Long term liabilities of current maturities within one year :
- Utang bank jatuh tempo 1 tahun	2e, 18, 39, 40, 41	8.190.304	9.332.131	13.033.654	13.283.654	Bank loans -
- Utang pembiayaan konsumen	2q, 23, 40	1.045.809	1.227.871	1.646.860	284.872	Consumer financing payables -
- Utang sewa pembiayaan	2q, 24, 40	106.958	279.681	422.541	-	Lease payables -
Jumlah Liabilitas Jangka Pendek		441.239.692	504.895.577	690.441.427	696.541.165	Total Current Liabilities
Liabilitas Jangka Panjang						
Non - Current Liabilities						
Liabilitas jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun:						Long-term liabilities - net of current maturities:
- Utang bank jatuh tempo 1 tahun	2e, 18, 39, 40, 41	20.000.000	24.000.000	33.332.131	6.365.785	Bank loans -
- Utang pembiayaan konsumen	2q, 23, 40	441.174	93.949	844.667	3.402.991	Consumer financing payables -
- Utang sewa pembiayaan	2q, 24, 40	5.848	103.755	206.169	-	Lease payables -
Utang pihak berelasi	2l, 38d, 40	126.729	125.199	2.722.224	5.999.951	Duo from related parties
Liabilitas imbalan paska kerja	2r, 25, 40	33.011.980	30.305.857	19.560.123	19.767.329	Employee benefit liabilities
Liabilitas pajak tangguhan	2u, 17d, 40	1.246.554	2.297.102	1.391.450	1.053.953	Deferred tax liabilities
Jumlah Liabilitas Jangka Panjang		54.832.285	56.925.862	58.056.764	36.590.009	Total Non-Current Liabilities
JUMLAH LIABILITAS						
TOTAL LIABILITIES						
496.071.976 561.821.439 748.498.191 733.131.174						
EKUITAS						
EQUITY						
Modal saham - nilai nominal Rp100 per lembar saham per 30 Juni 2017 dan Rp 1.000.000 per lembar saham per 31 Desember 2016, 2015 dan 2014						Share capital - at par value of Rp100 Per share as of June 30, 2017 and Rp1,000,000 per share December 31, 2016, 2015 and 2014
Modal dasar ditempatkan dan disetor penuh 1.500.000.000 lembar saham per 30 Juni 2017, 150.000 per 31 Desember 2016, 40.000 lembar saham per 31 Desember 2015, dan 20.000 lembar saham per 31 Desember 2014	2s, 26	150.000.000	150.000.000	40.000.000	20.000.000	The authorized capital of issued and fully payment shares of 1,500,000,000 as of June 30, 2017 150,000 as of December 31, 2016, 40,000 as of December 31, 2015, and 20,000 as of December 31, 2014
Modal Proforma	27	-	-	-	94.796.784	Proforma capital
Tambahan Modal disetor lainnya:						Additional paid in capital
-Selisih transaksi restrukturisasi entitas sepegendali	28a	99.584.549	99.584.549	99.584.549	-	Difference in restructuring transactions - of controlling entities
- Pengampunan pajak	28b	14.733.679	14.733.679	-	-	Tax amnesty -
Pendapatan komprehensif lain:						Other Comprehensive income
- Surplus penilaian kembali aktiva tetap	29	341.430.121	345.160.372	-	-	Revaluation of property, plant and equipment
- Keuntungan/ (kerugian) aktuarial imbalan pasca kerja		4.229.080	3.014.804	4.617.614	2.613.978	Actuarial gain/ (loss) - employee benefits liability
Saldo laba		254.897.213	158.810.440	22.697.211	10.091.105	Retained earnings
		864.874.642	771.303.844	166.899.374	127.501.867	
Kepentingan non pengendali	30	21.658.108	20.137.888	6.113.558	1.650.624	Non-controlling interest
Jumlah EKUITAS		886.532.750	791.441.732	173.012.932	129.152.491	TOTAL EQUITIES
JUMLAH LIABILITAS DAN EKUITAS						
TOTAL LAIBILITIES AND EQUITIES						
1.382.604.727 1.353.263.171 921.511.123 862.283.665						

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

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

PT PANCA BUDI IDAMAN DAN ENTITAS ANAK  
**LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN**  
**UNTUK PERIODE ENAM BULAN YANG BERAKHIR PADA TANGGAL**  
**30 JUNI 2017 DAN 2016 (Tidak diaudit)**  
**SERTA UNTUK TAHUN YANG BERAKHIR PADA TANGGAL-TANGGAL**  
**31 DESEMBER 2016, 2015 DAN 2014**  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

PT PANCA BUDI IDAMAN AND SUBSIDIARY  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIODS ENDED**  
**AS OF JUNE 30, 2017 DAN 2016 (UnAudited)**  
**AND THE FOR THE YEARS ENDED**  
**DECEMBER 31, 2016, 2015 AND 2014**  
(Expressed in Thousand Rupiah, unless otherwise stated)

		Disajikan kembali/ Restated				
		1 Januari 2015/ January 1, 2015/		31 Desember 2014/ December 31, 2014		
	Catatan/ Notes	30 Juni/ June 30, 2017	2016	31 Desember/ December 31, 2016	2015	
<b>PENDAPATAN USAHA BERSIH</b>	2t, 31, 38a, 40	1.607.294.951	1.586.316.133	3.167.978.206	2.787.585.941	2.218.136.120
						<b>NET SALES</b>
<b>BEBAK POKOK PENJUALAN</b>	2t, 32, 38b, 40	1.388.230.215	1.404.158.882	2.777.543.261	2.599.956.026	2.068.184.564
						<b>COST OF GOOD SOLD</b>
<b>LABA BRUTO</b>		<b>219.064.736</b>	<b>182.157.251</b>	<b>390.434.945</b>	<b>187.629.915</b>	<b>149.951.556</b>
						<b>GROSS PROFIT</b>
Beban pemasaran	2t, 33, 40	(33.295.724)	(26.181.794)	(53.683.296)	(37.535.873)	(31.922.334)
Beban umum dan administrasi	2t, 34, 40	(54.483.992)	(52.076.156)	(110.750.635)	(80.977.986)	(69.761.075)
Pendapatan (beban) lain-lain	2t, 35, 40	8.413.470	16.378.928	323.481	(17.421.791)	3.666.708
<b>LABA USAHA</b>		<b>139.698.490</b>	<b>120.278.229</b>	<b>226.324.495</b>	<b>51.694.265</b>	<b>51.934.855</b>
						<b>OPERATING PROFIT</b>
Pendapatan keuangan	2t, 36, 40	793.643	3.450.240	8.169.051	11.206.484	6.564.481
Beban keuangan	2t, 36, 40	(13.370.921)	(21.455.029)	(43.634.167)	(33.535.289)	(28.463.996)
<b>LABA SEBELUM PAJAK PENGHASILAN</b>		<b>127.121.212</b>	<b>102.273.440</b>	<b>190.859.379</b>	<b>29.365.460</b>	<b>30.035.340</b>
						<b>INCOME BEFORE TAX EXPENSE</b>
Beban Pajak Penghasilan	2u, 17d, 40	(29.453.489)	(23.567.029)	(52.433.781)	(8.159.053)	(7.206.740)
						<b>Income Tax Expenses</b>
<b>LABA BERSIH TAHUN BERJALAN SEBELUM PENYESUAIAN PROFORMA</b>		<b>97.667.723</b>	<b>78.706.411</b>	<b>138.425.598</b>	<b>21.206.407</b>	<b>22.828.600</b>
						<b>PROFIT FOR THE YEAR BEFORE THE PRO FORMA ADJUSTMENTS</b>
Penyesuaian Proforma dari Laba Perusahaan yang di gabung		-	-	-	(7.248.121)	(13.250.932)
						<b>Proforma adjustments of net profit of merging entities</b>
<b>LABA BERSIH TAHUN BERJALAN</b>		<b>97.667.723</b>	<b>78.706.411</b>	<b>138.425.598</b>	<b>13.958.286</b>	<b>9.577.668</b>
						<b>PROFIT FOR THE YEAR</b>
<b>Laba/(rugi) komprehensif lainnya yang tidak direklasifikasi ke dalam laba/rugi:</b>						<b>Other comprehensive income/(loss) for the period, net of tax</b>
- Selisih revaluasi aktiva tetap- bersih	29, 40	(3.840.747)	355.638.561	345.160.372	-	-
- Keuntungan/(kerugian) aktuarial						<b>Plant Property Equipment revaluation- Net -</b>
dari program pensiun manfaat pasti	2r, 25, 40	1.685.387	(1.101.390)	(2.180.987)	2.688.877	(926.263)
- (Beban)/manfaat pajak penghasilan terkait	2u, 17d, 40	(421.347)	283.519	545.247	(672.219)	231.566
		(2.576.707)	354.820.690	343.524.632	2.016.658	(694.698)
						<b>Actuarial gains/(losses)/from -</b>
						<b>defined benefit plan</b>
						<b>Related income tax (expenses)/ benefit -</b>
<b>JUMLAH LABA (RUGI) KOMPREHENSIF TAHUN BERJALAN</b>		<b>95.091.016</b>	<b>433.527.101</b>	<b>481.950.230</b>	<b>15.974.944</b>	<b>8.882.970</b>
						<b>TOTAL COMPREHENSIVE INCOME FOR THE YEARS</b>
Laba yang diatribusikan kepada:						<b>Profit attributable to:</b>
Pemilik entitas induk		96.086.771	76.689.964	136.113.229	12.606.106	8.718.016
Kepentingan non-pengendali		1.580.952	2.016.447	2.312.369	1.352.180	859.652
		<b>97.667.723</b>	<b>78.706.411</b>	<b>138.425.598</b>	<b>13.958.286</b>	<b>9.577.668</b>
						<b>Owners of the parent entity Non-controlling interests</b>
Laba rugi komprehensif yang diatribusikan kepada:						<b>Comprehensive income attributable to:</b>
Pemilik entitas induk		93.570.796	420.701.139	468.580.624	14.609.742	8.023.318
Kepentingan non-pengendali		1.520.220	12.825.962	13.369.604	1.365.202	859.652
		<b>95.091.016</b>	<b>433.527.101</b>	<b>481.950.230</b>	<b>15.974.944</b>	<b>8.882.970</b>
						<b>Owners of the parent entity Non-controlling interests</b>
<b>Laba bersih per saham</b>	<b>37</b>	<b>64,1</b>	<b>191,7</b>	<b>177,5</b>	<b>58,2</b>	<b>43,6</b>
						<b>Earning per share</b>

Catatan atas laporan keuangan konsolidasian  
merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

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

	Catatan/	Modal saham/	Saldo laba/	Revaluasi aset tetap/	Kerugian aktuarial atas liabilitas imbalan pasca kerja/	Modal proforma/	Tambahan modal disetor/	Jumlah/	Kepentingan non pengendali/	Jumlah ekuitas/	
	Notes	Share capital	Retained earnings	Revaluation of property, plant and equipment	Actuarial loss on long term employee benefits	Proforma capital	Additional paid in capital	Total	Non controlling interest	Total equity	
<b>Saldo per 1 Januari 2014</b>	2s, 26	<b>20.000.000</b>	<b>1.373.089</b>	-	<b>3.306.845</b>	<b>81.424.435</b>	-	<b>106.104.369</b>	<b>792.802</b>	<b>106.897.171</b>	<b>Balance, January 1, 2014</b>
Laba periode berjalan		-	8.718.016	-	-	-	-	8.718.016	859.652	9.577.668	Profit for the year
Laba periode berjalan entitas yang bergabung		-	-	-	-	13.250.932	-	13.250.932	-	13.250.932	Profit for the years merging entities
Penghasilan komprehensif lain		-	-	-	(692.867)	-	-	(692.867)	(1.830)	(694.697)	Other comprehensive income
Selisih nilai transaksi restrukturisasi entitas sependangali		-	-	-	-	714.179	-	714.179	-	714.179	Difference in transactions of entities under common control
Penghasilan komprehensif lain entitas yang bergabung		-	-	-	-	(572.115)	-	(572.115)	-	(572.115)	Other comprehensive income merging entities
Perubahan kepentingan non pengendali		-	-	-	-	(20.647)	-	(20.647)	-	(20.647)	Changes of non-controlling interests
<b>Saldo per 31 Desember 2014</b>	2s, 26	<b>20.000.000</b>	<b>10.091.105</b>	-	<b>2.613.978</b>	<b>94.796.784</b>	-	<b>127.501.867</b>	<b>1.650.624</b>	<b>129.152.491</b>	<b>Balance, December 31, 2014</b>
Penambahan modal disetor		20.000.000	-	-	-	-	-	20.000.000	-	20.000.000	Additional paid in capital
Pelepasan entitas anak		-	-	-	-	-	-	-	(170.169)	(170.169)	Disposal of Subsidiary
Laba periode berjalan		-	12.606.106	-	-	-	-	12.606.106	1.352.180	13.958.286	Profit for the year
Laba periode berjalan entitas yang bergabung		-	-	-	-	7.248.122	-	7.248.122	-	7.248.122	Profit for the year of merging entities
Selisih nilai transaksi Kombinasi bisnis entitas sependangali		-	-	-	-	-	(1.522)	(1.522)	-	(1.522)	Difference in value of transaction bisnis combination under common control
Selisih nilai transaksi Kombinasi bisnis entitas sependangali-reklasifikasi		-	-	-	-	(102.853.972)	97.003.783	(5.850.189)	5.850.189	-	Difference in value of transaction bisnis combination under common control-reclassification
Penghasilan komprehensif lain		-	-	-	2.003.636	-	-	2.003.636	13.022	2.016.658	Other comprehensive income
Penghasilan komprehensif lain dari entitas yang bergabung		-	-	-	-	809.066	-	809.066	-	809.066	Other comprehensive income of merging entities
Selisih Transaksi dengan pihak non-pengendali		-	-	-	-	-	2.582.288	2.582.288	(2.582.288)	-	Difference in value of Transactions with of non-controlling interest
<b>Saldo per 31 Desember 2015</b>	2s, 26	<b>40.000.000</b>	<b>22.697.211</b>	-	<b>4.617.614</b>	-	<b>99.584.549</b>	<b>166.899.374</b>	<b>6.113.558</b>	<b>173.012.932</b>	<b>Balance, December 31, 2015</b>
Penambahan modal disetor		110.000.000	-	-	-	-	-	110.000.000	-	110.000.000	Additional paid in capital
Pengampunan pajak		-	-	-	-	-	14.733.679	14.733.679	654.726	15.388.405	Additional paid in capital tax amnesty
Laba periode berjalan		-	136.113.229	-	-	-	-	136.113.229	2.312.369	138.425.598	Profit for the year
Penghasilan komprehensif lain atas liabilitas imbalan pasca kerja		-	-	-	(1.602.810)	-	-	(1.602.810)	(32.931)	(1.635.741)	Actuarial loss on long term employee benefits liability
Penghasilan komprehensif lain atas revaluasi aset tetap		-	-	345.160.372	-	-	-	345.160.372	11.090.166	356.250.538	Revaluation of property, plant and equipment
<b>Saldo per 31 Desember 2016</b>	2s, 26	<b>150.000.000</b>	<b>158.810.440</b>	<b>345.160.372</b>	<b>3.014.804</b>	-	<b>114.318.228</b>	<b>771.303.844</b>	<b>20.137.888</b>	<b>791.441.732</b>	<b>Balance, December 31, 2016</b>
Penyusutan Surplus revaluasi aset		-	-	(3.730.251)	-	-	-	(3.730.251)	(110.496)	(3.840.747)	Depreciation of Surplus aset revaluation
Laba periode berjalan		-	96.086.773	-	-	-	-	96.086.773	1.580.952	97.667.725	Profit for the year
Penghasilan komprehensif lain atas liabilitas imbalan pasca kerja		-	-	-	1.214.276	-	-	1.214.276	49.764	1.264.040	Actuarial loss on long term employee benefits liability
<b>Saldo per 30 Juni 2017</b>	2s, 26	<b>150.000.000</b>	<b>254.897.213</b>	<b>341.430.121</b>	<b>4.229.080</b>	-	<b>114.318.228</b>	<b>864.874.642</b>	<b>21.658.108</b>	<b>886.532.750</b>	<b>Balance, March 31, 2017</b>

	Catatan/	Modal saham/	Saldo laba/	Revaluasi aset tetap/ Revaluation of property, plant and equipment	Kerugian aktuarial atas liabilitas imbalan pasca kerja/ Actuarial loss on long term employee benefits liability	Tambahan modal disetor/ Additional paid in capital	Jumlah/	Kepentingan non pengendali/ Non controlling interest	Jumlah ekuitas/ Total equity	
	Notes	Share capital	Retained earnings				Total			
Saldo per 31 Desember 2015	2s, 26	40.000.000	22.697.210	-	4.617.613	99.584.549	166.899.371	6.113.557	173.012.929	Balance, December 31, 2015
Laba periode berjalan		-	76.689.964	-	-	-	76.689.964	2.016.446	78.706.411	Profit for the year
Penghasilan komprehensif lain atas liabilitas imbalan pasca kerja		-	-	-	834.336	-	834.336	(16.465)	817.870	Actuarial loss on long term employee benefits liability
Penghasilan komprehensif lain atas revaluasi aset tetap		-	-	344.812.581	-	-	344.812.581	10.825.980	355.638.561	Revaluation of property, plant and equipment
Saldo per 30 Juni 2016	2s, 26	40.000.000	99.387.174	344.812.581	5.451.949	99.584.550	589.236.252	18.939.519	608.175.771	Balance, June 30, 2016

PT PANCA BUDI IDAMAN DAN ENTITAS ANAK  
LAPORAN ARUS KAS KONSOLIDASIAN  
UNTUK PERIODE ENAM BULAN YANG BERAKHIR PADA TANGGAL  
30 JUNI 2017 DAN 2016 (Tidak diaudit)  
SERTA UNTUK TAHUN YANG BERAKHIR PADA TANGGAL-TANGGAL  
31 DESEMBER 2016, 2015 DAN 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

PT PANCA BUDI IDAMAN AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS PERIODS ENDED  
AS OF JUNE 30, 2017 DAN 2016 (UnAudited)  
AND THE FOR THE YEARS ENDED  
DECEMBER 31, 2016, 2015 AND 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

						Disajikan kembali/ Restated 1 Januari 2015/ January 1, 2015/ 31 Desember 2014/ December 31, 2014	
Catatan/ Notes	30 Juni/ June 30, 2017	2016	31 Desember/ December 31, 2016	2015			
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>							<b>CASH FLOW FROM OPERATING ACTIVITIES</b>
Penerimaan kas dari pelanggan	7, 22, 31	1.570.477.952	1.514.339.662	3.168.994.943	2.751.302.517	2.168.025.421	Cash receipt from customers
Pembayaran kas kepada pemasok	9, 12, 19, 32	(1.417.752.391)	(1.353.837.917)	(2.926.971.942)	(2.709.221.021)	(2.107.036.291)	Cash payment to suppliers
Pembayaran kas untuk beban operasional		(85.149.462)	(67.872.543)	(145.590.496)	(111.267.994)	(89.238.348)	Cash payment to operational expenses
Penerimaan (pembayaran) lainnya		9.806.160	16.378.927	64.876.580	11.493.223	11.514.727	Others cash receipt (payment)
Pembayaran kas untuk pajak penghasilan		(54.500.934)	16.966.006	(27.680.042)	(20.403.871)	(25.512.297)	Cash payment to tax income
Pembayaran kas untuk bunga		(12.577.277)	(18.004.789)	(43.634.167)	(33.535.289)	(28.463.996)	Cash payment to interest
<b>Arus kas bersih dari aktivitas operasi</b>		<b>10.304.047</b>	<b>107.969.346</b>	<b>89.994.877</b>	<b>(111.632.435)</b>	<b>(70.710.785)</b>	<b>Net cash flow from operating activities</b>
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>							<b>CASH FLOW FROM INVESTING ACTIVITIES</b>
Perolehan aset tetap	11	(11.437.470)	(18.360.457)	(50.277.906)	(11.380.630)	(28.149.619)	Acquisition of fixed assets
Pelepasan aset tetap		1.637.664	(992.042)	9.598.782	4.019.288	3.202.636	Disposal of fixed assets
Uang muka pembelian aset tetap	12	(3.757.050)	-	(1.758.041)	(6.476.444)	(5.222.048)	Advances for purchase of fixed assets
Perolehan aset lain-lain		(1.043.952)	-	(49.251.399)	76.515	(425.755)	Acquisition of others assets
Penerimaan kas dari hasil pencairan deposito yang dibatasi penggunaannya	6	2.832.165	2.169.319	2.401.773	(4.692.894)	(804.016)	Cash receipt from restricted deposit
Investasi pada entitas anak		-	-	-	(39.100.000)	-	Investment to subsidiaries
Pelepasan surat berharga		-	-	-	4.000.000	-	Disposal of securities
<b>Arus kas bersih digunakan untuk aktivitas investasi</b>		<b>(11.768.643)</b>	<b>(17.183.180)</b>	<b>(89.286.790)</b>	<b>(53.554.164)</b>	<b>(31.398.802)</b>	<b>Net cash flow (used for) from investing activities</b>
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>							<b>CASH FLOW FROM FINANCING ACTIVITIES</b>
Perolehan (Pembayaran) piutang pihak berelasi		197.483	(40.035.607)	41.093.788	32.953.596	(49.055.465)	Receipt (payments) due to related parties
Perolehan utang pihak berelasi		756.144	5.903.145	1.553.018	25.019.480	5.516.919	Receipt due from related parties
Pembayaran utang pihak berelasi		(754.615)	(3.540.902)	(4.150.043)	(8.297.208)	(19.978.751)	Payments due from related parties
Perolehan (Pembayaran) utang bank	18	(1.714.959)	(42.268.350)	(143.794.397)	75.113.298	170.982.201	Receipt (payments) bank loan
Perolehan (Pembayaran) utang pembiayaan konsumen		(105.467)	(558.183)	(1.414.982)	(567.626)	2.196.575	consumer financing payables
Penambahan modal disetor	26	-	-	110.000.000	20.000.000	-	Additional payment in capital
Pengampunan Pajak		-	-	2.038.395	-	-	Tax amnesty
<b>Arus kas bersih digunakan untuk aktivitas pendanaan</b>		<b>(1.621.414)</b>	<b>(80.499.897)</b>	<b>5.325.780</b>	<b>144.221.540</b>	<b>109.661.477</b>	<b>Net cash flow (used for) from financing activities</b>
<b>Kenaikan (Penurunan) bersih kas dan setara kas</b>		<b>(3.086.009)</b>	<b>10.286.269</b>	<b>6.033.866</b>	<b>(20.965.059)</b>	<b>7.551.890</b>	<b>Net increase (decrease) in cash and cash equivalent</b>
<b>Kas dan Setara Kas Awal tahun</b>	5	<b>21.910.910</b>	<b>15.877.044</b>	<b>15.877.044</b>	<b>36.842.103</b>	<b>29.290.213</b>	<b>Cash and cash equivalents at the beginning of the year</b>
<b>Kas dan Setara Kas Akhir Tahun</b>	2e, 2h, 5, 39, 40, 41	<b>18.824.901</b>	<b>26.163.313</b>	<b>21.910.910</b>	<b>15.877.044</b>	<b>36.842.103</b>	<b>Cash and cash equivalents the ending of the year</b>

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

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

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014 serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal 30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014 (Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*As of June 30, 2017 and December 31, 2016, 2015 and 2014, and for the Six –Month Period Ended June 30, 2017 and 2016 (Unaudited) and the Years Ended December 31, 2016, 2015 and 2014 (Expressed in Thousand Rupiah, unless otherwise stated)*

**1. UMUM**

**a. Pendirian Perusahaan dan Informasi Umum**

PT Panca Budi Idaman (Perusahaan) didirikan berdasarkan Akta No.16 tanggal 10 Januari 1990 yang dibuat dihadapan Notaris Endang Irawati Ekaputri, S.H., yang dirubah masing-masing dengan Akta No.3 tanggal 2 Juli 1997 yang dibuat dihadapan Notaris Jenny Jacinta Lukas, S.H., dan Akta No. 10 tanggal 17 Oktober 1997 yang dibuat dihadapan Notaris Kiagus Zainal Arifin, S.H., Akta tersebut telah mendapat pengesahan dari Menteri Kehakiman Republik Indonesia dengan surat keputusan No. C2-12575-HT.01.01.Th.97 tanggal 3 Desember 1997.

Anggaran dasar Perusahaan telah beberapa kali diubah, dan perubahan terakhir dilakukan berdasarkan Akta No. 8 tanggal 6 Maret 2017, yang dibuat dihadapan Fathiah Helmi, S.H., Notaris di Jakarta, dan telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan surat keputusan No. AHU-0006777.AH.01.02.TAHUN 2017 tanggal 20 Maret 2017. Perubahan anggaran dasar terakhir tersebut antara lain berkaitan dengan a) perubahan kedudukan Perusahaan yang semula di Jakarta Barat menjadi di Kota Tangerang, b) perubahan status Perusahaan dari Perusahaan tertutup menjadi Perusahaan terbuka, c) penurunan nilai nominal saham dari semula Rp1.000.000 menjadi Rp100, d) penyesuaian anggaran dasar Perusahaan dengan peraturan perundang-undangan di bidang pasar modal, e) menyetujui pengeluaran saham dalam simpanan Perusahaan, sebanyak-banyaknya 1.000.000.000 saham baru, f) menyetujui memberikan kuasa kepada direksi untuk melaksanakan segala tindakan yang diperlukan sehubungan dengan penewaran umum saham perdana Perusahaan, dan g) menyetujui perubahan susunan Dewan Komisaris dan Dewan Direksi.

**1. GENERAL**

**a. Establishment of the Company and General Information**

*PT Panca Budi Idaman (The Company) was established by Notarial Deed No.16 dated January 10, 1990 made before Notary Endang Irawati Ekaputri, S.H., which was amended by Notarial Deed No.3 dated July 2, 1997 made before Notary Jenny Jacinta Lukas, S.H., and Deed No. 10 dated October 17, 1997 made before Notary Kiagus Zainal Arifin, S.H., the Deed has been approved by the Minister of Justice of Republic of Indonesia with Decree No. C2-12575-HT.01.01.Th.97 dated December 3, 1997.*

*The Company's Articles of Association has been amended several times, most recently by Notarial Deed No. 8 dated March 6, 2017 made before Fathiah Helmi, S.H., Notary in Jakarta, and has been approved by the Minister of Law and Human Rights of Republic of Indonesia in its Decree No. AHU-0006777.AH.01.02.TAHUN 2017 dated March 20, 2017. The amendment was concerning about a) changes of the Company's location from West Jakarta into Tangerang Municipality, b) changes of Company's status from private company into public Company, c) decrease of shares par value from Rp1,000,000 to Rp100, d) adaptation of Company's articles of association to statutory regulations - in the field of capital markets, e) approving the issuance of Company's shares to 1,000,000,000 new shares, f) approval to grant authority to the Board of Directors to implement all necessary actions regarding to the Company's initial public offering, and g) approve the changes in the Board of Commissioners and the Board of Directors structure.*

**1. UMUM (lanjutan)**

**b. Bidang dan Lokasi Usaha**

Maksud dan tujuan perusahaan sesuai dengan pasal 3 anggaran dasar Perusahaan yang terdiri dari: perdagangan, jasa, perindustrian, pengangkutan, perakitan, perkantoran, percetakan, real estate, biro perencanaan dan pelaksanaan, menjadi perwakilan perusahaan-perusahaan dalam dan luar negeri kecuali perwakilan perusahaan perjalanan, bertindak sebagai konsultan (kecuali konsultan hukum), mendirikan dan ikut serta dalam perusahaan-perusahaan dan/ atau badan hukum lain. Saat ini usaha utama perusahaan adalah bergerak di bidang produksi dan perdagangan industri kantong plastik terpadu.

Perusahaan dan entitas anak memiliki dan mengoperasikan pabrik di 7 lokasi yaitu:

**PT Panca Budi Idaman (Entitas Induk)**

Jalan Keamanan, RT 001 RW 004, Batu Ceper, Tangerang, Banten. Pabrik Ceper memproduksi plastik kantong, dengan kapasitas produksi +/- 27.600 ton per tahun. Pabrik Ceper berdiri/dibangun di atas tanah milik Perusahaan

Jalan Raya Mauk KM 2 blok F No. 6, Nambo Jaya, Karawaci, Tangerang, Banten. Memproduksi plastik kantong, dengan kapasitas produksi +/- 7.800 ton per tahun. Pabrik Mauk dioperasikan di atas tanah dan bangunan sewa dari pemegang saham.

**PT Panca Buana Plasindo (Entitas anak)**

Jalan Mesjid No. 142 Dusun V Desa Paya Geli, Medan, Sumatera Utara. Memproduksi plastik kantong, dengan kapasitas produksi +/- 4.450 ton per tahun. Pabrik berdiri di atas tanah dan bangunan sewa dari pihak Afiliasi.

**PT Sekarnusa Kreasi Indonesia (Entitas Anak)**

Jalan Jaten KM 9,6 Jaten, Karanganyar, Solo, Jawa Tengah. Memproduksi plastik kantong, dengan kapasitas produksi +/- 21.900 ton per tahun. Tanah dan bangunan merupakan milik PT Sekarnusa Kreasi Indonesia.

**1. GENERAL (continued)**

**b. Principle Activity and Registered Office**

*The purpose and objectives of the Company in accordance with article 3 of Company's articles of association which consists of: trade, service, industrial, freight, assembly, office complex, printing, real estate, planning and executing bureau representatives of domestic and foreign companies except travel company, acted as a consultant (except legal consultant) establish and engage with companies and/ or any other legal entities. Currently the Company's main business is engaged in the production and trade of integrated plastic bag industry.*

*The Company and subsidiaries owned and operate factories at seven (7) location as follow:*

**PT Panca Budi Idaman (Parent Only)**

*Located at Jalan Keamanan, RT 001 RW 004, Batu Ceper, Tangerang, Banten. Ceper Factory produces plastic bag, with production capacity of +/- 27.600 ton per year. Ceper Factory was established/ built on land owned by the company.*

*Located at Jalan Raya Mauk KM 2 Blok F No. 6, Nambo Jaya, Karawaci, Tangerang, Banten. Produce plastic bag, with production capacity of +/- 7.800 ton per year. Mauk Factory is operating on land and building rented from the shareholder.*

**PT Panca Buana Plasindo (Subsidiary)**

*Located at Jalan Mesjid No. 142 Dusun V Desa Paya Geli, Medan, Sumatera Utara. Produce plastic bag, with production capacity of +/- 4,450 ton per year. The factory land and building are leased from the Company's affiliate.*

**PT Sekarnusa Kreasi Indonesia (Subsidiary)**

*Jalan Jaten KM 9,6 Karanganyar, Solo, Jawa Tengah. Produce plastic bag, with production capacity of +/- 21,900 ton per year. Land and buildings of the factory belongs to PT Sekarnusa Kreasi Indonesia.*



**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
 serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
 30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
 pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
 (Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
 and for the Six-Month Period Ended June 30, 2017  
 and 2016 (Unaudited) and the Years Ended  
 December 31, 2016, 2015 and 2014  
 (Expressed in Thousand Rupiah, unless otherwise stated)

**1. UMUM (lanjutan)**

**b. Bidang dan Lokasi Usaha (lanjutan)**

**PT Polytech Indo Hausen (Entitas Anak)**

Pabrik Pertama, Jalan Raya Merak, KM 116, Rawa Arum, Grogol, Cilegon, Banten. Memproduksi plastik kantong, dengan kapasitas produksi +/- 3.600 ton per tahun. Pabrik berdiri di atas tanah milik Perusahaan seluas +/- 6 ha. Pabrik Kedua Jalan KH. Agus Salim No. 17, Poris Plawad, Cipondoh, Tangerang, Banten. Kapasitas Produksinya +/- 3.000 ton. Pabrik Agus Salim beroperasi mulai Agustus 2016, dan berdiri di atas tanah dan bangunan sewa.

**PT Polypack Indo Meyer (Entitas Anak)**

Jalan KH. Agus Salim No. 17, Poris Plawad, Cipondoh, Tangerang, Banten. Pabrik Agus Salim beroperasi mulai beroperasi tahun 2006, dan berdiri di atas tanah dan bangunan sewa. Memproduksi plastik kantong, dengan kapasitas produksi +/- 1.800 ton per tahun.

Berdasarkan anggaran dasar Perusahaan berkedudukan di Jakarta Barat.

**c. Susunan Dewan Komisaris dan Dewan Direksi**

Sesuai dengan Akta No. 8 tanggal 6 Maret 2017 dibuat di hadapan Fathiah Helmi, S.H., Notaris di Jakarta, susunan Komisaris dan Direksi Perusahaan adalah sebagai berikut :

	<b>30 Jun 2017/ Jun 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
<b><u>Komisaris</u></b>					
Komisaris Utama :	Mr. Robby Taslim	Mr. Djonny Taslim	Mr. Rudy Hartono	Mr. Rudy Hartono	
Komisaris Independen :	Mr. Makmur Darmo	-	-	-	
<b><u>Direksi</u></b>					
Direktur Utama :	Mr. Djonny Taslim	Mrs. Emiyanti	Mrs. Emiyanti	Mrs. Emiyanti	
Direktur :	Mr. Vicky Taslim	-	-	-	
Direktur :	Mrs. Emiyanti	-	-	-	
Direktur :	Mrs. Fu Yin Ling	-	-	-	
Direktur :	Mr. Tan Hendra	-	-	-	
Direktur :					
Direktur Independen :	Mr. Ng Hay Yam	-	-	-	

**1. GENERAL (continued)**

**b. Principle Activity and Registered Office (continued)**

**PT Polytech Indo Hausen (Subsidiary)**

First factory, located at Jalan Raya Merak, KM 116, Rawa Arum, Grogol, Cilegon, Banten. Produce plastic bag, with production capacity of +/- 3,600 ton per year. The factory stands on the Company's own land of +/- 6 ha. Second factory, located at Jalan KH. Agus Salim No. 17, Poris Plawad, Cipondoh, Tangerang, Banten. The production capacity is +/- 3,000 ton per year. The Factory has been in operation since August 2016, and was established on land and building leased from its affiliate.

**PT Polypack Indo Meyer (Subsidiary)**

Located at Jalan KH. Agus Salim No. 17, Poris Plawad, Cipondoh, Tangerang, Banten. This factory came into operation in 2006, and was established on leased land and buildings. Produce plastic bag, with production capacity of +/- 1,800 ton per year.

Based on the articles of association, Company is located in West Jakarta.

**c. Board of Commissioners and Directors**

In accordance with Deed No. 8 dated March 6, 2017 made before Fathiah Helmi, S.H., Notary in Jakarta, the Board of the Commissioners and Directors of Company is as follows:

**Commissioners**

President  
 Commissioner  
 Independent  
 Commissioner

**Directors**

President  
 Director  
 Director  
 Director  
 Director  
 Director  
 Independent  
 Director

**1. UMUM (lanjutan)**

**c. Susunan Dewan Komisaris dan Dewan Direksi (lanjutan)**

		<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
<b><u>Komite Audit</u></b>					
Ketua :	Mr. Makmur Darmo	-	-	-	
Anggota :	Mr. Simon Ferriyanto	-	-	-	
Anggota :	Mr. Sutopo Insja Silalahi	-	-	-	

Pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 jumlah karyawan tetap Perusahaan dan entitas anak (selanjutnya disebut "Grup") masing-masing berjumlah 2.758, 2.746, 2.538 dan 2.295 orang (tidak diaudit).

**d. Struktur Grup**

**1. GENERAL (continued)**

**c. Board of Commissioners and Directors (continued)**

		<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
<b><u>Audit Committee</u></b>					
Chairman :	Mr. Makmur Darmo	-	-	-	
Member :	Mr. Simon Ferriyanto	-	-	-	
Member :	Mr. Sutopo Insja Silalahi	-	-	-	

On June 30, 2017, December 31, 2016, 2015 and 2014, the Company and subsidiaries (next referred as "the Group") has 2,758, 2,746, 2,538 and 2,295 permanent employees respectively (unaudited).

**d. Group Structure**

Dimulainya kegiatan komersial/ Dimisili/ Commencement of commercial operations	Domisili/ Domicile	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)
			<u>June 30, 2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
<b>Kepemilikan Langsung/ Direct Ownership</b>									
PT Polytech Indo									
Hausen	2010	Cilegon	99,98%	192.028.723	99,98%	177.669.032	99,98%	115.304.507	107.854.824
PT Panca Budi									
Niaga	2011	Tangerang	99,52%	369.385.019	99,52%	326.736.252	99,52%	221.147.593	178.416.663
PT Panca Budi									
Pratama	1991	Tangerang	95,24%	575.010.049	95,24%	544.707.367	95,24%	330.342.014	-
PT Panca Budi									
Plasindo	2008	Bandung	-	-	-	-	90,00%	-	6.296.303

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**  
Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
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(Expressed in Thousand Rupiah, unless otherwise stated)

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**1. GENERAL (continued)**

**d. Group Structure (continued)**

Dimulainya kegiatan komersial/	Domisili/	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)	Persentase kepemilikan efektif/ Effective percentage of ownership	Jumlah aset (sebelum eliminasi) (Dalam Ribuan)/ Total assets (before elimination) (In thousand)
Commencement of commercial operations	Domicile		June 30, 2017		2016		2015		2014
<b>Kepemilikan</b>									
<b>Tidak</b>									
<b>Langsung</b>									
<b>PT PBP/</b>									
Indirect									
Ownership									
PT PBP									
PT Sekarnusa									
Kreasi									
Indonesia	1998	Karanganyar	99,50%	135.667.698	99,50%	129.367.234	99,50%	37.855.137	-
PT Polypack									
Indo Meyer	2006	Tangerang	99,90%	22.315.938	99,90%	28.818.546	99,90%	39.266.525	-
PT Prima Bhakti									
Pratama	2005	Tangerang	90,00%	10.939.724	90,00%	10.006.735	90,00%	6.542.316	-
PT Panca Buana									
Plasindo	2009	Deli Serdang	99,80%	31.463.058	99,80%	31.058.411	99,80%	14.089.068	-
<b>Kepemilikan</b>									
<b>Tidak</b>									
<b>Langsung</b>									
<b>PT SKI/</b>									
Indirect									
Ownership									
PT SKI									
PT Axis Global									
Integrasi	2007	Tangerang	98,40%	58.691	98,40%	660.751	98,40%	1.395.745	-
PT Reka Mega									
Inti Pratama	2007	Tangerang	99,9%	27.160.861	99,9%	38.229.666	99,9%	31.916.322	-
PT Panca Budi									
Sejahtera	2014	Karanganyar	99%	1.000.000	99%	1.000.000	99%	1.000.000	-

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
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and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung**

**PT Panca Budi Plasindo (PBPL)**

PT Panca Budi Plasindo (PBPL) didirikan berdasarkan Akta No. 01 yang dibuat dihadapan Mariana Widjaja, S.H., Notaris di Bandung pada tanggal 11 Agustus 2008 dan telah mendapatkan pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-59400.AH.01.01.Tahun 2008 tanggal 5 September 2008.

Anggaran dasar PBPL mengalami beberapa perubahan, perubahan terakhir berdasarkan Akta No. 02 yang dibuat dihadapan Mariana Widjaja, S.H., Notaris di Bandung pada tanggal 26 April 2014. Akta perubahan tersebut telah dicatat dalam basis data Sisminbakum Departemen Hukum dan Hak Asasi Manusia Republik Indonesia tanggal 23 Mei 2014 No. AHU-10122.40.22.2014.

PBPL berlokasi di Bandung, Jawa Barat.

Pada tanggal 5 Maret 2015 berdasarkan akta No. 1 yang dibuat dihadapan Esther, S.H., M.Kn., Perusahaan menjual seluruh kepemilikan saham atau sebanyak 900 lembar saham atas kepemilikan saham pada PBPL kepada Tn To Edy, keluarga dekat Tn Djonny Taslim.

Perhitungan selisih transaksi restrukturisasi entitas pengendali, adalah sebagai berikut:

	<b>Feb 2015/ Feb, 2015</b>
Jumlah aset	7.737.024
Jumlah liabilitas	(6.735.332)
<b>Jumlah nilai aset bersih PT PBPL saat penjualan</b>	<b>1.001.692</b>
Nilai buku aset bersih di PT PBPL dengan kepemilikan saham sebesar 90%	901.522
Jumlah imbalan yang diterima untuk kepemilikan saham sebesar 90%	900.000
<b>Selisih imbalan yang diterima dengan jumlah tercatat yang timbul dari transaksi kombinasi bisnis entitas sepengendali</b>	<b>1.522</b>

**1. GENERAL (continued)**

**d. Group Structure (continued)**

**Direct Ownership**

**PT Panca Budi Plasindo (PBPL)**

PT Panca Budi Plasindo (PBPL) was established by Notarial Deed No. 01 made before Mariana Widjaja, S.H., Notary in Bandung on August 11, 2008 and has been legalised by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-59400.AH.01.01.Tahun 2008 dated September 5, 2008.

PBPL Articles of association lastly amended based on Deed No. 02 made before Mariana Widjaja, S.H., Notary in Bandung on April 26, 2014. The amendment was noted in database Sisminbakum Ministry of Law and Human Rights of the Republic of Indonesia dated May 23, 2014 No. AHU-10122.40.22.2014.

PBPL is located in Bandung, West Java.

On March 5, 2015 based on Deed No. 1 made before Esther, S.H., M.Kn., the Company sold all of its share ownership or as many as 900 shares of ownership in PBPL to Mr To Edy, Mr Djonny Taslim's closest relative.

The calculation of difference from restructuring transactions entities under common control, are as follows:

Total assets
Total liabilities
<b>Net book assets value of PT PBPL at the time of sales</b>
The book value of net assets of PT PBPL with share ownership of 90%
The amount of cash received for 90% share ownership by difference in the cash received with the carrying amount arising from the business combination of entities under common control

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung (lanjutan)**

**PT Polytech Indo Hausen (PIH)**

PT Polytech Indo Hausen (PIH) didirikan berdasarkan akta No. 09 tanggal 15 Oktober 2010 yang dibuat dihadapan Esther, S.H., M.Kn. Akta tersebut telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-49149.AH.01.01 Tahun 2010 tanggal 19 Oktober 2010.

Berdasarkan akta No. 15 tanggal 31 Agustus 2015 yang dibuat di hadapan Esther, S.H., M.Kn., bahwa PT Panca Budi Idaman telah menjual dan mengalihkan seluruh sahamnya di PIH kepada PT Alphen Internasional Corporindo sebanyak 4.999 lembar saham, dengan harga nominal Rp1.000.000, sehingga nilai keseluruhan menjadi Rp4.999.000.000.

Jumlah aset pada saat penjualan/ <i>Total assets at the time of sale</i>	99.078.426
Jumlah liabilitas pada saat penjualan/ <i>Total liabilities at the time of sale</i>	(105.012.129)

<b>Nilai buku aset dan (liabilitas) bersih/ <i>the book value of net assets and (liabilities)</i></b>	<b>(5.933.703)</b>
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Bagian aset bersih yang dijual – 99,98%/ <i>portions of the net assets sold – 99,98%</i>	(5.932.516)
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Harga jual/ <i>Selling price</i>	4.999.000
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<b>Selisih harga penjualan dengan jumlah tercatat yang timbul dari transaksi kombinasi bisnis entitas sepengendali/ <i>Difference in the sales price and the carrying amount arising from the business combination of entities under common control</i></b>	<b>(10.931.516)</b>
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Berdasarkan Akta No. 09 tanggal 14 Desember 2015 yang dibuat di hadapan Esther, S.H., M.Kn., bahwa PT Alphen Internasional Corporindo telah menjual dan mengalihkan seluruh sahamnya di PIH kepada PT Panca Budi Idaman sebanyak 4.999 lembar saham, dengan harga nominal Rp1.000.000, sehingga nilai keseluruhan menjadi Rp4.999.000.000.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Direct Ownership (continued)***

**PT Polytech Indo Hausen (PIH)**

*PT Polytech Indo Hausen (PIH) was established based on Notarial Deed No. 09 dated October 15, 2010 made before Esther, S.H., M.Kn. The deed was approved by the Ministry of Law and Human Rights of Republic of Indonesia based on Decree No. AHU-49149.AH.01.01 Year 2010 dated October 19, 2010.*

*Based on Notarial Deed No. 15 dated August 31, 2015 made before Esther, S.H., M.Kn., stated that PT Panca Budi Idaman sold and divert all of its shares in PIH to PT Alphen Internasional Corporindo as many 4,999 shares with nominal value Rp1,000,000 per share, so the total value is Rp4,999,000,000.*

*Based on Notarial Deed No. 09 dated December 14, 2015 made before Esther, S.H., M.Kn., stated that PT Alphen Internasional Corporindo sold and divert all of its shares in PIH to PT Panca Budi Idaman for 4,999 shares with nominal value Rp1,000,000 per share, so the total value is Rp4,999,000,000.*

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung (lanjutan)**

**PT Polytech Indo Hausen (PIH) (lanjutan)**

Jumlah aset/ *Total assets*  
Jumlah liabilitas/ *Total liabilities*

**Nilai buku aset dan (liabilitas) bersih/ *the book value of net assets and (liabilities)***

Bagian aset bersih yang diambil alih – 99,98%/ *portions of the net assets taken over 99,98%*  
Nilai perolehan/ *acquisition cost*

Selisih imbalan yang dialihkan dan jumlah tercatat yang timbul dari transaksi kombinasi  
bisnis entitas sepengendali/ *difference in the consideration transferred and the carrying*  
*amount arising from the business combination of entities under common control*  
Selisih transaksi restrukturisasi dengan kepentingan non-pengendali/ *Difference from*  
*restructuring transactions with non-controlling interests*

**Jumlah selisih transaksi restrukturisasi entitas pengendali/ *Total Difference from***  
*restructuring transactions entities under common control*

Atas transaksi pembelian dan penjualan tersebut  
Perusahaan tidak menghitung adanya selisih atas  
transaksi bisnis entitas sepengendali, karena  
terjadi pada tahun yang sama dan tidak ada  
pembagian dividen kepada Perusahaan yang  
berada di bawah pengendalian yang sama yang  
melakukan penjualan maupun pembelian kembali.

PIH bergerak di bidang industri yaitu tekstil,  
barang-barang dari plastik, karet, benang karet,  
kertas nasi. Bidang usaha utama pengolahan biji  
plastik.

PIH berlokasi di Jl. Raya Merak Km 116 Rawa  
Arum, Grogol, Cilegon, Provinsi Banten.

**PT Panca Budi Niaga (PBN)**

PT Panca Budi Niaga yang berkedudukan di Kota  
Tangerang didirikan dengan Akta No. 06 tanggal  
20 Januari 2011 dibuat di hadapan Esther, S.H.,  
M.Kn., Notaris di kabupaten Serang dan telah  
mendapat pengesahan dari Menteri Hukum dan  
Hak Asasi Manusia Republik Indonesia dengan  
surat keputusannya No. AHU-06990.AH.01.01.TH  
2011 tanggal 10 Februari 2011.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Direct Ownership (continued)***

**PT Polytech Indo Hausen (PIH) (continued)**

97.624.405  
(102.636.931)

**(5.012.526)**

(5.011.523)  
4.999.000

(10.010.523)  
(920.993)

**(10.931.516)**

*For purchase and sale transactions, the Company  
did not calculate the difference on the business  
transaction under common control, as happened in  
the same year and there is no dividend distribution to  
the Company under common control that perform  
sales or buy back.*

*PIH engaged in textile industry, goods of plastics,  
rubber, rubber thread, rice paper. The main business  
field of processing plastic pellets.*

*PIH located is in Jl. Raya Merak Km 116, Rawa  
Arum, Grogol, Cilegon, Province of Banten.*

**PT Panca Budi Niaga (PBN)**

*PT Panca Budi Niaga is located in Tangerang, and  
was established by Deed No. 06 dated January 20,  
2011 made before Esther, S.H., M.Kn., Notary in  
Serang Regency and the deed has been legalized by  
the Minister of Law and Human Rights of the  
Republic of Indonesia in his Decree No. AHU-  
06990.AH.01.01.TH 2011 dated February 10, 2011.*

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung (lanjutan)**

**PT Panca Budi Niaga (PBN) (lanjutan)**

Berdasarkan Akta No. 18 tanggal 8 Desember 2015 yang dibuat dihadapan Notaris Martina, S.H., Perusahaan melakukan penambahan investasi pada saham PT PBN sebanyak 20.000 lembar saham dengan nilai nominal Rp1.000.000 per saham dengan nilai transaksi sebesar Rp20.000.000.000, sehingga kepemilikan PT PBI terhadap PT PBN menjadi 99,52% dari sebelumnya 90%.

Anggaran dasar Panca Budi Niaga telah mengalami beberapa kali perubahan. Akta terakhir No.12 tanggal 18 Januari 2016 yang dibuat dihadapan Esther, S.H, M.Kn., telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0006640 perihal Penerimaan pemberitahuan perubahan data Perusahaan PT Panca Budi Niaga dengan Daftar Perusahaan Nomor AHU-0011137.AH.01.11.

PBN bergerak di bidang perdagangan, industri, pembangunan, transportasi darat, pertanian, perbengkelan, percetakan, jasa kecuali hukum dan pajak. Saat ini bidang usaha utama Perusahaan adalah perdagangan.

Alamat terdaftar PBN berlokasi di Jl. Daan Mogot Km 19,6 Blok D No. 8H, Poris Jaya, Batu Ceper, Tangerang, Provinsi Banten.

Perhitungan perubahan nilai kepemilikan saham PBN adalah sebagai berikut:

**1. GENERAL (continued)**

**d. Group Structure (continued)**

**Direct Ownership (continued)**

**PT Panca Budi Niaga (PBN) (continued)**

Based on Notarial Deed No. 18 dated December 8, 2015 made before Notary Martina, S.H., the Company performed replenishment of investment on shares of PT PBN for 20,000 shares with fair value Rp1,000,000 per shares with total transaction value of Rp20,000,000,000, till the ownership of PT PBI on PT PBN increase from 90% to 99.52%.

The Articles of Association have been amended several times. The most recent Deed No. 12 dated January 18, 2016 made before Esther, SH, M.Kn., has received approval from the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0006640 Acceptance notifications regarding changes to the data of the Company PT Panca Budi Niaga with the Company Register No. AHU-0011137.AH.01.11.

PBN is engaged in trading, industry, contractor, transportation, agriculture, workshop, printing service, except for legal and tax. Currently the company's main business area is trading.

PBN registered address is located in Jl. Daan Mogot Km 19.6, Blok D No. 8H, Poris Jaya, Batu Ceper, Tangerang, Province of Banten.

The calculation of changes PBN ownership shares is as follows:



**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung (lanjutan)**

**PT Panca Budi Niaga (PBN) (lanjutan)**

		<b>Nilai Aset Bersih Setelah Penambahan Modal/ Net Asset Value After Additional Paid in Capital</b>		<b>Nilai Aset Bersih Sebelum Penambahan Modal/ Net Asset Value Before Additional Paid in Capital</b>
Jumlah aset		221.147.593		201.147.593
Jumlah liabilitas		(173.033.564)		(173.033.564)
<b>Nilai buku aset bersih PBN/ Book value of net asset PBN</b>		<b>48.114.029</b>		<b>28.114.029</b>
Nilai kepemilikan Perusahaan pada PT PBN/ Ownership value Company on PT PBN	99,52%	47.884.914	90%	25.302.626
Kepentingan Non Pengendali (KNP)/ Non Controlling Interest (NCI)	0,48%	229.114	10%	2.811.403
Kenaikan nilai aset bersih PBN milik Perusahaan setelah penambahan setoran modal/ Increase of net asset PBN owned by the Company after additional paid in capital		22.582.288		
Nilai imbalan yang di alihkan/ Consideration cash transferred		(20.000.000)		
<b>Selisih yang timbul dari transaksi kombinasi bisnis entitas sepengendali/ Difference arising from transaction business combination under common control</b>		<b>2.582.288</b>		
Selisih perubahan nilai KNP akibat transaksi bisnis entitas sepengendali/ Difference of changes NCI arising from the transaction of business entities under common control				
- Bagian KNP setelah adanya penambahan modal/ NCI after additional paid in capital		229.114		
- Bagian KNP sebelum adanya penambahan modal/ NCI before additional paid in capital		(2.811.403)		
<b>Penurunan nilai KNP sebagai akibat kombinasi entitas sepengendali/ Decrease of NCI caused by business combination of entities under common control</b>		<b>(2.582.288)</b>		

**1. GENERAL (continued)**

**d. Group Structure (continued)**

**Direct Ownership (continued)**

**PT Panca Budi Niaga (PBN) (continued)**

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

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serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
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and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung (lanjutan)**

**PT Panca Budi Pratama (PBP)**

PT Panca Budi Pratama (PBP) didirikan berdasarkan Akta No. 29 tanggal 13 November 1990 yang dibuat dihadapan Endang Irwati Ekaputri, S.H. Akta tersebut telah mendapat pengesahan dari Menteri Kehakiman Republik Indonesia dengan surat keputusan No. C2-6078.HT.01.01.TH.1991 tanggal 24 Oktober 1991.

Anggaran dasar PBP telah beberapa kali mengalami perubahan, terakhir dengan Akta No. 17 tanggal 8 Desember 2015 dibuat di hadapan Martina, S.H., Notaris di Jakarta. Akta tersebut telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-0947703.AH.01.02.TAHUN 2015 tanggal 10 Desember 2015.

Berdasarkan akta tersebut diatas, PT Panca Budi Idaman membeli saham dalam portepel yang dikeluarkan oleh PT Panca Budi Pratama sebanyak 20.000 lembar saham dengan nilai nominal Rp1.000.000 per saham sehingga nilai transaksi Rp20.000.000.000 dan mencerminkan kepemilikan sebesar 95,24%. PT PBP sebelumnya merupakan Perusahaan yang sahamnya dimiliki oleh Tn Djonny Taslim sebesar 90% dan PT Alphen Internasional Corporindo sebesar 10% yang sahamnya dimiliki oleh Tn Vicky Taslim dan Tn Robby Taslim.

Perhitungan akuisisi saham PBP adalah sebagai berikut:

Jumlah aset/ <i>Total assets</i>	390.426.393
Jumlah liabilitas/ <i>Total liabilities</i>	(267.572.421)
<b>Nilai buku aset bersih/ <i>the book value of net assets</i></b>	<b>122.853.972</b>
Bagian aset bersih yang diambil alih – 95,24%/ <i>portions of the net assets taken over – 95,24%</i>	117.003.783
Nilai perolehan/ <i>acquisition cost</i>	20.000.000
<b>Selisih imbalan yang dialihkan dengan jumlah tercatat yang timbul dari transaksi kombinasi bisnis entitas sepengendali/ <i>difference in the consideration transferred with the carrying amount arising from the business combination of entities under common control</i></b>	<b>(97.003.783)</b>

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Direct Ownership (continued)***

**PT Panca Budi Pratama (PBP)**

PT Panca Budi Pratama (PBP) was established by Deed No. 29 dated 13 November 1990 made before Endang Irwati Ekaputri, S.H. The deed has been legalized by the Minister of Justice of the Republic of Indonesia in its Decree No. C2-6078.HT.01.01.TH.1991 dated October 24, 1991.

PBP articles of Association has been amended several times, most recently by Deed No. 17 dated December 8, 2015 made before Martina, S.H., Notary in Jakarta. The deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. AHU-0947703.AH.01.02.TAHUN 2015 dated December 10, 2015.

Based on the above deed, PT Panca Budi Idaman bought shares in the portfolio issued by PT Panca Budi Pratama for 20,000 shares with par value Rp1,000,000 per shares with total transaction value of Rp20,000,000,000 and reflect the ownership of 95.24%. PT PBP was previously a Company owned by Mr Djonny Taslim of 90% and PT Alphen International Corporindo which of 10% owned by Mr Vicky Taslim and Mr Robby Taslim.

The calculation of acquisition of PBP shares is as follows:

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Langsung (lanjutan)**

**PT Panca Budi Pratama (PBP) (lanjutan)**

Selisih tersebut disajikan sebagai bagian dari pos tambahan modal disetor lainnya.

Sesuai dengan Anggaran Dasar, PBP bergerak di bidang perdagangan, pemborong, perindustrian, penambangan, peternakan, perkebunan, kehutanan, pengangkutan. Saat ini usaha utama perusahaan dibidang perdagangan plastik.

PBP berdomisili di Jl. Daan Mogot Km 19,6 Blok D No. 8A-D, Kalideres, Jakarta Barat, DKI Jakarta.

**Kepemilikan Tidak Langsung**

**PT Sekarnusa Kreasi Indonesia (SKI)**

PT Sekarnusa Kreasi Indonesia didirikan berdasarkan Akta No.19 tanggal 27 Februari 1989 sebagaimana diubah dengan Akta No. 14 tanggal 29 Oktober 1990 keduanya dibuat di hadapan Cornelia Juanda Tanuraharja, S.H. Akta tersebut telah mendapatkan pengesahan dari Menteri Kehakiman Republik Indonesia dengan surat No. C2-6339-HT.01.01.Th.1990 tanggal 3 Desember 1990.

Akta perubahan terakhir berdasarkan Akta No. 01 mengenai perubahan susunan Direksi dan Komisaris, tanggal 2 Oktober 2015 oleh Notaris Esther, S.H., M.Kn., Notaris di kota Serang. Akta tersebut telah mendapatkan pengesahan dari Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-AH.01.03-0969369 tanggal 3 Oktober 2015.

SKI bergerak dalam bidang industri tekstil, barang-barang dari plastik, karet, benang karet, kertas nasi.

Alamat terdaftar SKI berlokasi di Karanganyar, Surakarta.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Direct Ownership (continued)***

**PT Panca Budi Pratama (PBP) (continued)**

*The difference is presented as part of additional paid-in other capital.*

*According to the Articles of Association, PBP business includes: trade, contractor, industry, mining, livestock, crops, forestry, transport. Currently the main business field of plastic trading company.*

*PBP is domiciled in Jl. Daan Mogot Km 19.6 Blok D No. 8A-D, Kalideres, West Jakarta, DKI Jakarta.*

***Indirect Ownership***

**PT Sekarnusa Kreasi Indonesia (SKI)**

*PT Sekarnusa Kreasi Indonesia was established by Deed No. 19 dated February 27, 1989 as ammended by Deed No. 14 dated October 29, 1990 which both made before Cornelia Juanda Tanuraharja, S.H. The deed has been legalized by Ministry Law of Indonesia Republic No. C2-6339-HT.01.01.Th.1990 dated December 3, 1990.*

*The latest amendment deed is based on Deed No. 01 changes in Board of Commissioner and Directors, dated October 2, 2015 by Notary Eshter, S.H., M.Kn., Notary in Serang. The certificate has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decree No. AHU-AH.01.03-0969369 dated October 3, 2015.*

*SKI is engaged in textile industrial, plastic goods, rubber, strings and rice paper.*

*SKI registered location is Karanganyar, Surakarta.*

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Tidak Langsung (lanjutan)**

**PT Prima Bhakti Pratama (PBHP)**

PT Prima Bhakti Pratama (PBHP) didirikan berdasarkan Akta No. 2 tanggal 9 Desember 2004 yang dibuat dihadapan Notaris Martina, S.H., Notaris di Jakarta dan telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat keputusannya No. C-07048HT.01.01.TH.2005 tanggal 17 Maret 2005.

Akta perubahan terakhir berdasarkan Akta No. 01 tanggal 6 Februari 2012 oleh Notaris Evawani, S.H., Notaris di Tangerang mengenai perubahan susunan Direksi dan Komisaris. Akta tersebut telah mendapatkan pengesahan dari Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-0016198.AH.01.09.Tahun 2012 tanggal 23 Februari 2012

PBHP bergerak di bidang trading barang-barang yang terbuat dari lastic, biji lastic, bahan kimia untuk campuran lastic, karung, terpal.

PBHP berdomisili di Tangerang.

**PT Polypack Indo Meyer (PIM)**

PT Polypack Indo Meyer didirikan berdasarkan Akta No. 02 tanggal 17 Februari 2006 yang dibuat dihadapan Evawani, S.H., Notaris di Kota Tangerang. Akta tersebut telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. C-08669 HT.01.01.Tahun.2006 tanggal 24 Maret 2006.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Indirect Ownership (continued)***

**PT Prima Bhakti Pratama (PBHP)**

*PT Prima Bhakti Pratama (PBHP) was established based on Deed No. 2 dated December 9, 2004 made before Martina, S.H., Notary in Jakarta and has been legalised by the Minister of Law and Human Rights Republic Indonesia with Decree No. C-07048HT.01.01.TH.2005 March 17, 2005.*

*The latest amendment deed is based on Deed No. 01, dated February 6, 2012 by Notary Evawani, S.H., Notary in Tangerang, regarding changes in Board of Commissioner and Directors. The certificate has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decree No. AHU-0016198.AH.01.09.Tahun 2012 dated February 23, 2012.*

*PBHP is engaged in the field of goods made of plastics, resins, chemicals for mixed plastics, sacks, tarps.*

*PBHP domiciled is in Tangerang.*

**PT Polypack Indo Meyer (PIM)**

*PT. Polypack Indo Meyer established by Deed No. 02 dated February 17, 2006 made before Evawani, S.H., Notary in Tangerang City. The deed was legalized by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-08669 HT.01.01.Tahun.2006 dated March 24, 2006.*

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Tidak Langsung (lanjutan)**

**PT Polypack Indo Meyer (PIM) (lanjutan)**

Akta perubahan terakhir berdasarkan Akta No. 01 tanggal 1 Agustus 2012 oleh Notaris Evawani, S.H., Notaris di Tangerang mengenai pengangkatan kembali anggota Direksi dan Komisaris Perusahaan. Akta tersebut telah mendapatkan pengesahan dari Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-0079120.AH.01.09.Tahun 2012 tanggal 4 September 2012.

PIM bergerak dalam bidang industri dan perdagangan.

PIM berdomisili di Tangerang.

**PT Panca Buana Plasindo (PBUAP)**

PT Panca Buana Plasindo didirikan dengan Akta No. 01 tanggal 8 Maret 2006 sebagaimana diubah dengan Akta No. 6 tanggal 26 Mei 2008 keduanya dibuat dihadapan Notaris Evawani, S.H., dan telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Manusia dengan Surat Keputusan No. AHU-53185.AH.01.01. Tahun 2009 tertanggal 3 November 2009.

PBUAP bergerak dalam bidang industri perdagangan, agrobisnis, pertambangan, pembangunan, transportasi darat, telekomunikasi, perbengkelan, percetakan, jasa kecuali jasa hukum dan pajak.

Alamat terdaftar PBUAP berlokasi di Jl. Mesjid No. 142 Dusun V Desa Paya Geli Kec. Sunggal, Deli Serdang, Sumatera Utara.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Indirect Ownership (continued)***

**PT Polypack Indo Meyer (PIM) (continued)**

*The latest amendment deed is based on Deed No. 01, dated August 1, 2012 by Notary Evawani, S.H., Notary in Tangerang, about the reappointment Company Directors and Commissioners. The certificate has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decree No. AHU-0016198.AH.01.09.Tahun 2012 dated September 4, 2012.*

*PIM is engaged in the trade and industry.*

*PIM domiciled is in Tangerang.*

**PT Panca Buana Plasindo (PBUAP)**

*PT Panca Buana Plasindo was established by Deed No. 01 dated March 8, 2006 as amended by Deed No. 06 dated May 26, 2008 which both made before Notary Evawani, S.H., and was legalized by the Minister of Law and Human Rights by Decree No. AHU-53185.AH.01.01. 2009 dated November 3, 2009.*

*PBUAP is engaged in industry, trade, agribusiness, mining, construction, transportation, telecommunication, workshop, printing, service except law and tax services.*

*PBUAP registered address is located in Jl. Mesjid No. 142 Dusun V Desa Paya Geli Kec. Sunggal, Deli Serdang, North Sumatera.*

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Tidak Langsung (lanjutan)**

**PT Mitra Distrindo Nusantara (MDN)**

PT Mitra Distrindo Nusantara didirikan dengan Akta Notaris No. 08 tanggal 24 September 2008 oleh Notaris Evawani, S.H., Akta mengalami perubahan terakhir berdasarkan akta Notaris No. 02 tanggal 10 November 2014 oleh Notaris Esther, S.H., M.Kn., dan telah mendapat pengesahan dari Menteri Hukum dan Hak Asasi Manusia dengan Surat Keputusan No. AHU-11040.40.20.2014 Tahun 2014 tanggal 13 November 2014.

Berdasarkan akta No. 02 tanggal 10 November 2014 tersebut diatas, PBP (entitas anak) menjual seluruh kepemilikan saham PT Mitra Distrindo Nusantara sebanyak 900 lembar saham kepada berelasi yaitu Tn Robby Taslim 600 lembar saham, Tn Tejo Sasiongko 150 lembar saham, Tn Agung Wiyono 100 lembar saham dan Tn Rismawan 50 lembar saham.

Dari transaksi penjualan MDN, PBP mencatat adanya selisih antar imbalan yang dilepaskan dan jumlah tercatat aset bersih sebesar Rp714.179.117, sebagai berikut:

Nilai buku aset bersih/ <i>the book value of net assets</i>	206.468
Bagian aset bersih yang dilepas – 90%/ <i>portions of the net assets released – 90%</i>	185.821
Nilai pelepasan/ <i>selling price</i>	900.000
Selisih imbalan yang dilepaskan dan jumlah tercatat yang timbul dari transaksi kombinasi bisnis entitas sepengendali/ <i>difference in the consideration transferred and the carrying amount arising from the business combination of entities under common control</i>	(714.179)

MDN bergerak dalam bidang industri agrobisnis, industri, pembangunan, pertambangan, percetakan, jasa kecuali jasa hukum dan pajak.

MDN berdomisili di Tangerang.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Indirect Ownership (continued)***

**PT Mitra Distrindo Nusantara (MDN)**

*PT Mitra Distrindo Nusantara was established by Notarial Deed No. 08 dated September 24, 2008 by Notary Evawani, S.H., The deed has been amended several times, most recently by Notarial Deed No. 02 dated November 10, 2014 by Notary Esther S.H., M.Kn., and was approved by the Minister of Law and Human Rights by Decree No. AHU-11040.40.20.2014 on 2014 dated November 13, 2014.*

*Based on the above deed No. 02 dated November 10, 2014, PBP (subsidiaries) sold all of the shares of PT Mitra Distrindo Nusantara as many as 900 shares to the related parties, namely Mr Robby Taslim 600 shares, Mr Tejo Sasiongko 150 shares, Mr Agung Wiyono 100 shares and Mr Rismawan 50 shares.*

*From the transaction of MDN, PBP recorded the difference between the sales price of asset and recorded value of net asset for Rp714,179,117, as follow:*

*MDN is engaged in the agribusiness industry, industry, constructions, mining, printing, services except law and tax services.*

*MDN domiciled is in Tangerang.*

**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Tidak Langsung (lanjutan)**

**PT Reka Mega Inti Pratama (RMIP)**

PT Reka Mega Inti Pratama (RMIP) didirikan berdasarkan Akta No. 01 tanggal 8 Februari 2007 sebagaimana diubah dengan akta No. 9 tanggal 31 Oktober 2007, yang dibuat dihadapan Evawani, S.H., Notaris di Tangerang dan telah mendapatkan pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. C-07274 HT.01.01-TH.2007 tanggal 18 Desember 2007.

Akta perubahan terakhir berdasarkan Akta No. 08 tanggal 14 Juni 2012 yang dibuat dihadapan Notaris Esther, S.H., M.Kn., Notaris di Serang dan telah mendapat persetujuan dari Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-AH.01.10-25267 Tahun 2012 tanggal 10 Juli 2012 tentang perubahan susunan pengurus.

RMIP bergerak di bidang agrobisnis, pengadaan umum, perindustrian, pengadaan barang, jasa, transportasi, pertambangan, pembangunan, telekomunikasi, percetakan, desain interior. Saat ini perusahaan bergerak dibidang perdagangan barang.

RMIP berdomisili di Tangerang.

**PT Panca Budi Sejahtera (PBS)**

PT Panca Budi Sejahtera (PBS) didirikan berdasarkan Akta No. 06 tanggal 20 Mei 2013 yang dibuat dihadapan Laurensia Maria Srijani, S.H., Notaris di Kabupaten Sukoharjo dan telah mendapatkan pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-17519.AH.01.01.TH 2014 tanggal 20 Agustus 2014.

PBS berdomisili di Karanganyar, Jawa Tengah. Saat ini PBS belum beroperasi.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

**Indirect Ownership (continued)**

**PT Reka Mega Inti Pratama (RMIP)**

PT Reka Mega Inti Pratama (RMIP) was established by Deed No. 01 dated February 8, 2007 as amended by deed No.9 dated October 31, 2007, both made before Evawani, S.H., Notary in Tangerang on and has been legalized by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. C-07274 HT.01.01-TH.2007 dated December 18, 2007.

The latest amendment deed is based on Deed No. 08 dated June 14, 2012 by Esther, S.H., M.Kn., Notary in Serang and has been approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in his Decree No. AHU-AH.01.10-25267 Year 2012 dated July 10, 2012 concerning changes in the composition of the board.

RMIP engages in agribusiness, general trading, industry, goods procurement services, transportation, mining, construction, telecommunications, printing, interior design. Currently the company is engages in goods trading.

RMIP domiciled is in Tangerang.

**PT Panca Budi Sejahtera (PBS)**

PT Panca Budi Sejahtera (PBS) was established by Deed No. 06 dated May 20, 2013 made before Laurensia Maria Srijani, S.H., Notary in Sukoharjo Regency and was legalized by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-17519.AH.01.01.TH 2014 on August 20, 2014.

PBS is domiciled in Karanganyar, Central Java. Currently the Company is not operating yet.



**1. UMUM (lanjutan)**

**d. Struktur Grup (lanjutan)**

**Kepemilikan Tidak Langsung (lanjutan)**

**PT Axis Global Integrasi (AGI)**

PT Axis Global Integrasi didirikan berdasarkan Akta No. 06 tanggal 20 Desember 2006 yang dibuat dihadapan Evawani, S.H., Notaris di Kota Tangerang dan telah mendapatkan pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. W29-00315-HT.01.01-TH.2007 tanggal 23 Februari 2007.

Anggaran dasar AGI telah mengalami perubahan, terakhir dengan Akta No. 05 tanggal 20 Maret 2014 yang dibuat dihadapan Notaris Esther, S.H., M.Kn., dan telah mendapatkan persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-45985.AH.01.02.TH.2008 tanggal 1 April 2014.

Sesuai dengan Anggaran Dasar, AGI bergerak di bidang jasa perdagangan umum, perindustrian, pengadaan barang, transportasi, penambangan, pembangunan, agrobisnis, telekomunikasi, percetakan, dan desain interior. Saat ini usaha utama perusahaan dibidang perdagangan plastik.

Alamat terdaftar AGI berlokasi di Kawasan Pusat Niaga Terpadu Jl. Daan Mogot KM 19,6 Blok FF8/N, Tangerang, Banten.

**e. Penyelesaian laporan keuangan konsolidasian**

Manajemen Perusahaan bertanggung jawab atas laporan keuangan konsolidasian Perusahaan dan entitas anak untuk tahun yang berakhir pada tanggal – tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014. Manajemen menyelesaikan laporan tersebut pada tanggal 10 Oktober 2017.

**1. GENERAL (continued)**

**d. Group Structure (continued)**

***Indirect Ownership (continued)***

**PT Axis Global Integrasi (AGI)**

*PT Axis Global Integrasi was established by Deed No. 06 dated December 20, 2006 made before Evawani, S.H., Notary in Tangerang City and was legalized by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. W29-00315-HT.01.01-TH.2007 dated February 23, 2007.*

*AGI articles of association has been amended, most recently by Deed No. 05 dated March 20, 2014 made before Notary Esther, S.H., M.Kn., and has received approval from the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-45985.AH.01.02.TH.2008 dated April 1, 2014.*

*According to the Articles of Association, AGI is engaged in service, general, trade, industry, good and procurement, transportation, mining, developer, agribusiness, telecommunication, printing and interior design. Currently the main business field of plastics trading company.*

*AGI registered address is located in Kawasan Pusat Niaga Terpadu Jl. Daan Mogot KM 19,6 Blok FF8/N, Tangerang, Banten.*

**e. Completion of the consolidated of financial statements**

*The Company's management is responsible for the Company's and subsidiaries consolidated of financial statements for the year ended June 30, 2017, December 31, 2016, 2015 and 2014. The company's management finish the above financial statements on October 10, 2017.*

## **2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING**

Kebijakan akuntansi yang signifikan, yang diterapkan dalam penyusunan laporan keuangan Perusahaan adalah sebagai berikut:

### **a. Pernyataan Kepatuhan**

Laporan keuangan konsolidasian telah disajikan sesuai dengan standar akuntansi keuangan di Indonesia yang mencakup Pernyataan Standar Akuntansi Keuangan ("PSAK") serta peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK), sekarang Otoritas Jasa Keuangan ("OJK"), yaitu Peraturan No. VIII. G.7 yang terlampir dalam Surat Keputusan No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Pedoman Penyajian Laporan Keuangan". Kebijakan akuntansi yang penting yang diterapkan secara konsisten dalam penyusunan laporan keuangan konsolidasian untuk tahun yang berakhir 30 Juni 2017, 31 Desember 2016, 2015 dan 2014.

### **b. Dasar penyusunan laporan keuangan konsolidasian**

Laporan keuangan konsolidasian PT Panca Budi Idaman dan Entitas Anak ("Grup") disusun berdasarkan Standar Akuntansi Keuangan di Indonesia.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas ke dalam aktivitas operasi, investasi dan pendanaan.

Mata uang pelaporan yang digunakan dalam penyusunan laporan keuangan konsolidasian ini adalah mata uang Rupiah, yang merupakan mata uang fungsional Perusahaan.

Kecuali dinyatakan dibawah ini, kebijakan akuntansi telah diterapkan secara konsisten dengan laporan keuangan tahunan untuk tahun yang berakhir 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 yang telah sesuai dengan Standar Akuntansi Keuangan di Indonesia.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*The significant accounting policies applied in the preparation of the Company financial statements are as follows:*

### **a. Statement of Compliance**

*The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia comprising of the Statements of Financial Accounting Standards ("PSAK") and rules established by the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK), now Authority of Financial Services ("OJK"), No. VIII.G.7 as attached to Decree No. KEP-347/BL/2012 dated June 25, 2012 regarding "Financial Statements Presentation Guideline". Significant accounting policies applied consistently in the preparation of the consolidated financial statements for the years ended June 30, 2017, December 31, 2016, 2015 and 2014.*

### **b. Basis of preparation consolidated financial statements**

*The consolidated financial statements of PT Panca Budi Idaman and Subsidiaries ("Group") have been prepared in accordance with Indonesian Financial Accounting Standards.*

*The consolidated statements of cash flows is prepared based on the direct method by classifying cash flows into operating, investing, and financing activities.*

*The reporting currency used in the consolidated financial statements is Indonesian Rupiah, which is The Company's functional currency.*

*Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended June 30, 2017, December 31, 2016, 2015 and 2014 which conform to the Indonesian Financial Accounting Standards.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING**  
(lanjutan)

**b. Dasar penyusunan laporan keuangan konsolidasian** (lanjutan)

Untuk memberikan pemahaman yang lebih baik atas kinerja keuangan Grup, karena sifat dan jumlahnya yang signifikan, beberapa item pendapatan dan beban telah disajikan secara terpisah.

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan penggunaan estimasi dan asumsi. Hal tersebut juga mengharuskan manajemen untuk membuat pertimbangan dalam proses penerapan kebijakan akuntansi Grup. Area yang kompleks atau memerlukan tingkat pertimbangan yang lebih tinggi atau area di mana asumsi dan estimasi dapat berdampak signifikan terhadap laporan keuangan konsolidasian diungkapkan di Catatan 3.

**Entitas anak**

Entitas anak adalah seluruh entitas (termasuk entitas bertujuan khusus) dimana Grup memiliki kekuasaan untuk mengatur kebijakan keuangan dan operasional atasnya, biasanya melalui kepemilikan lebih dari setengah hak suara. Keberadaan dan dampak dari hak suara potensial yang saat ini dapat dilaksanakan atau dikonversi, dipertimbangkan ketika menilai apakah Grup mengendalikan entitas lain. Grup juga menilai keberadaan pengendalian ketika Grup tidak memiliki lebih dari 50% hak suara namun dapat mengatur kebijakan keuangan dan operasional secara *de-facto*. Pengendalian *de-facto* dapat timbul ketika jumlah hak suara yang dimiliki Grup, secara relatif terhadap jumlah dan penyebaran kepemilikan hak suara pemegang saham lain memberikan Grup kemampuan untuk mengendalikan kebijakan keuangan dan operasi, serta kebijakan lainnya.

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

**b. Basis of preparation consolidated financial statements** (continued)

*In order to provide further understanding of the financial performance of the Group, due to the significance of their nature or amount, several items of income or expense have been shown separately.*

*The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The complex areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.*

**Subsidiaries**

*Subsidiaries are all entities (including special purpose entities) over which the Group has the authority to govern the financial and operating policies, generally through ownership of more than half of shares issued. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assess existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2. (lanjutan)**

**c. Prinsip Konsolidasian dan Kombinasi Bisnis**

**Transaksi dengan Kepentingan Non-Pengendali**

Grup melakukan transaksi dengan kepentingan non-pengendali sebagai transaksi dengan pemilik ekuitas Grup. Untuk pembelian dari kepentingan non-pengendali, selisih antara imbalan yang dibayarkan dan bagian yang diakuisisi atas nilai tercatat aset neto entitas anak dicatat pada ekuitas. Keuntungan dan kerugian pelepasan kepentingan non-pengendali juga dicatat pada ekuitas.

Ketika Grup tidak lagi memiliki pengendalian atau pengaruh signifikan, kepentingan yang masih tersisa atas entitas diukur kembali berdasarkan nilai wajarnya, dan perubahan nilai tercatat diakui dalam laporan laba rugi komprehensif.

Nilai wajar adalah nilai tercatat awal untuk kepentingan pengukuran kembali kepentingan yang tersisa sebagai entitas asosiasi, ventura bersama atau aset keuangan. Di samping itu, jumlah yang sebelumnya diakui pada pendapatan komprehensif lain sehubungan dengan entitas tersebut dicatat seolah-olah Grup telah melepas aset atau liabilitas terkait. Hal ini dapat berarti bahwa jumlah yang sebelumnya diakui pada pendapatan komprehensif lain direklasifikasi pada laporan laba rugi komprehensif.

**Prinsip Konsolidasi**

Sesuai dengan PSAK No. 65 mengenai "Laporan Keuangan Konsolidasi", definisi Entitas Anak adalah semua Entitas (termasuk entitas terstruktur) dimana Entitas memiliki pengendalian.

Dengan demikian, Entitas mengendalikan Entitas Anak jika dan hanya jika Entitas memiliki seluruh hal berikut ini:

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Principle of Consolidation and Business Combination**

**Transaction with Non-Controlling Interest**

*The Group apply transactions with non-controlling interest as transactions with equity owner of the Group. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gain or losses on disposal to non-controlling interests are also recorded in equity.*

*When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in statement of comprehensive income.*

*The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entities are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to income statement comprehensive.*

**Principles of Consolidation**

*According to PSAK No. 65 regarding "Consolidated Financial Statements" Subsidiaries are defined as all entities (including structured entities) over which the Entity has control.*

*Thus, the Entity controlling the Subsidiary if and only if the Entity has the whole of the following:*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**c. Prinsip Konsolidasian dan Kombinasi Bisnis**  
(lanjutan)

- i. Kekuasaan atas Entitas Anak;
- ii. Ekspose atau hak atas imbal hasil variabel dari keterlibatannya dengan Entitas Anak; dan
- iii. Kemampuan untuk menggunakan kekuasaannya atas Entitas Anak untuk mempengaruhi jumlah imbal hasil Entitas Anak.

Entitas menilai kembali apakah Entitas mengendalikan investee jika fakta dan keadaan mengindikasikan adanya perubahan terhadap satu atau lebih dari tiga elemen pengendalian. Ketika hak suara Entitas atas investee kurang dari mayoritas, Entitas memiliki kekuasaan atas investee ketika hak suara-nya secara sepihak mempunyai kemampuan praktis dalam mengarahkan kegiatan relevan dari investee. Entitas mempertimbangkan seluruh fakta dan keadaan yang relevan dalam menilai apakah hak suara Entitas atas investee cukup untuk memberinya wewenang, termasuk:

- a. Ukuran kepemilikan hak suara Entitas sehubungan dengan ukuran dan sebaran pemegang suara lainnya;
- b. Hak suara potensial yang dimiliki oleh Entitas, pemegang suara lainnya atau pihak lainnya;
- c. Hak yang timbul dari perjanjian kontrak lainnya; dan
- d. Fakta dan keadaan tambahan yang mengindikasikan bahwa saat ini Entitas memiliki atau tidak memiliki kemampuan mengarahkan kegiatan yang relevan pada saat keputusan harus diambil, termasuk pola pemungutan suara pada pertemuan pemegang saham sebelumnya.

Konsolidasi atas Entitas Anak dimulai sejak tanggal memperoleh pengendalian atas Entitas Anak dan berakhir ketika kehilangan pengendalian atas Entitas Anak. Penghasilan dan beban Entitas Anak dimasukkan atau dilepaskan selama tahun berjalan dalam laba rugi dari tanggal diperolehnya pengendalian sampai dengan tanggal ketika Entitas kehilangan pengendalian atas Entitas Anak.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**c. Principle of Consolidation and Business Combination** (continued)

- i. Control over the Subsidiary;
- ii. Is exposed or has rights for variable returns from its involvement with Subsidiary; and
- iii. Has the ability to use its authority to affect its returns.

The Entity re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. When the Entity has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Entity considers all relevant facts and circumstances in assessing whether or not the Entity's voting rights in an investee are sufficient to give it authority, including:

- a. The size of the Entity's holding of voting rights in regards relative to the size and dispersion of holdings of the other vote holders;
- b. Potential voting rights held by the Entity, other vote holders or other parties;
- c. Rights arising from other contractual arrangements; and
- d. Any additional facts and circumstances that indicate that the Entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Income and expenses of subsidiary acquired or disposed of during the year are included in the profit or loss from the date Entity gains control until the date the Entity ceases to control the Subsidiary.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**c. Prinsip Konsolidasian dan Kombinasi Bisnis**  
(lanjutan)

**Prinsip Konsolidasi (lanjutan)**

Kepentingan nonpengendali disajikan di ekuitas dalam laporan posisi keuangan konsolidasi, terpisah dari ekuitas pemilik Entitas.

Laba rugi dan setiap komponen dari penghasilan komprehensif lain diatribusikan kepada pemilik Entitas Induk dan kepentingan nonpengendali, meskipun hal tersebut mengakibatkan kepentingan nonpengendali memiliki saldo defisit. Jika diperlukan, dilakukan penyesuaian atas laporan keuangan Entitas Anak guna memastikan keseragaman dengan kebijakan akuntansi Entitas dan Entitas Anak. Mengeliminasi secara penuh aset dan liabilitas, penghasilan, beban, dan arus kas dalam Entitas dan Entitas Anak terkait dengan transaksi antar Entitas dan Entitas Anak.

**Kombinasi bisnis entitas sepengendali**

Sejak 1 Januari 2013, Perusahaan menerapkan secara prospektif PSAK No.38 (revisi 2012), "Kombinasi Bisnis Entitas Sepengendali" yang menggantikan PSAK No.38 (revisi 2004), "Akuntansi Restrukturisasi Entitas Sepengendali", kecuali atas saldo transaksi kombinasi entitas sepengendali yang diakui sebelumnya, disajikan sebagai bagian dari "Tambahan Modal Disetor" dalam bagian Ekuitas. PSAK No.38 (revisi 2012) mengatur tentang kombinasi entitas sepengendali, baik untuk entitas yang menerima bisnis maupun untuk entitas yang melepaskan bisnis.

Pengalihan bisnis antara entitas sepengendali tidak mengakibatkan perubahan substansi ekonomi kepemilikan atas bisnis yang dialihkan dan tidak dapat menimbulkan laba atau rugi bagi kelompok usaha secara keseluruhan ataupun bagi entitas individual dalam kelompok usaha tersebut. Karena kombinasi bisnis entitas sepengendali tidak mengakibatkan perubahan pada substansi ekonomi atas bisnis yang dipertukarkan, maka transaksi ini dicatat pada jumlah tercatat menggunakan metode penyatuan kepemilikan.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**c. Principle of Consolidation and Business Combination (continued)**

**Principles of Consolidation (continued)**

*Non-controlling interests in subsidiaries are presented in the consolidated statements of financial position separately from the equity attributable to equity owners of the Equity.*

*Profit or loss and each component of other comprehensive income are attributed to owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's and subsidiaries's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity and Subsidiaries are eliminated in full on consolidation.*

**Under common control business combination**

*Since January 1, 2013, the Company prospectively adopted PSAK 38 (revised 2012), "Business Combinations of Entities Under Common Control" which replaces PSAK 38 (revised 2004), "Accounting for Restructuring of Entities Under Common Control", except for the balance of the combination of entities under common control transaction previously recognized, presented as part of the "Additional Paid-in Capital" in the equity. PSAK 38 (revised 2012) regulates the combination of entities under common control, either for business or entity that receives to release the business entity.*

*Redirection business between entities under common control do not lead to changes in economic substance be diverted ownership of the business and does not result in a gain or loss to the business group as a whole or the individual entity within the business groups. Because the business combination under common control does not result in changes to the economic substance over the business which are exchanged, these transactions are recorded at the amount recorded using the pooling of interest method.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING**  
(lanjutan)

**c. Prinsip Konsolidasian dan Kombinasi Bisnis**  
(lanjutan)

Bagi entitas yang menerima pengalihan, selisih antara jumlah imbalan yang dialihkan dan jumlah tercatat dari setiap transaksi kombinasi entitas sepengendali diakui di ekuitas dalam akun "Tambahan Modal Disetor".

Bagi entitas yang melepaskan bisnis, selisih antara imbalan yang diterima dan jumlah tercatat bisnis yang dilepas juga diakui dalam akun "Tambahan Modal Disetor".

Dalam menerapkan metode penyatuan kepemilikan, komponen laporan keuangan entitas yang bergabung, untuk periode dimana terjadi kombinasi bisnis dan untuk periode komparatif lain yang disajikan, disajikan sedemikian rupa seolah-olah penggabungan tersebut telah terjadi sejak awal periode komparatif yang disajikan. Laporan keuangan Perusahaan tidak boleh memasukkan adanya penyatuan kepemilikan jika penyatuan kepemilikan terjadi pada tanggal setelah akhir periode pelaporan.

Biaya sehubungan dengan transaksi kombinasi bisnis entitas sepengendali diakui sebagai beban pada periode terjadinya.

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

**Standar yang berlaku efektif pada tahun berjalan**

Dalam tahun berjalan, Perusahaan telah menerapkan standar dan interpretasi baru dan revisi yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan dari Ikatan Akuntan Indonesia yang relevan dengan operasinya dan efektif untuk periode akuntansi yang dimulai pada tanggal 1 Januari 2017.

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

**c. Principle of Consolidation and Business Combination** (continued)

*For the entity receiving the redirection, the difference between the consideration transferred and the carrying amount of each transaction a combination of entities under common control are recognized in equity under "Additional Paid-in Capital".*

*For the entity that release the business, the difference between the consideration received and the carrying amount of disposed businesses are also recognized in "Additional Paid-in Capital".*

*In applying the pooling of interests method, the components of the entity's financial statements are joined, for the period in which the business combination occurs and for other comparative periods presented, are presented as if the merger had occurred since the beginning of the earliest comparative period. The financial statements of the Company may not enter their pooling of interests if the pooling of interest going on a date after the end of the reporting period.*

*Costs in relation to the business combination of entities under common control transaction are recognized as an expense in the period incurred.*

**d. Changes to the statements of financial accounting standards ("PSAK") and interpretations of statements of financial accounting standards ("ISAK")**

**Standards effective in the current year**

*In the current year, the Company adopted the following new and revised standards and interpretations issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on January 1, 2017.*



**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**d. Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") (lanjutan)**

**Standar yang berlaku efektif pada tahun berjalan** (lanjutan)

Penerapan dari perubahan standar interpretasi akuntansi atas standar akuntansi berikut, yang berlaku efektif sejak tanggal 1 Januari 2017 dan relevan bagi perusahaan namun tidak menyebabkan perubahan signifikan atas kebijakan akuntansi Perusahaan dan tidak memberikan dampak yang material terhadap jumlah yang dilaporkan di laporan keuangan interim periode berjalan:

- Amandemen PSAK 1 "Penyajian Laporan Keuangan"
- PSAK 3 (revisi 2016) "Laporan Keuangan Interim"
- PSAK 24 (revisi 2016) "Imbalan Kerja"
- PSAK 58 (revisi 2016) "Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan"
- PSAK 60 (revisi 2016) "Instrumen Keuangan: Pengungkapan"
- ISAK 31 "Interpretasi atas Ruang Lingkup PSAK 13 "Properti Investasi"
- ISAK 32 "Definisi dan Hierarki Standar Akuntansi Keuangan"

Standar baru, revisi dan interpretasi yang telah diterbitkan dan relevan bagi perusahaan, namun belum berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2018 adalah sebagai berikut:

- Amandemen PSAK 16 "Aset Tetap"
- Amandemen PSAK 2 "Laporan Arus Kas tentang Prakarsa Pengungkapan"
- Amandemen PSAK 46 "Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi"

Pada tanggal pengesahan laporan keuangan interim, Perusahaan sedang mempertimbangkan implikasi dari penerapan standar tersebut, terhadap laporan keuangan Perusahaan interim.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**d. Changes to the statements of financial accounting standards ("PSAK") and interpretations of statements of financial accounting standards ("ISAK") (continued)**

**Standards effective in the current year** (continued)

The adoption of the following revised accounting standards and interpretation of the accounting standards, which are effective from 1 January 2017 and relevant for Company, but did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current period interim financial statements:

- Amendment to PSAK 1 "Presentation of Financial Statements"
- PSAK 3 (revised 2016) "Interim Financial Statement"
- PSAK 24 (revised 2016) "Employee Benefits"
- PSAK 58 (revised 2016) "Non-current Assets Held for Sale and Discounted Operation"
- PSAK 60 (revised 2016) "Financial Instruments: Disclosure"
- ISAK 31 "Interpretation of PSAK 13 "Investing Property"
- ISAK 32 "Definition and Hierarchy of Financial Accounting Standards"

New standards, amendments and interpretations issued and relevant for company but not yet effective for the financial year beginning 1 January 2018 are as follows:

- Amendment to PSAK 16 "Fixed Asset"
- Amendment to PSAK 2 "Cash Flows Statement – Disclosure Initiative"
- Amendment to PSAK 46 "Taxation – Recognition of deferred tax asset for unrealized losses"

As at the authorisation date of these interim financial statements, the Company is reviewing the implication of the above standards, to its interim financial statements.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2. (lanjutan)**

**e. Penjabaran mata uang asing**

**Mata uang fungsional dan penyajian**

Perusahaan menerapkan PSAK 10 (Revisi 2010), "Pengaruh Perubahan Nilai Tukar Mata Uang Asing", yang mengatur bagaimana memasukkan transaksi mata uang asing dan kegiatan usaha luar negeri dalam laporan keuangan entitas dan menjabarkan laporan keuangan ke dalam mata uang penyajian.

Item-item yang disertakan dalam laporan keuangan setiap entitas anggota Grup diukur menggunakan mata uang yang sesuai dengan lingkungan ekonomi utama dimana entitas beroperasi (mata uang fungsional).

Laporan keuangan konsolidasian disajikan dalam Rupiah yang merupakan mata uang fungsional dan penyajian Grup.

**Transaksi dan saldo**

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada setiap tanggal pelaporan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah menggunakan kurs penutup. Kurs yang digunakan sebagai acuan adalah kurs yang dikeluarkan oleh Bank Indonesia. Keuntungan dan kerugian selisih kurs yang timbul dari penyelesaian transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing diakui di dalam laporan laba rugi komprehensif konsolidasian.

Keuntungan dan kerugian selisih kurs yang berhubungan dengan kas dan setara kas, dana yang dibatasi penggunaannya, piutang usaha, piutang lain-lain, pinjaman dan utang usaha, disajikan pada laporan laba rugi komprehensif konsolidasian sebagai kerugian /keuntungan selisih kurs.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Foreign currency translation**

**Functional and presentation currency**

The Company applied PSAK 10 (Revised 2010), "The Effects of Changes in Foreign Exchange Rates", which describes how to include foreign currency transactions and foreign operations in the financial statements of entity and translation financial statements into a presentation currency.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Rupiah, which is the functional and presentation Group currency.

**Transactions and balances**

Foreign currency transactions are translated into Rupiah using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currency are translated into Rupiah using the closing exchange rate. Exchange rate used as benchmark is the rate which is issued by Bank Indonesia. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents, restricted deposit, account receivable, other receivable, borrowings and account payable, are presented in the consolidated statements of comprehensive income within losses/gains on foreign exchange.

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
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Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
 serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
 30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
 pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
 (Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
 and for the Six-Month Period Ended June 30, 2017  
 and 2016 (Unaudited) and the Years Ended  
 December 31, 2016, 2015 and 2014  
 (Expressed in Thousand Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2. (lanjutan)**

**e. Penjabaran mata uang asing (lanjutan)**

**Transaksi dan saldo (lanjutan)**

Perubahan nilai wajar efek moneter yang didenominasikan dalam mata uang asing yang diklasifikasikan sebagai tersedia untuk dijual dianalisa antara selisih pejabaran yang timbul dari perubahan biaya perolehan diamortisasi efek dan perubahan nilai tercatat efek lainnya. Selisih penjabaran terkait dengan perubahan biaya perolehan diamortisasi diakui di dalam laporan laba rugi, dan perubahan nilai tercatat lainnya diakui pada laba komprehensif lainnya.

Kurs yang digunakan untuk menjabarkan aset dan liabilitas moneter dalam mata uang asing pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

Mata Uang/Foreign Currency	Dalam Rupiah/ In Rupiah			
	30 Jun 2017/ Jun 30, 2017	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014
<b><u>Kurs konversi tanggal pelaporan:</u></b>				
Dolar Amerika Serikat/US Dollar (US\$)	13.319,00	13.436,00	13.795,00	12.440,00
Euro	14.874,67	14.161,55	15.069,68	15.133,27
Poundsterling	16.867,86	16.507,51	20.451,11	19.370,34
Ringgit Malaysia (MYR)	3.109,75	2.996,11	3.205,65	3.561,93
Thailand Baht (THB)	392,31	375,15	382,24	378,29
Dolar Taiwan/ NTD	437,91	414,56	418,25	392,1
AED (Dirham Uni Emirat Arab)	3.626,19	3.667,04	3.758	3.383
Dolar Australia	10.051,20	9.724,31	10.064,16	10.218,23
Kroner Denmark	1.999,55	1.905,09	2.019,32	2.031,90
Dolar Singapura	9.590,65	9.298,92	9.751,19	9.422,11
Philipina Peso (PHP)	264,45	271,41	294,08	277,87

Selisih penjabaran aset dan liabilitas keuangan non-moneter yang dicatat pada nilai wajar diakui sebagai bagian keuntungan atau kerugian perubahan nilai wajar. Sebagai contoh, selisih penjabaran aset dan liabilitas keuangan non-moneter seperti ekuitas yang dimiliki dan dicatat pada nilai wajar melalui laporan laba rugi komprehensif konsolidasian diakui pada laporan laba rugi sebagai bagian keuntungan atau kerugian nilai wajar dan selisih penjabaran pada aset non-moneter seperti ekuitas yang diklasifikasikan sebagai tersedia untuk dijual diakui dalam pendapatan komprehensif lainnya.

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

**e. Foreign currency translation (continued)**

**Transactions and balances (continued)**

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

The exchange rates used to translate assets and liabilities denominated in foreign currency for the year ended June 30, 2017, December 31, 2016, 2015 and 2014 are as follows:

Mata Uang/Foreign Currency	Dalam Rupiah/ In Rupiah			
	30 Jun 2017/ Jun 30, 2017	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014
<b><u>Kurs konversi tanggal pelaporan:</u></b>				
Dolar Amerika Serikat/US Dollar (US\$)	13.319,00	13.436,00	13.795,00	12.440,00
Euro	14.874,67	14.161,55	15.069,68	15.133,27
Poundsterling	16.867,86	16.507,51	20.451,11	19.370,34
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Thailand Baht (THB)	392,31	375,15	382,24	378,29
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Dolar Singapura	9.590,65	9.298,92	9.751,19	9.422,11
Philipina Peso (PHP)	264,45	271,41	294,08	277,87

Translation differences on non-monetary financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary financial assets and liabilities such as equities held at fair value through consolidated statements of comprehensive income are recognized in profit or loss as part of the fair value gain or loss and translation differences on non monetary assets such as equities classified as available-for-sale financial assets are recognized in other comprehensive income.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**f. Instrumen Keuangan**

**Aset Keuangan**

Perusahaan mengklasifikasikan aset keuangannya dalam kategori:

- (a) aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi;
- (b) pinjaman yang diberikan dan piutang;
- (c) aset keuangan dimiliki hingga jatuh tempo, dan;
- (d) aset keuangan tersedia untuk dijual.

Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut. Manajemen menentukan klasifikasi aset keuangan tersebut pada saat awal pengakuannya.

**f. Instrumen Keuangan**

**Aset Keuangan**

- (a) Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Kategori ini terdiri dari dua sub-kategori: aset keuangan yang diklasifikasikan dalam kelompok diperdagangkan dan aset keuangan yang pada saat pengakuan awal telah ditetapkan oleh Perusahaan untuk diukur pada nilai wajar melalui laporan laba rugi komprehensif.

Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit-taking*) yang terkini. Derivatif juga dikategorikan dalam kelompok diperdagangkan, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Financial Instrument**

**Financial Assets**

Company classify the financial assets in the category:

- (a) financial assets at fair value through profit or loss;
- (b) loans and receivables;
- (c) held to maturity, and;
- (d) available for sale financial assets.

The classification depends on the purpose for which the financial assets. Management determines the classification of its financial assets at initial recognition.

**f. Financial Instrument**

**Financial Assets**

- (a) Financial assets at fair value through profit or loss

This category consists of two sub-categories: financial assets held for trading and financial assets at initial recognition has been established by the Company to be measured at fair value through statement of comprehensive income.

Financial assets are classified as held for trading if acquired principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of financial instruments that is managed together and there is evidence of a pattern of currently short term profit taking. Derivatives are also categorized as held for trading, unless the derivative is designated and effective as hedging instruments.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Aset Keuangan (lanjutan)**

**Financial Assets (continued)**

- (a) Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi (lanjutan)

- (a) Financial assets at fair value through profit or loss (continued)

Aset keuangan yang diklasifikasikan pada saat pengakuan awal untuk diukur pada nilai wajar melalui laporan laba rugi adalah dimiliki untuk mencadangkan liabilitas asuransi Entitas Anak yang diukur pada nilai wajar dari aset terkait.

Financial assets at initial recognition as at fair value through profit or loss are held for backing insurance liabilities of Subsidiaries are measured at the fair value of the related assets.

Instrumen keuangan yang dikelompokkan ke dalam kategori ini diakui pada nilai wajarnya pada saat pengakuan awal, biaya transaksi diakui secara langsung ke dalam laporan laba rugi komprehensif konsolidasian. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar dan penjualan instrumen keuangan diakui di dalam laporan laba rugi komprehensif konsolidasian dan dicatat masing-masing sebagai "Keuntungan/(kerugian) yang belum direalisasi dari kenaikan/ (penurunan) nilai wajar instrumen keuangan" dan "Keuntungan/(kerugian) dari penjualan instrumen keuangan". Pendapatan bunga dari instrumen keuangan dalam kelompok diperdagangkan dicatat sebagai "Pendapatan bunga".

Financial instruments are classified into this category are recognized at fair value on initial recognition, transaction costs are taken directly to the consolidated statement of income. Gains and losses arising from changes in fair value and the sale of financial instruments recognized in the consolidated statement of comprehensive income and recorded respectively as "Profit/(loss) Unrealized increase/(decrease) in fair value of financial instruments" and "Gain/(losses) from sale of financial instruments". Interest income from financial instruments held for trading are included in "Interest income".

- (b) Pinjaman yang diberikan dan piutang

- (b) Loans and receivables

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif, kecuali:

Loans and receivables are non-derivative financial assets with fixed or determinable payments and have not quoted in an active market, except:

- yang dimaksudkan oleh Perusahaan untuk dijual dalam waktu dekat, yang diperdagangkan, serta yang pada saat pengakuan awal ditetapkan diukur pada nilai wajar melalui laporan laba rugi;

- intended by the Company to be sold in the near future, traded, and that upon initial recognition designates as at fair value through profit or loss;

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Aset Keuangan (lanjutan)**

**Financial Assets (continued)**

(b) Pinjaman yang diberikan dan piutang  
(lanjutan)

(b) Loans and receivables (continued)

- yang pada saat pengakuan awal ditetapkan dalam kelompok tersedia untuk dijual; atau
- dalam hal Perusahaan mungkin tidak akan memperoleh kembali investasi awal, secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman yang diberikan dan piutang.

- that upon initial recognition are designated as available for sale; or
- in which case the Company may not recover its initial investment, other than because of a substantial decrease in the quality of loans and receivables.

Pada saat pengakuan awal, pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Pendapatan dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang dicatat di dalam laporan laba rugi komprehensif konsolidasian dan dilaporkan sebagai "Pendapatan bunga". Dalam hal terjadi penurunan nilai, kerugian penurunan nilai dilaporkan sebagai pengurang dari nilai tercatat dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang, dan diakui di dalam laporan laba rugi komprehensif konsolidasian sebagai "Cadangan Kerugian Penurunan Nilai".

At the time of initial recognition, loans and receivables are recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method. Income from financial assets classified as loans and receivables are recorded in the consolidated statement of comprehensive income and reported as "Interest income". In the case of impairment, the impairment loss is reported as a deduction from the carrying value of financial assets classified as loans and receivables, and are recognized in the comprehensive consolidated income statement as "Allowance for Impairment Losses".

(c) Aset keuangan dimiliki hingga jatuh tempo

(c) Held to maturities financial assets

Aset keuangan dalam kelompok dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, serta Perusahaan mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, kecuali:

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities, and The Company has the positive intention and ability to hold the financial assets to maturity, unless:

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Aset Keuangan (lanjutan)**

**Financial Assets (continued)**

(c) Aset keuangan dimiliki hingga jatuh tempo  
(lanjutan)

(c) Held to maturities financial assets (continued)

- Aset keuangan yang pada saat pengakuan awal ditetapkan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi;
- Aset keuangan yang ditetapkan oleh Perusahaan dalam kelompok tersedia untuk dijual; dan
- Aset keuangan yang memiliki definisi pinjaman yang diberikan dan piutang.

- Financial assets designated upon initial recognition as financial assets at fair value through profit or loss;
- Financial assets designated by The Company as available for sale; and
- Financial assets have the definition of loans and receivables.

Pada saat pengakuan awal, aset keuangan dimiliki hingga jatuh tempo diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan suku bunga efektif.

At the time of initial recognition, financial assets held to maturity are recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate.

Pendapatan bunga dari aset keuangan dimiliki hingga jatuh tempo dicatat dalam laporan laba rugi komprehensif konsolidasian dan diakui sebagai "Pendapatan bunga". Ketika penurunan nilai terjadi, kerugian penurunan nilai diakui sebagai pengurang dari nilai tercatat investasi dan diakui di dalam laporan keuangan konsolidasian sebagai "Cadangan Kerugian Penurunan Nilai".

Interest income from financial assets held to maturity are recorded in the consolidated statement of comprehensive income and recognized in "Interest income". The case of impairment, the impairment loss is recognized as a deduction from the carrying amount of the investment and recognized in the consolidated financial statements as "Allowance For Impairment Losses".

Aset keuangan dalam kelompok tersedia untuk dijual adalah aset keuangan yang ditetapkan untuk dimiliki untuk periode tertentu dimana yang akan dijual dalam rangka pemenuhan likuiditas atau perubahan suku bunga, valuta asing atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan atau piutang, aset keuangan yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Financial assets available for sale are financial assets that are intended to be held for a certain period where it will be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, financial assets are classified as held to maturity or financial assets at fair value through profit or loss.



**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Aset Keuangan (lanjutan)**

**Financial Assets (continued)**

(c) Aset keuangan dimiliki hingga jatuh tempo  
(lanjutan)

(c) Held to maturities financial assets (continued)

Pada saat pengakuan awalnya, aset keuangan tersedia untuk dijual diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada nilai wajarnya, dimana keuntungan atau kerugian atas perubahan nilai wajar diakui pada laporan laba rugi komprehensif konsolidasian, kecuali untuk kerugian penurunan nilai dan laba rugi selisih kurs untuk instrumen utang, untuk instrumen ekuitas, laba rugi selisih kurs diakui sebagai bagian dari ekuitas, hingga aset keuangan dihentikan pengakuannya. Jika aset keuangan tersedia untuk dijual mengalami penurunan nilai, akumulasi keuntungan atau kerugian yang belum direalisasi atas perubahan nilai wajar, yang sebelumnya diakui di laporan perubahan laporan laba rugi komprehensif konsolidasian.

At the time of initial recognition, available for sale financial assets recognized at fair value plus transaction costs and subsequently measured at fair value with gains or losses from changes in fair value, recognized in the consolidated statement of comprehensive income, except for impairment losses and foreign exchange income for instruments debt to equity instruments, foreign exchange gain or loss is recognized as part of equity, until the financial asset is derecognized. If the available for sale financial asset is impaired, the cumulative gain or loss unrealized fair value changes previously recognized in the statement of changes in consolidated statement of comprehensive income is recognized in the consolidated statement of comprehensive income.

(d) Aset keuangan tersedia untuk dijual

(d) Available for sale financial assets

Pendapatan bunga dihitung menggunakan metode suku bunga efektif dan keuntungan atau kerugian yang timbul akibat perubahan nilai tukar dari aset moneter yang diklasifikasikan sebagai kelompok tersedia untuk dijual diakui pada laporan laba rugi komprehensif konsolidasian.

Interest income calculated using the effective interest method and gains or losses arising from changes in exchange rates of monetary assets that classified as available for sale are recognized in the consolidated statement of comprehensive income.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Liabilitas Keuangan (lanjutan)**

**Financial Liabilities (continued)**

**Liabilitas Keuangan**

**Financial Liabilities**

Perusahaan mengklasifikasikan liabilitas keuangan dalam kategori:

*The Company classify its financial liabilities in the category:*

- (a) liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dan
- (b) liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

- (a) *financial liabilities at fair value through profit or loss and*
- (b) *financial liabilities measured at amortized cost.*

Liabilitas keuangan dikeluarkan dari laporan posisi keuangan konsolidasian ketika liabilitas telah dilepaskan atau dibatalkan atau kadaluarsa.

*Financial liabilities are removed from the consolidated statement of financial position when the liability has been removed or canceled or expired.*

- (a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi

- (a) *Financial liabilities at fair value through profit or loss*

Kategori ini terdiri dari dua sub-kategori: liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Perusahaan untuk diukur pada nilai wajar melalui laporan laba rugi.

*This category consists of two sub-categories: financial liabilities classified as held for trading and financial liabilities at initial recognition has been established by The Company to be measured at fair value through profit or loss.*

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek yang terkini. Derivatif diklasifikasikan sebagai liabilitas diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

*Financial liabilities are classified as held for trading if acquired principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of financial instruments that is managed together and there is evidence of a pattern of short term profit taking are great. Derivatives are classified as liabilities for trading unless they are designated and effective as hedging instruments.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Liabilitas Keuangan (lanjutan)**

**Financial Liabilities (continued)**

- (a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi (lanjutan)

- (a) *Financial liabilities at fair value through profit or loss (continued)*

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas keuangan yang diklasifikasikan sebagai diperdagangkan dicatat dalam laporan laba rugi komprehensif konsolidasian sebagai "Keuntungan/(kerugian) yang belum direalisasi dari kenaikan/(penurunan) nilai wajar instrumen keuangan". Beban bunga dari liabilitas keuangan diklasifikasikan sebagai diperdagangkan dicatat di dalam "Beban bunga".

*Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are recorded in the consolidated statement of comprehensive income as "Profit/(loss) unrealized increase/(decrease) in fair value of financial instruments". Interest expense on financial liabilities classified as held for trading are recorded in "Interest expense".*

Jika Perusahaan pada pengakuan awal telah menetapkan instrumen utang tertentu sebagai nilai wajar melalui laporan laba rugi (opsi nilai wajar), maka selanjutnya, penetapan ini tidak dapat diubah. Berdasarkan PSAK 55, instrumen utang yang diklasifikasikan sebagai opsi nilai wajar, terdiri dari kontrak utama dan derivatif melekat yang harus dipisahkan.

*If The Company has determined the initial recognition of certain debt instruments as fair value through profit or loss (fair value option), and this determination can not be changed. Based on PSAK 55, the debt instruments classified as fair value option, consisting of the main contract and the embedded derivative that must be separated.*

Perubahan nilai wajar terkait dengan liabilitas keuangan yang ditetapkan untuk diukur pada nilai wajar melalui laporan laba rugi diakui di dalam "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan".

*Changes in fair value associated with financial liabilities designated as at fair value through profit or loss are recognized in "Gains/(losses) from changes in fair value of financial instruments".*

- (b) Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi

- (b) *Financial liabilities measured at amortized cost*

Pada saat pengakuan awal, liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi diukur pada nilai wajar dikurangi biaya transaksi.

*At the time of initial recognition, financial liabilities are measured at amortized cost is measured at fair value less transaction costs.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**f. Instrumen Keuangan (lanjutan)**

**f. Financial Instrument (continued)**

**Liabilitas Keuangan (lanjutan)**

**Financial Liabilities (continued)**

Setelah pengakuan awal, Perusahaan mengukur seluruh liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Amortisasi suku bunga efektif diakui sebagai "Beban bunga".

After initial recognition, Company measures all financial liabilities which are measured at amortized cost using the effective interest rate method. The effective interest rate amortization is recognized as "Interest expense".

**Klasifikasi atas Instrumen Keuangan**

**Classification of Financial Instrument**

Grup mengklasifikasikan instrumen keuangan dalam klasifikasi tertentu yang mencerminkan sifat dari informasi dan mempertimbangkan karakteristik dari instrumen keuangan tersebut. Klasifikasi instrumen keuangan dapat dilihat pada tabel di bawah ini:

The Group classifies its financial instruments into classes that reflect the nature of the information and considering the characteristics of the financial instruments. Classification of financial instruments can be seen in the table below:

Aset Keuangan/ Financial Assets	Diukur pada nilai wajar melalui laporan laba rugi/ <i>Measured at fair value through profit or loss</i>	Dalam kelompok diperdagangkan/ <i>Held for trading</i>	Investasi saham diperdagangkan/ <i>Investments in shares traded</i>
	Pinjaman yang diberikan dan piutang/ <i>Loans and receivables</i>	Kas dan setara kas/ <i>Cash and cash equivalents</i>	
		Piutang usaha/ <i>Account receivables</i>	
		Piutang lain-lain/ <i>Other receivables</i>	
	Dimiliki hingga jatuh tempo/ <i>Held to maturities</i>	-	-
Liabilitas keuangan/ Financial Liabilities	Diukur pada nilai wajar melalui laporan laba rugi/ <i>Measured at fair value through profit or loss</i>	Liabilitas keuangan dalam kelompok diperdagangkan/ <i>Financial liabilities held for trading</i>	-
	Diukur dengan biaya perolehan diamortisasi/ <i>Measured at amortized acquisition cost</i>	Pinjaman yang diterima/ <i>Borrowings</i>	
		Utang usaha/ <i>Account payables</i>	
		Utang lain-lain/ <i>Other payables</i>	

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**g. Penurunan nilai aset keuangan**

Pada setiap akhir periode pelaporan, Grup menilai apakah terdapat bukti objektif bahwa aset keuangan atau kelompok aset keuangan telah mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai terjadi hanya jika terdapat bukti objektif bahwa penurunan nilai merupakan akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset (peristiwa kerugian) dan peristiwa kerugian (peristiwa) tersebut memiliki dampak pada estimasi arus kas masa datang atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Untuk investasi pada instrumen ekuitas yang diklasifikasikan sebagai tersedia untuk dijual, penurunan nilai wajar efek yang signifikan dan berkepanjangan di bawah harga perolehan dapat dianggap sebagai indikator bahwa aset tersebut mengalami penurunan nilai.

**Aset dicatat sebesar harga perolehan diamortisasi**

Untuk kategori pinjaman yang diberikan dan piutang, jumlah kerugian diukur sebesar selisih antara nilai tercatat aset dan nilai kini dari estimasi arus kas masa datang diestimasi (tidak termasuk kerugian kredit masa depan yang belum terjadi) yang didiskonto menggunakan suku bunga efektif awal dari aset tersebut. Nilai tercatat aset dikurangi dan jumlah kerugian diakui pada laporan laba rugi komprehensif konsolidasian. Jika pinjaman yang diberikan memiliki tingkat bunga mengambang, tingkat diskonto yang digunakan untuk mengukur kerugian penurunan nilai adalah tingkat bunga efektif saat ini yang ditentukan dalam kontrak. Untuk alasan praktis, Grup dapat mengukur penurunan nilai berdasarkan nilai wajar instrumen dengan menggunakan harga pasar yang dapat diobservasi.

**g. Impairment of financial assets**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or 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 initial recognition of the asset (a loss event) and that loss event (events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

In the case of equity investments classified as available-for-sale, a significant and prolonged decline of fair value below its cost is considered as an indicator that the assets are impaired.

**Assets carried at amortized cost**

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statements of comprehensive income. If a loan has a floating interest rate, the discount rate used for measuring any impairment loss is the current effective interest rate determined under the contract. For some practical reasons, the Group may measure impairment on based on the instrument's fair value using an observable market price.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**g. Penurunan nilai aset keuangan (lanjutan)**

Jika, pada periode selanjutnya, jumlah penurunan nilai berkurang dan penurunan tersebut dapat dihubungkan secara objektif dengan peristiwa yang terjadi setelah penurunan nilai diakui (misalnya meningkatnya peringkat kredit debitur), pemulihan atas jumlah penurunan nilai yang telah diakui sebelumnya diakui pada laporan laba rugi komprehensif konsolidasian.

**g. Impairment of financial assets (continued)**

*In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statements of comprehensive income.*

**h. Kas dan setara kas**

Kas dan setara kas mencakup kas dan bank yang sewaktu-waktu bisa dicairkan dan investasi jangka pendek likuid lainnya yang jatuh tempo dalam waktu 3 (tiga) bulan atau kurang dan tidak dijaminkan serta tidak dibatasi penggunaannya.

**h. Cash and cash equivalents**

*Cash and cash equivalents include cash on hand and cash on bank, that can be withdrawn at any time and other short term investments with maturities of 3 (three) months or less and are not guaranteed and are not restricted.*

**i. Dana yang dibatasi penggunaannya**

Dana yang dibatasi penggunaannya merupakan dana yang dijadikan sebagai jaminan sehubungan dengan persyaratan perjanjian pinjaman, dinyatakan sebesar nilai nominalnya.

**i. Restricted deposit**

*Restricted deposit are deposits that were pledged as collateral for the loan, stated at nominal value.*

**j. Aset tetap**

Sebelum tanggal 1 Januari 2015 aset tetap dinyatakan sebesar biaya perolehan dikurangi oleh akumulasi penyusutan. Perusahaan menerapkan PSAK No. 16 (Revisi 2015) tentang "Aset Tetap", dimana Perusahaan telah mengubah kebijakan akuntansi dari metode biaya perolehan ke metode revaluasi untuk pencatatan nilai tanah, bangunan dan mesin produksi. Perubahan kebijakan akuntansi dari metode biaya perolehan ke metode revaluasi dalam pencatatan nilai tanah, bangunan dan mesin produksi berlaku prospektif.

**j. Property, plant and equipment**

*Prior to January 1, 2015 the fixed assets are stated at cost deducted by accumulated depreciation. The Company adopted PSAK No. 16 (Revised 2015) on "Fixed Assets", which the Company has changed its accounting policy from the historical cost method to the revaluation method for the recording the value of land, buildings and machinery. Changes in accounting policies from the historical cost method to the revaluation method in the recording the value of land, buildings and machinery on a prospective basis.*

Tanah, bangunan dan mesin produksi, dinyatakan sebesar nilai revaluasinya dikurangi akumulasi penyusutan dan rugi penurunan nilai yang terjadi setelah tanggal revaluasi.

*Land, buildings and machinery are stated at the revaluation less accumulated depreciation and impairment losses that occur after the date of revaluation.*

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**j. Aset tetap (lanjutan)**

**j. Property, plant and equipment (continued)**

Biaya perolehan aset tetap meliputi harga perolehan dan biaya-biaya yang dapat diatribusikan secara langsung untuk membawa aset ke lokasi dan kondisi yang diinginkan agar aset siap digunakan sesuai dengan keinginan dan maksud manajemen. Estimasi awal biaya pembongkaran atau pemindahan aset tetap ditambahkan sebagai biaya perolehan.

*The acquisition cost of property, plant and equipment includes the acquisition price and costs directly attributable to bringing the asset to the location and condition necessary for the asset is ready for use in accordance with intended by management. The initial estimated cost of dismantling or removal of fixed assets added as acquisition costs.*

Jika terdapat kenaikan nilai akibat revaluasi, kenaikan tersebut akan langsung dikreditkan ke ekuitas pada bagian surplus revaluasi. Namun, kenaikan nilai tersebut harus diakui dalam laporan laba rugi komprehensif konsolidasian hingga sebesar jumlah penurunan nilai bangunan akibat revaluasi yang pernah diakui sebelumnya dalam laporan laba rugi komprehensif konsolidasian.

*If there is an increases of value because of revaluation, the increase will be credited directly to equity in revaluation surplus. However, the increase in value should be recognized in the consolidated statement of comprehensive income up to the amount of impairment as a result of the revaluation of the building which has been mentioned previously in the consolidated statement of comprehensive income.*

Jika terdapat penurunan nilai akibat revaluasi, penurunan tersebut diakui dalam laporan laba rugi komprehensif konsolidasian. Namun, penurunan nilai tersebut langsung di debit ke ekuitas pada bagian surplus revaluasi selama penurunan tersebut tidak melebihi saldo kredit surplus revaluasi untuk aset tersebut.

*If there is a decrease in value due to revaluation, the decrease is recognized in the consolidated comprehensive income statement of comprehensive income. However, the impairment is debited directly to equity in the revaluation surplus as long the decrease does not exceed the credit balance of the revaluation surplus for the asset.*

Surplus revaluasi yang dipindahkan secara tahunan ke saldo laba adalah sebesar perbedaan antara jumlah penyusutan berdasarkan nilai revaluasian aset dengan jumlah penyusutan berdasarkan biaya perolehan aset tersebut. Selanjutnya, akumulasi penyusutan pada tanggal revaluasian dieliminasi terhadap jumlah tercatat bruto dari aset dan jumlah tercatat neto setelah eliminasi disajikan kembali sebesar jumlah revaluasian dari aset tersebut. Pada saat penghentian aset, surplus revaluasi untuk aset tetap yang dijual dipindahkan ke saldo laba.

*Revaluation surplus transferred annually to retained earnings which is equal to the difference between the amount of depreciation by revaluation with depreciation amount based on acquisition cost of that asset. Furthermore, the accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net carrying amount after elimination revaluasian restated amount of the asset. At the time of termination of the asset, the revaluation surplus on property, plant and equipment sold was transferred to retained earnings.*



**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
 serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
 30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
 pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
 (Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
 and for the Six-Month Period Ended June 30, 2017  
 and 2016 (Unaudited) and the Years Ended  
 December 31, 2016, 2015 and 2014  
 (Expressed in Thousand Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
 (lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
 (continued)

**j. Aset tetap (lanjutan)**

Aset tetap lainnya dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai. Tarif penyusutan aset tetap dihitung dengan menggunakan metode garis lurus (*straight line method*) berdasarkan taksiran masa manfaat ekonomis aset tetap. Efektif pada bulan Februari 2016, Grup mengubah estimasi masa manfaat ekonomis atas aset tetap dengan rincian sebagai berikut:

**j. Property, plant and equipment (continued)**

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The rate of depreciation of property, plant and equipment is computed using the straight-line method (*straight line method*) based on the estimated useful lives of the assets. Effective on February 2016, Group have changed estimated useful lives of the assets as follows:

	Tahun/ Years		
	Sebelum Revaluasi/ Before Revaluation	Setelah Revaluasi/ After Revaluation	
Gedung	20	20 – 30	Building
Mesin	8 – 16	8 – 16	Machine
Kendaraan	4 – 8	4 – 8	Vehicle
Inventaris	4 – 8	4 – 8	Furniture & Fixture
Peralatan	4 – 8	4 – 8	Equipment
Instalasi Listrik	4 – 20	4 – 20	Electricity Installation

Perubahan estimasi ini diterapkan secara prospektif. Perubahan estimasi masa manfaat ekonomis ini dilakukan setelah mempertimbangkan pola pemakaian manfaat ekonomis masa depan aset-aset yang diharapkan oleh Grup, ekspektasi daya pakai dari aset serta efek pemeliharaan dan perbaikan yang dilakukan secara rutin oleh Grup.

The changes of estimations are applied prospectively. The change in estimated economic useful lives was made based on pattern of future economic benefits of assets which expected by the Group, the expected power consumption of the assets as well as the maintenance and repairs carried out routinely by the Group.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset tetap (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat aset tetap) dimasukkan dalam laporan laba rugi pada tahun berjalan aset tetap tersebut dihentikan pengakuannya.

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) included in the income statement in the year the asset is derecognized.

Nilai residu, metode penyusutan dan masa manfaat ekonomis aset tetap ditinjau kembali dan disesuaikan, jika perlu, pada setiap tanggal laporan posisi keuangan konsolidasian.

The residual value, depreciation method and estimated useful lives of fixed assets are reviewed and adjusted, if appropriate, at each consolidated statements of financial position date.

Biaya legal awal untuk mendapatkan hak legal diakui sebagai bagian biaya akuisisi tanah dan tidak didepresiasi. Biaya terkait dengan pembaharuan hak atas tanah diakui sebagai aset tak berwujud dan diamortisasikan sepanjang umur hukum hak.

Initial legal fees to get legal rights are recognized as part of the cost of land acquisition and not depreciated. Costs associated with the renewal of the land rights are recognized as intangible assets and amortized over the life of the law right.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**j. Aset tetap (lanjutan)**

Aset dalam penyelesaian dinyatakan dalam biaya perolehan. Akumulasi biaya akan direklasifikasi pada aset tetap yang tepat ketika konstruksi (aset) diselesaikan dan secara substantif siap digunakan. Nilai tercatat aset segera diturunkan sebesar jumlah yang dapat dipulihkan jika nilai tercatat aset lebih besar dari estimasi jumlah yang dapat dipulihkan.

**j. Property, plant and equipment (continued)**

Construction in progress is stated in the acquisition cost. Accumulated costs will be reclassified to the appropriate property, plant and equipment when construction (asset) substantially completed and ready for use. Carrying value of the assets immediately reduced by the amount that can be recovered if the asset's carrying amount is greater than the estimated recoverable amount.

**k. Penurunan nilai aset non-keuangan**

Aset yang memiliki masa manfaat yang tidak terbatas – misalnya *goodwill* atau aset tak berwujud yang tidak siap untuk digunakan – tidak diamortisasi namun diuji penurunan nilainya setiap tahun, atau lebih sering apabila terdapat peristiwa atau perubahan pada kondisi yang mengindikasikan kemungkinan penurunan nilai. Aset yang tidak diamortisasi diuji ketika terdapat indikasi bahwa nilai tercatatnya mungkin tidak dapat dipulihkan. Penurunan nilai diakui jika nilai tercatat aset melebihi jumlah terpulihkan. Jumlah terpulihkan adalah yang lebih tinggi antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakai aset. Dalam menentukan penurunan nilai, aset dikelompokkan pada tingkat yang paling rendah dimana terdapat arus kas yang dapat diidentifikasi. Aset non-keuangan selain *goodwill* yang mengalami penurunan nilai diuji setiap tanggal pelaporan untuk menentukan apakah terdapat kemungkinan pemulihan penurunan nilai.

**k. Impairment of non-financial assets**

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortization but tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

Pemulihan rugi penurunan nilai, untuk aset selain *goodwill*, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi, kecuali aset yang disajikan pada jumlah revaluasi sesuai dengan PSAK lain. Rugi penurunan nilai yang diakui atas *goodwill* tidak dibalik lagi.

Reversal on impairment loss for assets other than goodwill would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized on profit or loss, except for assets measured using the revaluation model as required by other PSAK. Impairment losses related to goodwill would not be reversed.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**I. Transaksi Pihak Berelasi**

**I. Transactions with Related Parties**

Perusahaan menerapkan PSAK No. 7 (Revisi 2015), "Pengungkapan Pihak-pihak Berelasi".

The Company has adopted PSAK No. 7 (Revised 2015), "Related Party Disclosures".

Pihak berelasi adalah orang atau Perusahaan yang terkait dengan Perusahaan:

A party is considered to be related to the Company if:

- a. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
  - i. Memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
  - ii. Memiliki pengaruh signifikan atas entitas pelapor; atau
  - iii. Personil manajemen kunci entitas pelapor atau entitas induk entitas pelapor.
- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
  - i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya terkait dengan entitas lain).
  - ii. Suatu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).
  - iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.
  - iv. Suatu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.
  - v. Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.

- a. A person or a close member of the person's family is related to a reporting entity if that person:
  - i. Has control or joint control over the reporting entity;
  - ii. Has significant influence over the reporting entity; or
  - iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. The entity and the reporting entity are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. An 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. An 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**I. Transaksi Pihak Berelasi (lanjutan)**

**I. Transactions with Related Parties (continued)**

- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut: (lanjutan)
- 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 personil manajemen kunci entitas (atau entitas induk dari entitas).

- b. An entity is related to a reporting entity if it meets one of the following: (continued)

- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. Those who 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).

Perusahaan mengungkapkan jumlah kompensasi yang dibayarkan kepada karyawan kunci sebagaimana yang dipersyaratkan oleh PSAK No. 7 (Revisi 2015) tentang "Pengungkapan Pihak-pihak Berelasi". Kompensasi yang diungkapkan mencakup imbalan kerja jangka pendek, imbalan kerja, imbalan kerja jangka panjang lainnya, pesangon pemutusan kontrak kerja dan pembayaran berbasis saham.

The Company discloses total compensation to the key person as required by PSAK No. 7 (Revised 2015), "Related Party Disclosures". The disclosed compensation includes short term benefit, post employment benefit, long term benefit, compensation of contract termination and share-base compensation.

**m. Persediaan**

**m. Inventories**

Harga perolehan ditentukan dengan metode rata-rata (*Average method*) dan meliputi seluruh biaya pembelian, biaya konversi dan biaya lain yang terjadi untuk membawa persediaan ke lokasi dan kondisinya yang sekarang.

Cost is based on the average method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

**n. Biaya Dibayar Dimuka**

**n. Prepaid Expenses**

Biaya dibayar dimuka diamortisasi selama manfaat masing-masing biaya dengan menggunakan metode garis lurus.

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

**o. Piutang Usaha dan Piutang Lain-lain**

**o. Account Receivables and Other Receivables**

Piutang usaha adalah jumlah piutang pelanggan atau penjualan barang atau jasa yang diberikan sehubungan dengan kegiatan usaha.

Account receivables are amounts due from customers for selling goods or services performed in the ordinary course of business.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**o. Piutang Usaha dan Piutang Lain-lain (lanjutan)**

Piutang lain-lain adalah jumlah piutang pihak ketiga atau pihak berelasi di luar kegiatan usaha normal. Jika penagihan diperkirakan diharapkan selesai dalam satu tahun atau kurang (atau dalam siklus operasi normal usaha, jika lebih panjang), piutang diklasifikasikan sebagai aset lancar. Jika tidak, piutang disajikan sebagai aset tidak lancar.

Kolektibilitas piutang usaha dan piutang lain-lain ditinjau secara berkala. Piutang yang diketahui tidak tertagih, dihapuskan dengan secara langsung mengurangi nilai tercatatnya. Akun penyisihan digunakan ketika terdapat bukti yang objektif bahwa Perusahaan tidak dapat menagih seluruh nilai terutang sesuai dengan persyaratan awal piutang. Kesulitan keuangan signifikan yang dialami debitur, kemungkinan debitur dinyatakan pailit atau melakukan reorganisasi keuangan dan gagal bayar atau menunggak pembayaran merupakan indikator yang dianggap dapat menunjukkan adanya penurunan nilai piutang.

**p. Utang Usaha**

Utang usaha adalah liabilitas untuk membayar barang atau jasa yang diperoleh dari pemasok dalam kegiatan usaha normal. Utang usaha diklasifikasikan sebagai liabilitas jangka pendek bila pembayaran dilakukan dalam jangka waktu kurang dari satu tahun. Jika tidak, akan disajikan sebagai liabilitas jangka panjang.

Utang usaha pada awalnya diakui sebesar nilai wajar dan kemudian diukur pada biaya diamortisasi dengan menggunakan metode bunga efektif.

**o. Account Receivables and Other Receivables**  
(continued)

Other receivables are amounts due from third or related parties for transactions beyond the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), receivables are classified as current assets. Otherwise, they are presented as non-current assets.

Collectability of account receivables and other receivables are reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the trade receivable is impaired.

**p. Account Payables**

Account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Account payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**q. Transaksi Sewa**

**q. Lease Transactions**

Perusahaan menerapkan PSAK 30 (2011) "Sewa" untuk mengakui transaksi sewa. Penentuan apakah suatu kontrak merupakan, atau mengandung unsur sewa adalah berdasarkan substansi kontrak pada tanggal awal sewa, yakni apakah pemenuhan syarat kontrak tergantung pada penggunaan aset tertentu dan kontrak tersebut berisi hak untuk menggunakan aset tersebut.

The Company has adopted PSAK No. 30 (2011) "Lease" to recognize lease transaction. The determination of whether an arrangement contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is depend on the use of a specific asset and the arrangement conveys a right to use the asset.

Evaluasi ulang atas perjanjian sewa dilakukan setelah tanggal awal sewa hanya jika salah satu kondisi berikut terpenuhi:

A reassessment is made after inception of the lease only if one of the following applies:

1. Terdapat perubahan dalam persyaratan perjanjian kontraktual, kecuali jika perubahan tersebut hanya memperbaharui atau memperpanjang perjanjian yang ada;
2. Opsi pembaharuan dilakukan atau perpanjangan disetujui oleh pihak-pihak yang terkait dalam perjanjian, kecuali ketentuan pembaharuan atau perpanjangan pada awalnya telah termasuk dalam masa sewa;
3. Terdapat perubahan dalam penentuan apakah pemenuhan perjanjian tergantung pada suatu aset tertentu; atau
4. Terdapat perubahan substansial atas aset yang disewa.

1. There is a change in contractual terms, other than a renewal or extension of the agreement;
2. A renewal option is exercised or extension granted by the parties, unless the term of the renewal or extension was initially included in the lease term;
3. There is a change in the determination of whether the fulfillment is depend on a specified asset; or
4. There is a substantial change to the asset leased.

Apabila evaluasi ulang telah dilakukan, maka akuntansi sewa harus diterapkan atau dihentikan penerapannya pada tanggal dimana terjadi perubahan kondisi pada skenario 1, 3, atau 4 dan pada tanggal pembaharuan atau perpanjangan sewa pada skenario 2.

If a reassessment was made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios 1, 3, or 4 and the date of renewal or extension period for scenario 2.

**Perlakuan Akuntansi untuk Lessee**

**Accounting Treatment as a Lessee**

Sewa pembiayaan, yang mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan suatu aset kepada Perusahaan, dikapitalisasi pada awal sewa sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar.

Leases which substantially transfer all the risks and benefits of the ownership of the leased item to the Company, are capitalized in the beginning of the lease period at the lower cost between fair value of the leased assets and at the present value of the minimum lease payments.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**q. Transaksi Sewa (lanjutan)**

**q. Lease Transactions (continued)**

Perlakuan Akuntansi untuk Lessee (lanjutan)

Accounting Treatment as a Lessee (continued)

Pembayaran sewa dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pelunasan liabilitas sehingga menghasilkan suatu suku bunga periodik yang konstan atas saldo liabilitas. Beban keuangan dibebankan ke laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Lease payments are apportioned between the financial charges and repayment of the lease liability so as to achieve a constant rate of interest in the balance of the liability. Finance charges are charged directly in the statement of comprehensive income.

Aset sewaan disusutkan sepanjang estimasi umur manfaatnya. Apabila tidak terdapat keyakinan memadai bahwa Perusahaan akan memperoleh hak kepemilikan atas aset tersebut pada akhir masa sewa, maka aset sewaan disusutkan sepanjang estimasi umur manfaat aset atau masa sewa, mana yang lebih pendek. Pembayaran sewa dalam sewa operasi diakui sebagai beban dalam laporan laba rugi dan penghasilan komprehensif lain dengan dasar garis lurus (*straight line basis*) selama masa sewa.

Capitalized leased assets are depreciated over the estimated useful life of the assets. If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Operating lease payments are recognized as an expense in the statements of comprehensive income on a straight line basis over the lease term.

Perlakuan Akuntansi sebagai Lessor

Accounting Treatment as a Lessor

Sewa dimana Perusahaan tetap mempertahankan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan suatu aset diklasifikasikan sebagai sewa operasi. Biaya langsung awal yang dapat diatribusikan secara langsung dengan negosiasi dan pengaturan sewa operasi ditambahkan ke nilai tercatat aset sewaan dan diakui ke laporan laba rugi dan penghasilan komprehensif lain tahun berjalan selama masa sewa sesuai dengan dasar pengakuan pendapatan sewa.

Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

**r. Imbalan Karyawan**

**r. Employee Benefits**

**Kewajiban imbalan kerja**

**Employee benefits liabilities**

Perusahaan menerapkan PSAK 24 (Revisi 2015), "Imbalan Kerja", yang mengatur akuntansi dan pengungkapan untuk imbalan kerja, yang meliputi imbalan kerja jangka pendek (misalnya pembayaran cuti sakit) dan imbalan kerja jangka panjang (misalnya cuti berimbalan jangka panjang, imbalan kesehatan paska kerja).

The Company adopt PSAK 24 (Revised 2015), "Employee Benefits", which regulates the accounting and disclosure for employee benefits, both short-term (e.g., paid annual leave, paid sick leave) and long-term (e.g., long service leave, post-employment medical benefits).



**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**r. Imbalan Karyawan (lanjutan)**

**r. Employee Benefits (continued)**

**Kewajiban imbalan kerja (lanjutan)**

**Employee benefits liabilities (continued)**

Perusahaan memiliki program imbalan pasti dan program iuran pasti.

The Company has both defined benefit and defined contribution plans.

Program pensiun imbalan pasti adalah program pensiun yang menentukan jumlah imbalan pensiun yang akan diberikan, biasanya berdasarkan pada satu faktor atau lebih seperti usia, masa kerja, atau kompensasi.

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensations.

Perusahaan harus menyediakan imbalan pensiun dengan jumlah minimal sesuai dengan UU Ketenagakerjaan No.13 tahun 2003 ("UU Ketenagakerjaan") atau Peraturan Perusahaan ("Peraturan"), mana yang lebih tinggi. Karena UU Ketenagakerjaan atau Peraturan menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya program pensiun berdasarkan UU Ketenagakerjaan atau Peraturan adalah program imbalan pasti. Liabilitas manfaat pensiun ditentukan berdasarkan perhitungan aktuaris yang dilakukan secara periodik.

The Company is required to provide a minimum amount of pension benefits in accordance with Labour Law No.13 year 2003 ("Labour Law") or the Company's regulation ("Regulation"), whichever is higher. Since the Labour Law and the Regulation set the formula for determining the minimum amount of benefits, in substance pension plans under the Labour Law or the Regulation represent defined benefit plans. The provision is determined by periodic actuarial calculations.

Kewajiban program pensiun imbalan pasti yang diakui di laporan posisi keuangan konsolidasian adalah nilai kini kewajiban imbalan pasti pada tanggal laporan posisi keuangan konsolidasian serta disesuaikan dengan keuntungan/kerugian aktuarial dan biaya jasa lalu yang belum diakui. Kewajiban imbalan pasti dihitung setiap periode oleh aktuaris independen menggunakan metode *projected unit credit*.

The liability recognized in the consolidated statements of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the consolidated statements of financial position date, with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method.

Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskonto estimasi arus kas keluar masa depan menggunakan tingkat bunga obligasi pemerintah berkualitas tinggi dalam mata uang yang sama dengan mata uang imbalan yang akan dibayarkan dan memiliki waktu jatuh tempo yang kurang lebih sama dengan waktu jatuh tempo imbalan yang bersangkutan.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality government bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**r. Imbalan Karyawan (lanjutan)**

**r. Employee Benefits (continued)**

**Kewajiban imbalan kerja (lanjutan)**

**Employee benefits liabilities (continued)**

Keuntungan atau kerugian ini diakui berdasarkan metode garis lurus selama rata-rata sisa masa kerja yang diharapkan dari karyawan yang ditanggung. Lebih lanjut, biaya jasa lalu yang timbul dari pengenalan program imbalan pasti atau perubahan liabilitas imbalan kerja dari rencana yang telah ada diamortisasi selama beberapa tahun sampai dengan imbalan tersebut dinyatakan menjadi hak karyawan.

*These gains or losses are recognized on a straight-line basis over the expected average remaining working lives of the employees. Furthermore, past service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the years until the benefits concerned become vested.*

Program iuran pasti adalah program imbalan pasca masa kerja dimana Perusahaan membayar sejumlah iuran tertentu kepada suatu entitas terpisah.

*A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity.*

Perusahaan tidak memiliki liabilitas hukum atau liabilitas konstruktif untuk membayar iuran lebih lanjut jika entitas tersebut tidak memiliki aset yang cukup untuk membayar seluruh imbalan pasca kerja sebagai imbalan atas jasa yang diberikan karyawan pada tahun berjalan dan tahun lalu. Iuran tersebut diakui sebagai biaya imbalan karyawan ketika terutang.

*The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior years. The contributions are recognized as employee benefits expense when they are due.*

**Imbalan kerja jangka panjang lainnya**

**Other long-term employee benefits**

Imbalan kerja jangka panjang lainnya, yang terdiri dari penghargaan masa kerja dan cuti berimbalan jangka panjang, diakui di laporan posisi keuangan konsolidasian berdasarkan nilai kini dari kewajiban imbalan pasti.

*Other long-term employee benefits, which consist of long service rewards and long leave benefits, are recognized in the consolidated statements of financial position at the present value of the defined benefit obligation.*

Keuntungan dan kerugian aktuarial dan biaya jasa lalu diakui secara langsung di laporan laba rugi komprehensif konsolidasian.

*The related actuarial gains and losses and past service costs are recognized immediately in the consolidated statements of comprehensive income.*

**Pesangon pemutusan kontrak kerja**

**Termination benefits**

Pesangon pemutusan kontrak terutang ketika karyawan dihentikan kontrak kerjanya sebelum usia pensiun normal. Perusahaan mengakui pesangon pemutusan kontrak kerja ketika Perusahaan menunjukkan komitmennya untuk memberhentikan kontrak kerja dengan karyawan berdasarkan suatu rencana formal terperinci yang kecil kemungkinan untuk dibatalkan.

*Termination benefits are payable when an employee's employment is terminated before the normal retirement date. The Company recognizes termination benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan with a low possibility of withdrawal.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**s. Modal Saham**

Biaya tambahan yang secara langsung dapat diatribusikan kepada penerbitan saham biasa atau opsi disajikan pada ekuitas sebagai pengurang penerimaan, setelah dikurangi pajak.

Ketika entitas Grup membeli modal saham ekuitas entitas (saham treasury), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas entitas sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan pada ekuitas yang dapat diatribusikan kepada pemilik ekuitas entitas.

**t. Pengakuan Pendapatan dan Beban**

Pendapatan diakui pada saat barang dikirim ke pelanggan, sedangkan beban diakui pada saat terjadinya (*accrual basis*).

**u. Pajak Penghasilan dan Tangguhan**

Beban pajak terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Beban pajak penghasilan pada laporan keuangan diakui berdasarkan estimasi manajemen atas nilai rata-rata tertimbang tarif pajak penghasilan tahunan yang diharapkan untuk keseluruhan periode keuangan.

**s. Share Capital**

*Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net off tax, from the proceeds.*

*When Group purchases the company's share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net off income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.*

**t. Revenue and Expenses Recognition**

*Revenue from sales is recognized when the goods are delivered to the customers. Expenses are recognized when incurred (accrual basis).*

**u. Current and Deferred Income taxes**

*The tax expense comprises current and deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.*

*Income tax expense in the financial statement is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**u. Pajak Penghasilan dan Tangguhan (lanjutan)**

**u. Current and Deferred Income Taxes (continued)**

Beban pajak kini dihitung berdasarkan peraturan perpajakan yang berlaku pada tanggal pelaporan keuangan, di negara dimana perusahaan dan entitas anak beroperasi dan menghasilkan pendapatan kena pajak.

*The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income.*

Manajemen secara periodik mengevaluasi posisi yang dilaporkan di Surat Pemberitahuan Tahunan (SPT) sehubungan dengan situasi di mana aturan pajak yang berlaku membutuhkan interpretasi. Jika perlu, manajemen menentukan provisi berdasarkan jumlah yang diharapkan akan dibayar kepada otoritas pajak.

*Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.*

Pajak penghasilan tangguhan diakui, dengan menggunakan metode *balance sheet liability* untuk semua perbedaan temporer antara dasar pengenaan pajak aset dan liabilitas dengan nilai tercatatnya pada laporan keuangan.

*Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.*

Namun, liabilitas pajak penghasilan tangguhan tidak diakui jika berasal dari pengakuan awal *goodwill* atau pada saat pengakuan awal aset dan liabilitas yang timbul dari transaksi selain kombinasi bisnis yang pada saat transaksi tersebut tidak mempengaruhi laba rugi akuntansi dan laba rugi kena pajak.

*However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.*

Pajak penghasilan tangguhan ditentukan dengan menggunakan tarif pajak yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan dan diharapkan diterapkan ketika aset pajak penghasilan tangguhan direalisasi atau liabilitas pajak penghasilan tangguhan diselesaikan.

*Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting period and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.*

Aset pajak penghasilan tangguhan diakui hanya jika besar kemungkinan jumlah penghasilan kena pajak di masa depan akan memadai untuk dikompensasi dengan perbedaan temporer yang masih dapat dimanfaatkan.

*Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**u. Pajak Penghasilan dan Tangguhan (lanjutan)**

Atas perbedaan temporer dalam investasi pada entitas anak dan asosiasi dibentuk pajak penghasilan tangguhan, kecuali untuk liabilitas pajak penghasilan tangguhan dimana saat pembalikan perbedaan sementara dikendalikan oleh Perusahaan dan sangat mungkin perbedaan temporer tersebut tidak akan dibalik di masa mendatang.

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas pajak penghasilan tangguhan dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

**Pengampunan pajak**

Aset pengampunan pajak diakui sebesar biaya perolehan aset pengampunan pajak. Liabilitas pengampunan pajak diakui sebesar kewajiban kontraktual untuk menyerahkan kas atau setara kas untuk menyelesaikan kewajiban yang berkaitan langsung dengan perolehan aset pengampunan pajak.

Perusahaan mengakui selisih antara aset pengampunan pajak dan liabilitas pengampunan pajak sebagai bagian dari tambahan modal disetor di ekuitas.

Aset dan liabilitas pengampunan pajak disajikan sesuai dengan aset dan liabilitas serupa lainnya, karena aset dan liabilitas tersebut telah diukur dengan dasar yang sama, sehingga tidak disajikan secara terpisah.

Uang tebusan pengampunan pajak dan uang muka pajak yang tidak dapat dikreditkan dan/ atau direstitusi sebagai akibat mengikuti program Pengampunan Pajak dibebankan ke laba rugi tahun berjalan.

**u. Current and Deferred Income Taxes (continued)**

*Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reversed in the foreseeable future.*

*Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.*

**Tax amnesty**

*Tax amnesty assets are measured at acquisition cost based on tax amnesty letter. Tax amnesty liabilities are measured at contractual obligation to deliver cash or cash equivalents to settle the obligations directly related to the acquisition of tax amnesty assets.*

*The Company recognise the difference between assets and liabilities of tax amnesty as part of additional paid in capital in equity.*

*Tax amnesty on assets and liabilities are presented in accordance with other similar assets and liabilities, since the assets and liabilities have been measured on the same basis, so they are not presented separately.*

*The tax redemption money (i.e. the amount of tax paid in accordance with Tax Amnesty law) and prepaid taxes which cannot be credited and/ or refunded as a consequence of taking part in the Tax Amnesty program is directly charged to current period income statements.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**v. Aset Dimiliki Tersedia Untuk Dijual**

Sesuai PSAK 58 (Revisi 2009) "Aset Tidak Lancar yang dimiliki untuk dijual dan operasi yang dihentikan", Entitas dapat mengklasifikasikan suatu aset sebagai dimiliki untuk dijual jika jumlah tercatatnya akan dipulihkan terutama melalui transaksi penjualan daripada pemakaian berlanjut, yang dalam hal ini aset harus berada dalam keadaan dapat dijual dengan syarat-syarat yang biasa dan umum diperlukan dalam penjualan aset tersebut dan penjualannya harus sangat mungkin terjadi (*highly probable*).

Aset yang memenuhi kriteria sebagai dimiliki untuk dijual diukur pada nilai yang lebih rendah antara jumlah tercatat dan nilai wajar setelah dikurangi biaya untuk menjual, dan penyusutan atas aset tersebut dihentikan. Aset dimiliki tersedia untuk dijual disajikan secara terpisah dalam laporan posisi keuangan dan hasil dari operasi yang dihentikan disajikan secara terpisah dalam laporan laba rugi komprehensif.

**w. Properti Investasi**

Perusahaan menerapkan PSAK 13 (Revisi 2015), "Properti Investasi". Properti investasi merupakan tanah atau bangunan yang dimiliki untuk sewa operasi atau kenaikan nilai, dan tidak digunakan maupun dijual dalam kegiatan operasi.

Properti investasi dinyatakan sebesar biaya perolehan termasuk biaya transaksi dikurangi akumulasi penyusutan dan penurunan nilai, kecuali tanah yang tidak disusutkan. Jumlah tercatat termasuk bagian biaya penggantian dari properti investasi yang ada pada saat terjadinya biaya, jika kriteria pengakuan terpenuhi; dan tidak termasuk biaya harian penggunaan properti investasi.

Penyusutan bangunan dan prasarana dihitung dengan menggunakan metode garis lurus selama umur manfaat aset selama 20 tahun.

**v. Asset Available For Sale**

*In accordance with PSAK 58 (Revised 2009) " Non-Current Assets Held for Sale and Discontinued Operations ", that entity can classify an asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than use continues, in this case the asset must be in a state can be sold with the terms of the ordinary and commonly needed in the asset sales and the sale must be highly likely (highly probable).*

*Assets that fulfill the criteria as available for sale are measured at the lower value between the carrying amount and fair value net of costs to sell, and depreciation on those assets is stopped. Assets available for sale are presented separately in the statement of financial position and results of discontinued operations are presented separately in the statement of comprehensive income.*

**w. Investment Properties**

*The Company adopt PSAK 13 (Revised 2015), "Investment Properties". Investment properties represents land or building held for operating lease or for capital appreciation, rather than use or sale in the ordinary course of business.*

*Investment property is stated at cost including transaction costs less accumulated depreciation and impairment losses, except for land which is not depreciated. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.*

*Depreciation of buildings and infrastructure is computed using the straight-line method based on estimated useful lives of the assets for 20 years.*

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING 2.**  
(lanjutan)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**w. Properti Investasi (lanjutan)**

Properti investasi dihentikan pengakuannya pada saat pelepasan atau ketika properti investasi tersebut tidak digunakan lagi secara permanen dan tidak memiliki manfaat ekonomis di masa depan yang dapat diharapkan pada saat pelepasannya. Laba atau rugi yang timbul dari penghentian atau pelepasan properti investasi diakui dalam laporan laba rugi pada tahun terjadinya penghentian atau pelepasan tersebut.

**w. Investment Properties (continued)**

*Investment property is derecognized when either it has been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.*

**x. Aset Tidak berwujud**

Aset tak berwujud yang dianggap memiliki masa manfaat ekonomis terbatas diamortisasi dengan menggunakan metode garis lurus berdasarkan ekspektasi masa manfaat.

**x. Intangible Assets**

*Intangible assets that are considered to have a finite economic useful life are amortised on a straight line basis over the period of expected benefit.*

Amortisasi dimulai pada saat aset tersedia untuk digunakan dan dicatat sebagai beban amortisasi, dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomis yang menghasilkan persentase amortisasi tahunan dari harga perolehan atau nilai wajar sebagai berikut:

*Amortisation commences from the date when the assets are available for use and recognised as amortisation expenses, using the straight-line method over their estimated economic useful lives and results in the following annual percentages of cost:*

	<b>Persentase/ Percentage</b>	<b>Tahun/ Year</b>	
Merk	5%	20	Brand
Software	25%	4	Software

**y. Laba per saham**

Perusahaan menerapkan PSAK No. 56 "Laba per Saham". Informasi segmen disusun sesuai dengan kebijakan akuntansi yang dianut dalam penyusunan dan penyajian laporan keuangan. Laba per saham dasar dihitung dengan membagi jumlah laba tahun yang berjalan dengan jumlah rata-rata tertimbang saham biasa yang beredar sepanjang periode pelaporan.

**y. Earnings per share**

*The Company applies PSAK No. 56 "Earnings per Share". Segment information is prepared in accordance with the accounting policies adopted for preparing and presenting the financial statements. Basic earnings per share is calculated by dividing the number of current year profit by the weighted average number of ordinary shares outstanding during the reporting period.*

**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI 3. PENTING**

Dalam penerapan kebijakan akuntansi Perusahaan, manajemen harus membuat estimasi, pertimbangan dan asumsi atas nilai tercatat aset dan liabilitas yang tidak tersedia oleh sumber-sumber lain. Estimasi dan asumsi tersebut adalah berdasarkan pengalaman historis dan faktor lain yang dipertimbangkan relevan.

Perusahaan berkeyakinan bahwa pengungkapan mencakup pertimbangan, estimasi dan asumsi yang dibuat oleh manajemen, yang berpengaruh terhadap jumlah-jumlah yang dilaporkan serta pengungkapan dalam laporan keuangan konsolidasian.

**Pertimbangan**

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

**a. Klasifikasi Aset Keuangan dan Liabilitas Keuangan**

Perusahaan menentukan klasifikasi aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan menilai apakah aset dan liabilitas tersebut memenuhi definisi yang ditetapkan dalam PSAK No. 55 (Revisi 2011). Aset keuangan dan liabilitas keuangan dicatat sesuai dengan kebijakan akuntansi Perusahaan sebagaimana diungkapkan dalam Catatan 2f.

**b. Cadangan Penurunan Nilai Aset Keuangan**

Penyisihan kerugian penurunan nilai pinjaman yang diberikan dan piutang dicadangkan pada suatu jumlah yang menurut pertimbangan manajemen adalah memadai untuk menutup kemungkinan tidak tertagihnya aset keuangan. Pada setiap tanggal laporan posisi keuangan konsolidasian, Perusahaan secara spesifik menelaah apakah telah terdapat bukti objektif bahwa suatu aset keuangan telah mengalami penurunan nilai (tidak tertagih).

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

*In the implementation of Company's accounting policies, requires management to make estimation, judgement and assumptions over the carrying amount of assets and liabilities which is not available from the other sources. Estimation and assumptions are based on historical experience and other factors that considered relevant.*

*The Company believes that the disclosure includes all judgements, estimations and assumption are made by management, that have effect to the amounts reported and disclosed in the consolidated financial statements.*

**Judgements**

*The following judgements are made by management in the process of implementation of Company accounting policies that have the most effect to the amount recognized in the consolidated financial statements:*

**a. Classification of Financial Assets and Liabilities**

*The Company determines the classification of certain assets and liabilities as financial assets and financial liabilities through the assessment of whether the assets and liabilities are meet the definition set forth in PSAK No. 55 (Revised 2011). Financial assets and financial liabilities recorded in accordance with Company accounting policies as disclosed in Note 2f.*

**b. Provision for Impairment of Financial Assets**

*Provision for impairment of loans and receivables are provided at an amount which in the opinion of management is adequate to cover any possibility of uncollectible of financial assets. At each consolidated statements of financial position date, the Company specifically examined whether there is objective evidence that a financial asset has been impaired (not collectible).*



**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI 3. PENTING (lanjutan)**

**b. Cadangan Penurunan Nilai Aset Keuangan (lanjutan)**

Penelaahan tersebut dilakukan dengan memprediksi arus kas masuk dan menghitung nilai kini dengan menggunakan tingkat diskonto yang sesuai dengan kondisi aset keuangan pada tanggal laporan posisi keuangan konsolidasian.

Aset keuangan mengalami penurunan nilai jika bukti objektif menunjukkan bahwa peristiwa yang merugikan telah terjadi setelah pengakuan awal aset keuangan, dan peristiwa tersebut berdampak pada arus kas masa datang atas aset keuangan yang dapat diestimasi secara handal.

Perusahaan menentukan bukti penurunan nilai atas piutang secara kolektif karena manajemen yakin bahwa piutang memiliki risiko kredit, antara lain kemungkinan kesulitan likuiditas atau kesulitan keuangan yang signifikan yang dialami oleh debitur atau penundaan pembayaran yang signifikan.

Ketika peristiwa yang terjadi setelah penurunan nilai diakui menyebabkan kerugian penurunan nilai berkurang, kerugian penurunan nilai sebelumnya diakui harus dipulihkan dan pemulihan tersebut diakui pada laporan laba rugi komprehensif konsolidasian.

**Estimasi dan Asumsi**

Perubahan tersebut tercermin dalam asumsi ketika keadaan tersebut terjadi:

**a. Nilai Wajar Aset Keuangan dan Liabilitas Keuangan**

Standar Akuntansi Keuangan di Indonesia berdasarkan PSAK 68 (Revisi 2013), "Pengukuran Nilai Wajar", mensyaratkan pengukuran aset keuangan dan liabilitas keuangan tertentu pada nilai wajarnya, dan penyajian ini mengharuskan penggunaan estimasi. Komponen pengukuran nilai wajar yang signifikan ditentukan berdasarkan bukti-bukti objektif yang dapat diverifikasi (seperti nilai tukar, suku bunga), sedangkan saat dan besaran perubahan nilai wajar dapat menjadi berbeda karena penggunaan metode penilaian yang berbeda.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**b. Provision for Impairment of Financial Assets (continued)**

The above examination is perform based on cash inflow projection and then calculate the present value using applicable discount rate at the consolidated statement of comprehensive income date.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the financial assets, and that loss event has an impact on the future cash flows on the financial assets that can be estimated reliably.

The Company determines evidence of impairment for receivable at a collective level because the management believes that receivables have similar credit risk, among others, the possibility of liquidity problems or significant financial difficulties experienced by debtor or a significant delay in payment.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through consolidated statements of comprehensive income.

**Estimation and Assumption**

The changes are reflected in the assumptions as if:

**a. Fair Value of Financial Assets and Liabilities**

Financial Accounting Standards in Indonesia based on PSAK 68 (Revised 2013), "Measurement of Fair Value", requires the measurement of certain financial assets and liabilities at fair value, and this presentation requires the use of estimates. Components of fair value measurement is significantly determined on the basis of objective evidence that can be verified (such as exchange rates, interest rates), while the time and magnitude of change in fair value may be different due to the use of different assessment methods.

**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI 3. PENTING (lanjutan)**

**a. Nilai Wajar Aset Keuangan dan Liabilitas Keuangan (lanjutan)**

Perusahaan menggunakan pertimbangan dalam menentukan berbagai metode dan asumsi yang terutama berdasarkan kondisi pasar yang ada pada tiap akhir periode pelaporan. Perusahaan telah menggunakan analisis arus kas yang didiskontokan untuk berbagai aset keuangan tersedia untuk dijual yang tidak diperdagangkan pada pasar aktif.

**b. Imbalan Pensiun**

Program-program pensiun ditentukan berdasarkan perhitungan dari aktuaria. Perhitungan aktuaria menggunakan asumsi-asumsi seperti tingkat diskonto, tingkat pengembalian investasi, tingkat kenaikan gaji, tingkat kematian, tingkat pengunduran diri dan lain-lain (lihat Catatan 2r). Perubahan asumsi ini akan mempengaruhi nilai liabilitas pensiun.

Perusahaan menentukan tingkat diskonto yang sesuai pada akhir periode pelaporan, yakni tingkat suku bunga yang harus digunakan untuk menentukan nilai kini arus kas keluar masa depan estimasian yang diharapkan untuk menyelesaikan liabilitas pensiun. Dalam menentukan tingkat suku bunga yang sesuai, Perusahaan mempertimbangkan tingkat suku bunga obligasi pemerintah yang didenominasikan dalam mata uang imbalan yang akan dibayar dan memiliki jangka waktu yang serupa dengan jangka waktu liabilitas pensiun yang terkait.

Asumsi kunci liabilitas pensiun lainnya sebagian ditentukan berdasarkan kondisi pasar saat ini.

**4. PENYAJIAN KEMBALI LAPORAN KEUANGAN**

Pada tanggal 8 Desember 2015, PT Panca Budi Idaman membeli saham dalam portepel yang dikeluarkan oleh PT Panca Budi Pratama sebanyak 20.000 lembar saham dengan nilai nominal Rp1.000.000 per saham sehingga nilai transaksi Rp20.000.000.000 dengan persentase kepemilikan sebesar 95,24%.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**a. Fair Value of Financial Assets and Liabilities (continued)**

*The Company uses consideration in determining a variety of methods and assumptions, mainly based on existing market conditions at the end of each reporting period. The Company has used discounted cash flow analysis of its financial assets available for sale, which are not available in active markets.*

**b. Employee Benefits**

*Retirement programs are determined based on actuarial calculations. Actuarial using assumptions such as discount rate, return on investment rate, salary increases rate, mortality rate, levels of resignation and others (see Note 2r). Changes in these assumptions will affect the value of pension liabilities.*

*Company determines the appropriate discount rate at the end of the reporting period, the interest rate should be used to determine the estimated present value of future cash outflows expected to settle pension liabilities. In determining the appropriate level of interest rates, the Company consider the interest rates of government bonds denominated in the currency exchange paid and have a similar time period with a period of pension-related liabilities.*

*Key assumption of most other pension liabilities are determined based on current market conditions.*

**4. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

*On December 8, 2015, PT Panca Budi Idaman bought shares in the portfolio issued by PT Panca Budi Pratama for 20,000 shares with fair value Rp1,000,000 per shares with total transaction value of Rp20,000,000,000 with percentage of the ownership is 95.24%.*

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
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 serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
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 pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
 (Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
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**4. PENYAJIAN KEMBALI LAPORAN KEUANGAN 4. KONSOLIDASIAN (lanjutan)**

Berdasarkan Akta No. 18 tanggal 8 Desember 2015 yang dibuat dihadapan Notaris Martina, S.H., Perusahaan melakukan penambahan investasi pada saham PT Panca Budi Niaga sebanyak 20.000 lembar saham dengan nilai nominal Rp1.000.000 per saham dengan nilai transaksi sebesar Rp20.000.000.000, sehingga kepemilikan PT Panca Budi Idaman terhadap PT Panca Budi Niaga sebelumnya 90% menjadi 99,52%.

Berdasarkan akta No. 15 tanggal 31 Agustus 2015 yang dibuat di hadapan Esther, S.H., M.Kn. bahwa Perusahaan telah menjual dan mengalihkan seluruh sahamnya di PT Polytech Indo Hausen kepada PT Alphen Internasional Corporindo sebanyak 4.999 lembar saham, dengan harga nominal Rp1.000.000 sehingga nilai keseluruhan menjadi Rp4.999.000.000, selanjutnya pada tanggal 14 Desember 2015 Perusahaan membeli kembali dari PT Alphen Internasional Corporindo berdasarkan akta No. 09 yang dibuat di hadapan Esther, S.H., M.Kn., sebanyak 4.999 lembar saham, dengan harga nominal Rp1.000.000 sehingga nilai keseluruhan menjadi Rp4.999.000.000.

Pembelian saham dalam portepel tersebut merupakan transaksi restrukturisasi entitas sepengendali, oleh karenanya dicatat dengan metode penyatuan kepentingan sesuai dengan PSAK 38 (Revisi 2012), "Kombinasi Bisnis Entitas Sepengendali". Kelompok usaha secara retrospektif menerapkan PSAK No. 38, oleh karena itu, laporan keuangan konsolidasian tanggal 31 Desember 2014 dan 2013 disajikan kembali seolah-olah akuisisi terjadi sejak tahun 2013.

Laporan posisi keuangan konsolidasian sebelum dan sesudah penyajian kembali pada tanggal 31 Desember 2014 adalah sebagai berikut:

**RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Based on Notarial Deed No. 18 dated December 8, 2015 made before Notary Martina, S.H., the Company performed replenishment of investment on shares of PT Panca Budi Niaga for 20,000 shares with fair value Rp1,000,000 per shares with total transaction value of Rp20,000,000,000, till the ownership of PT Panca Budi Idaman on PT Panca Budi Niaga increase from 90% to 99.52%.

Based on Notarial Deed No. 15 dated August 31, 2015 made before Esther, S.H., M.Kn stated that the Company sold and divert all its shares in PT Polytech Indo Hausen to PT Alphen Internasional Corporindo for 4,999 shares with nominal value Rp1,000,000,000 per shares so the total value is Rp4,999,000,000, and on December 14, 2015 the Company has bought back from PT Alphen Internasional Corporindo based on deed No. 09 made before Esther, S.H., M.Kn., for 4,999 shares, with nominal value Rp1,000,000 until all of Rp4,999,000,000.

Purchase of shares in the portfolio is a restructuring transaction between entities under common control, therefore accounted for by the pooling of interest method in accordance with PSAK No. 38 (Revised 2012), "Business Combinations of Entities Under Common Control". The business group retrospectively applied PSAK No. 38, therefore, the consolidated financial statements dated December 31, 2014 and 2013 are restated as if the acquisition occurred since 2013.

The consolidated statement of financial position as of December 31, 2014 before and after restatement are as follows:

**Pengaruh Penerapan PSAK 38 (Revisi 2012)**

**Menambah (Mengurangi)/**  
*Effects of Adoption of*  
**PSAK 38 (Revised 2012)**  
*Add (Deduct)*

**Dilaporkan Sebelumnya/**  
*As previously reported*

**Disajikan Kembali/**  
*As Restated*

**31 Desember 2014/**  
*December 31, 2014*

**Aset/ Asset**

Jumlah aset lancar/ *Total*  
*current assets*

348.620.124

265.368.429

613.988.553

Jumlah aset tidak lancar/  
*Total non current assets*

90.077.739

158.217.372

248.295.111

**Jumlah aset/ Total assets**

**438.697.863**

**423.585.801**

**862.283.664**

**4. PENYAJIAN KEMBALI LAPORAN KEUANGAN KONSOLIDASIAN (lanjutan)** **4. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

	<b>Pengaruh Penerapan PSAK 38 (Revisi 2012)</b>		
	<b>Menambah (Mengurangi)/</b>		
	<i>Effects of Adoption of</i>		
	<i>PSAK 38 (Revised 2012)</i>		
	<i>Add (Deduct)</i>		
<b>Dilaporkan Sebelumnya/</b>			<b>Disajikan Kembali/</b>
<i>As previously reported</i>			<i>As Restated</i>
<b>31 Desember 2014/</b>			
<i>December 31, 2014</i>			
<b>Liabilitas dan Ekuitas/</b>			
<i>Liabilities and Equity</i>			
<b>Liabilitas/ Liabilities</b>			
Jumlah Liabilitas Jangka			
Pendek/ Total current			
<i>liabilities</i>	388.187.648	308.353.517	696.541.165
Jumlah Liabilitas Jangka			
Panjang/ Total non-current			
<i>liabilities</i>	18.462.746	18.127.263	36.590.009
<b>Jumlah liabilitas/ Total</b>			
<i>liabilities</i>	<b>406.650.394</b>	<b>326.480.780</b>	<b>733.131.174</b>
Modal/ Equity	20.000.000	-	20.000.000
Modal proforma/			
<i>Proforma equity</i>	-	94.796.785	94.796.785
Pendapatan komprehensif			
lain/ Other comprehensive			
<i>income</i>	2.613.977	-	2.613.977
Saldo laba/ Retained			
<i>earnings</i>	7.783.331	2.307.774	10.091.105
	30.397.308	97.104.559	127.501.867
Kepentingan non-			
pengendali/ Non-controlling			
<i>interest</i>	1.650.162	462	1.650.624
<b>Jumlah ekuitas/ Total equity</b>	<b>32.047.470</b>	<b>97.105.021</b>	<b>129.152.491</b>

Penambahan jumlah aset sebesar Rp423.585.801, jumlah liabilitas sebesar Rp326.480.780 dan jumlah ekuitas sebesar Rp97.105.021 adalah berasal dari aset, liabilitas dan ekuitas anak-anak perusahaan yang diakuisisi pada tahun 2015 yang disajikan seolah-olah akuisisi terjadi sejak tahun 2014 sesuai dengan PSAK 38, setelah dilakukan eliminasi.

Additional total of assets amounted to Rp423,585,801, total liability amounted to Rp326,480,780 and total equity amounted to Rp97,105,021 are from assets, liabilities and equities of subsidiaries that acquired on 2015 are presented as if acquisition happened since 2014 according to PSAK 38, after elimination.

Penyesuaian Modal Proforma sebesar Rp97.105.021 adalah merupakan ekuitas dari anak-anak perusahaan pada tahun 2014 sebelum dilakukan akuisisi.

Adjustment of Proforma Capital amounted to Rp97,105,021 is equity from subsidiaries at 2014 before acquisition.

**4. PENYAJIAN KEMBALI LAPORAN KEUANGAN 4.**  
**KONSOLIDASIAN (lanjutan)**

**RESTATEMENT OF THE CONSOLIDATED FINANCIAL**  
**STATEMENTS (continued)**

Laporan laba rugi konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2014, sebelum dan sesudah penyajian kembali adalah sebagai berikut:

The consolidated comprehensive income statement for the year ended December 31, 2014 before and after restatement are as follows:

**Pengaruh Penerapan PSAK**  
**38 (Revisi 2012)**

**Menambah (Mengurangi)/**

*Effects of Adoption of PSAK 38*

**Dilaporkan Sebelumnya/**  
*As previously reported*

**(Revised 2012)**  
*Add (Deduct)*

**Disajikan Kembali/**  
*As Restated*

Pendapatan usaha bersih/ <i>Net Revenue</i>	1.354.459.102	863.677.018	2.218.136.120
Laba bruto/ <i>Gross Profit</i>	89.847.777	60.103.779	149.951.556
Laba Usaha/ <i>Operating profit</i>	28.309.076	23.625.779	51.934.855

Penambahan jumlah penjualan sebesar Rp863.677.018, jumlah laba bruto sebesar Rp60.103.779, dan jumlah laba usaha sebesar Rp23.625.779 adalah berasal dari penjualan, laba bruto dan laba (rugi) usaha anak perusahaan yang diakuisisi pada tahun 2015 yang disajikan seolah-olah akuisisi terjadi sejak tahun 2014 sesuai dengan PSAK 38, setelah dilakukan eliminasi.

Additional total sales amounted to Rp863,677,018, total gross profit amounted to Rp60,103,779 and total operating profit amounted to Rp23,625,779 are from purchasing, gross profit and operating profit from subsidiaries that acquired on 2015 which represented as if the acquisition on 2014 according with PSAK 38 after elimination.

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30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
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**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
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**5. KAS DAN SETARA KAS**

**5. CASH AND CASH EQUIVALENTS**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Kas</b>					<b>Cash</b>
Rupiah	1.300.135	1.469.165	1.095.345	617.371	Rupiah
Dolar Amerika	532.783	537.463	492.716	619.649	US Dollar
Euro	57.575	89.157	32.174	49.032	Euro
Dolar Singapura	18.059	21.388	-	1.389	Singapore Dollar
Thailand Baht	13.239	15.001	-	-	Thailand Baht
Peso Philipina	8.919	-	-	-	Peso Philipina
Poundsterling					Great Britain
Inggris	8.436	19.728	52.578	71.833	Poundsterling
Dolar Taiwan	6.759	6.424	6.457	6.047	Taiwanese Dollar
Kroner Denmark	440	419	1.393	1.402	Danish Krone
Dirham Uni					Dirham Uni
Emirat Arab	283	285	293	265	Emirat Arab
Dolar Australia	115	111	70.614	10.320	Australian Dollar
Ringgit Malaysia	-	-	-	477	Malaysian Ringgit
<b>Jumlah Kas</b>	<b>1.946.743</b>	<b>2.159.141</b>	<b>1.751.570</b>	<b>1.377.785</b>	<b>Total Cash</b>
<b>Bank</b>					<b>Bank</b>
<b>Pihak Ketiga</b>					<b>Third Parties</b>
<b>Rupiah</b>					<b>Rupiah</b>
PT Bank Mandiri					PT Bank Mandiri
(Persero) Tbk	4.259.959	3.506.027	2.559.559	1.463.503	(Persero) Tbk
PT Bank Central					PT Bank Central
Asia Tbk	4.123.844	3.061.851	985.741	867.813	AsiaTbk
PT Bank CIMB Niaga					PT Bank CIMB Niaga
Tbk	1.294.169	1.015.373	54.618	3.203	Tbk
PT Bank Permata Tbk	954.381	61.316	130.813	1.162.073	PT Bank Permata Tbk
PT Bank Rakyat					PT Bank Rakyat
Indonesia (Persero)					Indonesia
Tbk	583.199	281.262	666.800	88.341	(Persero)Tbk
PT Bank Negara					PT Bank Negara
Indonesia (Persero)					Indonesia
Tbk	313.318	123.625	119.845	10.407	(Persero)Tbk
PT Bank Ekonomi					PT Bank Ekonomi
Rahardja Tbk	200.328	245.330	1.734.295	964.379	Rahardja Tbk
PT Bank Mega Tbk	133.340	378.629	186.478	10.111	PT Bank Mega Tbk
					PT Bank Rabobank
PT Bank Rabobank					International
International Indonesia	100.658	105.016	310.830	109.957	Indonesia
PT Bank Index Selindo	71.229	39.578	37.007	-	PT Bank Index Selindo
PT Bank UOB Buana					PT Bank UOB
Tbk	54.726	94.930	101.958	9.631	Buana Tbk
<b>Jumlah dipindahkan</b>	<b>12.089.151</b>	<b>8.912.937</b>	<b>6.887.944</b>	<b>4.689.418</b>	<b>Balance brought forward</b>

**5. KAS DAN SETARA KAS (lanjutan)**

**5. CASH AND CASH EQUIVALENTS (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Jumlah pindahan</b>	<b>12.089.151</b>	<b>8.912.937</b>	<b>6.887.944</b>	<b>4.689.418</b>	<b>Balance carried forward</b>
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	13.028	79.096	4.545	112.525	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
PT Bank Multiarta Sentosa	950	-	-	-	PT Bank Multiarta Sentosa
Standard Chartered The Hongkong and Shanghai Banking Corporation Limited	-	-	-	167.543	Standard Chartered The Hongkong and Shanghai Banking Corporation Limited
	-	-	125.804	282.821	
<b>Sub jumlah Bank – Rupiah</b>	<b>12.103.129</b>	<b>8.992.033</b>	<b>7.018.293</b>	<b>5.252.307</b>	<b>Sub total Bank – Rupiah</b>
<b><u>Dolar Amerika</u></b>					<b><u>U.S. Dollar</u></b>
PT Bank Central Asia Tbk	3.143.148	4.269.949	3.275.957	28.904.015	PT Bank Central Asia Tbk
PT Bank Permata Tbk	1.425.612	203.410	402.853	324.155	PT Bank Permata Tbk
PT Bank Danamon Indonesia Tbk	67.197	25.917	410.419	455.202	PT Bank Danamon Indonesia Tbk
PT Bank Rakyat Indonesia Tbk	-	978.610	-	-	PT Bank Rakyat Indonesia Tbk
The Hongkong and Shanghai Banking Corporation Limited	-	-	309.752	347.230	The Hongkong and Shanghai Banking Corporation Limited
<b>Sub jumlah Bank – Dolar Amerika</b>	<b>4.635.957</b>	<b>5.477.886</b>	<b>4.398.981</b>	<b>30.030.602</b>	<b>Sub total Bank – U.S. Dollar</b>
<b><u>Euro</u></b>					<b><u>Euro</u></b>
PT Bank Permata Tbk	17.479	14.702	24.403	20.754	PT Bank Permata Tbk
<b>Sub jumlah Bank – Euro</b>	<b>17.479</b>	<b>14.702</b>	<b>24.403</b>	<b>20.754</b>	<b>Sub total Bank – Euro</b>
<b><u>Poundsterling Inggris</u></b>					<b><u>Great Britain Poundsterling</u></b>
PT Bank Danamon Indonesia Tbk	121.593	22.504	45.288	36.051	PT Bank Danamon Indonesia Tbk
PT Bank Permata Tbk	-	-	138.509	124.604	PT Bank Permata Tbk
<b>Sub jumlah Bank – Poundsterling Inggris</b>	<b>121.593</b>	<b>22.504</b>	<b>183.797</b>	<b>160.655</b>	<b>Sub total Bank – Great Britain Poundsterling</b>
<b>Jumlah Bank</b>	<b>16.878.158</b>	<b>14.507.125</b>	<b>11.625.474</b>	<b>35.464.318</b>	<b>Total Bank</b>

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
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**5. KAS DAN SETARA KAS (lanjutan)**

**5. CASH AND CASH EQUIVALENTS (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
<b><u>Deposito - Rupiah</u></b>				
PT Bank Ekonomi				
Rahardja Tbk	-	5.244.644	2.500.000	-
<b>Jumlah Deposito</b>	<b>-</b>	<b>5.244.644</b>	<b>2.500.000</b>	<b>-</b>
<b>Jumlah Kas dan Setara</b>				
<b>Kas</b>	<b>18.824.901</b>	<b>21.910.910</b>	<b>15.877.044</b>	<b>36.842.103</b>

**Deposito - Rupiah**

PT Bank Ekonomi

Rahardja Tbk

**Total Deposito**

**Total Cash and  
Cash Equivalents**

Suku bunga per tahun setara kas yang berlaku selama periode berjalan adalah sebagai berikut:

The annual interest rates of the cash equivalents during the period are as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
Dolar AS	0% - 0,25%	0,1% - 0,3%	0,1% - 0,5%	0,1% - 0,5%
Jasa Giro – Rupiah	0,5% - 1,5%	0,5% - 1,5%	0,5% - 1,5%	-
Deposito – Rupiah	-	7% - 8%	7% - 8%	-

Interest bank account –  
U.S. Dollar

Bank Account Interest –  
Rupiah

Time Deposit – Rupiah

Seluruh rekening bank dan deposito berjangka ditempatkan pada bank pihak ketiga.

All bank accounts and time deposits are placed in third parties banks.

**6. DANA YANG DIBATASI PENGGUNAANNYA**

**6. RESTRICTED DEPOSIT**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
<b><u>Rupiah</u></b>				
PT Bank Central				
Asia Tbk	5.935.703	11.008.935	7.760.000	2.000.000
<b>Sub jumlah - Rupiah</b>	<b>5.935.703</b>	<b>11.008.935</b>	<b>7.760.000</b>	<b>2.000.000</b>
<b><u>Dolar Amerika</u></b>				
PT Bank Central				
Asia Tbk	15.241.985	13.072.556	19.022.501	19.865.190
PT Bank Permata Tbk	370.876	299.237	-	224.417
<b>Sub jumlah – Dolar Amerika</b>	<b>15.612.861</b>	<b>13.371.793</b>	<b>19.022.501</b>	<b>20.089.607</b>
<b>Jumlah Dana Yang Dibatasi Penggunaannya</b>	<b>21.548.564</b>	<b>24.380.728</b>	<b>26.782.501</b>	<b>22.089.607</b>

**Rupiah**

PT Bank Central

Asia Tbk

**Sub total - Rupiah**

**U.S. Dollar**

PT Bank Central

Asia Tbk

PT Bank Permata Tbk

**Sub total - U.S. dollar**

**Total Restricted  
Deposit**

Dana yang dibatasi penggunaannya merupakan dana dalam bentuk deposito yang dimiliki Grup sebagai jaminan pinjaman bank di PT Bank Central Asia Tbk dan PT Bank Permata Tbk (lihat Catatan 18).

Restricted funds are funds held in deposits owned by the Group as collateral for a bank loan to PT Bank Central Asia Tbk and PT Bank Permata Tbk (see Note 18).



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**7. PIUTANG USAHA**

**7. ACCOUNT RECEIVABLES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pihak Ketiga</b>					<b>Third Parties</b>
<b>Rupiah</b>					<b>Rupiah</b>
Toko dan Perorangan	91.654.159	85.665.434	77.339.167	54.815.249	Stores and Individual
PT Kailo Sumber Kasih	4.889.790	4.177.765	3.002.890	-	PT Kailo Sumber Kasih
PT Pandaria Makmur	4.169.330	-	-	-	PT Pandaria Makmur
PT Chandra Asri					PT Chandra Asri
Petrochemical Tbk	4.145.462	2.566.807	548.366	1.114.117	Petrochemical Tbk
PT Coca-Cola					PT Coca-Cola
Bottling Indonesia	3.927.180	3.786.840	4.266.267	458.964	Bottling Indonesia
PT Lotte Chemical					PT Lotte Chemical
Titan Nusantara	3.464.907	1.786.488	4.267.025	5.316.369	Titan Nusantara
PT Tomasa Prima					PT Tomasa Prima
Tunggal	3.094.960	1.945.350	-	-	Tunggal
PT Duta Budi Tulus					PT Duta Budi Tulus
Rejo	2.654.113	1.985.899	1.511.895	-	Rejo
PT Sentosa Industri					PT Sentosa Industri
Plastik	2.569.800	2.109.500	-	-	Plastik
PT Andalan Maju Abadi	2.365.550	-	-	-	PT Andalan Maju Abadi
PT Karunia Sukses					PT Karunia Sukses
Utama	2.190.257	-	1.430.547	-	Utama
PT Wirapetro Plastindo	1.927.420	1.178.265	-	-	PT Wirapetro Plastindo
PT Dong Jung					PT Dong Jung
Indonesia	1.920.194	1.612.175	-	-	Indonesia
PT Cosmo Makmur					PT Cosmo Makmur
Indonesia	1.838.650	1.084.270	-	-	Indonesia
PT Clearpack Indojoya					PT Clearpack
Pratama	1.550.241	1.382.810	1.567.500	-	Indojaya Pratama
PT Tri Citra Mas	1.547.315	-	-	-	PT Tri Citra Mas
PT Timur Jaya Plastik	1.537.250	-	-	-	PT Timur Jaya Plastik
PT Plastrade Word	1.395.350	-	1.927.255	-	PT Plastrade Word
PT Indomarco					PT Indomarco
Prismatama	1.331.436	1.257.320	-	-	Prismatama
PT Natamas Plast	1.163.124	2.639.725	1.949.163	786.860	PT Natamas Plast
PT Karya Sukses Setia	1.122.000	-	-	-	PT Karya Sukses Setia
PT Budi Starch &					PT Budi Starch &
Sweetener Tbk	1.039.500	1.446.500	1.382.288	-	Sweetener Tbk
CV Harum Sejahtera	-	1.211.482	1.471.919	-	CV Harum Sejahtera
CV Dwi Lucky Plastik	-	-	1.002.716	-	CV Dwi Lucky Plastik
CV Himpunan Abadi	-	-	1.002.403	-	CV Himpunan Abadi
PT Agropoly					PT Agropoly
Sentosa Mandiri	-	-	1.157.200	-	Sentosa Mandiri
PT Amcor Flexibles					PT Amcor Flexibles
Indonesia	-	2.906.200	-	-	Indonesia
PT Bina Inpasco	-	-	1.048.300	-	PT Bina Inpasco
<b>Jumlah dipindahkan</b>	<b>141.497.988</b>	<b>118.742.830</b>	<b>104.874.901</b>	<b>62.491.559</b>	<b>Balance brought forward</b>

**7. PIUTANG USAHA (lanjutan)**

**7. ACCOUNT RECEIVABLES (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Jumlah pindahan</b>	<b>141.497.988</b>	<b>118.742.830</b>	<b>104.874.901</b>	<b>62.491.559</b>	<b>Balance carried forward</b>
PT Era Prima Adi					PT Era Prima Adi
Cipta Kreasindo	-	-	4.058.202	6.033.561	Cipta Kreasindo
PT Guna Kemas Indah	-	-	2.489.398	-	PT Guna Kemas Indah
PT Karunia Selaras					PT Karunia Selaras
Abadi	-	-	2.403.386	-	Abadi
PT Kerinplasindo					PT Kerinplasindo
Sukses Makmur	-	1.443.200	-	-	Sukses Makmur
PT Lancar Abadi					PT Lancar Abadi
Permai	-	-	2.179.732	-	Permai
PT Murni Mapan					PT Murni Mapan
Makmur	-	-	1.705.750	-	Makmur
PT Plastik Karawang					PT Plastik Karawang
Flexindo	-	1.591.023	2.142.175	-	Flexindo
PT Plastindo Ekatama	-	-	1.617.635	-	PT Plastindo Ekatama
PT Polytama Propindo	-	-	2.602.968	1.198.500	PT Polytama Propindo
PT Polyunggul					PT Polyunggul
Pratama	-	1.515.437	-	-	Pratama
PT Sumber Alfaria					PT Sumber Alfaria
Trijaya Tbk	-	1.103.122	2.613.520	1.868.922	Trijaya Tbk
PT Unican Surya Agung	-	3.386.969	3.977.570	-	PT Unican Surya Agung
Lain-lain dibawah (Rp1 milyar)	79.194.875	66.018.181	48.010.935	43.084.365	Others below (Rp1 billion)
<b>Sub jumlah pihak ketiga – Rupiah</b>	<b>220.692.863</b>	<b>193.800.762</b>	<b>178.676.172</b>	<b>114.676.907</b>	<b>Sub total third parties – Rupiah</b>
<b><u>Dolar Amerika</u></b>					<b><u>U.S. Dollar</u></b>
Hk Pack Krautscheid Gmbh	1.851.181	1.112.194	1.149.313	-	Hk Pack Krautscheid Gmbh
Weller Packaging Ltd	1.736.735	2.127.373	1.858.365	2.011.207	Weller Packaging Ltd
Lain-lain dibawah (Rp1 milyar)	3.097.371	-	1.869.428	46.854.779	Others below (Rp1 billion)
<b>Sub jumlah pihak ketiga – Dolar Amerika</b>	<b>6.685.287</b>	<b>3.239.567</b>	<b>4.877.106</b>	<b>48.865.986</b>	<b>Sub total third parties – U.S. Dollar</b>
<b><u>Poundsterling Inggris</u></b>					<b><u>G.B.Poundsterling</u></b>
Lain-lain dibawah (Rp1 milyar)	421.855	-	-	-	Others below (Rp1 billion)
<b>Sub jumlah pihak ketiga – Poundsterling Inggris</b>	<b>421.855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Sub total third parties – G. B. Poundsterling</b>
<b>Jumlah piutang usaha – pihak ketiga</b>	<b>227.800.005</b>	<b>197.040.329</b>	<b>183.553.278</b>	<b>163.542.893</b>	<b>Total account receivables – third parties</b>

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**7. PIUTANG USAHA (lanjutan)**

**7. ACCOUNT RECEIVABLES (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pihak Berelasi Rupiah</b>					<b>Related Parties Rupiah</b>
PT Multi Global					PT Multi Global
Plastindo	9.336.307	8.280.264	10.811.853	1.186.778	Plastindo
PT Cahaya Plastindo					PT Cahaya Plastindo
Sejahtera	7.156.925	6.376.520	15.838.723	9.977.350	Sejahtera
PT Andalan Sukses					PT Andalan Sukses
Mandiri	4.127.522	2.698	-	-	Mandiri
PT Stellarway					PT Stellarway
Indonesia	470.000	-	-	-	Indonesia
CV Mahkota Mas					CV Mahkota Mas
Pratama	229.068	285.932	-	101.097	Pratama
PT Adipura Mas					PT Adipura Mas
Plasindo	128.603	-	-	-	Plasindo
PT Rendaplast Andika	102.331	28.510	-	80.232	PT Rendaplast Andika
PT Reka Sukses					PT Reka Sukses
Adi Pratama	57.010	-	-	15.000	Adi Pratama
PT Penta Power					PT Penta Power
Indonesia	26.250	-	55.000	144.917	Indonesia
PT Alphen					PT Alphen
Internasional					Internasional
Corporindo	4.080	-	13.110	-	Corporindo
PT Panca Budi					PT Panca Budi
Logistindo	312	-	-	-	Logistindo
PT Panca Budi					PT Panca Budi Agro
Agro Pratama	-	-	4.451.109	-	Pratama
<b>Jumlah piutang usaha – pihak berelasi</b>	<b>21.638.408</b>	<b>14.973.924</b>	<b>31.169.795</b>	<b>11.505.374</b>	<b>Total account receivables – related parties</b>
<b>Jumlah Piutang Usaha</b>	<b>249.438.413</b>	<b>212.014.253</b>	<b>214.723.073</b>	<b>175.048.267</b>	<b>Total Account Receivables</b>

Perubahan cadangan kerugian penurunan nilai piutang adalah sebagai berikut:

Changes in the amounts of the provision for impairment of receivables are detailed as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Cadangan kerugian penurunan nilai piutang – awal	-	-	-	267.960	Provision for receivables impairment – beginning
Penambahan cadangan kerugian penurunan nilai piutang	-	-	-	-	Addition for receivables impairment
Penghapus bukuan piutang tidak tertagih	-	-	-	(267.960)	Bad debts written off
<b>Cadangan kerugian penurunan nilai piutang – akhir</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Provision for receivables impairment - ending</b>

**7. PIUTANG USAHA (lanjutan)**

Analisis umur piutang usaha disajikan sebagai berikut:

	<b>30 Jun 2017/ Jun 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
Lancar	158.172.686	142.203.562	156.042.594	130.907.439	Current
Lewat jatuh tempo:					Past due:
1 - 30 hari	88.685.047	60.732.668	45.301.286	39.478.252	1 – 30 days
31 - 60 hari	2.389.538	7.900.257	11.853.566	1.797.622	31 – 60 days
61 - 180 hari	191.142	1.177.766	1.525.627	1.564.215	61 – 180 days
Lebih dari 180 hari	-	-	-	1.300.739	More than 180 days
<b>Jumlah Piutang Usaha</b>	<b>249.438.413</b>	<b>212.014.253</b>	<b>214.723.073</b>	<b>175.048.267</b>	<b>Total of Account Receivables</b>

Piutang usaha digunakan sebagai jaminan atas fasilitas pinjaman bank yang diperoleh Grup (lihat Catatan 18).

Sebelum menyetujui penjualan kredit Grup akan menelaah apakah calon pelanggan memenuhi persyaratan yang ditetapkan dan memeriksa sisa batas kredit yang dapat diberikan kepada pelanggan tersebut. Pelanggan diharuskan untuk melunasi piutang sebelumnya, sebelum penjualan kredit yang baru disetujui. Diperlukan otorisasi manajemen tingkat atas untuk menyetujui penjualan kredit yang telah melewati batas kredit. Persyaratan ini diterapkan untuk seluruh pelanggan Perusahaan baik pihak berelasi maupun tidak berelasi.

Berdasarkan hasil penelaahan akun piutang pada akhir tahun, manajemen berpendapat bahwa Grup tidak membentuk cadangan penurunan nilai atas piutang tak tertagih, karena manajemen berkeyakinan atas tertagihnya seluruh piutang usaha.

**7. ACCOUNT RECEIVABLES (continued)**

The aging analysis of account receivable is as follows:

Accounts receivables were used as collateral for bank loan of the Group (see Notes 18).

Before approving any credit sales Group will assess whether the potential customer meets the required conditions and checks the remaining credit limit for the respective customer. Customers are required to settle their outstanding receivables before the new credit sales are approved. Approval by top level management is required for credit sales above the credit limit. This requirement is applied to all the Company's customer either related or not-related parties.

Based on the review of account receivables at the end of the year, management believes that the Group does not establish allowance for impairment of bad debts, because management believes collection of receivables.

**8. PIUTANG LAIN-LAIN**

**8. OTHER RECEIVABLES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pihak Ketiga Rupiah</b>					<b>Third Parties Rupiah</b>
PT Siddharta					PT Siddharta
Mandiri Indonesia	3.025.500	3.026.350	3.000.000	-	Mandiri Indonesia
PT Super Exim	-	-	3.855.907	-	PT Super Exim
PT Citra Gemilang Prima	-	-	1.552.358	2.362.284	PT Citra Gemilang Prima
Restitusi Pajak (SKPLB)	-	-	1.454.087	10.098.572	Restitusi Pajak (SKPLB)
PT Av Indo Mandiri	-	-	1.281.933	1.981.168	PT Av Indo Mandiri
Lain-lain dibawah (Rp1 milyar)	2.721.104	3.259.381	2.240.377	11.890.247	Others below (Rp1 billion)
<b>Sub jumlah pihak ketiga – Rupiah</b>	<b>5.746.604</b>	<b>6.285.731</b>	<b>13.384.662</b>	<b>26.332.271</b>	<b>Sub total third parties – Rupiah</b>
<b>Dolar Amerika</b>					<b>U.S. Dollar</b>
Lain-lain dibawah (Rp1 milyar)	1.394.766	-	-	-	Others below (Rp1 billion)
<b>Sub jumlah pihak ketiga – Dolar Amerika</b>	<b>1.394.766</b>	<b>-</b>			<b>Sub total third parties – U.S. Dollar</b>
<b>Jumlah piutang lain- lain – pihak ketiga</b>	<b>7.141.370</b>	<b>6.285.731</b>	<b>13.384.662</b>	<b>26.332.271</b>	<b>Total other receivables – third parties</b>
<b>Pihak Berelasi Rupiah</b>					<b>Related Parties Rupiah</b>
Manajemen dan Karyawan	3.310.505	3.302.766	1.291.502	1.449.190	Management and Employee
PT Rendaplast Andika	473.619	56.524	-	1.119.958	PT Rendaplast Andika
PT Reka Sukses Adi Pratama	359.660	57.365	-	-	PT Reka Sukses Adi Pratama
PT Stellarway Indonesia	158.612	200.273	52.908	-	PT Stellarway Indonesia
PT Cahaya Plastindo					PT Cahaya Plastindo
Sejahtera	137.500	125.000	-	-	Sejahtera
PT Geotechnical Systemindo	11.249	19.368	-	-	PT Geotechnical Systemindo
PT Panca Budi Logistindo	6.861	7.098	9.862.061	4.692.442	PT Panca Budi Logistindo
PT Adipura Mas Plasindo	5.917	-	-	-	PT Adipura Mas Plasindo
CV Mahkota Mas Pratama	5.845	470.028	-	756.589	CV Mahkota Mas Pratama
PT Penta Power Indonesia	76.846	40.854	4.575.411	4.138.932	PT Penta Power Indonesia
PT Alphen Internasional Corporindo	896	13.125	10.087.833	9.036.055	PT Alphen Internasional Corporindo
<b>Jumlah dipindahkan</b>	<b>4.547.510</b>	<b>4.292.401</b>	<b>25.869.715</b>	<b>21.193.166</b>	<b>Balance brought forward</b>

**8. PIUTANG LAIN-LAIN (lanjutan)**

**8. OTHER RECEIVABLES (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Jumlah pindahan</b>	<b>4.547.510</b>	<b>4.292.401</b>	<b>25.869.715</b>	<b>21.193.166</b>	<b>Balance carried forward</b>
PT Garda Bhakti					PT Garda Bhakti
Nusantara	-	108	3.927.485	3.927.112	Nusantara
PT Prima Kreatif					PT Prima Kreatif
Foodindo	-	-	1.012.423	1.008.783	Foodindo
PT Chemco Prima					PT Chemco Prima
Mandiri	-	-	-	2.020.667	Mandiri
PT Panca Budi Agro					PT Panca Budi Agro
Pratama	-	-	-	12.833	Pratama
<b>Sub jumlah pihak berelasi – Rupiah</b>	<b>4.547.510</b>	<b>4.292.509</b>	<b>30.809.623</b>	<b>28.162.561</b>	<b>Sub total related parties – Rupiah</b>
<b>Pihak Berelasi (lanjutan)</b>					<b>Related Parties (continued)</b>
<b>Dolar Amerika</b>					<b>U.S. Dollar</b>
Penta Strategic Resources Pte. Ltd.	-	-	8.243.039	-	Penta Strategic Resources Pte. Ltd.
<b>Sub jumlah pihak berelasi – Dolar Amerika</b>	<b>-</b>	<b>-</b>	<b>8.243.039</b>	<b>-</b>	<b>Sub total related parties - U.S. Dollar</b>
<b>Sub Jumlah Pihak Berelasi</b>	<b>4.547.510</b>	<b>4.292.509</b>	<b>39.052.662</b>	<b>28.162.561</b>	<b>Sub Total Related Parties</b>
<b>Jumlah Piutang Lain – lain</b>	<b>11.688.881</b>	<b>10.578.240</b>	<b>52.437.324</b>	<b>54.494.832</b>	<b>Total Other Receivables</b>

Piutang lain – lain merupakan piutang atas sewa menyewa gudang, pemberian pinjaman sementara dengan pihak berelasi dan pihak ketiga, piutang atas pinjaman karyawan dan piutang atas pajak SKPLB.

Other receivables are receivable from the lease of the warehouse, provision of temporary loans with related parties and third parties, receivables from employees loans and receivables from SKPLB tax.

Pemberian pinjaman pada pihak berelasi dan pihak ketiga serta karyawan tidak dikenakan bunga, memiliki jangka waktu kurang dari satu tahun dan tidak terdapat pembatasan untuk pemberian pinjaman tersebut.

The lending to related parties and third parties and employees are not subject to interest, have maturities of less than one year and there are no restrictions on such lending.

Berdasarkan hasil penelaahan terhadap keadaan akun piutang lain-lain pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014, manajemen berkeyakinan tidak terdapat bukti obyektif saldo piutang lain-lain tidak dapat ditagih, sehingga tidak diperlukan penyisihan penurunan nilai piutang.

Based on the review of the status of the other receivables as of June 30, 2017, December 31, 2016, 2015 and 2014, management believes that there are no objective evidence that the outstanding amounts will not be collected, therefore, no provision for decline in value of other receivables was provided.

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**9. PERSEDIAAN**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Bahan baku untuk diproduksi	94.830.965	93.665.558	132.200.953	109.755.481	Raw materials for production
Bahan baku untuk dijual kembali	150.901.836	134.733.515	79.998.296	47.746.310	Raw materials for sales
Barang jadi	111.257.555	130.752.110	117.055.611	113.140.080	Finished goods
Barang dalam proses	6.878.359	6.689.406	9.664.532	7.715.706	Work in process
Barang pembantu & sparepart	11.728.436	6.509.307	7.216.443	4.093.890	Supporting and sparepart supplies
<b>Jumlah Persediaan</b>	<b>375.597.151</b>	<b>372.349.896</b>	<b>346.135.835</b>	<b>282.451.467</b>	<b>Total Inventories</b>

Persediaan bahan baku yang menjadi beban untuk periode enam bulan yang berakhir 30 Juni 2017 dan tahun yang berakhir 31 Desember 2016, 2015 dan 2014 untuk barang jadi adalah masing – masing sebesar Rp507.608, Rp1.361.536, Rp1.168.357 dan Rp959.342.

Persediaan Grup dilindungi terhadap kerugian dari kebakaran dan risiko lain kepada Perusahaan asuransi: PT Asuransi Central Asia, PT Asuransi Dayin Mitra dan PT Asuransi Buana Independent dengan nilai total pertanggungan sebesar Rp434 miliar.

Manajemen berpendapat nilai pertanggungan cukup untuk melindungi kemungkinan kerugian yang timbul dari resiko tersebut.

Pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 persediaan Grup dijadikan sebagai jaminan atas utang yang dimiliki oleh Grup (Lihat Catatan 18).

Grup tidak melakukan penyisihan penurunan nilai persediaan pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014. Manajemen yakin bahwa persediaan yang dimiliki adalah persediaan yang sifatnya *fast moving*.

Raw materials inventories which become expenses for the six-month period ended June 30, 2017 and the years ended December 31, 2016, 2015 and 2014 are respectively Rp507.608, Rp1,361,536, Rp1,168,357 and Rp959,342.

The Group's inventories are protected against losses from fire and other risks using insurance services: PT Asuransi Central Asia, PT Asuransi Dayin Mitra and PT Asuransi Buana Independent with a total insured value of Rp434 billion.

Management believes the insurance coverage is adequate to protect possible losses arising from such risks.

On June 30, 2017, December 31, 2016, 2015 and 2014 The Group's inventory used as collateral for loans owned by Group's (See Note 18).

The Group is not doing allowance for impairment of inventories as of June 30, 2017, December 31, 2016, 2015 and 2014. Management believes that the inventory is owned inventories that are fast moving.

**10. BIAYA DIBAYAR DIMUKA**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Sewa	1.624.202	423.226	154.373	211.308	Rent
Asuransi	868.889	936.748	767.421	1.067.923	Insurance
Jaminan	88.572	609.490	56.137	-	Collateral
Provisi	-	-	775.752	-	Provision
Lain-lain	1.532.447	1.908.808	861.113	955.632	Others
<b>Jumlah Biaya Dibayar Dimuka</b>	<b>4.114.110</b>	<b>3.878.272</b>	<b>2.614.796</b>	<b>2.234.863</b>	<b>Total Prepaid Expenses</b>

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**11. ASET TETAP**

**11. PROPERTY, PLANT AND EQUIPMENT**

30 Jun 2017/ Jun 30, 2017

	Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo Akhir/ Ending Balance
<b>Kepemilikan Langsung/ Direct Ownership</b>					
<b><u>Harga Perolehan/ Acquisition Cost</u></b>					
Tanah/ Land	359.488.873	17.110	-	-	359.505.983
Bangunan/ Building	60.703.954	784.746	-	106.514	61.595.214
Mesin Produksi/ Production Machinery	112.796.753	2.243.393	1.386.739	2.634.730	116.288.137
Peralatan Pabrik/ Manufacturing Equipment	9.742.263	928.688	86.148	660	10.585.463
Inventaris Kantor/ Office Equipment	7.145.319	758.321	25.860	61.018	7.938.798
Instalasi Listrik/ Electrical Installation	7.271.616	705.665	-	-	7.977.281
Kendaraan/ Vehicle	24.412.901	2.173.880	72.000	139.626	26.654.407
Aset tetap dalam proses pembangunan/ Fixed assets under construction	3.164.147	3.825.665	-	(2.942.548)	4.047.264
<b>Property, Plant and Equipment</b>					
<b><u>Pengampunan Pajak/ Aktiva Tax Amnesty</u></b>					
Mesin Produksi/ Production Machinery	174.375	-	174.375	-	-
Peralatan Pabrik/ Manufacturing Equipment	13.800	-	-	-	13.800
Inventaris Kantor/ Office Equipment	1.185.800	-	-	-	1.185.800
<b>Sub jumlah/ Sub total</b>	<b>586.099.801</b>	<b>11.437.468</b>	<b>1.745.122</b>	<b>-</b>	<b>595.792.147</b>
<b>Sewa Pembiayaan/ Lease Payable</b>					
Kendaraan/ Vehicle	684.508	-	-	-	684.508
<b>Jumlah/ Total</b>	<b>586.784.309</b>	<b>11.437.468</b>	<b>1.745.122</b>	<b>-</b>	<b>596.476.655</b>



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**11. ASET TETAP (lanjutan)**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

30 Jun 2017/ Jun 30, 2017 (lanjutan/ continued)

	Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo Akhir/ Ending Balance
<b>Akum Penyusutan/ Accumulated</b>					
<b><u>Depreciation</u></b>					
Gedung / Buildings	3.303.017	1.545.539	-	-	4.848.556
Mesin Produksi/ Production Machinery	10.183.110	5.643.615	471.363	-	15.355.361
Peralatan Pabrik/ Manufacturing Equipment	5.015.669	600.909	82.215	426	5.534.788
Inventaris Kantor/ Office Equipment	4.285.146	466.626	9.960	(140.052)	4.601.760
Instalasi Listrik/ Electrical Installation	3.791.305	424.107	-	-	4.215.412
Kendaraan/ Vehicle	10.722.581	1.475.538	14.250	139.626	12.323.495
<b>Property, Plant and Equipment</b>					
<b>Pengampunan Pajak/ Aktiva</b>					
<b>Tax Amnesty</b>					
Mesin Produksi/ Production Machinery	-	-	-	-	-
Peralatan Pabrik/ Manufacturing Equipment	1.023	1.725	-	-	2.748
Inventaris Kantor/ Office Equipment	93.149	112.937	-	-	206.086
<b>Jumlah/ Total</b>	<b>37.395.000</b>	<b>10.270.997</b>	<b>577.788</b>	<b>-</b>	<b>47.088.207</b>
<b>Sewa Pembiayaan/ Lease Payable</b>					
Kendaraan/ Vehicle	515.970	170.093	-	-	686.063
<b>Jumlah/ Total</b>	<b>37.910.970</b>	<b>10.441.090</b>	<b>577.788</b>	<b>-</b>	<b>47.774.270</b>
<b>Nilai Buku/ Book Value</b>	<b>548.873.339</b>				<b>548.702.385</b>

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**11. ASET TETAP (lanjutan)**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

31 Des 2016/ Dec 31, 2016

	Saldo Awal/ <i>Beginning Balance</i>	Pembelian/ <i>Purchasing</i>	Penambahan/ <i>Addition</i>		Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>
			Penambahan atas pengampunan pajak/ <i>Addition by tax amnesty</i>	Revaluasi aset tetap/ <i>Property, plant and equipment valuation</i>			
<b>Kepemilikan</b>							
<b>Langsung/ <i>Direct</i></b>							
<b>Ownership</b>							
<b>Harga Perolehan/ <i>Acquisition Cost</i></b>							
Tanah/ <i>Land</i>	69.054.272	13.137.608	-	277.296.993	-	-	359.488.873
Bangunan/ <i>Building</i>	20.182.809	1.041.497	-	39.479.648	-	-	60.703.954
Mesin Produksi/ <i>Production Machinery</i>	67.261.584	14.939.196	-	34.569.072	5.235.173	1.262.074	112.796.753
Peralatan Pabrik/ <i>Manufacturing Equipment</i>	6.914.948	2.735.451	-	158.000	572.574	506.438	9.742.263
Inventaris Kantor/ <i>Office Equipment</i>	5.837.462	1.360.968	-	-	16.946	(36.165)	7.145.319
Instalasi Listrik/ <i>Electrical Installation</i>	4.859.811	2.411.805	-	-	-	-	7.271.616
Kendaraan/ <i>Vehicle</i>	20.247.909	5.229.106	-	-	1.064.114	-	24.412.901
Aset tetap dalam proses pembangunan/ <i>Property, plant and equipment under construction</i>	1.515.770	9.422.278	-	-	5.041.554	(2.732.347)	3.164.147
<b>Property, Plant and Equipment Pengampunan Pajak/ <i>Aktiva Tax Amnesty</i></b>							
Mesin Produksi/ <i>Production Machinery</i>	-	-	174.375	-	-	-	174.375
Peralatan Pabrik/ <i>Manufacturing Equipment</i>	-	-	13.800	-	-	-	13.800
Inventaris Kantor/ <i>Office Equipment</i>	-	-	1.185.800	-	-	-	1.185.800
<b>Sub jumlah/ <i>Sub total</i></b>	<b>195.874.565</b>	<b>50.277.909</b>	<b>1.373.975</b>	<b>351.503.713</b>	<b>11.930.361</b>	<b>(1.000.000)</b>	<b>586.099.801</b>
<b>Sewa Pembiayaan/ <i>Lease Payable</i></b>							
Kendaraan/ <i>Vehicle</i>	684.508	-	-	-	-	-	684.508
<b>Jumlah/ <i>Total</i></b>	<b>196.559.073</b>	<b>50.277.909</b>	<b>1.373.975</b>	<b>351.503.713</b>	<b>11.930.361</b>	<b>(1.000.000)</b>	<b>586.784.309</b>

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**11. ASET TETAP (lanjutan)**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

31 Des 2016/ Dec 31, 2016 (lanjutan/ continued)

	Penambahan/ Addition						
		Penambahan atas pengampunan pajak/ Addition by tax amnesty	Revaluasi aset tetap/ Property, plant and equipment valuation				
	Saldo Awal/ Beginning Balance	Pembelian/ Purchasing			Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo Akhir/ Ending Balance
Akum Penyusutan/ Accumulated Depreciation							
Bangunan/ Building	3.832.541	2.844.769	-	(3.374.293)	-	-	3.303.017
Mesin Produksi/ Production Machinery	25.154.575	9.847.490	21.797	(20.636.318)	3.917.976	(286.458)	10.183.110
Peralatan Pabrik/ Manufacturing Equipment	4.436.962	1.002.411	-	(40.000)	383.484	-	5.015.889
Inventaris Kantor/ Office Equipment	3.615.999	685.521	81.357	-	3.781	-	4.379.096
Instalasi Listrik/ Electrical Installation	3.018.198	769.020	4.088	-	-	-	3.791.306
Kendaraan/ Vehicle	8.385.682	2.852.059	-	-	515.159	-	10.722.582
Jumlah/ Total	48.443.957	18.001.270	107.242	(24.050.611)	4.820.400	(286.458)	37.395.000
Sewa pembiayaan/ Lease payable							
Kendaraan/ Vehicle	175.784	340.186	-	-	-	-	515.970
Jumlah/ Total	48.619.741	18.341.456	107.242	(24.050.611)	4.820.400	(286.458)	37.910.970
Nilai Buku/ Book Value	147.939.332						548.873.339

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**11. ASET TETAP (lanjutan)**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

31 Desember 2015/ December 31, 2015

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Pelepasan Entitas anak/ <i>Disposal of a Subsidiary</i>	Saldo Akhir/ <i>Ending Balance</i>	Pengambil- alihan PBP/ <i>acquisition PBP</i>	Saldo Akhir setelah proforma/ <i>Ending Balance after proforma</i>
<b>Kepemilikan Langsung/ Direct Ownership Harga Perolehan/ Acquisition Cost</b>								
Tanah/ Land	34.786.279	-	-	-	-	34.786.279	34.267.993	69.054.272
Bangunan/ Building	6.712.091	74.347	-	-	-	6.786.438	13.396.371	20.182.809
Mesin Produksi/ Production Machinery	49.484.437	812.040	906.771	698.336	-	50.088.042	17.173.542	67.261.584
Peralatan Pabrik/ Manufacturing Equipment	3.353.282	155.258	-	-	-	3.508.540	3.406.408	6.914.948
Inventaris Kantor/ Office Equipment	2.753.030	326.906	25.293	-	(154.520)	2.900.123	2.937.339	5.837.462
Instalasi Listrik/ Electrical Installation	1.980.258	443.019	-	-	-	2.423.277	2.436.534	4.859.811
Kendaraan/ Vehicle	8.828.347	1.620.732	799.479	-	(1.996.635)	7.652.965	12.594.944	20.247.909
Aset tetap dalam proses pembangunan/ Property, plant and equipment under construction	-	2.214.106	-	(698.336)	-	1.515.770	-	1.515.770
<b>Sub jumlah/ Sub Total</b>	<b>107.897.724</b>	<b>5.646.408</b>	<b>1.731.543</b>	<b>-</b>	<b>(2.151.155)</b>	<b>109.661.434</b>	<b>86.213.131</b>	<b>195.874.565</b>
<b>Sewa Pembiayaan/ Lease Payable Kendaraan/ Vehicle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>684.508</b>	<b>684.508</b>
<b>Jumlah/ Total</b>	<b>107.897.724</b>	<b>5.646.408</b>	<b>1.731.543</b>	<b>-</b>	<b>(2.151.155)</b>	<b>109.661.434</b>	<b>86.897.639</b>	<b>196.559.073</b>

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**11. ASET TETAP (lanjutan)**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

31 Desember 2015/ December 31, 2015 (lanjutan)/ continued

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Pelepasan Entitas anak/ <i>Disposal of a Subsidiary</i>	Saldo Akhir/ <i>Ending Balance</i>	Pengambil- alihan PBP/ <i>acquisition PBP</i>	Saldo Akhir setelah proforma/ <i>Ending Balance after proforma</i>
<b>Akum</b>								
<b>Penyusutan/ Accumulated Depreciation</b>								
Bangunan/ <i>Building</i>	1.169.782	317.143	-	-	-	1.486.925	2.345.616	3.832.541
Mesin Produksi/ <i>Production Machinery</i>	12.965.132	3.119.355	123.564	-	-	15.960.923	9.193.652	25.154.575
Peralatan Pabrik/ <i>Manufacturing Equipment</i>	1.914.581	406.047	-	-	-	2.320.628	2.116.334	4.436.962
Inventaris Kantor/ <i>Office Equipment</i>	1.216.323	316.171	9.535	-	(110.958)	1.412.001	2.203.998	3.615.999
Instalasi Listrik/ <i>Electrical Installation</i>	972.150	221.477	-	-	-	1.193.627	1.824.571	3.018.198
Kendaraan/ <i>Vehicle</i>	2.696.609	907.231	345.090	-	(888.024)	2.370.726	6.014.956	8.385.682
<b>Jumlah/ Total</b>	<b>20.934.577</b>	<b>5.287.424</b>	<b>478.189</b>	<b>-</b>	<b>(998.982)</b>	<b>24.744.830</b>	<b>23.699.127</b>	<b>48.443.957</b>
<b>Sewa</b>								
<b>Pembiayaan/ Lease Payable</b>								
Kendaraan/ <i>Vehicle</i>	-	21.939	-	-	-	21.939	153.845	175.784
<b>Jumlah/ Total</b>	<b>20.934.577</b>	<b>5.309.363</b>	<b>478.189</b>	<b>-</b>	<b>(998.982)</b>	<b>24.766.769</b>	<b>23.852.972</b>	<b>48.619.741</b>
<b>Nilai Buku/ Book Value</b>	<b>86.963.147</b>							<b>147.939.332</b>

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**11. ASET TETAP (lanjutan)**

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

31 Desember 2014/ December 31, 2014

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan dan reklasifikasi/ <i>Addition and reclassification</i>	Pengurangan dan reklasifikasi/ <i>Deduction and reclassification</i>	Selisih dan penilaian/ <i>Difference and valuation</i>	Saldo Akhir/ <i>Ending Balance</i>	Proforma pengambil- alihan PBP/ <i>Proforma acquisition PBP</i>	Saldo Akhir setelah proforma/ <i>Ending Balance after proforma</i>
<b>Kepemilikan</b>							
<b>Langsung/ Direct</b>							
<b>Ownership</b>							
<b>Harga Perolehan/</b>							
<b>Acquisition Cost</b>							
Tanah/ Land	33.050.584	382.590	-	1.353.105	34.786.279	35.228.993	70.015.272
Bangunan/ Building	6.665.852	46.239	-	-	6.712.091	11.760.833	18.472.924
Mesin Produksi/							
Production							
Machinery	46.750.711	2.402.126	1.822.837	2.154.437	49.484.437	16.371.717	65.856.154
Peralatan Pabrik/							
Manufacturing							
Equipment	2.673.976	683.806	4.500	-	3.353.282	2.810.946	6.164.228
Inventaris Kantor/							
Office Equipment	2.097.083	655.947	-	-	2.753.030	2.230.898	4.983.928
Instalasi Listrik/							
Electrical Installation	1.929.354	50.904	-	-	1.980.258	2.333.674	4.313.932
Kendaraan/ Vehicle	6.928.532	2.494.844	979.393	384.364	8.828.347	13.518.406	22.346.753
Aset tetap dalam							
Proses							
pembangunan/							
Property, plant and							
equipment under							
construction	1.659.434	2.232.472	-	(3.891.906)	-	326.545	326.545
<b>Jumlah/ Total</b>	<b>101.755.526</b>	<b>8.948.928</b>	<b>2.806.730</b>	<b>-</b>	<b>107.897.724</b>	<b>84.582.012</b>	<b>192.479.736</b>
<b>Akum Penyusutan/</b>							
<b>Accumulated</b>							
<b>Depreciation</b>							
Bangunan/ Building	836.297	333.485	-	-	1.169.782	1.724.144	2.893.926
Mesin Produksi/							
Production							
Machinery	10.415.672	3.081.074	531.614	-	12.965.132	7.455.007	20.420.139
Peralatan Pabrik/							
Manufacturing							
Equipment	1.399.114	516.780	1.313	-	1.914.581	1.812.930	3.727.511
Inventaris Kantor/							
Office Equipment	915.560	300.763	-	-	1.216.323	1.923.998	3.140.321
Instalasi Listrik/							
Electrical Installation	801.685	170.465	-	-	972.150	1.382.204	2.354.354
Kendaraan/ Vehicle	2.083.095	1.051.469	437.955	-	2.696.609	5.080.850	7.777.459
<b>Jumlah/ Total</b>	<b>16.451.423</b>	<b>5.454.036</b>	<b>970.882</b>	<b>-</b>	<b>20.934.577</b>	<b>19.379.133</b>	<b>40.313.710</b>
<b>Nilai Buku/ Book Value</b>	<b>85.304.103</b>						<b>152.166.026</b>

**11. ASET TETAP (lanjutan)**

**Revaluasi Aset Tetap**

Pada tahun 2016 Grup telah melakukan penilaian kembali aset tetap untuk tujuan perpajakan dan akuntansi yang dilakukan oleh penilai independen eksternal yang mengacu pada ketentuan Peraturan Menteri Keuangan (PMK) No. 191/PMK.010/2015 tanggal 15 Oktober 2015, sebagaimana telah diubah dengan PMK No. 233/PMK.03/2015 tanggal 21 Desember 2015, Penilaian kembali dilakukan atas mesin dan tanah dengan nilai buku pajak sebelum revaluasi sebesar Rp120.999.903 menghasilkan surplus revaluasi sebesar Rp375.431.547 dan setelah dikurangi pajak final atas selisih revaluasi aset tetap menjadi bersih sebesar Rp362.987.201 yang dicatat sebagai "Pendapatan Komprehensif Lain". Pembayaran pajak final atas kenaikan nilai tercatat sebesar Rp12.444.346 dicatat mengurangi "Cadangan Revaluasi Aset", dengan rincian sebagai berikut:

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

**Property, Plant and Equipment Revaluation**

As of 2016 the Group have performed the valuation of property, plant and equipment for tax and accounting purpose by external independent valuer in accordance with The Finance Minister Regulation (PMK) No. 191/PMK.010/2015 dated October 15, 2015, as amended by PMK 233/PMK.03/2015 dated December 21, 2015, the revaluation of the above infrastructure telecommunication with fiscal book value before revaluation amounting to Rp120,999,903 resulting surplus on revaluation amounting to Rp375,431,547 and after deducting with final tax on fixed assets revaluation reserve into net Rp362,987,201 was recorded as "Other Comprehensive Income". The payment of final tax over the increasing amounting to Rp12,444,346 was recorded as a deduction of "Asset Revaluation Reserve". are as follow:

<b>Nama Perusahaan/ Company Name</b>	<b>KJPP/ KJPP</b>	<b>Nomor Laporan/ Report Number</b>	<b>Tanggal Revaluasi/ Valuation Dates</b>	<b>Metode Penilaian/ Assessment Method</b>
PT Panca Budi Idaman	Toto Suharto & Rekan	V.PP.16.16.0244	30/03/2016	
PT Polytech Indo Hausen	Toto Suharto & Rekan	V.PP.16.16.0226	11/02/2016	Penilaian Tanah menggunakan pendekatan pasar.
PT Panca Budi Pratama	Toto Suharto & Rekan	V.PP.16.16.0247	13/05/2016	
PT Polypack Indo Meyer	Fuadah, Rudi & Rekan	FR.PP.16.0026.BG	25/05/2016	Penilaian Mesin dan bangunan menggunakan rata-rata pendekatan pasar dan pendekatan biaya pembangunan baru.
PT Panca Buana Plasindo	Fuadah, Rudi & Rekan	FR.PP.16.0028.BG	29/07/2016	
PT Sekarnusa Kreasi Indonesia	Fuadah, Rudi & Rekan	FR.PP.16.0012.BG	19/01/2016	

**11. ASET TETAP (lanjutan)**

**Revaluasi Aset Tetap (lanjutan)**

Nilai hasil revaluasi aset dan nilai buku sebelum revaluasi untuk masing – masing jenis aset adalah sebagai berikut:

Jenis Aset/ Type Assets	Hasil Revaluasi/ Result of Revaluation	Nilai Sebelum Revaluasi/ Before Revaluation			Selisih Revaluasi/ Difference Revaluation
		Harga Perolehan/ Acquisition Cost	Akumulasi Penyusutan/ Accumulated Depreciation	Nilai Buku/ Book Value	
Tanah	345.370.400	68.073.407	-	68.073.407	277.296.993
Bangunan	57.497.300	18.017.652	3.374.293	14.643.359	42.853.941
Mesin Produksi	93.365.750	58.796.678	20.513.541	38.283.137	55.082.613
Peralatan Pabrik	198.000	40.000	40.000	-	198.000
<b>Jumlah/ Total</b>	<b>496.431.450</b>	<b>144.927.737</b>	<b>23.927.834</b>	<b>120.999.903</b>	<b>375.431.547</b>

Perhitungan nilai selisih revaluasi aset berdasarkan masing – masing entitas anaknya adalah sebagai berikut:

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

**Property, Plant and Equipment Revaluation (continued)**

The valuation assets and book value prior to the revaluation for each asset type are as follow:

The calculation of the difference in revaluation of assets based on each entity is as follows:

Nama Perusahaan/ Company Name	Nilai revaluasi aset tetap/ Revaluation value of property, plant and equipment	Nilai buku pada saat revaluasi/ Revaluation net book value	Selisih revaluasi/ Difference revaluation
PT Panca Budi Idaman	86.923.261	20.154.361	66.768.900
PT Polytech Indo Hausen	127.781.705	53.027.588	74.754.117
PT Panca Budi Pratama	193.299.874	42.595.119	150.704.755
PT Polypack Indo Meyer	2.559.670	725.919	1.833.751
PT Panca Buana Plasindo	5.206.700	591.517	4.615.183
PT Sekarnusa Kreasi Indonesia	80.660.240	3.905.399	76.754.841
<b>Jumlah selisih atas revaluasi aset tetap/ Total difference revaluation of property, plant and equipment</b>	<b>496.431.450</b>	<b>120.999.903</b>	<b>375.431.547</b>
<b>Pajak atas revaluasi/ Tax revaluation</b>			<b>(12.444.346)</b>
<b>Nilai revaluasi bersih/ Net revaluation</b>			<b>362.987.201</b>
<b>Penyusutan surplus revaluasi tahun berjalan/ Revaluation surplus depreciation current year</b>			<b>(6.736.663)</b>
<b>Selisih revaluasi – bersih/ Net revaluation difference</b>			<b>356.250.538</b>
<b>Mayoritas/ Majority</b>			<b>345.160.372</b>
<b>Minoritas/ Minority</b>			<b>11.090.166</b>
<b>Jumlah/ Total</b>			<b>356.250.538</b>



**11. ASET TETAP (lanjutan)**

**Revaluasi Aset Tetap (lanjutan)**

Tabel dibawah ini menganalisis pengukuran aset non-keuangan yang dicatat pada nilai wajar berdasarkan tingkatan metode penilaian. Perbedaan pada setiap tingkatan metode penilaian dijelaskan sebagai berikut:

**Tingkat 1**

Harga kuotasian (tidak disesuaikan) dari pasar aktif untuk aset atau liabilitas yang identik.

**Tingkat 2**

Input selain harga yang dikutip dari pasar yang disertakan pada tingkat 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung (yaitu sebagai suatu harga) atau secara tidak langsung (sebagai turunan dari harga).

**Tingkat 3**

Input untuk aset atau liabilitas yang tidak didasarkan pada data pasar yang dapat diobservasi (informasi yang tidak dapat diobservasi).

Rincian dari aset tetap Perusahaan berupa mesin-mesin dan peralatannya, kendaraan dan peralatan kantor serta informasi mengenai hirarki nilai wajar per 31 Desember 2016, adalah sebagai berikut:

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

**Property, Plant and Equipment Revaluation (continued)**

The table is below analysis non-financial carried at fair value base on level of valuation method. The difference on valuation method defines are as follows:

**Level 1**

Quoted price (unadjusted) in active markets for identical assets or liabilities.

**Level 2**

Input other than quoted prices included within level 1 that are observable for asset s and liabilities, either directly (that is, as a price) or indirectly (derived from price).

**Level 3**

Input for assets or liabilities thar are not based on observable market data (unobservable inputs).

Details of the Company's on property, plant and equipment are machinery and equipment, vehicles and office equipment and information about the fair value hierarchy as of December 31, 2016, are as follows:

**Pengukuran nilai wajar 31 Desember 2016 menggunakan:!**

*Fair value measurement at December 31, 2016 using:*

	<b>Tingkat 1/ Level 1</b>	<b>Tingkat 2/ Level 2</b>	<b>Tingkat 3/ Level 3</b>	
Tanah	-	√	-	Land
Bangunan	-	√	-	Buildings
Mesin	-	√	-	Machine

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
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**11. ASET TETAP (lanjutan)**

Untuk periode yang berakhir pada tanggal 30 Juni 2017, dan tahun yang berakhir 31 Desember 2016, 2015 dan 2014 Penyajian beban penyusutan Grup pada laporan laba rugi dan penghasilan komprehensif lainnya sebagai berikut:

	30 Jun 2017/ Jun 30, 2017	30 Jun 2016/ Jun 30, 2016	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
Beban pokok penjualan	4.162.120	3.701.227	7.317.249	7.350.723	7.233.287	Cost of goods sold
Beban umum dan administrasi	2.373.022	2.018.319	4.265.412	3.504.589	3.496.778	General and administrative expenses
Beban pemasaran	65.201	68.057	129.374	139.176	152.252	Marketing expenses
Pendapatan komprehensif lainnya – aset revaluasi	3.840.747	2.235.597	6.736.663	-	-	Other comprehensive income – revaluation assets
<b>Jumlah</b>	<b>10.441.090</b>	<b>8.023.200</b>	<b>18.448.698</b>	<b>10.994.488</b>	<b>10.882.317</b>	<b>Total</b>

Efektif pada bulan Februari 2016, Grup mengubah estimasi masa manfaat ekonomis atas aset tetap. Perubahan estimasi ini diterapkan secara prospektif yang menyebabkan penurunan beban penyusutan untuk tahun 2016 sebesar Rp17.571.131 dan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 menyebabkan kenaikan beban penyusutan sebesar Rp1.054.771.

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

For the periode ended June 30, 2017, and years ended December 31, 2016, 2015 and 2014 presentation of the Group depreciation expense in profit or loss and other comprehensive income as follows:

Effective in February 2016, Group has changed the estimation of assets useful lives. The changes of estimation are applied prospectively resulting a decrease in depreciation expenses for the year 2016 amounting to Rp17,571,131 and resulting an increase in depreciation expenses for the six month period ended June 30, 2017 amounting to Rp1,054,771.

Laba penjualan aset tetap adalah sebagai berikut:

Gain on sales profit on property, plant and equipment are follow:

	30 Jun 2017/ Jun 30, 2017	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
Hasil penjualan aset tetap	1.637.664	9.598.782	4.019.289	3.202.636	Sales of property, plant, and equipment
Harga perolehan	1.745.122	11.930.361	5.149.767	3.820.344	Aquisition cost
Akumulasi Penyusutan	(577.788)	(4.820.400)	(1.689.478)	(1.458.094)	Accumulated depreciation
Nilai buku	1.167.334	7.109.961	3.460.289	2.362.250	Book value
<b>Laba penjualan aset tetap</b>	<b>470.330</b>	<b>2.488.821</b>	<b>559.000</b>	<b>840.386</b>	<b>Gain on sales property, plant and equipment</b>

**11. ASET TETAP (lanjutan)**

Aset tetap dalam proses pembangunan terdiri atas:

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

Property, plant and equipment under construction consist of:

<b>30 Juni 2017</b>	<b>Perkiraan Persentase Penyelesaian/ Estimated Completion Percentage</b>	<b>Nilai Tercatat/ Carrying Value</b>	<b>Perkiraan Waktu Penyelesaian/ Estimated Time of Completion</b>	<b>June 30, 2017</b>
Bangunan	24.90%	2.147.116	2017	Building Production
Mesin produksi	65.71%	1.084.132	2017	Machinery
Inventaris kantor	47.10%	816.016	2017	Office Equipment
<b>Total</b>		<b>4.047.264</b>		<b>Total</b>
<b>31 Desember 2016</b>	<b>Perkiraan Persentase Penyelesaian/ Estimated Completion Percentage</b>	<b>Nilai Tercatat/ Carrying Value</b>	<b>Perkiraan Waktu Penyelesaian/ Estimated Time of Completion</b>	<b>December 31, 2016</b>
Bangunan	60.59%	766.156	2017	Building Production
Mesin produksi	78.82%	1.691.544	2017	Machinery
Inventaris kantor	60.16%	706.447	2017	Office Equipment
<b>Total</b>		<b>3.164.147</b>		<b>Total</b>
<b>31 Desember 2015</b>	<b>Perkiraan Persentase Penyelesaian/ Estimated Completion Percentage</b>	<b>Nilai Tercatat/ Carrying Value</b>	<b>Perkiraan Waktu Penyelesaian/ Estimated Time of Completion</b>	<b>December 31, 2015</b>
Mesin produksi	51.66%	1.515.770	2016 - 2017	Production Machinery
<b>Total</b>		<b>1.515.770</b>		<b>Total</b>
<b>31 Desember 2014</b>	<b>Perkiraan Persentase Penyelesaian/ Estimated Completion Percentage</b>	<b>Nilai Tercatat/ Carrying Value</b>	<b>Perkiraan Waktu Penyelesaian/ Estimated Time of Completion</b>	<b>December 31, 2014</b>
Bangunan	48.41%	326.545	2015	Building
<b>Total</b>		<b>326.545</b>		<b>Total</b>

**11. ASET TETAP (lanjutan)**

Bangunan dalam proses pembangunan per 30 Juni 2017 adalah berupa bangunan yang ada di entitas anak PT PIH dan PT PBN dengan prosentase penyelesaian rata-rata terhadap nilai kontrak sebesar 24,9% dan penyelesaian diestimasikan dibawah 6 bulan. Tidak terdapat hambatan dalam penyelesaian proyek.

Mesin dalam proses instalasi per 30 Juni 2017 adalah berupa mesin yang ada di PBI dan SKI dengan prosentase penyelesaian rata-rata terhadap nilai kontrak sebesar 65,71% dan penyelesaian diestimasikan dibawah 6 bulan. Tidak terdapat hambatan dalam penyelesaian proyek.

Per 30 Juni 2017 terdapat aset tetap mesin yang berupa mesin tiup milik PIH yang tidak dipakai sementara dan per 31 Desember 2016 telah direklas menjadi aset tidak lancar lainnya sebesar Rp713.542.

Pada tanggal 30 Juni 2017, 31 Desember 2016, 31 Desember 2015 dan 31 Desember 2014, jumlah tercatat bruto aset tetap yang telah disusutkan penuh dan masih digunakan adalah masing-masing sebesar Rp11.968.501, Rp9.784.700, Rp8.485.042 dan Rp6.029.913.

Aset tetap Grup dilindungi terhadap kerugian dari kebakaran dan risiko lain kepada Perusahaan asuransi: BCA Insurance, PT Asuransi Buana Independent, PT Asuransi Dayin Mitra Tbk dan PT Asuransi QBE Pool Indonesia dengan nilai total pertanggungan sebesar Rp191 miliar.

Berdasarkan hasil penelaahan, manajemen Grup berkeyakinan tidak ada situasi atau keadaan yang mengindikasikan penurunan nilai aset tetap.

Aset tetap berupa tanah dan bangunan telah dijaminkan atas utang Bank yang diperoleh dari pinjaman bank (lihat Catatan 18).

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

*Building under construction as of June 30, 2017 is a building which exist in the subsidiaries of PT PIH and PT PBN with the percentage of average completion against the contract amount of 24.9% and the completion is estimated under 6 months. There are no obstacles in project completion.*

*Machine under installation as of June 30, 2017 is a machine which are in the Company and subsidiaries of PBI and SKI with the percentage of average completion on the contract amount of 65.71% and the completion is estimated under 6 months. There are no obstacles in project completion.*

*As of June 30, 2017, there are fixed asset of blowing machine owned by PIH which are not used temporarily and as of December 31, 2016 has been reclassified into other non current asset amounting to Rp713.542.*

*As of June 30, 2017, December 31, 2016, December 31, 2015 and December 31, 2014, the carrying amount of recorded gross fixed assets that have been fully depreciated and still in use amounted to Rp 11.968.501, Rp9.784.700, Rp8.485.042 dan Rp6.029.913, respectively.*

*The Group's property, plant and equipment are protected against losses from fire and other risks using insurance services: BCA Insurance, PT Asuransi Buana Independent, PT Asuransi Dayin Mitra Tbk and PT Asuransi QBE Pool Indonesia with a total insured value of Rp191 billion.*

*Based on its review, the Group's management believes there is no situation or circumstances indicate impairment of property, plant and equipment.*

*Property, plant and equipment has been land and building as collateral for the loans from the Bank obtained from bank loan (see Note 18).*

**12. UANG MUKA PEMBELIAN**

**12. ADVANCE PURCHASE**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Uang Muka Pembelian – lancar</b>					<b>Advance Purchase – current</b>
Uang muka pembelian persediaan	32.235.554	52.731.241	4.707.155	10.202.667	Advance purchase of inventory
Uang muka lain-lain	-	442.500	216.118	50.963	Other advance purchase
<b>Jumlah uang muka pembelian – lancar</b>	<b>32.235.554</b>	<b>53.173.741</b>	<b>4.923.273</b>	<b>10.253.630</b>	<b>Total advance purchase – current</b>
<b>Uang Muka Pembelian – tidak Lancar</b>			-	-	<b>Advance Purchase – non current</b>
Uang muka pembelian aset tetap	17.479.592	15.300.149	13.542.108	7.065.665	Advance Purchase of property, plant and equipment
Uang muka lain-lain	1.577.607	-	-	-	Other advance purchase
<b>Jumlah uang muka pembelian – tidak lancar</b>	<b>19.057.199</b>	<b>15.300.149</b>	<b>13.542.108</b>	<b>7.065.665</b>	<b>Total advance purchase – non current</b>
<b>Jumlah Uang Muka Pembelian</b>	<b>51.292.753</b>	<b>68.473.890</b>	<b>18.465.381</b>	<b>17.319.295</b>	<b>Total Advance Purchase</b>

Uang muka pembelian persediaan 30 Juni 2017, 31 Desember 2016, 2015 dan 2014, terdiri atas:

Advance purchase of inventory as of June 30, 2017, December 31, 2016, 2015 and 2014, consist of:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
JG Summit Petrochemicals	17.396.742	2.457.176	-	-	JG Summit Petrochemicals
Basel Asia Pacific Ltd	5.394.074	-	-	-	Basel Asia Pacific Ltd
PT Lotte Chemicals Titan	4.631.088	28.177.992	-	9.866.101	PT Lotte Chemicals Titan
PT Indo Thai Trading Chevron Philips Chemicals Asia Pte Ltd	3.626.820	7.639.100	3.272.161	-	PT Indo Thai Trading Chevron Philips Chemicals Asia Pte Ltd
PT Chandra Asri Petrochemical Tbk	769.971	-	-	-	PT Chandra Asri Petrochemical Tbk
SCG Plastics Co Ltd	311.584	11.313.339	-	-	SCG Plastics Co Ltd
Lain-lain	-	2.942.069	-	-	Ltd
<b>Jumlah</b>	<b>105.275</b>	<b>201.565</b>	<b>1.434.994</b>	<b>336.566</b>	<b>Others</b>
	<b>32.235.554</b>	<b>52.731.241</b>	<b>4.707.155</b>	<b>10.202.667</b>	<b>Total</b>

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Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

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and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**12. UANG MUKA PEMBELIAN (lanjutan)**

Dari total uang muka pembelian aset tetap per 30 Juni 2017 dan 31 Desember 2016, masing-masing sebesar Rp17.479.592 dan Rp15.300.149 sebagian besar adalah:

- Tanah di Jl. Keamanan, Batu Ceper, Tangerang sebesar Rp14.400.000 dibeli dari Tn.Djonny Taslim yang dibayarkan melalui kas Perusahaan.
- Mesin LDPE *Double Dies* sebesar Rp2.162.711 dibeli dari Sen Fa Machine Co., Ltd melalui pinjaman Bank.

Balik nama hak atas tanah tersebut sedang dalam pengurusan.

Dari total uang muka pembelian aset tetap per 31 Desember 2015 sebesar Rp13.542.108 atas pembelian tanah di daerah Lebak Bulus, Jakarta, mesin, peralatan pabrik dan kendaraan.

Dari total uang muka pembelian aset tetap per 31 Desember 2014 sebesar Rp6.577.728 atas pembelian tanah di daerah Lebak Bulus, Jakarta, dan uang muka pembelian aset tetap sebesar Rp487.937 atas pembelian mesin, peralatan pabrik dan kendaraan.

Uang muka pembelian aset berupa pembelian tanah dari Tn Djonny Taslim yang dibayarkan melalui kas Perusahaan, sedangkan pembelian Mesin LDPE *Dies* dibeli dari Sen Fa Machine Co., Ltd melalui pinjaman Bank.

**12. ADVANCE PURCHASE (continued)**

From total advance purchase of property, plant and equipment June 30, 2017 and December 31, 2016, respectively amounted Rp17,479,592 and Rp15,300,149 are largely used for:

- Land located at Jl. Keamanan, Batu Ceper, Tangerang of Rp14,400,000 was purchase from Mr. Djonny Taslim are paid through the Company's cash.
- Machine LDPE *Double Dies* amounted Rp2,162,711 was purchased from Sen Fa Machine Co., Ltd. through Bank loan.

The land title transfer is yet to finalize.

From total advance purchase of property, plant and equipment as of December 31, 2015 amounted Rp13,542,108 for acquire land located at Lebak Bulus, Jakarta, machine, factory equipment and vehicle.

From total advance purchase of property, plant and equipment as of December 31, 2014 amounted Rp6,577,728 for acquire land located at Lebak Bulus, Jakarta. and advance purchase of property, plant and equipment amounted Rp487,937 for acquire machine, factory equipment and vehicle.

Advances for asset purchases in the form of land purchase from Mr. Djonny Taslim are paid through the Company's cash, while the purchase of LDPE *Dies* Machine is purchased from Sen Fa Machine Co., Ltd. through Bank loan.

**13. PROPERTI INVESTASI**

**13. INVESTMENT PROPERTIES**

30 Jun 2017/ Jun 30, 2017

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>
<b>Kepemilikan Langsung/ <i>Direct Ownership</i></b>					
<b>Harga Perolehan/ <i>Acquisition Cost</i></b>					
Tanah/ <i>Land</i>	1.115.176	-	-	-	1.115.176
Bangunan/ <i>Building</i>	541.141	-	-	-	541.141
<b>Jumlah/ <i>Total</i></b>	<b>1.656.317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.656.317</b>
<b>Akum Penyusutan/ <i>Accumulated Depreciation</i></b>					
Bangunan/ <i>Buildings</i>	108.228	13.528	-	-	121.756
<b>Jumlah/ <i>Total</i></b>	<b>108.228</b>	<b>13.528</b>	<b>-</b>	<b>-</b>	<b>121.756</b>
<b>Nilai Buku/ <i>Book Value</i></b>	<b>1.548.089</b>				<b>1.534.561</b>

**13. PROPERTI INVESTASI (lanjutan)**

**13. INVESTMENT PROPERTIES (continued)**

**31 Des 2016/ Dec 31, 2016**

	<b>Saldo Awal/ Beginning Balance</b>	<b>Penambahan/ Addition</b>	<b>Pengurangan/ Deduction</b>	<b>Reklasifikasi/ Reclassification</b>	<b>Saldo Akhir/ Ending Balance</b>
<b>Kepemilikan Langsung/ Direct Ownership</b>					
<b><u>Harga Perolehan/ Acquisition Cost</u></b>					
Tanah/ Land	1.115.176	-	-	-	1.115.176
Bangunan/ Building	541.141	-	-	-	541.141
<b>Jumlah/ Total</b>	<b>1.656.317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.656.317</b>
<b><u>Akum Penyusutan/ Accumulated Depreciation</u></b>					
Bangunan/ Buildings	81.171	27.057	-	-	108.228
<b>Jumlah/ Total</b>	<b>81.171</b>	<b>27.057</b>	<b>-</b>	<b>-</b>	<b>108.228</b>
<b>Nilai Buku/ Book Value</b>	<b>1.575.146</b>				<b>1.548.089</b>

**31 Des 2015/ Dec 31, 2015**

	<b>Saldo Awal/ Beginning Balance</b>	<b>Penambahan/ Addition</b>	<b>Pengurangan/ Deduction</b>	<b>Reklasifikasi/ Reclassification</b>	<b>Saldo Akhir/ Ending Balance</b>
<b>Kepemilikan Langsung/ Direct Ownership</b>					
<b><u>Harga Perolehan/ Acquisition Cost</u></b>					
Tanah/ Land	1.115.176	-	-	-	1.115.176
Bangunan/ Building	541.141	-	-	-	541.141
<b>Jumlah/ Total</b>	<b>1.656.317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.656.317</b>
<b><u>Akum Penyusutan/ Accumulated Depreciation</u></b>					
Bangunan/ Buildings	54.114	27.057	-	-	81.171
<b>Jumlah/ Total</b>	<b>54.114</b>	<b>27.057</b>	<b>-</b>	<b>-</b>	<b>81.171</b>
<b>Nilai Buku/ Book Value</b>	<b>1.602.203</b>				<b>1.575.146</b>

**13. PROPERTI INVESTASI (lanjutan)**

**13. INVESTMENT PROPERTIES (continued)**

**31 Des 2014/ Dec 31, 2014**

	<u>Saldo Awal/ Beginning Balance</u>	<u>Penambahan/ Addition</u>	<u>Pengurangan/ Deduction</u>	<u>Reklasifikasi/ Reclassification</u>	<u>Saldo Akhir/ Ending Balance</u>
<b>Kepemilikan Langsung/ Direct Ownership</b>					
<b>Harga Perolehan/ Acquisition Cost</b>					
Tanah/ Land	1.115.176	-	-	-	1.115.176
Bangunan/ Building	541.141	-	-	-	541.141
<b>Jumlah/ Total</b>	<b>1.656.317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.656.317</b>
<b>Akum Penyusutan/ Accumulated Depreciation</b>					
Bangunan/ Buildings	27.057	27.057	-	-	54.114
<b>Jumlah/ Total</b>	<b>27.057</b>	<b>27.057</b>	<b>-</b>	<b>-</b>	<b>54.114</b>
<b>Nilai Buku/ Book Value</b>	<b>1.629.260</b>				<b>1.602.203</b>

Properti investasi merupakan tanah dan bangunan yang berlokasi di Kawasan Pusat Niaga Terpadu Jl. Daan Mogot KM 19,6 Blok E8/A, Kelurahan Poris Gaga Baru, Kecamatan Batu Ceper, Kota Tangerang, Provinsi Banten. Aset tersebut dipakai untuk disewakan kepada pihak ketiga untuk mendapatkan penghasilan sewa secara rutin.

*Investment properties is represent of land and building located in Kawasan Pusat Niaga Terpadu Jl. Daan Mogot KM 19.6 Blok E8/A, Kelurahan Poris Gaga Baru, Kecamatan Batu Ceper, Kota Tangerang, Province Banten. The assets are used to be leased to third parties to obtain rental income on a regular basis.*

Beban penyusutan properti investasi untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 sebesar Rp13.528 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015 dan 2014 masing – masing sebesar Rp27.057, Rp27.057, Rp27.057 dibebankan pada beban umum dan administrasi.

*The depreciation expense of investment properties for the three months period ended June 30, 2017 amounted to Rp13.528 and for the years ended December 31, 2016, 2015 and 2014 amounting to Rp27,057, Rp27,057, Rp27,057 respectively, are charged to general and administrative expenses.*

Berdasarkan hasil penelaahan, manajemen Grup berkeyakinan tidak ada situasi atau keadaan yang mengindikasikan penurunan nilai properti investasi.

*Based on its review, the Group's management believes there is no situation or circumstances indicate impairment of investment properties.*

Berdasarkan laporan penilaian properti dari KJPP Iskandar dan Rekan No: 061.4/IDR/DO.1/AL/IV/2017 pada tanggal 5 April 2017 bahwa nilai wajar properti investasi sebesar Rp8.833.900.

*Based on property valuation report from KJPP Iskandar and Partners No: 061.4/IDR/DO.1/AL/IV/2017 on April 5, 2017 that the fair value of investment property amounted to Rp8,833,900.*

Jumlah pendapatan sewa dari properti investasi masing-masing untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015 dan 2014 adalah masing-masing sebesar Rp104.642, Rp201.045, Rp124.726 dan Rp0.

*Total rental income from investment properties for the six-month period ended June 30, 2017 and for the year ended December 31, 2016, 2015 and 2014 amounted to Rp104,642, Rp201,045. Rp124.726 and Rp0., respectively.*



**13. PROPERTI INVESTASI (lanjutan)**

Jumlah beban operasi langsung yang terjadi baik dari properti investasi yang menghasilkan maupun yang tidak menghasilkan penghasilan sewa masing-masing untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015 dan 2014 adalah masing-masing sebesar Rp58.644, Rp99.881, Rp214.088 dan Rp0.

**13. INVESTMENT PROPERTIES (continued)**

The total direct operating expenses incurred arising from non-yielding investment properties for the six-month periods ended June 30, 2017 and for the years ended December 31, 2016, 2015 and 2014 amounted to Rp58,644, Rp99,881 Rp214.088 and Rp0, respectively.

**14. ASET TIDAK BERWUJUD**

**14. INTANGIBLE ASSETS**

30 Jun 2017/ Jun 30, 2017

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Penambahan atas pengampunan pajak/ <i>Addition by tax amnesty</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>
<b><u>Harga Perolehan/ Acquisition Cost</u></b>						
Merek dagang/ <i>Trademark</i>	30.444.000	-	-	-	-	30.444.000
Lisensi/ <i>License</i>	442.511	8.483	-	-	-	450.994
<b><u>Pengampunan pajak/ Tax amnesty</u></b>						
Merek dagang/ <i>Trademark</i>	5.440.000	-	-	-	-	5.440.000
<b>Jumlah/ Total</b>	<b>36.326.511</b>	<b>8.483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.334.994</b>
<b><u>Akum Amortisasi/ Accumulated Amortization</u></b>						
Merek dagang/ <i>Trademark</i>	646.200	803.333	125.767	-	-	1.575.300
Lisensi/ <i>License</i>	343.613	21.748	-	-	-	365.361
<b>Jumlah/ Total</b>	<b>989.813</b>	<b>825.081</b>	<b>125.767</b>	<b>-</b>	<b>-</b>	<b>1.940.661</b>
<b>Nilai Buku/ Book Value</b>	<b>35.336.698</b>					<b>34.394.333</b>

**14. ASET TIDAK BERWUJUD (lanjutan)**

**14. INTANGIBLE ASSETS (continued)**

31 Des 2016/ Dec 31, 2016

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Penambahan atas pengampunan pajak/ <i>Addition by tax amnesty</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>
<b><u>Harga Perolehan/</u></b> <b><u>Acquisition Cost</u></b>						
Merek dagang/ <i>Trademark</i>	24.000	30.420.000	-	-	-	30.444.000
Lisensi/ <i>License</i>	414.991	27.520	-	-	-	442.511
<b><u>Pengampunan</u></b> <b><u>pajak/ Tax</u></b> <b><u>amnesty</u></b>						
Merek dagang/ <i>Trademark</i>	-	-	5.440.000	-	-	5.440.000
<b>Jumlah/ Total</b>	<b>438.991</b>	<b>30.447.520</b>	<b>5.440.000</b>	<b>24.000</b>	<b>-</b>	<b>36.326.511</b>
<b><u>Akum Amortisasi/</u></b> <b><u>Accumulated</u></b> <b><u>Amortization</u></b>						
Merek dagang/ <i>Trademark</i>	24.000	548.333	73.867	-	-	646.200
Lisensi/ <i>License</i>	301.025	42.588	-	-	-	343.613
<b>Jumlah/ Total</b>	<b>325.025</b>	<b>590.921</b>	<b>73.867</b>	<b>-</b>	<b>-</b>	<b>989.813</b>
<b>Nilai Buku/ Book</b> <b>Value</b>	<b>113.966</b>					<b>35.336.698</b>

**14. ASET TIDAK BERWUJUD (lanjutan)**

**14. INTANGIBLE ASSETS (continued)**

**31 Des 2015/ Dec 31, 2015**

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>	Pengambilalihan PBP/ <i>Acquisition PBP</i>	Saldo akhir setelah proforma/ <i>Ending balance after proforma</i>
<b>Harga</b>							
<b><u>Perolehan/</u></b>							
<b><u>Acquisition</u></b>							
<b><u>Cost</u></b>							
Merek dagang/ <i>Trademark</i>	-	-	-	-	-	24.000	24.000
Lisensi/ <i>License</i>	44.159	75.700	-	-	119.859	295.132	414.991
<b>Jumlah/ Total</b>	<b>44.159</b>	<b>75.700</b>	<b>-</b>	<b>-</b>	<b>119.859</b>	<b>319.132</b>	<b>438.991</b>
<b>Akum</b>							
<b><u>Amortisasi/</u></b>							
<b><u>Accumulated</u></b>							
<b><u>Amortization</u></b>							
Merek dagang/ <i>Trademark</i>	-	-	-	-	-	24.000	24.000
Lisensi/ <i>License</i>	2.760	20.292	-	-	23.052	277.973	301.025
<b>Jumlah/ Total</b>	<b>2.760</b>	<b>20.292</b>	<b>-</b>	<b>-</b>	<b>23.052</b>	<b>301.973</b>	<b>325.025</b>
<b>Nilai Buku/ Book Value</b>	<b>41.399</b>				<b>96.807</b>		<b>113.966</b>

**31 Des 2014/ Dec 31, 2014**

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>	Pengambilalihan PBP/ <i>Acquisition PBP</i>	Saldo akhir setelah proforma/ <i>Ending balance after proforma</i>
<b>Harga</b>							
<b><u>Perolehan/</u></b>							
<b><u>Acquisition</u></b>							
<b><u>Cost</u></b>							
Merek dagang/ <i>Trademark</i>	-	-	-	-	-	24.000	24.000
Lisensi/ <i>License</i>		44.159	-	-	44.159	290.357	334.516
<b>Jumlah/ Total</b>	<b>-</b>	<b>44.159</b>	<b>-</b>	<b>-</b>	<b>44.159</b>	<b>314.357</b>	<b>358.516</b>

**14. ASET TIDAK BERWUJUD (lanjutan)**

**14. INTANGIBLE ASSETS (continued)**

**31 Des 2014/ Dec 31, 2014 (lanjutan/ continued)**

	Saldo Awal/ <i>Beginning Balance</i>	Penambahan/ <i>Addition</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo Akhir/ <i>Ending Balance</i>	Pengambilalihan PBP/ <i>Acquisition PBP</i>	Saldo akhir setelah proforma/ <i>Ending balance after proforma</i>
<b>Akum</b>							
<b>Amortisasi/ Accumulated Amortization</b>							
Merek dagang/ <i>Trademark</i>	-	-	-	-	-	24.000	24.000
Lisensi/ <i>License</i>	-	2.760	-	-	2.760	270.908	273.668
<b>Jumlah/ Total</b>	-	<b>2.760</b>	-	-	<b>2.760</b>	<b>294.908</b>	<b>297.668</b>
Nilai Buku/ <i>Book Value</i>	-				<b>41.399</b>		<b>60.848</b>

Untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 dan tahun yang berakhir pada tanggal 31 Desember 2016, 2015 dan 2014 beban amortisasi Grup masing-masing sebesar Rp950.847, Rp664.788, Rp27.356 dan Rp20.854 disajikan pada beban umum dan administrasi.

For the period ended June 30, 2017, and for the years ended December 31, 2016, 2015 and 2014 presentation of the Group amortization expenses amounted to Rp950,848, Rp664,788, Rp27,356 and Rp20,854 in general and administrative expenses.

Merek dagang Grup terdiri dari merek Tomat, Wayang, Pluit, Dayana dan Gapura berdasarkan akta jual beli No. 9 tanggal 28 September 2016, serta merk dagang Wang wang. Kemang berdasarkan akta jual beli No. 2 Tanggal 25 November 2016 yang dibuat dihadapan notaris Fully Handayani Ridwan, S.H., tentang perjanjian jual beli merek antara Tn Djonny Taslim dengan PT Panca Budi Niaga senilai Rp30.420.000. Penilaian merek dagang Tomat, Wayang, Pluit, Dayana dan Gapura dilakukan oleh KJPP independen Iskandar & Rekan dengan laporan No. 043.3/IDR/BTAB/VIII/2016 tanggal 15 Agustus 2016 yang menyatakan nilai wajar masing-masing merek Tomat sebesar Rp16.091.000, Wayang Rp8.438.000, Pluit Rp2.910.000, Dayana Rp1.891.000 dan Gapura Rp873.000.

The trademark consists of brand Tomat, Wayang, Pluit, Dayana and Gapura based on the deed of sale No. 9 dated September 28, 2016, and trademark Wang wang. Kemang based on the deed of sale No. 2 dated November 25, 2016. which is made before a notary Fully Handayani Ridwan, S.H., on brand purchase agreement between Mr Djonny Taslim with PT Panca Budi Niaga Rp30,420,000. Ratings trademark Tomat, Wayang, Pluit, Dayana and Gapura conducted by independent KJPP Iskandar & Partners report No. 043.3/S/BTAB/VIII/2016 dated August 15, 2016 stating the fair value of the brand Tomat for Rp16,091,000, Wayang Rp8,438,000, Pluit Rp2,910,000, Dayana Rp1,891,000 and Gapura Rp873,000.

**14. ASET TIDAK BERWUJUD (lanjutan)**

Pendekatan penilaian yang digunakan oleh KJPP adalah pendekatan pendapatan dengan alasan manfaat ekonomis aset tidak berwujud dapat di kuantifikasi, sedangkan metode perhitungannya berdasarkan kontribusi tiap merk dagang terhadap pendapatan dengan metode pendapatan lebih dengan menggunakan proyeksi arus kas terdiskonto, dimana proyeksi arus kas merk dagang adalah kontribusi setiap merk dagang terhadap pendapatan lebih yang merupakan hasil dari pengurangan dari arus kas perusahaan dengan arus kas yang berasal dari kontribusi aset lain.

**14. INTANGIBLE ASSETS (continued)**

The valuation approach used by KJPP is based on income approach with assume that the economic benefit of the intangible asset can be quantified, while the calculation method is based on the contribution of each brand to the income with multiple periode excess earning method using discounted cash projection, where the cash flow projection of brand is the contribution of each brand to the excess earning which is the result of the deduction from the company cash flow with cash flow from contributory asset charges.

**15. ASET TIDAK LANCAR LAINNYA**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Aset yang tidak digunakan	18.315.322	18.315.322	-	-	Idle assets
Keanggotaan	800.000	-	23.622	44.272	Membership
Jaminan	138.202	88.572	88.572	224.912	Deposit
Lainnya	187.492	935.712	187.492	187.492	Others
<b>Jumlah aset tidak lancar lainnya</b>	<b>19.441.016</b>	<b>19.339.606</b>	<b>299.686</b>	<b>456.676</b>	<b>Total other current assets</b>

Aset tidak digunakan sebesar Rp18.315.322 pada periode yang berakhir pada tanggal 30 Juni 2017 dan 31 Desember 2016 merupakan aset atas tanah dan bangunan, serta mesin yang dimiliki entitas anak PBP dan PIH.

The idle assets amounting to Rp18,315,322 in the period ended June 30, 2017 and December 31, 2016 are the assets of the land and buildings, and machines owned by the subsidiaries PBP and PIH.

**16. BEBAN DITANGGUHKAN**

Pada periode enam bulan yang berakhir pada tanggal 30 Juni 2017 dan untuk tahun yang berakhir pada tanggal 2016, 2015 dan 2014 beban ditangguhkan masing-masing sebesar Rp1.411.558, Rp477.500, Rp0 dan Rp0.

**16. DEFFERED CHARGES**

As of six period ended June 30, 2017 and for the years ended December 2016, 2015 and 2014 deferred charges amounting to Rp1,411,558, Rp477,500, Rp0 and Rp0.

**17. PERPAJAKAN**

**a. Pajak Dibayar Dimuka**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
PPh Pasal 28A	29.075.659	18.559.911	29.365.222	13.940.034
PPN Masukan	5.980.826	6.886.292	7.741.053	16.633.750
PPh Pasal 21	-	1.557	-	-
PPh Pasal 23	-	38.731	-	-
PPh Pasal 19	-	-	6.912.305	-
Lainnya	478.620	100.607	100.807	-
<b>Jumlah Pajak Dibayar Dimuka</b>	<b>35.535.105</b>	<b>25.587.098</b>	<b>44.119.387</b>	<b>30.573.784</b>

Pajak dibayar dimuka PPh pasal 19 merupakan pajak atas revaluasi aset tetap. Berdasarkan Peraturan Menteri Keuangan (PMK) Nomor 191/PMK.010/2015 tanggal 15 Oktober 2015 yang telah diubah dengan PMK No. 233/PMK.03/2015 tanggal 21 Desember 2015, permohonan penilaian kembali aktiva tetap untuk tujuan perpajakan yang diajukan sampai dengan tanggal 31 Desember 2015, akan mendapatkan perlakuan khusus berupa Pajak Penghasilan yang bersifat final dengan tarif sebesar 3%. Adapun atas permohonan yang diajukan sejak tanggal 1 Januari 2016 sampai dengan 30 Juni 2016, tarif Pajak Penghasilan yang bersifat final sebesar 4%.

**b. Utang Pajak**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
PPh Pasal 29	13.850.416	30.181.272	3.372.338	1.997.473
PPN Keluaran	4.231.299	974.197	945.583	338.502
PPh Pasal 25	2.810.295	585.546	330.390	177.025
PPh Pasal 23	568.382	713.181	311.974	236.253
PPh Pasal 21	544.156	2.486.524	242.256	352.966
PPh Pasal 4 (2)	60.577	14.607	1.979	16.072
PPh Final PP 46	3.723	-	7.941	-
PPh Pasal 26	3.525	2.680	-	-
Lain-lain	21.988	70	-	6.980
<b>Jumlah Utang Pajak</b>	<b>22.094.361</b>	<b>34.958.077</b>	<b>5.212.461</b>	<b>3.125.271</b>

Income tax –  
article 28A  
VAT- In  
Income tax –  
article 21  
Income tax –  
article 23  
Income tax –  
article 19  
Others

**Total Prepaid Tax**

Prepaid income tax-article 19 is a tax on revaluation of plant, property and equipment. Based on the Finance Minister Regulation (PMK) No. 191/PMK.010/2015 dated October 15, 2015, as amended by PMK No. 233/PMK.03/2015 dated on December 21, 2015, the applicant of plant, property and equipment revaluation for tax purpose filed until the date of December 31, 2015, will receive special treatment in the form of final income tax rate at 3%. The petition filed on the date of January 1, 2016 until June 30, 2016, the final income tax rate is 4%.

**b. Tax Payables**

Income tax –  
article 29  
VAT- Out  
Income tax –  
article 25  
Income tax –  
article 23  
Income tax –  
article 21  
Income tax –  
article 4 (2)  
Final tax – PP 46  
Income tax –  
article 26  
Others  
**Total Tax Payables**

**17. PERPAJAKAN (lanjutan)**

**Pengampunan pajak**

Pada periode program Pengampunan Pajak (September – Oktober 2016) Grup telah mengikuti program pengampunan pajak sesuai Undang-undang No. 11 tahun 2016 yang diterbitkan pada tanggal 1 Juli 2016. Kantor Pajak telah menerbitkan Surat Keterangan Pengampunan Pajak (SKPP) pada berbagai tanggal di bulan September dan Oktober 2016.

Aset dan liabilitas terkait program Pengampunan Pajak adalah sebagai berikut:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Kas dan setara kas	-	2.038.395	-	-	Cash and cash equivalents
Piutang usaha	-	25.200	-	-	Account receivables
Persediaan	-	6.589.508	-	-	Inventory
Aset tetap	-	1.373.975	-	-	property, plant and equipment
Aset tidak berwujud	-	5.440.000	-	-	Intangible assets
<b>Jumlah</b>	<b>-</b>	<b>15.467.078</b>	<b>-</b>	<b>-</b>	<b>Total</b>
Utang lain-lain	-	(78.673)	-	-	Other payables
<b>Jumlah - bersih</b>	<b>-</b>	<b>15.388.405</b>	<b>-</b>	<b>-</b>	<b>Total - net</b>
<b>Diatribusikan kepada:</b>					<b>Attribute to:</b>
Entitas induk	-	14.733.679	-	-	Parent only
Kepentingan non Pengendali	-	654.726	-	-	Non controlling interest
<b>Jumlah yang diatribusikan</b>	<b>-</b>	<b>15.388.405</b>	<b>-</b>	<b>-</b>	<b>Total attributable</b>

Aset dan liabilitas yang berasal dari program Pengampunan Pajak telah termasuk didalam masing-masing akun.

Assets and liabilities related to Tax Amnesty program are as follows:

Assets and liabilities occurred from Tax Amnesty program have been recorded in each account.

**c. Pajak kini**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Beban pajak kini:</b>						<b>Current tax expenses:</b>
Perusahaan	465.790	201.530	2.013.003	1.292.852	819.338	The Company
Entitas anak	31.223.420	24.039.205	48.150.667	7.908.338	4.958.293	Subsidiaries
<b>Jumlah beban pajak kini</b>	<b>31.689.210</b>	<b>24.240.735</b>	<b>50.163.670</b>	<b>9.201.190</b>	<b>5.777.631</b>	<b>Total current tax expenses</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**c. Pajak kini (lanjutan)**

**c. Current tax (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Laba (rugi) sebelum pajak penghasilan sesuai dengan laba rugi komprehensif konsolidasian	127.121.212	102.273.439	190.859.378	29.365.459	30.035.340	Profit (loss) before income taxes in accordance with the consolidated statements of comprehensive income
Ditambah/ (dikurangi):						Additions/ (less):
Laba (rugi) entitas anak	(126.652.752)	(102.689.405)	(188.749.196)	(24.846.408)	(26.177.413)	Profit/ (loss) subsidiaries
<b>Laba/ (rugi) sebelum pajak penghasilan</b>	<b>468.461</b>	<b>(415.966)</b>	<b>2.110.182</b>	<b>4.519.051</b>	<b>3.857.927</b>	<b>Profit/ (loss) Before income tax</b>
<b>Beda waktu:</b>						<b>Temporary differences:</b>
Imbalan kerja	1.837.908	871.239	3.861.786	2.154.226	2.188.662	Employee benefit
Pembayaran kewajiban imbalan kerja	-	-	(83.346)	(1.566.630)	-	Payment for employee benefit
Penyusutan aset sewa guna usaha	32.908	32.908	60.332	84.620	-	Depreciation lease assets
<b>Jumlah beda waktu</b>	<b>1.870.817</b>	<b>904.147</b>	<b>3.838.772</b>	<b>672.216</b>	<b>2.188.662</b>	<b>Total temporary differences</b>
<b>Beda tetap:</b>						<b>Permanent differences:</b>
Biaya Pajak	417.175	595.658	3.512.977	646.934	-	Tax expenses
Jasa Giro	-	-	(90.829)	(91.561)	(17.255)	Current account Surplus
Penyusutan surplus revaluasi aset tetap	(901.904)	(601.270)	(1.503.174)	-	-	depreciation of property, plant and equipment
Penghasilan final	(6.772)	(27.819)	-	(630.000)	-	Final income
Entertainment	9.835	872	-	31.531	-	Entertainment
Sumbangan	5.550	350.500	-	-	-	Donation
Biaya lainnya	-	-	184.084	23.236	1.774.665	Other expenses
<b>Jumlah beda tetap</b>	<b>(476.116)</b>	<b>317.941</b>	<b>2.103.058</b>	<b>(19.860)</b>	<b>1.757.410</b>	<b>Total permanent differences</b>



**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**c. Pajak kini (lanjutan)**

**c. Current tax (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Laba (rugi) kena pajak	1.863.162	806.122	8.052.012	5.171.407	7.803.999	Estimated fiscal income (loss)
Dibulatkan	1.863.160	806.120	8.052.012	5.171.407	7.803.999	Rounded
Kompensasi kerugian	-	-	-	-	(4.526.646)	Compensation losses
Laba kena pajak	1.863.160	806.120	8.052.012	5.171.407	3.277.353	Taxable income
<b>Pajak Penghasilan 25%</b>	<b>465.790</b>	<b>201.530</b>	<b>2.013.003</b>	<b>1.292.852</b>	<b>819.338</b>	<b>Income tax 25%</b>
Kredit pajak : <b>Perusahaan</b>						Credit tax: <b>Company</b>
PPh pasal 22	14.354	50.975	2.569.927	-	7.336.088	Income tax article 22
PPh pasal 23	1.250.789	450.237	1.330.631	3.553.665	528.956	Income tax article 23
	<b>1.265.143</b>	<b>501.212</b>	<b>3.900.558</b>	<b>3.553.665</b>	<b>7.865.044</b>	
<b>PPh pasal 29/28A konsolidasi Perusahaan</b>						<b>Income tax article 29/28A consolidated Company</b>
PPh Pasal 28A (Tahun 2014)	-	-	-	(7.045.706)	-	Income tax article 28A (Year 2014)
PPh Pasal 28A Entitas anak	(799.353)	(299.682)	(1.887.555)	(2.260.813)	(7.045.706)	Income tax article 28A Subsidiaries
PPh Pasal 29	13.850.416	13.834.564	30.181.272	3.372.338	1.997.473	Income tax article 29
PPh Pasal 28A	(28.276.306)	(16.440.913)	(16.672.356)	(20.058.703)	(6.894.328)	Income tax article 28 A
<b>Jumlah PPh Pasal 29/ (28A) Konsolidasi</b>	<b>(15.225.243)</b>	<b>(2.906.031)</b>	<b>11.621.361</b>	<b>(25.992.884)</b>	<b>(11.942.561)</b>	<b>Total Income Tax Article 29/ (28A) Consolidated</b>

Perhitungan pajak penghasilan badan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015 dan 2014 diatas menjadi dasar dalam penyusunan Surat Pemberitahuan (SPT) pajak penghasilan badan pada tahun 2016, 2015 dan 2014.

The calculation of corporate income tax for the year ended December 31, 2016, 2015 and 2014 above shall be the basis for the preparation of corporate income tax returns (SPT) in 2016, 2015 and 2014.

**17. PERPAJAKAN (lanjutan)**

Pada tahun 2014 sampai dengan 30 Juni 2017 Perusahaan dan entitas anak telah menerima Surat Ketetapan Pajak (SKP) dan Surat Tagihan Pajak (STP) sebagai berikut.

**17. TAXATION (continued)**

From 2014 to June 30, 2017, the Company and its subsidiaries has received Surat Ketetapan Pajak (SKP) dan Surat Tagihan Pajak (STP) as follows.

Masa Pajak/ Tax Period	No. SKP/ No. SKP	Tanggal SKP/ SKP Dates	Jenis Pajak/ Type of Tax	Jumlah KB/LB/ Amount KB/LB	Tanggal bayar/ Tanggal restitusi/ Date paid/ Date of restitution
<b>PBI</b>					
Mei 2014	00257/107/14/038/16	27/09/2016	Surat Tagihan Pajak PPN	3.718.699	25/10/2016
2014	00017/406/14/038/16	08/04/2016	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	6.905.321.000	16/05/2016
2013	00027/406/13/038/15	27/04/2015	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	7.174.637.666	22/05/2015
2012	00041/406/12/038/14	28/04/2014	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	506.248.720	16/06/2014
September & Oktober 2013	00016/103/13/038/14	28/02/2014	Surat Tagihan Pajak PPh Pasal 23	249.000	21/04/2014
Nov & Des 2013	00015/103/13/038/14	28/02/2014	Surat Tagihan Pajak PPh Pasal 23	1.109.426	21/04/2014
Juni-Agust 2013	00055/106/13/038/14	28/02/2014	Surat Tagihan Pajak Penghasilan	300.000	21/04/2014
Des 2013	00054/106/13/038/14	28/02/2014	Surat Tagihan Pajak Penghasilan	100.000	21/04/2014
Des 2013	00046/101/13/038/14	05/05/2014	Surat Tagihan Pajak PPh Pasal 21	100.000	21/04/2014
<b>PIH</b>					
2010	00004/506/10/417/15	17/12/2015	Surat Ketetapan Nihil Pajak Penghasilan	NIHIL	NIHIL
2011	00004/406/11/417/13	25/04/2013	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	172.378.000	21/05/2013
2012	00003/406/12/417/14	28/04/2014	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	1.390.411.871	16/05/2014
2013	00010/406/13/417/15	29/04/2015	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	1.915.181.000	06/03/2015
2014	00015/406/14/417/16	28/04/2016	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	720.063.000	31/05/2016
2015	00015/406/15/417/17	21/06/2017	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	957.701.695	20/07/2017
<b>PBP</b>					
2010	00003/206/10/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar Pajak Penghasilan	67.492.810	16/12/2014
2012	00017/206/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar Pajak Penghasilan	296.672.660	16/12/2014

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

<b>Masa Pajak/ Tax Period</b>	<b>No. SKP/ No. SKP</b>	<b>Tanggal SKP/ SKP Dates</b>	<b>Jenis Pajak/ Type of Tax</b>	<b>Jumlah KB/LB/ Amount KB/LB</b>	<b>Tanggal bayar/ Tanggal restitusi/ Date paid/ Date of restitution</b>
2013	00002/406/13/415/14	07/11/2014	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	2.902.662.536	16/12/2014
2014	00010/406/14/415/16	26/02/2016	Surat Ketetapan Pajak Lebih Bayar Pajak Penghasilan	5.283.491.368	15/03/2016
2010	00002/201/10/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 21	8.787.500	16/12/2014
2010	00003/203/10/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 23	1.320.253	16/12/2014
2010	00002/240/10/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 4 Ayat 2	9.297.718	16/12/2014
2010	00052/107/10/415/14	24/11/2014	Surat Tagihan Pajak PPN	101.880	16/12/2014
2012	00031/201/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 21	26.824.924	16/12/2014
2012	00036/203/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 23	1.175.168	16/12/2014
2012	00024/240/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 4 Ayat 2	1.758.616	16/12/2014
2012	00307/107/12/415/14	24/11/2014	Surat Tagihan Pajak PPN	100.000	16/12/2014
2012	00306/107/12/415/14	24/11/2014	Surat Tagihan Pajak PPN	2.900.515	16/12/2014
DESEMBER 2012	00355/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	1.788.639	16/12/2014
NOVEMBER 2012	00354/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	1.788.634	16/12/2014
OKTOBER 2012	00353/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	1.788.641	16/12/2014
SEPTEMBER 2012	00352/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.104	16/12/2014
AGUSTUS 2012	00351/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.090	16/12/2014
JULI 2012	00350/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.217.093	16/12/2014
JUNI 2012	00349/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.100	16/12/2014
MEI 2012	00348/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.028	16/12/2014
APRIL 2012	00347/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.096	16/12/2014
MARET 2012	00346/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.096	16/12/2014
FEBRUARI 2012	00345/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.417.080	16/12/2014
JANUARI 2012	00356/207/12/415/14	24/11/2014	Surat Ketetapan Pajak Kurang Bayar PPN	2.416.963	16/12/2014

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

<b>Masa Pajak/ Tax Period</b>	<b>No. SKP/ No. SKP</b>	<b>Tanggal SKP/ SKP Dates</b>	<b>Jenis Pajak/ Type of Tax</b>	<b>Jumlah KB/LB/ Amount KB/LB</b>	<b>Tanggal bayar/ Tanggal restitusi/ Date paid/ Date of restitution</b>
2013	00231/106/13/415/14	24/11/2014	Surat Tagihan Pajak Penghasilan	3.923.979	16/12/2014
JANUARI 2016	00109/101/16/415/16	23/09/2016	Surat Tagihan Pajak Sanksi Administrasi PPh Pasal 21	736.092	12/10/2016
JULI 2015	00166/101/15/415/16	23/09/2016	Surat Tagihan Pajak Sanksi Administrasi PPh Pasal 21	102.107	12/10/2016
JAN - APR 2015	00288/106/15/415/16	23/09/2016	Surat Tagihan Pajak Sanksi Administrasi Pajak Penghasilan	400.000	12/10/2016
MAR - JUL 2014	00164/107/14/415/16	23/09/2016	Surat Tagihan Pajak Sanksi Administrasi Pembetulan PPN	9.374.400	12/10/2016
JANUARI 2014	00165/107/14/415/16	23/09/2016	Surat Tagihan Pajak Sanksi Administrasi Pembetulan PPN	5.443.200	12/10/2016
<b>RMIP</b>					
2012	00120/107/12/121/14	04/12/2014	Surat Tagihan Pajak PPN	2.000.000	17/12/2014
2012	00101/207/12/121/14	04/12/2014	Surat Ketetapan Pajak Kurang Bayar PPN	3.953.636	17/12/2014
2012	00010/103/12/121/14	04/12/2014	Surat Tagihan Pajak PPh Pasal 23	900.000	17/12/2014
2012	00020/203/12/121/14	04/12/2014	Surat Ketetapan Pajak Kurang Bayar PPh Pasal 23	3.144.834	17/12/2014
2012	00046/101/12/121/14	04/12/2014	Surat Tagihan Pajak PPh Pasal 21	600.000	17/12/2014
2016	KEP- 023.PPN/WPJ.01/KP. 0303/2016	22/04/2016	Surat Ketetapan Pajak Kurang Bayar PPN	571.348.378	25/04/2016
2016	SPTNP- 015366/NOTUL/KPU- TP/BD.02/2016	25/11/2016	Denda Notul	5.000.000	25/11/2016
2016	SPTNP- 016118/NOTUL/KPU- TP/BD.02/2016	02/12/2016	Denda Notul	5.000.000	06/12/2016
2016	SPTNP- 017911/NOTUL/KPU- TP/BD.02/2016	28/12/2016	Denda Notul	5.000.000	03/01/2017

Atas SKP dan STP tersebut Perusahaan dan entitas anak tidak mengajukan keberatan dan telah menyelesaikan semua kewajiban pajak sesuai dengan SKP dan STP yang tersebut diatas.

Upon such SKP and STP, the Company and its subsidiaries have not filed any objection and have settled all tax obligations in accordance with the above mentioned

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan**

**d. Deferred income tax benefit (expenses)**

		(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Juni 2017/ June 2017	
<b>Aset pajak Tangguhan</b>					<b>Deferred Tax Asset</b>
<b><u>Entitas induk</u></b>					<b><u>Parent Company</u></b>
Penyusutan	36.237	(6.072)	-	30.165	Depreciation
Pembayaran imbalan kerja	(412.493)	-	-	(412.493)	Payment for employee benefits
Imbalan kerja	3.509.847	459.477	26.056	3.995.380	Employee benefits
	<b>3.133.591</b>	<b>453.405</b>	<b>26.056</b>	<b>3.613.052</b>	
<b><u>Entitas Anak</u></b>					<b><u>Subsidiaries</u></b>
Kompensasi kerugian fiskal	833.249	(832.010)	-	1.239	Compensation fiscal loss
Penyusutan	(166.977)	602.088	-	435.111	Depreciation
Imbalan kerja	4.507.305	961.691	(447.403)	5.021.593	employee benefits
	<b>5.173.577</b>	<b>731.769</b>	<b>(447.403)</b>	<b>5.457.943</b>	
<b>Total Aset Pajak Tangguhan</b>	<b>8.307.168</b>	<b>1.185.174</b>	<b>(421.347)</b>	<b>9.070.995</b>	<b>Total Deferred Tax Asset</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan  
(lanjutan)**

**d. Deferred income tax benefit (expenses)  
(continued)**

		(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Juni 2017/ June 2017	
<b>Lliabilitas Pajak Tangguhan</b>	<b>2016</b>				<b>Deferred Tax Liabilities</b>
<b><u>Entitas induk</u></b>	-	-	-	-	<b><u>Parent Company</u></b>
<b><u>Entitas anak</u></b>					<b><u>Subsidiaries</u></b>
Amortisasi	-	5.298	-	5.298	Amortization
Penyusutan	(2.306.825)	1.028.906	-	(1.277.919)	Depreciation
Selisih penyusutan aset sewa guna usaha	9.723	16.343	-	26.066	Difference depreciation lease assets
	<b>(2.297.102)</b>	<b>1.050.547</b>	<b>-</b>	<b>(1.246.555)</b>	
<b>Total Liabilitas Pajak Tangguhan</b>	<b>(2.297.102)</b>	<b>1.050.547</b>	<b>-</b>	<b>(1.246.555)</b>	<b>Total Deferred Tax Liabilities</b>
<b>Total Aset (Liabilitas) Pajak Tangguhan</b>	<b>6.010.066</b>	<b>2.235.721</b>	<b>(421.347)</b>	<b>7.824.440</b>	<b>Total Deferred Tax Asset (Liabilities)</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan  
(lanjutan)**

**d. Deferred income tax benefit (expense) (continued)**

		(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Pengaruh penggabungan entitas anak/ Influence of subsidiaries acquisition		
	2015				2016	
<b>Aset Pajak Tangguhan</b>						<b>Deferred Tax Asset</b>
<b>Entitas Induk</b>						<b>Parent Company</b>
Penyusutan	21.154	15.083	-	-	36.237	Depreciation
Pembayaran imbalan kerja	(391.657)	(20.836)	-	-	(412.493)	Payment for employee benefits
Imbalan kerja	2.244.683	965.446	299.718	-	3.509.847	Employee benefits
	<b>1.874.180</b>	<b>959.693</b>	<b>299.718</b>	<b>-</b>	<b>3.133.591</b>	
<b>Entitas Anak</b>						<b>Subsidiaries</b>
Kompensasi kerugian fiskal	4.348.425	(3.515.176)	-	-	833.249	Compensation fiscal loss
Penyusutan	(161.426)	(5.551)	-	-	(166.977)	Depreciation
Imbalan kerja	3.065.201	1.196.575	245.529	-	4.507.305	Employee benefits
	<b>7.252.200</b>	<b>(2.324.152)</b>	<b>245.529</b>	<b>-</b>	<b>5.173.577</b>	
<b>Total Aset Pajak Tangguhan</b>	<b>9.126.380</b>	<b>(1.364.459)</b>	<b>545.247</b>	<b>-</b>	<b>8.307.168</b>	<b>Total Deferred Tax Asset</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan (lanjutan)**

**d. Deferred income tax benefit (expense) (continued)**

	2015	(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Pengaruh penggabungan entitas anak/ Influence of subsidiaries acquisition	2016	
<b>Lliabilitas Pajak Tangguhan</b>						<b>Deferred Tax Liabilities</b>
<u><b>Entitas Induk</b></u>	-	-	-	-	-	<u><b>Parent Company</b></u>
<u><b>Entitas Anak</b></u>						<u><b>Subsidiaries</b></u>
Penyusutan	(1.356.559)	(950.266)	-	-	(2.306.825)	Depreciation
Selisih penyusutan aset sewa guna usaha	(34.891)	44.614	-	-	9.723	Difference depreciation lease assets
	<b>(1.391.450)</b>	<b>(905.652)</b>	<b>-</b>	<b>-</b>	<b>(2.297.102)</b>	
<b>Total Liabilitas Pajak Tangguhan</b>	<b>(1.391.450)</b>	<b>(905.652)</b>	<b>-</b>	<b>-</b>	<b>(2.297.102)</b>	<b>Total Deferred Tax Liabilities</b>
<b>Total Aset (Liabilitas) Pajak Tangguhan</b>	<b>7.734.930</b>	<b>(2.270.111)</b>	<b>545.247</b>	<b>-</b>	<b>6.010.066</b>	<b>Total Deferred Tax Asset (Liabilities)</b>



**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan  
(lanjutan)**

**d. Deferred income tax benefit (expense) (continued)**

		(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Pengaruh penggabungan entitas anak/ Influence of subsidiaries acquisition		
	2014				2015	
<b>Aset Pajak Tangguhan</b>						<b>Deferred Tax Asset</b>
<b>Entitas Induk</b>						<b>Parent Company</b>
Penyusutan	-	21.154	-	-	21.154	Depreciation
Pembayaran imbalan kerja	-	(391.657)	-	-	(391.657)	Payment for employee benefits
Imbalan kerja	2.290.465	538.557	(584.339)	-	2.244.683	Employee benefits
	<b>2.290.465</b>	<b>168.054</b>	<b>(584.339)</b>	<b>-</b>	<b>1.874.180</b>	
<b>Entitas Anak</b>						<b>Subsidiaries</b>
Kompensasi kerugian fiskal	4.200.862	147.563	-	-	4.348.425	Compensation fiscal loss
Penyusutan	(482.063)	320.637	-	-	(161.426)	Depreciation
Imbalan kerja	2.679.562	743.380	(87.880)	(269.861)	3.065.201	Employee benefits
	<b>6.398.361</b>	<b>1.211.580</b>	<b>(87.880)</b>	<b>(269.861)</b>	<b>7.252.200</b>	
<b>Total Aset Pajak Tangguhan</b>	<b>8.688.826</b>	<b>1.379.634</b>	<b>(672.219)</b>	<b>(269.861)</b>	<b>9.126.380</b>	<b>Total Deferred Tax Asset</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan**  
(lanjutan)

**d. Deferred income tax benefit (expense) (continued)**

	2014	(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Pengaruh penggabungan entitas anak/ Influence of subsidiaries acquisition	2015	
<b>Liabilitas Pajak Tangguhan</b>						<b>Deferred Tax Liabilities</b>
<b>Entitas Induk</b>	-	-	-	-	-	<b>Parent Company</b>
<b>Entitas Anak</b>						<b>Subsidiaries</b>
Kompensasi kerugian fiskal						Compensation fiscal loss
Penyusutan	(1.053.953)	(302.606)	-	-	(1.356.559)	Depreciation
Imbalan kerja	-	-	-	-	-	Employee benefits
Selisih penyusutan aset sewa guna usaha	-	(34.891)	-	-	(34.891)	Difference depreciation lease assets
	<b>(1.053.953)</b>	<b>(337.497)</b>	<b>-</b>	<b>-</b>	<b>(1.391.450)</b>	
<b>Total Liabilitas Pajak Tangguhan</b>	<b>(1.053.953)</b>	<b>(337.497)</b>	<b>-</b>	<b>-</b>	<b>(1.391.450)</b>	<b>Total Deferred Tax Liabilities</b>
<b>Total Aset (Liabilitas) Pajak Tangguhan</b>	<b>7.634.873</b>	<b>1.042.137</b>	<b>(672.219)</b>	<b>(269.861)</b>	<b>7.734.930</b>	<b>Total Deferred Tax Asset (Liabilities)</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan  
(lanjutan)**

**d. Deferred income tax benefit (expense) (continued)**

		(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Pengaruh penggabungan entitas anak/ Influence of subsidiaries acquisition		
	2013				2014	
<b>Aset Pajak Tangguhan</b>						<b>Deferred Tax Asset</b>
<u><b>Entitas Induk</b></u>						<u><b>Parent Company</b></u>
Imbalan kerja	1.553.632	547.165	189.668	-	2.290.465	Employee benefits
	<b>1.553.632</b>	<b>547.165</b>	<b>189.668</b>	<b>-</b>	<b>2.290.465</b>	
<u><b>Entitas Anak</b></u>						<u><b>Subsidiaries</b></u>
Kompensasi kerugian fiskal	6.768.607	(2.567.745)	-	-	4.200.862	Compensation fiscal loss
Penyusutan	(869.670)	387.607	-	-	(482.063)	Depreciation
Imbalan kerja	1.734.894	712.066	41.898	190.704	2.679.562	Employee benefits
Cadangan penurunan nilai piutang	66.990	(66.990)	-	-	-	Allowance for doubtful account
	<b>7.700.821</b>	<b>(1.535.062)</b>	<b>41.898</b>	<b>190.704</b>	<b>6.398.361</b>	
<b>Total Aset Pajak Tangguhan</b>	<b>9.254.453</b>	<b>(987.897)</b>	<b>231.566</b>	<b>190.704</b>	<b>8.688.826</b>	<b>Total Deferred Tax Asset</b>

**17. PERPAJAKAN (lanjutan)**

**17. TAXATION (continued)**

**d. Manfaat (beban) pajak penghasilan tangguhan (lanjutan)**

**d. Deferred income tax benefit (expense) (continued)**

	2013	(Dibebankan)/ dikreditkan ke laba periode berjalan/ (Charged)/ credited to profit for the period	Dikreditkan/ (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income	Pengaruh penggabungan entitas anak/ Influence of subsidiaries acquisition	2014	
<b>Liabilitas Pajak Tangguhan</b>						<b>Deferred Tax Liabilities</b>
<b>Entitas Induk</b>						<b>Parent Company</b>
Kompensasi kerugian fiskal	-	-	-	-	-	Compensation fiscal loss
Penyusutan	-	-	-	-	-	Depreciation
Pembayaran imbalan kerja	-	-	-	-	-	Payment for employee benefits
Imbalan Kerja	-	-	-	-	-	Employee benefits
<b>Entitas Anak</b>						<b>Subsidiaries</b>
Kompensasi kerugian fiskal	-	-	-	-	-	Compensation fiscal loss
Penyusutan	(612.741)	(441.212)	-	-	(1.053.953)	Depreciation
Pembayaran imbalan kerja	-	-	-	-	-	Payment for employee benefits
Imbalan kerja	-	-	-	-	-	Employee benefits
	<b>(612.741)</b>	<b>(441.212)</b>	<b>-</b>	<b>-</b>	<b>(1.053.953)</b>	
<b>Total Liabilitas Pajak Tangguhan</b>	<b>(612.741)</b>	<b>(441.212)</b>	<b>-</b>	<b>-</b>	<b>(1.053.953)</b>	<b>Total Deferred Tax Liabilities</b>
<b>Total Aset (Liabilitas) Pajak Tangguhan</b>	<b>8.641.712</b>	<b>(1.429.109)</b>	<b>231.566</b>	<b>190.704</b>	<b>7.634.873</b>	<b>Total Deferred Tax Asset (Liabilities)</b>

**18. UTANG BANK**

**18. BANK LOANS**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Kredit Modal Kerja</b>					<b>Working Capital</b>
<b><u>Rupiah</u></b>					<b><u>Rupiah</u></b>
PT Bank Central					PT Bank Central
Asia Tbk	134.435.964	135.590.509	240.266.823	271.285.230	Asia Tbk
PT Bank Permata Tbk	24.588.394	34.482.835	29.363.153	33.011.670	PT Bank Permata Tbk
<b>Sub jumlah rupiah</b>	<b>159.024.358</b>	<b>170.073.344</b>	<b>269.629.976</b>	<b>304.296.900</b>	<b>Sub total rupiah</b>
<b><u>Dolar Amerika</u></b>					<b><u>U.S. Dollar</u></b>
PT Bank Central					PT Bank Central
Asia Tbk	85.174.780	66.494.390	92.045.062	4.452.772	Asia Tbk
PT Bank Permata Tbk	12.759.086	16.963.622	22.617.061	27.145.476	PT Bank Permata Tbk
<b>Sub jumlah dolar</b>	<b>97.933.866</b>	<b>83.458.012</b>	<b>114.662.123</b>	<b>31.598.248</b>	<b>Sub total U.S. dollar</b>
<b>Jumlah kredit modal</b>					<b>Total working capital</b>
<b>kerja</b>	<b>256.958.224</b>	<b>253.531.356</b>	<b>384.292.099</b>	<b>335.895.148</b>	<b>loans</b>
<b>Kredit Investasi</b>					<b>Installment Loans</b>
<b><u>(Rupiah)</u></b>					<b><u>(Rupiah)</u></b>
PT Bank Central					PT Bank Central
Asia Tbk	28.190.304	33.332.131	46.365.785	19.649.439	Asia Tbk
<b>Jumlah kredit</b>	<b>28.190.304</b>	<b>33.332.131</b>	<b>46.365.785</b>	<b>19.649.439</b>	<b>Total installment</b>
<b>investasi</b>	<b>28.190.304</b>	<b>33.332.131</b>	<b>46.365.785</b>	<b>19.649.439</b>	<b>loans</b>
<b>Total Utang Bank</b>	<b>285.148.528</b>	<b>286.863.487</b>	<b>430.657.884</b>	<b>355.544.587</b>	<b>Total Bank Loans</b>
Kredit modal kerja	256.958.224	253.531.356	384.292.099	335.895.148	Working capital loan
Bagian hutang jangka panjang yang jatuh tempo dalam 1 tahun	8.190.304	9.332.131	13.033.654	13.283.654	Long term liabilities of current maturities within one year
Bagian hutang jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun	20.000.000	24.000.000	33.332.131	6.365.785	Long liabilities-net of current maturities
Penambahan/ (Pelunasan)	(1.714.958)	(143.794.397)	75.113.298	170.982.201	Additional/ (Payment)
Tingkat bunga tahunan (%)					Annual interest rate (%)
Rupiah	10% - 11,75%	10,25% - 11,50%	9% - 12,4%	9% - 12,4%	Rupiah
Dolar Amerika	4% - 5%	4,25% - 5,5%	4,5% - 5,5%	5% - 5,5%	U.S. Dollar

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk**

**PT Panca Budi Idaman (Entitas induk)**

Perusahaan memperoleh fasilitas kredit yang disetujui oleh PT Bank Central Asia Tbk. sebagaimana termuat dalam akta Perjanjian Kredit No. 33 tanggal 15 Februari 2005 yang dibuat dihadapan Notaris Drs. Gunawan Tedjo, S.H., M.H. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan Perjanjian Kredit No. 34 tanggal 8 Desember 2016 yang dibuat dihadapan Notaris Veronica Indrawati, S.H., M.H. dengan rincian fasilitas kredit sebagai berikut:

		<b>30 Jun 2017/ Jun 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
a.	Jenis Nilai plafon	Kredit lokal/ Local credit Rp2.500.000	Kredit lokal/ Local credit Rp2.500.000	Kredit lokal/ Local credit Rp2.500.000	Kredit lokal/ Local credit Rp2.500.000	Type Amount
	Suku bunga	9,75% p.a	10% p.a	10,75% p.a	11,00% p.a	Interest
b.	Jenis Nilai plafon	Time Loan Revolving Rp10.000.000	Time Loan Revolving Rp10.000.000	Time Loan Revolving Rp10.000.000	Time Loan Revolving Rp10.000.000	Type Amount
	Suku bunga	9,75% p.a	10% p.a	10,75% p.a	11,00% p.a	Interest
c.	Jenis Nilai plafon	Kredit Multi Facility Rp175.000.000	Kredit Multi Facility Rp175.000.000	Kredit Multi Facility Rp175.000.000	Kredit Multi Facility USD 13.000.000	Type Amount
	Suku bunga (IDR)	9,75% p.a	10% p.a	10,75% p.a	11,00% p.a	Interest (IDR)
	Suku bunga (USD)	4,5% p.a	4,5% p.a	5% p.a	5% p.a	Interest (USD)
	Suku bunga TR/TL (Rp) TR/TL (USD)	9,75% p.a 4,5% p.a 9,5% p.a	10% p.a 4,5% p.a	10,75% p.a 5% p.a	11,00% p.a 5% p.a	Interest TR/TL (Rp) TR/TL (USD)
	UPAS (Rp) UPAS (USD)	.a LIBOR + 2,5%	10% p.a LIBOR + 2,5%	10,75% p.a LIBOR + 2,5% p.a	11,00% p.a LIBOR + 2,5% p.a	UPAS (Rp) UPAS (USD)
d.	Jenis Nilai plafon	Forward Line USD 1.500.000	Forward Line USD 1.500.000	Forward Line USD 1.500.000	Forward Line USD 1.500.000	Type Amount
	Jangka waktu seluruh fasilitas	s.d 12 September 2017/ until September 12, 2017	s.d 12 September 2017/ September 12, 2017	s.d 12 September 2016/ until September 12, 2016	s.d 12 September 2015/ until September 12, 2015	Term of credit facility

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk**

**PT Panca Budi Idaman (Parent only)**

The Company obtained a credit facility approved by PT Bank Central Asia Tbk. as included in the Deed of Credit agreement No. 33 dated February 15, 2005 before a Notary Drs. Gunawan Tedjo, S.H., M.H. The agreement has undergone several changes, the latest is based on the Deed of Credit Agreement Amendment No. 34 dated December 8, 2016 made before Notary Veronica Indrawati, S.H., M.H. With details of credit facilities as follows:

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**PT Panca Budi Idaman (Entitas induk) (lanjutan)**

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

	<u>30 Juni 2017/ June 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>
Rasio Aset Lancar/ Liabilitas Jangka Pendek (minimum 1x)	1,81x	1,88x
Utang bunga/ Ekuitas (maximum 2x)	0,04x	0,05x
Rasio beban bunga (minimum 2x)	10,57x	1,81x

Berdasarkan surat Permohonan Persetujuan dan pencabutan yang telah ditandatangani oleh Perusahaan dan pihak PT Bank Central Asia Tbk No. 001/Legal/III/2017 tanggal 2 Maret 2017 dengan penjelasan sebagai berikut:

**Permohonan Persetujuan**

Sehubungan dengan pelaksanaan Rencana Transaksi dan dengan memperhatikan ketentuan-ketentuan dalam Perjanjian Kredit yang terkait dengan Rencana Transaksi, Perusahaan dengan ini mengajukan permohonan persetujuan tertulis dari Bank atas hal-hal sebagai berikut:

- Pelaksanaan Rencana Transaksi serta setiap dan seluruh tindakan-tindakan yang diperlukan dan disyaratkan untuk dilakukan oleh Perusahaan sehubungan dengan pelaksanaan Rencana Transaksi IPO;
- Perubahan status kelembagaan Perseroaan menjadi perusahaan terbuka sebagai akibat dilaksanakannya Rencana Transaksi;
- Perubahan ketentuan Pasal 4 Anggaran Dasar Perusahaan sehubungan dengan Modal, termasuk susunan pemegang saham Perusahaan;

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**PT Panca Budi Idaman (Parent only) (continued)**

The Company's accomplishment of the required financial ratios is as follows:

	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
			Asset to Debt Ratio (minimum 1x)
	0,95x	1,03x	Debt to Equity Ratio (maximum 2x)
	1,63x	2,20x	Time Interest Earned Ratio (minimum 2x)
	1,84x	2,37x	

Removal which has been signed by the Company and PT Bank Central Asia Tbk No. 001/Legal/III/2017 dated March 2, 2017 with the following explanation:

**Application for Approval**

In connection with implementation of the transaction and with notice provisions in the Credit Agreement related to Transaction plan, the Company submits applications for written approval from Bank on the following:

- Implementation of Transaction plan and any and all of the actions that necessary and required to be performed by the Company in connection with implementation of the IPO Transaction Plan;
- The change of institutional status of Company become an open company as a result of the implementation of Transaction Plan;
- Amendment to the provisions of Article 4 of the Company's Articles of Association in connection with the Capital, including the structure of the Company's shareholders.

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)*

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**PT Panca Budi Idaman (Entitas induk) (lanjutan)**

- Perubahan seluruh ketentuan Anggaran Dasar Perusahaan untuk disesuaikan dengan ketentuan Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan No.IX.J.1, Lampiran Keputusan Ketua Bapepam-LK No.Kep-179/BL/2008 tentang Pokok-Pokok Anggaran Dasar Perusahaan yang Melakukan Penawaran Umum Efek Bersifat Ekuitas dan Perusahaan Publik, Peraturan OJK No.32/POJK.04/2014 tentang Rencana dan Penyelenggaraan Rapat Umum Pemegang Saham Perusahaan Terbuka dan Peraturan OJK No.33/POJK.04/2014 tentang Direksi dan Dewan Komisaris Emiten atau Perusahaan Publik; dan
- Perubahan susunan Direksi dan Dewan Komisaris Perseroaan
- Meminjamkan uang, termasuk tetapi tidak terbatas kepada perusahaan afiliasinya, dalam rangka penggunaan dana hasil IPO sepanjang tujuan penggunaannya sesuai dengan yang tertera dalam prospektus final, serta dalam rangka menjalankan usaha sehari-hari.

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perusahaan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perusahaan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perusahaan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank sebelum melaksanakan perubahan susunan pemegang saham Perusahaan.

Manajemen/ Direksi PT Bank Central Asia Tbk telah menyetujui Surat No.001/Legal/III/2017 tanggal 2 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Tidak ada pembatasan dari PT Bank Central Asia Tbk mengenai kewajiban Perusahaan untuk meminta persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**PT Panca Budi Idaman (Parent only) (continued)**

- Amendment to provisions of Articles of Association of Company to conform with provisions of Regulations of Capital Market and Financial Institution Supervisory Agency Number IX.J.1, Attachment to Decision of the Chairman of Bapepam-LK No.Kep-179 / BL / 2008 on Principles of the Articles of Association of Conducting Company Public Offering of Equity Securities and Public Companies, OJK Number 32 / POJK.04 / 2014 Regulation concerning Plan and Implementation of Open Company General Meeting of Shareholders and OJK Regulation Number 33 / POJK.04 / 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Companies Public.
- Changes in the structure of the Board of Directors and Board of Commissioners of the Company.
- Lend money, including but not limited to its affiliated companies, in order to use of IPO proceeds along its intended use in accordance with the terms of the final prospectus, as well as in the course of running the day-to-day business.

**Application for revocation**

*In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank before implementing the change structure of Company's shareholders*

*Management / Board of Directors PT Bank Central Asia Tbk has approved Letter No.001/Legal/III/2017 dated March 2, 2017 regarding the Company's application by signing the approval sheet and stamp.*

*There is no limitation from PT Bank Central Asia Tbk regarding prior approval of the distribution of dividends*



**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Entitas Anak**

**PT Polytech Indo Hausen**

PT Polytech Indo Hausen memperoleh fasilitas kredit yang disetujui oleh PT Bank Central Asia Tbk. sebagaimana termuat dalam akta Perjanjian Kredit No. 99 tanggal 21 Maret 2011 yang dibuat dihadapan Notaris Drs. Gunawan Tedjo, S.H., M.H. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan Perjanjian Kredit No. 36 tanggal 8 Desember 2016 yang dibuat dihadapan Notaris Veronica Indrawati, S.H., M.H. dengan rincian fasilitas kredit sebagai berikut:

		30 Jun 2017/ Jun 30, 2017	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
a.	Jenis Nilai plafon Suku Bunga	Kredit lokal/ Local credit Rp30.000.000 9,75% p.a	Kredit lokal/ Local credit Rp30.000.000 10,25% p.a	Kredit lokal/ Local credit Rp30.000.000 10,75% p.a	Kredit lokal/ Local credit Rp30.000.000 11,00% p.a	Type Amount Interest
b.	Jenis Nilai plafon	Kredit Multi Facility -LC & SKBDN Rp52.500.000	Kredit Multi Facility -LC & SKBDN Rp52.500.000	Kredit Multi Facility -LC & SKBDN Rp32.500.000	Kredit Multi Facility -LC & SKBDN USD 2.500.000	Type Amount
	Jangka waktu fasilitas kredit	s.d 12 September 2017/ until September 12, 2017	s.d 12 September 2017/ until September 12, 2017	s.d 12 September 2016/ until September 12, 2016	s.d 12 September 2015/ until September 12, 2015	Term of credit facility
c.	Jenis Nilai plafon	Forward Line USD 1.000.000 s.d 12 September 2017/ until September 12, 2017	Forward Line USD 1.000.000 s.d 12 September 2017/ until September 12, 2017	Forward Line USD 1.000.000 s.d 12 September 2016/ until September 12, 2016	Forward Line USD 1.000.000 s.d 12 September 2015/ until September 12, 2015	Type Amount
	Jangka waktu					Tenor
d..	Jenis Nilai plafon Suku bunga Jenis	Installment Loan 1 Rp10.000.000 9,5% p.a. Installment Loan 31 Juli 2017/ July 31, 2017	Installment Loan 1 Rp10.000.000 10,25% p.a Installment Loan 31 Juli 2017/ July 31, 2017	Installment Loan 1 Rp10.000.000 10,75% p.a. Installment Loan	Installment Loan 1 Rp10.000.000 11,00% p.a Installment Loan	Type Amount Interest Type
	Jatuh tempo Nilai plafon Suku bunga	23 Desember 2020/ December 23, 2020	23 Desember 2020/ December 23, 2020	- Rp40.000.000 10,75% p.a.	- - -	Due date Amount Interest
	Jatuh tempo			-	-	Due date
	Rekening koran Line L/C	Rp19.263.636 \$539	Rp2,249,531 \$559	-	-	Bank account Line L/C
	Jangka waktu	5 tahun	5 tahun	5 tahun	5 tahun	Tenor

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Entitas Anak (lanjutan)**

**PT Polytech Indo Hausen (lanjutan)**

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

	<u>30 Juni 2017/ June 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Rasio Aset Lancar/ Liabilitas Jangka Pendek (minimum 1x)	0,55x	0,53x	0,71x	0,46x	Asset to Debt Ratio (minimum 1x)
Utang berbunga/ Ekuitas (maximum 2x)	1,02x	0,92x	(29,49x)	(12,93x)	Debt to Equity Ratio (maximum 2x)
Rasio beban bunga (minimum 2x)	1,31x	1,78x	1,33x	0,81x	Time Interest Earned Ratio (minimum 2x)

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perusahaan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perusahaan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perusahaan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank sebelum melaksanakan perubahan susunan pemegang saham Perusahaan.

Manajemen/ Direksi PT Bank Central Asia Tbk telah menyetujui Surat No.009/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Tidak ada pembatasan dari PT Bank Central Asia Tbk mengenai kewajiban Perusahaan untuk meminta persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**Subsidiaries (continued)**

**PT Polytech Indo Hausen (continued)**

The Company's accomplishment of the required financial ratios is as follows:

**Application for Revocation**

In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank before implementing the change structure of Company's shareholders

Management / Board of Directors PT Bank Central Asia Tbk has approved Letter No.009/Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.

There is no limitation from PT Bank Central Asia Tbk regarding prior approval of the distribution of dividends

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Entitas Anak (lanjutan)**

**PT Panca Budi Niaga**

PT Panca Budi Niaga memperoleh fasilitas kredit yang disetujui oleh PT Bank Central Asia Tbk. sebagaimana termuat dalam akta Perjanjian Kredit No. 157 tanggal 24 Mei 2011 yang dibuat dihadapan Notaris Drs. Gunawan Tedjo, S.H., M.H. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan Ketujuh atas Perjanjian Kredit No. 35 tanggal 8 Desember 2016 yang dibuat dihadapan Notaris Veronica Indrawati, S.H., dengan rincian fasilitas kredit sebagai berikut:

		<b>30 Jun 2017/ Jun 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
a.	Jenis	Kredit lokal/ <i>Local credit</i>	Kredit lokal/ <i>Local credit</i>	Kredit Lokal/ <i>local credit</i>	Kredit Lokal/ <i>local credit</i>	Type
	Nilai plafon	Rp5.000.000	Rp5.000.000	Rp5.000.000	Rp5.000.000	Amount
	Suku bunga	9,75% p.a <i>Time Loan</i>	10,00% p.a <i>Time Loan</i>	10,75% p.a <i>Time Loan</i>	11,00% p.a <i>Time Loan</i>	Interest
b.	Jenis	<i>Revolving</i>	<i>Revolving</i>	<i>Revolving</i>	<i>Revolving</i>	Type
	Nilai plafon	Rp20.000.000	Rp20.000.000	Rp20.000.000	Rp20.000.000	Amount
	Suku bunga	9,75% p.a	10,00% p.a	10,75% p.a	11,00% p.a	Interest
c.	Jenis	<i>Kredit Multi Facility</i>	<i>Kredit Multi Facility</i>	<i>Kredit Multi facility – TR LC &amp; SKBDN (Sight. Usance. UPAS)</i>	<i>Kredit Multi facility – TR LC &amp; SKBDN (Sight. Usance. UPAS)</i>	Type
	Nilai plafon	Rp270.000.000	Rp270.000.000	Rp270.000.000	USD 10.000.000	Amount
	Suku bunga (IDR)	9,5% p.a	10,00% p.a	10,75% p.a	5% p.a	Interest (IDR)
	Suku bunga (USD)	4,5% p.a	4,5% p.a	5% p.a	5% p.a	Interest (USD)
d.	Jenis	<i>Forward Line</i>	<i>Forward Line</i>	<i>Forward Line</i>	<i>Forward Line</i>	Type
	Nilai plafon	USD 3.500.000	USD 3.500.000	USD 3.500.000	USD 3.500.000	Amount
	Jangka Waktu Fasilitas kredit	s.d 12 September 2017/ <i>until September 12, 2017</i>	s.d 12 September 2017/ <i>until September 12, 2017</i>	s.d 12 September 2016/ <i>until September 12, 2016</i>	s.d 12 September 2015/ <i>until September 12, 2015</i>	Term of credit facility

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Entitas Anak (lanjutan)**

**PT Panca Budi Niaga (lanjutan)**

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

	<u>30 Juni 2017/ June 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Rasio Aset Lancar/ Liabilitas Jangka Pendek (minimum 1x)	2,38x	1,68x	1,28x	1,08x	Asset to Debt Ratio (minimum 1x)
Utang berbunga/ Ekuitas (maximum 2x)	0,21x	0,26x	2,41x	2,80x	Debt to Equity Ratio (maximum 2x)
Rasio beban bunga (minimum 2x)	69,74x	13,90x	4,59x	4,20x	Time Interest Earned Ratio (minimum 2x)

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perusahaan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perusahaan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perusahaan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank sebelum melaksanakan perubahan susunan pemegang saham Perusahaan.

Manajemen/ Direksi PT Bank Central Asia Tbk telah menyetujui Surat No.006/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Tidak ada pembatasan dari PT Bank Central Asia Tbk mengenai kewajiban Perusahaan untuk meminta persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**Subsidiaries (continued)**

**PT Panca Budi Niaga (continued)**

The Company's accomplishment of the required financial ratios is as follows:

**Application for revocation**

In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank before implementing the change structure of Company's shareholders

Management / Board of Directors PT Bank Central Asia Tbk has approved Letter No.006/Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.

There is no limitation from PT Bank Central Asia Tbk regarding prior approval of the distribution of dividends

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Entitas Anak (lanjutan)**

**PT Panca Budi Pratama**

PT Panca Budi Pratama memperoleh fasilitas kredit yang disetujui oleh PT Bank Central Asia Tbk. sebagaimana termuat dalam akta Perjanjian Kredit No. 32 tanggal 15 Februari 2005 yang dibuat dihadapan Notaris Drs. Gunawan Tedjo, S.H., M.H. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan atas Perjanjian Kredit No. 33 tanggal 8 Desember 2016 yang dibuat dihadapan Notaris Veronica Indrawati, S.H., M.H. dengan rincian fasilitas kredit sebagai berikut:

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**Subsidiaries (continued)**

**PT Panca Budi Pratama**

PT Panca Budi Pratama obtained a credit facility approved by PT Bank Central Asia Tbk. as included in the Deed of Credit agreement No. 32 dated February 15, 2005 before a Notary Drs. Gunawan Tedjo, S.H., M.H. The agreement has undergone several changes, the latest is based on the Deed of Credit Agreement Amendment No. 33 dated December 8, 2016 made before Notary Veronica Indrawati, S.H., M.H. With details of credit facilities as follows:

		30 Jun 2017/ Jun 30, 2017	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
a.	Jenis Nilai plafon	Kredit lokal/ Local credit Rp5.000.000	Kredit lokal/ Local credit Rp5.000.000	Kredit lokal/ Local credit Rp5.000.000	Kredit lokal/ Local credit Rp5.000.000	Type Amount
	Suku bunga	9,75% p.a	10,25% p.a	10,75% p.a	11,00% p.a	Interest
b.	Jenis Nilai plafon	Back to back Loan Rp2.000.000	Back to back Loan Rp2.000.000	Back to back Loan Rp2.000.000	Back to back Loan Rp2.000.000	Type Amount
	Suku bunga	6,5% pa	6,5% pa	6,5% pa	1,00% p.a diatas bunga depoisto	Interest
c.	Jenis Nilai plafon	Time Revolving Loan Rp15.000.000	Time Revolving Loan Rp15.000.000	Time Revolving Loan Rp15.000.000	Time Revolving Loan Rp15.000.000	Type Amount
	Suku bunga	9,00% p.a	10,25% p.a	10,75% p.a	11,00% p.a	Interest
d.	Jenis Nilai plafon	Kredit Multi Fasilitas Rp315.000.000	Kredit Multi Fasilitas Rp315.000.000	Kredit Multi Fasilitas Rp315.000.000	Kredit Multi Fasilitas USD 10.000.000	Type Amount
	Suku bunga	9,5% p.a	10,25% p.a	10,75% p.a	5,00% p.a	Interest
e.	Jenis Nilai plafon	-	-	-	Omnibus LC USD 5.000.000	Type Amount
f.	Jenis Nilai plafon	Forward Line USD 5.000.000	Forward Line USD 5.000.000	Forward Line USD 5.000.000	Forward Line USD 5.000.000	Type Amount
	Jangka Waktu Fasilitas kredit	s.d 12 September 2017/ until September 12, 2017	s.d 12 September 2017/ until September 12, 2017	s.d 12 September 2016/ until September 12, 2016	s.d 12 September 2015/ until September 12, 2015	Term of credit facility

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Entitas Anak (lanjutan)**

**PT Panca Budi Pratama**

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

	<u>30 Juni 2017/ June 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Rasio Aset Lancar/ Liabilitas Jangka Pendek (minimum 1x)	1.15x	1,20x	1,11x	0,90x	Asset to Debt Ratio (minimum 1x)
Utang berbunga/ Ekuitas (maximum 2x)	0,44x	0,45x	0,79x	1,59x	Debt to Equity Ratio (maximum 2x)
Rasio beban bunga (minimum 2x)	2,08x	2,22x	1,25x	2,54x	Time Interest Earned Ratio (minimum 2x)

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perusahaan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perusahaan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perusahaan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank sebelum melaksanakan perubahan susunan pemegang saham Perusahaan.

Manajemen/ Direksi PT Bank Central Asia Tbk telah menyetujui Surat No.007/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Tidak ada pembatasan dari PT Bank Central Asia Tbk mengenai kewajiban Perusahaan untuk meminta persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**Subsidiaries (continued)**

**PT Panca Budi Pratama**

The Company's accomplishment of the required financial ratios is as follows:

**Application for revocation**

In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank before implementing the change structure of Company's shareholders

Management / Board of Directors PT Bank Central Asia Tbk has approved Letter No.007/Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.

There is no limitation from PT Bank Central Asia Tbk regarding prior approval of the distribution of dividends

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**18. UTANG BANK (lanjutan)**

**PT Bank Central Asia Tbk (lanjutan)**

**Jaminan**

Jaminan yang diberikan terhadap fasilitas pinjaman yang diterima oleh PBI, PIH, PBN dan PBP adalah sebagai berikut:

1. 19 Unit T/B (7 gudang, 2 pabrik, 9 ruko, 1 rumah) dan 1 unit T/K
2. Mesin - Mesin
3. Persediaan Barang milik:
  - a. PT Panca Budi Pratama
  - b. PT Panca Budi Idaman
  - c. PT Panca Budi Niaga
  - d. PT Polytech Indo Hausen
4. Piutang Usaha milik:
  - a. PT Panca Budi Pratama
  - b. PT Panca Budi Idaman
  - c. PT Panca Budi Niaga
5. Jaminan perseorangan atas nama Djonny Taslim
6. Cash Collateral sebesar 5% dari setiap penggunaan KMF (untuk penggunaan fasilitas KMF dengan syarat tertentu).

Sesuai perjanjian kredit antar Perusahaan dengan PT Bank Central Asia Tbk., terdapat syarat dan pembatasan atas fasilitas kredit, sebagai berikut:

- a. Menyerahkan laporan keuangan konsolidasian (audit).
- b. Menyerahkan pembaruan daftar mesin yang diletakkan di Pabrik setiap 6 bulan sekali.
- c. Melakukan peningkatan nilai pertanggungan asuransi atas jaminan yang diserahkan.
- d. Tidak diperkenankan melakukan perubahan komposisi pemegang saham tanpa persetujuan tertulis terlebih dahulu dari BCA.
- e. Piutang dagang yang diagunkan ke BCA adalah piutang dagang pihak ketiga.
- f. Aktivitas LC/SKBDN tidak diperkenankan untuk transaksi dengan pihak afiliasi.
- g. Menjaga financial covenant, antara lain sbb:  
 $Current\ ratio \geq 1\ x$   
 $Liabilities/Equity\ ratio \leq 2\ x\ TIER$   
 $(EBITDA/Interest) \geq 2\ x$

PT Bank Central Asia Tbk telah menyetujui permohonan perpanjangan fasilitas kredit sampai dengan tanggal 12 Maret 2018 dengan kondisi fasilitas kredit Debitor jointly & severally (tanggung renteng), cross collateral dan cross default.

**18. BANK LOANS (continued)**

**PT Bank Central Asia Tbk (continued)**

**Collateral**

The collateral for loan facilities received by PBI, PIH, PBN and PBP are as follows:

1. 19 Unit of T/B (7 warehouse, 2 factory, 9 shop, 1 house) and 1 unit of T/K
2. Machines
3. The inventories owned:
  - a. PT Panca Budi Pratama
  - b. PT Panca Budi Idaman
  - c. PT Panca Budi Niaga
  - d. PT Polytech Indo Hausen
4. The Account Receivables owned:
  - a. PT Panca Budi Pratama
  - b. PT Panca Budi Idaman
  - c. PT Panca Budi Niaga
5. Personal collateral on behalf of Djonny Taslim
6. Cash Collateral amounted 5% of any use KMF (KMF facilities for use under certain conditions).

Appropriate credit agreement between the Company and PT Bank Central Asia Tbk., there are terms and restrictions on credit facilities, as follows:

- a. Submit audited consolidated financial statements.
- b. Submit an updated list of machines placed in the Factory every 6 months.
- c. Increase the insurance coverage of the surrendered guarantee.
- d. Not allowed to change shareholder composition without prior written approval from BCA.
- e. Accounts receivable pledged as collateral to BCA are third party accounts receivable.
- f. LC / SKBDN activities are not allowed for transactions with affiliates.
- g. Maintain financial covenant, among others as follows:
  - $Current\ ratio \geq 1\ x$
  - $Liabilities / Equity\ ratio \leq 2\ x\ TIER$
  - $(EBITDA / Interest) \geq 2\ x$

PT Bank Central Asia Tbk has approved the extension of credit facility up to March 12, 2018 with credit facility of Debitor jointly & severally, cross collateral and cross default.

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk**

**PT Sekarnusa Kreasi Indonesia (SKI)**

PT Sekarnusa Kreasi Indonesia memperoleh fasilitas kredit yang disetujui oleh PT Bank Permata Tbk. sebagaimana termuat dalam Akta Perjanjian Pemberian Fasilitas Perbankan No.06 tanggal 5 Oktober 2010, yang dibuat di hadapan Notaris Sjarmeini Sofjan Chandra, S.H., berdasarkan Syarat dan Ketentuan Umum Pemberian Fasilitas Perbankan No.SKU/10/747/N/LC tanggal 5 Oktober 2010 yang dilegalisir oleh Sjarmeini Sofjan Chandra, S.H., Notaris di Kota Jakarta Selatan dengan No. 170/Leg/2010. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan Perjanjian Kredit No. 18 tanggal 2 Februari 2017 yang dibuat dihadapan Notaris Susanna Tanu, S.H. dengan rincian fasilitas kredit sebagai berikut:

	<b>30 Jun 2017/ Jun 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
a. Jenis	<i>Overdraft</i>	<i>Overdraft</i>	<i>Overdraft</i>	<i>Overdraft</i>	Type
Nilai plafon	Rp20.000.000	Rp10.000.000	Rp10.000.000	Rp10.000.000	Amount
Suku bunga	10% p.a	11,25% p.a	11,25% p.a	12,00% p.a	Interest
b. Jenis	<i>Revolving Loan 1</i>	<i>Revolving Loan 1</i>	<i>Revolving Loan 1</i>	<i>Revolving Loan 1</i>	Type
Nilai plafon	Rp5.000.000	Rp5.000.000	Rp5.000.000	Rp5.000.000	Amount
Suku bunga	10% p.a	11,25% p.a	11,25% p.a	12,00% p.a	Interest
Jangka waktu fasilitas kredit	Sampai dengan 5 Oktober/ <i>until</i> October 5, 2017	5 Oktober/ <i>October</i> 5, 2016 - 5 Februari/ <i>February</i> 5, 2017	5 Oktober/ <i>October</i> 5, 2015 - 5 Oktober/ <i>October</i> 5, 2016	Sampai dengan 5 Oktober/ <i>until</i> October 5, 2015	Term of credit facility

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

*The Company's accomplishment of the required financial ratios is as follows:*

	<b>30 Juni 2017/ June 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
Utang bunga/ Ekuitas (maximum 4x)	0,13x	0,14x	1,85x	2,06x	Debt to Equity Ratio (maximum 4x)
Rasio beban bunga (minimum 2x)	18,57x	12,30x	5,55x	4,34x	Time Interest Earned Ratio (minimum 2x)



**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

**PT Sekarnusa Kreasi Indonesia (SKI) (lanjutan)**

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perseroan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perseroan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perseroan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

Manajemen/ Direksi PT Bank Permata Tbk telah menyetujui Surat No.003/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Syarat dan pembatasan atas fasilitas kredit PT SKI:

- Memiliki aktiva paling sedikit Rp25.000.000.000.
- Menyerahkan laporan keuangan tahunan yang telah diaudit oleh Akuntan Publik.
- Memiliki jaminan berupa *fixed assets* dan *inventory*.
- Wajib menyalurkan transaksi operasional perusahaan melalui rekening koran nasabah di bank secara proposional.

**PT Polypack Indo Meyer (PIM)**

PT Polypack Indo Meyer memperoleh fasilitas kredit yang disetujui oleh PT Bank Permata Tbk. sebagaimana termuat dalam Akta Perjanjian Pemberian Fasilitas Perbankan No.05 tanggal 5 Oktober 2010 yang dibuat dihadapan notaris Sjarmeini Sofjan Chandra, S.H. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan Perjanjian Kredit No. 28 tanggal 2 Februari 2017 yang dibuat dihadapan Notaris Susanna Tanu S.H. dengan rincian fasilitas kredit sebagai berikut:

**18. BANK LOANS (continued)**

**PT Bank Permata Tbk (continued)**

**PT Sekarnusa Kreasi Indonesia (SKI) (continued)**

**Application for revocation**

*In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank regarding of the distribution of dividends.*

*Management / Board of Directors PT Bank Permata Tbk has approved Letter No.003/Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.*

*Terms and restrictions on credit facilities PT SKI:*

- *Has assets of at least Rp 25,000,000,000.*
- *Submits annual financial statements audited by a Public Accountant.*
- *Has a guarantee of fixed assets and inventory.*
- *Obligate to channel the company's operational transactions through customer's bank account at the bank proportionally.*

**PT Polypack Indo Meyer (PIM)**

*PT Polypack Indo Meyer obtained a credit facility approved by PT Bank Permata Tbk. as included in the Deed of Banking Facility Agreement No.05 dated October 5, 2010 made before the notary Sjarmeini Sofjan Chandra, S.H. The agreement has undergone several changes, the latest is based on the Deed of Credit Agreement Amendment No. 28 dates February 2, 2017 made before Notary Susanna Tanu, S.H., With details of credit facilities as follows:*

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

**PT Polypack Indo Meyer (PIM) (lanjutan)**

		<b>30 Jun 2017/ Jun 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
a.	Jenis Nilai plafon Suku bunga	<i>Overdraft I (PRK)</i> Rp 5.000.000.- 10,75% p.a	<i>Overdraft I (PRK)</i> Rp 5.000.000.- 11,25% p.a	<i>Overdraft I (PRK)</i> Rp 5.000.000.- 11,25% p.a	<i>Overdraft I (PRK)</i> Rp 5.000.000.- 12,00% p.a	Type Value plafon Interest rate
b.	Jenis Nilai plafon Suku bunga	<i>Omnibus Revolving Loan</i> USD 6.000.000 4,75%	<i>Omnibus Revolving Loan</i> USD 6.000.000 4,75%	<i>Omnibus Revolving Loan</i> USD 6.000.000 5,5%	<i>Omnibus Revolving Loan</i> USD 6.000.000 5,5%	Type Value plafon Interest rate
		<i>FX Line untuk transaksi harian, TOM, SPOT dan Forward (Tetap)</i>	<i>FX Line untuk transaksi harian, TOM, SPOT dan Forward (Tetap)</i>	<i>FX Line untuk transaksi harian, TOM, SPOT dan Forward (Tetap)</i>	<i>FX Line untuk transaksi harian, TOM, SPOT dan Forward (Tetap)</i>	
c.	Jenis Nilai plafon	USD 1.000.000	USD 1.000.000	USD 1.000.000	USD 1.000.000	Type Value plafon
	Jangka waktu fasilitas kredit	Sampai dengan 5 Oktober/ <i>until</i> October 5, 2017	5 Oktober/ <i>October</i> 5, 2016 - 5 Februari/ <i>February</i> 5, 2017	5 Oktober/ <i>October</i> 5, 2015 - 5 Oktober/ <i>October</i> 5, 2016	Sampai dengan 5 Oktober/ <i>until</i> October 5, 2015	Term of credit facility

Berikut ini merupakan pemenuhan Perusahaan atas  
rasio-rasio keuangan yang dipersyaratkan:

*The Company's accomplishment of the required financial  
ratios is as follows:*

	<b>30 Juni 2017/ June 30, 2017</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>	
Utang berbunga/ Ekuitas (maximum 4x)	2,24x	3,86x	11,07x	6,45x	Debt to Equity Ratio (maximum 4x)
Rasio beban bunga (minimum 2x)	1,19x	2,25x	(0,42x)	3,78x	Time Interest Earned Ratio (minimum 2x)

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan  
dengan mengingat status Perseroan setelah  
pelaksanaan Rencana IPO sebagai suatu perusahaan  
terbuka, maka Perseroan dengan ini mengajukan  
pencabutan oleh Bank atas ketentuan dalam Perjanjian  
Kredit yang terkait dengan kewajiban Perseroan untuk  
mengajukan permohonan persetujuan tertulis terlebih  
dahulu kepada Bank untuk membayar atau  
menyatakan dapat dibayar suatu deviden.

**Application for revocation**

*In connection with implementation of the IPO Plan and  
considering the status of the Company after the  
implementation of IPO Plan as an open company, the  
Company submits the revocation by the Bank on terms  
of Credit Agreement related to Company's obligation to  
apply for prior written approval to Bank regarding of the  
distribution of dividends.*

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

**PT Polypack Indo Meyer (PIM) (lanjutan)**

**Permohonan Pencabutan (lanjutan)**

Manajemen/ Direksi PT Bank Permata Tbk telah menyetujui Surat No.002/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Jaminan yang diberikan terhadap fasilitas pinjaman yang diterima oleh SKI dan PIM adalah sebagai berikut:

1. Tanah dan bangunan yang berlokasi di Jl. Raya Solo-Tawangmangu KM 9,5 Desa Jaten, Karang Anyar, Jawa Tengah, a.n PT Sekamusa Kreasi Indonesia.
2. Pemberian Fidusia atas persediaan milik:
  - a. PT Sekamusa Kreasi Indonesia.
  - b. PT Polypack Indo Meyer.
  - c. PT. Geotechnical Systemindo
3. Pemberian Fidusia atas tagihan piutang milik:
  - a. PT Sekamusa Kreasi Indonesia.
  - b. PT Polypack Indo Meyer.
  - c. PT. Geotechnical Systemindo
4. Pemberian jaminan atas mesin.
5. Pemberian jaminan perorangan an. Djonny Taslim.
6. Blokir rekening sebesar 5% dari pembukaan LC (Letter of Credit) milik PT Polypack Indo Meyer.

Syarat dan pembatasan atas fasilitas kredit PIM:

- Memiliki aktiva paling sedikit Rp 25.000.000.000
- Menyerahkan laporan keuangan tahunan yang telah diaudit oleh Akuntan Publik.
- Memiliki jaminan berupa fixed assets dan inventory yang diasuransikan dengan menyertakan bankers clause.
- Wajib menyalurkan transaksi operasional perusahaan melalui Rekening Koran nasabah di bank secara proporsional.

**18. BANK LOANS (continued)**

**PT Bank Permata Tbk (continued)**

**PT Polypack Indo Meyer (PIM) (continued)**

**Application for revocation (continued)**

Management / Board of Directors PT Bank Permata Tbk has approved Letter No.002/ Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.

The collateral for loan facilities received by SKI and PIM are as follows:

1. Land and building located in Jl. Raya Solo-Tawangmangu KM 9.5 Desa Jaten, Karang Anyar, Central Java, on behalf of PT Sekamusa Kreasi Indonesia.
2. Fiduciary on inventories owned:
  - a. PT Sekamusa Kreasi Indonesia.
  - b. PT Polypack Indo Meyer.
  - c. PT. Geotechnical Systemindo
3. Fiduciary on receivables owned:
  - a. PT Sekamusa Kreasi Indonesia.
  - b. PT Polypack Indo Meyer.
  - c. PT. Geotechnical Systemindo
4. Guarantee on machine.
5. Personal guarantee an. Mr. Djonny Taslim.
6. Blocking account for 5% of the opening of Letters of credit, owned PT Polypack Indo Meyer.

Terms and restrictions on credit facilities PIM:

- Has assets of at least Rp 25.000.000.000
- Submits annual financial statements audited by a Public Accountant.
- Has a guarantee of fixed assets and inventory are insured by including bankers clause..
- Obligate to channel the company's operational transactions through customer's bank account at the bank proportionally.

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

**PT Reka Mega Inti Pratama (RMIP)**

PT Reka Mega Inti Pratama memperoleh fasilitas kredit yang disetujui oleh PT Bank Permata Tbk., sebagaimana termuat dalam akta Perjanjian Pemberian Fasilitas Kredit No. 42 tanggal 19 November 2009 yang dibuat dihadapan Notaris Lie Na Rimbawan, S.H. Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan Perubahan Kelima Belas berdasarkan Perjanjian Pemberian Fasilitas Perbankan No. KK/17/6026/AMD/13/SME tanggal 17 Februari 2017 dengan rincian fasilitas kredit sebagai berikut:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Jenis	<i>Overdraft</i>	<i>Overdraft</i>	<i>Overdraft</i>	<i>Overdraft</i>	Type
Nilai plafon	Rp8.000.000	Rp8.000.000	Rp8.000.000	Rp8.000.000	Amount
Suku bunga	10,5% per tahun	11,00% p.a	12,4% p.a	12,4% p.a	Interest
Jenis	<i>Revolving Loan 1</i>	<i>Revolving Loan 1</i>	<i>Revolving Loan 1</i>	<i>Revolving Loan 1</i>	Type
Nilai plafon	Rp6.000.000	Rp6.000.000	Rp6.000.000	Rp6.000.000	Amount
Suku bunga	10,5% per tahun	11,0% p.a	12,4% p.a	12,4% p.a	Interest
Jenis	<i>Revolving Loan 2</i>	<i>Revolving Loan 2</i>	<i>Revolving Loan 2</i>	<i>Revolving Loan 2</i>	Type
Nilai plafon	Rp6.000.000	Rp6.000.000	Rp6.000.000	Rp6.000.000	Amount
Suku bunga	10,5% per tahun	11,0% p.a	12,4% p.a	12,4% p.a	Interest
Jangka waktu	Sampai dengan/ <i>until</i>	31 Januari/ <i>January</i>	19 November/ <i>November</i>	Sampai dengan/ <i>until</i>	Term of credit facility
fasilitas	19 November 2017/	31, 2017 -	19, 2015	19 November/	
kredit	November 19, 2017	19 Februari/ <i>February</i>	31 Januari/ <i>January</i>	November 19, 2015	

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

The Company's accomplishment of the required financial ratios is as follows:

	<u>30 Juni 2017/ June 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Utang berbunga/ Ekuitas (maximum 4x)	-	0,84x	1,17x	2,07x	Debt to Equity Ratio (maximum 4x)
Rasio beban bunga (minimum 2x)	-	4,64x	2,98x	2,45x	Time Interest Earned Ratio (minimum 2x)

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

**PT Reka Mega Inti Pratama (RMIP) (lanjutan)**

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perseroan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perseroan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perseroan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

Manajemen/ Direksi PT Bank Permata Tbk telah menyetujui Surat No.005/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

Syarat dan pembatasan atas fasilitas kredit PT RMIP:

- Memiliki aktiva paling sedikit Rp25.000.000.000.
- Menyerahkan laporan keuangan tahunan yang telah diaudit oleh Akuntan Publik.
- Memiliki jaminan berupa *fixed assets* dan *inventory*.
- Wajib menyalurkan transaksi operasional perusahaan melalui rekening koran nasabah di bank secara proposional.

**PT Panca Buana Plasindo (PBUP)**

PT Panca Buana Plasindo memperoleh fasilitas kredit yang disetujui oleh PT Bank Permata Tbk., sebagaimana termuat dalam akta Perjanjian Pemberian Fasilitas Perbankan No. 41 tanggal 19 November 2009 yang dibuat dihadapan Notaris Lie Na Rimbawan, S.H., Perjanjian telah mengalami beberapa perubahan, terakhir berdasarkan akta Perubahan Ketiga Belas atas Perjanjian Pemberian Fasilitas Perbankan No 12, tanggal 2 November 2016 yang dibuat di depan Notaris Edy, S.H., yang disetujui oleh PT Bank Permata Tbk, sebagai berikut:

**18. BANK LOANS (continued)**

**PT Bank Permata Tbk (continued)**

**PT Reka Mega Inti Pratama (RMIP) (continued)**

**Application for revocation**

*In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank regarding of the distribution of dividends.*

*Management / Board of Directors PT Bank Permata Tbk has approved Letter No.005/Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.*

*Terms and restrictions on credit facilities PT RMIP:*

- *Has assets of at least Rp 25,000,000,000.*
- *Submits annual financial statements audited by a Public Accountant.*
- *Has a guarantee of fixed assets and inventory.*
- *Obligate to channel the company's operational transactions through customer's bank account at the bank proportionally.*

**PT Panca Buana Plasindo (PBUP)**

*PT Reka Mega Inti Pratama obtained a credit facility approved by PT Bank Permata Tbk., as included in the Deed of Credit agreement No. 41 dated November 19, 2009 before a Notary Lie Na Rimbawan, S.H., the agreement has undergone several changes, most recently based on the Thirteenth Amendment Deed of the Banking Facility Agreement No. 12, dated November 2, 2016 was made before by Notary Edy, S.H., PT Bank Permata Tbk, has been determined are as follows:*

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

**PT Panca Buana Plasindo (PBUP) (lanjutan)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
	Fasilitas Overdraft/ Overdraft Facilities	Fasilitas Overdraft/ Overdraft Facilities	Fasilitas Overdraft/ Overdraft Facilities	Fasilitas Overdraft/ Overdraft Facilities	Type
Jenis					Amount
Nilai plafon	Rp5.000.000	Rp5.000.000	Rp5.000.000	Rp5.000.000	Interest
Suku bunga	10,5% p.a	11,00% p.a	12,4% p.a	12,4% p.a	Type
Jenis	Revolving Loan	Revolving Loan	-	-	Amount
Nilai plafon	Rp10.000.000.-	Rp10.000.000.-	-	-	Interest
Suku bunga	10,5% per tahun	11,00%/p.a	-	-	
Jangka waktu	Sampai dengan/ until	31 Januari/ January 31, 2017 -	19 November/ November 19, 2015	Sampai dengan/ until	Term of credit facility
fasilitas	19 November 2017/	19 Februari/ February 19, 2017	- 31 Januari/ January 31, 2016	19 November/ November 19, 2015	
kredit	November 19, 2017				

Berikut ini merupakan pemenuhan Perusahaan atas rasio-rasio keuangan yang dipersyaratkan:

The Company's accomplishment of the required financial ratios is as follows:

	<u>30 Juni 2017/ June 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Utang berbunga/ Ekuitas (maximum 4x)	0,96x	0,68x	1,76x	1,84x	Debt to Equity Ratio (maximum 4x)
Rasio beban bunga (minimum 2x)	1,96x	4,96x	1,90x	1,81x	Time Interest Earned Ratio (minimum 2x)

**Permohonan Pencabutan**

Sehubungan dengan pelaksanaan Rencana IPO dan dengan mengingat status Perseroan setelah pelaksanaan Rencana IPO sebagai suatu perusahaan terbuka, maka Perseroan dengan ini mengajukan pencabutan oleh Bank atas ketentuan dalam Perjanjian Kredit yang terkait dengan kewajiban Perseroan untuk mengajukan permohonan persetujuan tertulis terlebih dahulu kepada Bank untuk membayar atau menyatakan dapat dibayar suatu deviden.

Manajemen/ Direksi PT Bank Permata Tbk telah menyetujui Surat No.004/Legal/III/2017 tanggal 3 Maret 2017 mengenai permohonan Perusahaan dengan menandatangani lembar persetujuan dan membubuhkan stempel.

**Application for revocation**

In connection with implementation of the IPO Plan and considering the status of the Company after the implementation of IPO Plan as an open company, the Company submits the revocation by the Bank on terms of Credit Agreement related to Company's obligation to apply for prior written approval to Bank regarding of the distribution of dividends.

Management / Board of Directors PT Bank Permata Tbk has approved Letter No.004/Legal/III/2017 dated March 3, 2017 regarding the Company's application by signing the approval sheet and stamp.

**18. UTANG BANK (lanjutan)**

**PT Bank Permata Tbk (lanjutan)**

Jaminan yang diberikan terhadap fasilitas pinjaman yang diterima oleh RMIP dan PBUP adalah sebagai berikut:

- a. Tanah dan bangunan pabrik, SHM No. 370 dan 371, Jl. Kolonel Sugiono simpang No 12-12A, Kel. Aur, Kec. Medan Maimun, Kota Medan, Provinsi Sumatera Utara atas nama Vicky Taslim.
- b. Tanah dan bangunan pabrik, SGB No. 10 dan 139/Paya Geli, Jl. Mesjid No 142, Desa Paya Geli, Kec. Sunggal, Kab. Deli Serdang, Provinsi Sumatera Utara atas nama Djonny Taslim.
- c. Persediaan barang dagangan milik:
  - PT Reka Mega Inti Pratama.
  - PT Panca Buana Plasindo.
- d. Mesin-mesin milik PT Panca Buana Plasindo.
- e. Jaminan perseorangan dari Bpk. Djonny Taslim.

Syarat dan pembatasan atas fasilitas kredit PBUAP:

- Memiliki aktiva paling sedikit Rp 25.000.000.000
- Menyerahkan laporan keuangan tahunan yang telah diaudit oleh Akuntan Publik.
- Memiliki jaminan berupa fixed assets dan inventory yang diasuransikan dengan menyertakan bankers clause.
- Wajib menyalurkan transaksi operasional perusahaan melalui Rekening Koran nasabah di bank secara proporsional.

**18. BANK LOANS (continued)**

**PT Bank Permata Tbk (continued)**

The collateral for loan facilities received by RMIP and PBUP are as follows:

- a. Land and factory Building, SHM No. 370 and 371, Jl. Kolonel Sugiono simpang No 12-12A, Kel. Aur, Kec. Medan Maimun, Kota Medan, Province of North Sumatera on behalf of Vicky Taslim.
- b. Land and factory Building, SGB No. 10 and 139/Paya Geli, Jl. Mesjid No 142, Desa Paya Geli, Kec. Sunggal, Kab. Deli Serdang, Province of North Sumatera on behalf of Djonny Taslim.
- c. Inventories owned by:
  - PT Reka Mega Inti Pratama.
  - PT Panca Buana Plasindo.
- d. Machineries PT Panca Buana Plasindo.
- e. Personal guarantee from Mr. Djonny Taslim.

Terms and restrictions on credit facilities PBUAP:

- Has assets of at least Rp 25.000.000.000
- Submits annual financial statements audited by a Public Accountant.
- Has a guarantee of fixed assets and inventory are insured by including bankers clause..
- Obligate to channel the company's operational transactions through customer's bank account at the bank proportionally.

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**  
Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**19. UTANG USAHA**

**19. ACCOUNT PAYABLES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>
<b>Pihak Ketiga Rupiah</b>				
PT Chandra Asri				
Petrochemical Tbk	41.355.523	11.806.376	-	10.305.695
PT Hidup Baru Plasindo	6.111.229	3.485.102	5.836.896	5.616.146
PT Makmur Jaya				
Kharisma	1.789.350	-	-	1.364.100
PT Akino Wahana Mulia	1.705.000	-	-	-
PT Lotte Chemical Titan	-	24.807.276	-	1.551.672
PT Indo Thai Trading	-	-	-	30.255.427
PT Era Prima Adi Cipta				
Kreasindo	-	-	4.675.504	5.340.971
PT Plastindo Ekatama	-	-	2.646.248	-
PT Super Makmur	-	-	1.085.339	-
PT Bukitmega Masabadi	-	-	1.042.250	-
PT Kaiser Indonesia	-	-	-	1.278.988
PT Chevron Philips	-	-	-	28.749.331
Exxon Mobil Chemicals				
Asia Pacific	-	-	-	5.287.680
PT Borouge	-	-	-	4.631.217
Lain-lain dibawah (Rp1 milyar)	8.661.686	11.998.921	9.256.180	6.472.028
<b>Sub jumlah pihak ketiga – Rupiah</b>	<b>59.622.788</b>	<b>52.097.675</b>	<b>24.542.417</b>	<b>100.853.255</b>
<b>Dolar Amerika</b>				
Chevron Phillips	24.930.304	62.998.986	33.629.579	-
Petronas Chemicals				
Marketing Sdn Bhd	26.398.391	22.593.695	-	-
Lotte Chemical Titan				
Trading Sdn Bhd	6.600.896	20.099.920	-	-
PT Mitra Kemas	1.037.245	-	-	-
Exxon Mobil				
Chemicals Asia Pacific	-	-	-	2.146.885
Sabic Asia Pacific				
Pte Ltd	-	11.438.995	-	-
Scg Plastics Co. Ltd	-	2.405.178	-	-
Jg Summit				
Petrochemicals	-	786.812	-	-
PT Indo Thai Trading	-	-	2.832.966	-
Marubeni	-	-	-	17.608.814
PT Titan Petro Kimia				
Nusantara	-	-	-	3.479.243
Dragon Park Industries				
Sdn Bhd	-	-	-	1.577.717
Lain-lain dibawah (Rp1 milyar)	-	-	2.874.847	260.012
<b>Sub jumlah pihak ketiga – Dolar Amerika</b>	<b>58.966.836</b>	<b>120.323.586</b>	<b>39.337.392</b>	<b>25.072.671</b>
<b>Jumlah Pihak Ketiga</b>	<b>118.589.624</b>	<b>172.421.261</b>	<b>63.879.809</b>	<b>125.925.926</b>

<b>Third Parties Rupiah</b>
PT Chandra Asri
Petrochemical Tbk
PT Hidup Baru Plasindo
PT Makmur Jaya
Kharisma
PT Akino Wahana Mulia
PT Lotte Chemical
Titan
PT Indo Thai Trading
PT Era Prima Adi
Cipta Kreasindo
PT Plastindo Ekatama
PT Super Makmur
PT Bukitmega Masabadi
PT Kaiser Indonesia
PT Chevron Philips
Exxon Mobil Chemicals
Asia Pacific
PT Borouge
Others below (Rp1 billion)
<b>Sub total third parties – Rupiah</b>
<b>U.S. Dollar</b>
Chevron Phillips
Petronas Chemicals
Marketing Sdn Bhd
Lotte Chemical Titan
Trading Sdn Bhd
PT Mitra Kemas
Exxon Mobil
Chemicals Asia Pacific
Sabic Asia Pacific
Pte Ltd
Scg Plastics Co. Ltd
Jg Summit
Petrochemicals
PT Indo Thai Trading
Marubeni
PT Titan Petro Kimia
Nusantara
Dragon Park Industries
Sdn Bhd
Others below (Rp1 billion)
<b>Sub total third parties – U.S. Dollar</b>
<b>Total Third Parties</b>



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**19. UTANG USAHA (lanjutan)**

**19. ACCOUNT PAYABLES (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pihak Berelasi</b>					<b>Related Parties</b>
<b><u>Rupiah</u></b>					<b><u>Rupiah</u></b>
PT Andalan Sukses					PT Andalan Sukses
Mandiri	2.060.031	129.016	-	938.375	Mandiri
CV Adipura Mas					CV Adipura Mas
Plasindo	2.011.191	2.098.633	333.795	618.258	Plasindo
CV Mahkota Mas					CV Mahkota Mas
Pratama	1.725.558	1.874.724	1.586.165	1.573.208	Pratama
PT Rendaplas Andika	1.229.578	395.720	311.449	650.083	PT Rendaplas Andika
PT Penta Power					PT Penta Power
Indonesia	94.694	214.202	104.023	198.802	Indonesia
PT Cahaya Plasindo					PT Cahaya Plasindo
Sejahtera	91.800	-	-	-	Sejahtera
PT Multi Global					PT Multi Global
Plasindo	5.389	21.414	-	-	Plasindo
PT Panca Budi					PT Panca Budi
Logistindo	2.368	-	-	-	Logistindo
PT Stellarway					PT Stellarway
Indonesia	-	10.254	-	-	Indonesia
PT Reka Sukses					PT Reka Sukses
Adipratama	-	-	9.032.222	27.229.511	Adipratama
PT Alphen Internasional					PT Alphen Internasional
Corporindo	-	20.236	75.353.093	16.554.465	Corporindo
PT Panca Budi Agro					PT Panca Budi Agro
Pratama	-	-	8.843.500	32.960.308	Pratama
<b>Sub jumlah pihak berelasi – Rupiah</b>	<b>7.220.609</b>	<b>4.764.199</b>	<b>95.564.247</b>	<b>80.723.010</b>	<b>Sub total related parties – Rupiah</b>
<b><u>Dolar Amerika</u></b>					<b><u>U.S. Dollar</u></b>
Penta Strategic					Penta Strategic
Resources PTE Ltd	-	-	97.097.531	117.669.142	Resources PTE Ltd
PT Alphen Internasional Corp.	-	-	9.514.784	-	PT Alphen International Corp.
<b>Sub jumlah pihak berelasi – Dollar Amerika</b>	<b>-</b>	<b>-</b>	<b>106.612.315</b>	<b>117.669.142</b>	<b>Sub total related parties – U.S. Dollar</b>
<b>Jumlah Pihak Berelasi</b>	<b>7.220.609</b>	<b>4.764.199</b>	<b>202.176.562</b>	<b>198.392.152</b>	<b>Total Related Parties</b>
<b>Jumlah Utang Usaha</b>	<b>125.810.233</b>	<b>177.185.460</b>	<b>266.056.371</b>	<b>324.318.078</b>	<b>Total Account Payable</b>

**19. UTANG USAHA (lanjutan)**

**19. ACCOUNT PAYABLES (continued)**

Analisis umur utang usaha disajikan sebagai berikut:

The aging analysis of account payable is as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Lancar	124.655.278	176.288.704	265.547.657	324.112.306	Current
Lewat jatuh tempo:					Past due:
1 - 30 hari	1.154.955	896.756	508.714	205.772	1 - 30 days
31 - 60 hari	-	-	-	-	31 - 60 days
61 - 180 hari	-	-	-	-	61 - 180 days
Lebih dari 180 hari	-	-	-	-	More than 180 days
<b>Jumlah Utang Usaha</b>	<b><u>125.810.233</u></b>	<b><u>177.185.460</u></b>	<b><u>266.056.371</u></b>	<b><u>324.318.078</u></b>	<b>Total Of Account Payables</b>

Sebagian utang usaha impor dan lokal dijamin pembayarannya dengan menerbitkan L/C atau SKBDN.

A portion of local and imported business debt is guaranteed by issuing L/C or SKBDN.

**20. BIAYA YANG MASIH HARUS DIBAYAR**

**20. ACCRUED EXPENSES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Gaji, upah dan tunjangan	4.466.711	9.270.227	1.504.173	2.016.952	Salary, wages and benefits
Listrik, air dan telepon	2.689.467	3.316.883	2.962.344	3.486.062	Electricity, water and telephone
Bunga pinjaman	394.723	442.203	456.837	239.144	Interest loan
Komisi	288.296	486.640	218.298	229.259	Commission
Lainnya	2.889.151	2.140.414	2.456.370	2.184.292	Others
<b>Jumlah Biaya Yang Masih Harus Dibayar</b>	<b><u>10.728.348</u></b>	<b><u>15.656.367</u></b>	<b><u>7.598.022</u></b>	<b><u>8.155.709</u></b>	<b>Total Accrued Expenses</b>

**21. UTANG LAIN-LAIN**

**21. OTHER PAYABLES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Pihak ketiga					Third Parties
Lain-lain dibawah (Rp1 milyar)	7.662.199	5.170.093	3.660.087	7.113.747	Others below (Rp1 billion)
<b>Jumlah Pihak Ketiga</b>	<b><u>7.662.199</u></b>	<b><u>5.170.093</u></b>	<b><u>3.660.087</u></b>	<b><u>7.113.747</u></b>	<b>Total Third Parties</b>

**21. UTANG LAIN-LAIN (lanjutan)**

**21. OTHER PAYABLES (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pihak Berelasi</b>					<b>Related Parties</b>
<b>Rupiah</b>					<b>Rupiah</b>
PT Panca Budi					PT Panca Budi
Logistindo	2.174.838	2.109.699	1.489.698	828.425	Logistindo
PT Garda Bhakti					PT Garda Bhakti
Nusantara	126.677	-	-	-	Nusantara
PT Alphen					PT Alphen
Internasional					Internasional
Corporindo	640.578	368.982	343.930	300.000	Corporindo
PT Cahaya Plastindo					PT Cahaya
Sejahtera	183.641	165.500	58.060	-	Plastindo Sejahtera
<b>Jumlah Pihak Berelasi – Rupiah</b>	<b>3.125.734</b>	<b>2.644.181</b>	<b>1.891.688</b>	<b>1.128.425</b>	<b>Total Related Parties – Rupiah</b>
<b>Jumlah Utang Lain-Lain</b>	<b>10.787.933</b>	<b>7.814.274</b>	<b>5.551.775</b>	<b>8.242.172</b>	<b>Total Other Payables</b>

Utang lain-lain merupakan utang non dagang, yang timbul dari transaksi pembelian aset tetap dari pihak ketiga dan pihak berelasi, transaksi jasa keamanan, jasa ekspedisi, transaksi pembelian sparepart dan bahan pembantu. Dikategorikan sebagai utang lancar karena akan jatuh tempo kurang dari satu tahun. Atas utang lain-lain tersebut tidak terdapat jaminan.

Other payables represent debt arising from transactions and purchase of property, plant and equipment from third parties and related parties, transaction security services, expedition services, spare part purchase transactions and auxiliary materials. That will mature in less than one year. For these other payables there is no guarantee.

**22. UANG MUKA PENJUALAN**

**22. SALES ADVANCES**

Akun ini merupakan uang muka penjualan yang berasal dari pihak ketiga. Saldo per 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 masing-masing sebesar Rp5.517.521, Rp4.910.360, Rp6.627.644 dan Rp3.236.261.

This account is derived from third parties. Balance as of June 30, 2017, December 31, 2016, 2015 and 2014, amounted to Rp5,517,521, Rp4,910,360, Rp6,627,644 and Rp3,236,261 respectively.

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**23. UTANG PEMBIAYAAN KONSUMEN**

**23. CONSUMER FINANCING PAYABLES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
PT BCA Finance	439.742	749.599	928.621	1.025.554	PT BCA Finance
PT Dipo Star Finance	478.734	186.994	1.018.587	1.859.957	PT Dipo Star Finance
PT Astra Credit Company	217.333	27.800	108.873	14.168	PT Astra Credit Company
PT Oto Finance	163.743	250.412	-	-	PT Oto Finance
PT Mandiri Tunas Finance	40.150	14.058	163.372	-	PT Mandiri Tunas Finance
PT BII Finance Center	33.464	48.909	135.319	144.566	PT BII Finance Center
PT Federal International Finance	-	5.892	17.335	19.581	PT Federal International Finance
PT Mitsui Leasing Capital	-	38.156	119.420	221.780	PT Mitsui Leasing Capital
Lainnya	113.817	-	-	402.257	Others
<b>Jumlah utang lembaga keuangan lainnya</b>	<b>1.486.983</b>	<b>1.321.820</b>	<b>2.491.527</b>	<b>3.687.863</b>	<b>Total other debt financial institution</b>
<b>Dikurangi: bagian liabilitas jangka panjang yang akan jatuh tempo dalam waktu satu tahun</b>	<b>1.045.809</b>	<b>1.227.871</b>	<b>1.646.860</b>	<b>284.872</b>	<b>Less: current portion of long-term liabilities due within one year</b>
<b>Liabilitas jangka panjang yang akan jatuh tempo dalam waktu lebih dari satu tahun</b>	<b>441.174</b>	<b>93.949</b>	<b>844.667</b>	<b>3.402.991</b>	<b>Long term liabilities due in more than one year</b>

Utang pembiayaan konsumen merupakan liabilitas yang diperoleh Grup atas kendaraan pada tahun 2016, 2015 dan 2014 yang dikenakan bunga sebesar antara 4% sampai 14%. Pinjaman tersebut dibayar dengan cicilan antara 12 sampai dengan 24 bulan dengan tanggal jatuh tempo berbeda-beda hingga tahun 2016 dan 2017.

Consumer financing payables represent financing vehicles loans obtained in year 2016, 2015 and 2014 which charged with annual interest between of 4% until 14%. The loans are paid between 12 until 24 months. with maturity due on difference dates up to 2016 and 2017.

**24. UTANG SEWA PEMBIAYAAN**

**24. LEASE PAYABLES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Pembayaran minimum dimasa depan					Future minimum lease payment
Tahun 2016	-	-	373.388	-	Years 2016
Tahun 2017	72.799	314.516	280.653	-	Years 2017
Tahun 2018	47.352	108.666	47.352	-	Years 2018
Dikurangi: Beban keuangan masa depan	(7.345)	(39.746)	(72.683)	-	Less: Future financial charges
<b>Jumlah Utang Sewa Pembiayaan – bersih</b>	<b>112.806</b>	<b>383.436</b>	<b>628.710</b>	<b>-</b>	<b>Total Lease Payables – net</b>
Dikurangi: bagian liabilitas jangka panjang yang akan jatuh tempo dalam waktu satu tahun	106.958	279.681	422.541	-	Less: current portion of long-term liabilities due within one year
Liabilitas jangka panjang yang akan jatuh tempo dalam waktu lebih dari satu tahun	5.848	103.755	206.169	-	Long term liabilities due in more than one year

Utang sewa pembiayaan merupakan liabilitas yang diperoleh oleh Grup pada tahun 2015 yang tidak dapat dibatalkan atas pembelian kendaraan forklift kepada PT Orix Indonesia Finance dan dikenakan bunga sebesar 5,81% - 7,31% per tahun dengan cicilan antara 24 sampai dengan 36 bulan dengan tanggal jatuh tempo tahun 2017.

Lease payables is a liability obtained by the Group in 2015 which can not be canceled on the purchase of forklift vehicle to PT Orix Indonesia Finance and bears interest at 5.81% - 7.31% per annum with installments ranging from 24 to 36 months with date Due in 2017.

Utang sewa pembiayaan dijamin dengan aset sewa pembiayaan yang bersangkutan ditambah syarat bahwa Perusahaan tidak diperbolehkan untuk menjual atau memindahtangankan atas aset sewaan tersebut kepada pihak lain sebelum kewajiban dilunasi, disamping itu Perusahaan memiliki hak opsi untuk melakukan pembelian pada masa sewa berakhir.

Lease payables is secured by the related leased asset plus the condition that the Company is not allowed to sell or transfer the leased asset to another party before the liability is settled, in addition the Company has the option to purchase at the end of the lease period.

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**25. LIABILITAS IMBALAN PASCA KERJA**

Metode yang digunakan dalam perhitungan Liabilitas imbalan kerja adalah metode *Projected Unit Credit*. Perhitungan liabilitas imbalan kerja 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 dilakukan oleh konsultan independen PT Jasa Aktuarial Prapta Sentosa Guna Jasa sesuai dengan laporan tanggal 28 Agustus 2017, 13 Januari 2017, 31 Desember 2015 dan 8 Oktober 2015 untuk masing-masing laporan keuangan per 30 Juni 2017, 31 Desember 2016, 2015 dan 2014, dengan asumsi-asumsi sebagai berikut:

	30 Jun 2017/ Jun 30, 2017	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
Tingkat bunga – per tahun	8.00%	8.00%	9.00%	8.00%	Annual discount rates
Tingkat kenaikan gaji per tahun	9.00%	9.00%	9.00%	9.00%	Annual wages and salary Increases
Tingkat kematian	TMI 2011 1% dari TMI	TMI 2011 1% dari TMI	TMI 2011 1% dari TMI	TMI 2011 1% dari TMI	Mortality date
Tingkat cacat	2011	2011	2011	2011	Disability rate
Usia pensiun	60 Tahun	60 Tahun	60 Tahun	60 Tahun	Retirement age

Analisa sensitivitas untuk asumsi - asumsi yang signifikan pada tanggal 30 Juni 2017 adalah sebagai berikut:

**25. EMPLOYMENT BENEFIT LIABILITIES**

The method used in the calculation of Employee benefits liability is the *Projected Unit Credit* method. The calculation of liability for employee benefits June 30, 2017, December 31, 2016, 2015 and 2014 are conducted by an independent consultant of PT Jasa Aktuarial Prapta Sentosa Guna Jasa in accordance with the report dated August 28, 2017, January 13, 2017, December 31, 2015 and October 8, 2015 for each of the financial statements as of June 30, 2017, December 31, 2016, 2015 and 2014, with the following assumptions:

The sensitivity analysis for significant assumptions as of June 30, 2017 are as follows:

	Kenaikan tingkat bunga diskonto/ Increase in discount rate 1%	Penurunan tingkat bunga diskonto/ Decrease in discount rate 1%	
Dampak terhadap liabilitas imbalan pasti	(2.690.281)	2.418.579	Effect on defined benefit obligation
	Kenaikan tingkat kenaikan gaji/ Increase in salary increase rate 1%	Penurunan tingkat kenaikan gaji/ Decrease in salary increase rate 1%	
Dampak terhadap liabilitas imbalan pasti	3.050.191	(2.617.975)	Effect on defined benefit obligation

**25. LIABILITAS IMBALAN PASCA KERJA (lanjutan)**

**25. EMPLOYMENT BENEFIT LIABILITIES (continued)**

- a. Imbalan pasca kerja yang dibebankan pada laporan laba rugi konsolidasian adalah sebagai berikut:

- a. The post-employment benefits expenses charged to the consolidated statements of profit or loss are as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Beban jasa kini	3.225.469	5.656.180	3.744.315	3.939.963	Current service cost
Beban bunga	1.085.616	1.505.692	1.390.730	1.103.862	Interest cost
Biaya jasa lalu	80.425	1.494.596	-	-	Pass service cost
<b>Beban imbalan pada akhir periode</b>	<b>4.391.510</b>	<b>8.656.468</b>	<b>5.135.045</b>	<b>5.043.825</b>	<b>Benefits expense at the end of period</b>

- b. Rekonsiliasi liabilitas (aset)

- b. Reconciliation of liabilities (assets):

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Nilai kini liabilitas imbalan kerja pada akhir tahun	32.746.524	30.305.857	19.560.123	19.767.329	Present value of the obligation at the end of accounting year
Keuntungan (kerugian) aktuarial yang belum diakui	265.456	-	-	-	Unrecognized actuarial gains (losses)
Biaya jasa tahun lalu yang belum dilalui – non vested	-	-	-	-	Unrecognized past service cost – non vested
<b>Liabilitas (aset) program</b>	<b>33.011.980</b>	<b>30.305.857</b>	<b>19.560.123</b>	<b>19.767.329</b>	<b>Liabilities (assets) program</b>

- c. Perubahan liabilitas bersih tahun berjalan adalah sebagai berikut:

- c. Movements in the net liability in the current years are as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Saldo awal tahun	30.305.857	19.560.123	19.767.329	13.041.322	Beginning of year
Jumlah yang dibebankan ke laba rugi	4.391.510	8.656.468	5.135.045	5.043.825	Amount charged to profit or loss
Beban/ pendapatan komprehensif lainnya	(1.685.387)	2.180.987	(2.688.877)	926.263	Expenses/ income recognized in other comprehensive income
Pengaruh penggabungan entitas anak	-	-	(1.079.444)	762.819	Influence of subsidiaries acquisition
Pembayaran pesangon	-	(91.721)	(1.573.930)	(6.900)	Compensation Payment
<b>Saldo akhir tahun</b>	<b>33.011.980</b>	<b>30.305.857</b>	<b>19.560.123</b>	<b>19.767.329</b>	<b>End of year balance</b>

**26. MODAL SAHAM**

Susunan kepemilikan saham Perusahaan adalah sebagai berikut:

**26. SHARES CAPITAL**

The Company's share ownership structure are as follows:

<b>30 Juni 2017/ June 30, 2017</b>				
<b>Pemegang Saham</b>	<b>Jumlah saham ditempatkan dan disetor penuh/ Total shares issued and fully paid</b>	<b>Presentase kepemilikan/ Percentage of Ownership</b>	<b>Jumlah/ Amount</b>	<b>Shareholders</b>
PT Alphen Internasional Corporindo	1.400.000.000	93.33%	140.000.000	PT Alphen Internasional Corporindo
Tn. Djonny Taslim	100.000.000	6.66%	10.000.000	Mr. Djonny Taslim
<b>Jumlah</b>	<b>1.500.000.000</b>	<b>100%</b>	<b>150.000.000</b>	<b>Total</b>
<b>31 Desember 2016/ December 31, 2016</b>				
<b>Pemegang Saham</b>	<b>Jumlah saham ditempatkan dan disetor penuh/ Total shares issued and fully paid</b>	<b>Presentase kepemilikan/ Percentage of Ownership</b>	<b>Jumlah/ Amount</b>	<b>Shareholders</b>
PT Alphen Internasional Corporindo	140.000	93.33%	140.000.000	PT Alphen Internasional Corporindo
Tn. Djonny Taslim	10.000	6.66%	10.000.000	Mr. Djonny Taslim
<b>Jumlah</b>	<b>150.000</b>	<b>100%</b>	<b>150.000.000</b>	<b>Total</b>
<b>31 Desember 2015/ December 31, 2015</b>				
<b>Pemegang Saham</b>	<b>Jumlah saham ditempatkan dan disetor penuh/ Total Shares issued and fully paid</b>	<b>Presentase kepemilikan/ Percentage of Ownership</b>	<b>Jumlah/ Amount</b>	<b>Shareholders</b>
PT Alphen Internasional Corporindo	30.000	75%	30.000.000	PT Alphen Internasional Corporindo
Tn. Djonny Taslim	10.000	25%	10.000.000	Mr. Djonny Taslim
<b>Jumlah</b>	<b>40.000</b>	<b>100%</b>	<b>40.000.000</b>	<b>Total</b>
<b>31 Desember 2014/ December 31, 2014</b>				
<b>Pemegang Saham</b>	<b>Jumlah saham ditempatkan dan disetor penuh/ Total Shares issued and fully paid</b>	<b>Presentase kepemilikan/ Percentage of Ownership</b>	<b>Jumlah/ Amount</b>	<b>Shareholders</b>
Tn. Djonny Taslim	10.000	50%	10.000.000	Mr. Djonny Taslim
PT Alphen Internasional Corporindo	10.000	50%	10.000.000	PT Alphen Internasional Corporindo
<b>Jumlah</b>	<b>20.000</b>	<b>100%</b>	<b>20.000.000</b>	<b>Total</b>



**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)*

**26. MODAL SAHAM (lanjutan)**

Berdasarkan Akta No. 16 tanggal 8 Desember 2015 oleh Notaris Martina, S.H., Notaris di Jakarta, mengenai Perubahan Anggaran Modal Dasar, dari semula Rp20.000.000 menjadi Rp160.000.000 serta peningkatan modal ditempatkan dan disetor dari semula Rp20.000.000 menjadi Rp40.000.000.

Berdasarkan Pernyataan Sirkuler sebagai pengganti Rapat Umum Pemegang Saham Luar Biasa yang telah diaktakan dengan No. 76 dan 77 tanggal 30 September 2016 yang dibuat dihadapan Fathiah Helmi, S.H., Notaris di Jakarta, menyetujui dan memutuskan antara lain:

- a. Menyetujui untuk peningkatan modal dasar Perusahaan dari semula Rp160.000.000 terbagi atas 160 saham menjadi Rp600.000.000 terbagi atas 6.000.000 saham dalam Perusahaan.
- b. Menyetujui peningkatan di tempatkan dan di setor dalam Perusahaan dari semula Rp40.000.000 terbagi atas 40 saham menjadi sebesar Rp150.000.000 terbagi atas 1.500.000 saham dalam Perusahaan.
- c. Peningkatan/ penambahan modal ditempatkan dan modal disetor dengan cara mengeluarkan saham-saham baru dalam simpanan sebanyak 150 saham atau dengan nilai nominal Rp150.000.000, yang akan diambil bagian seluruhnya yaitu Djonny Taslim sebanyak 100.000 saham dengan nilai nominal Rp10.000.000 dan PT Alphen Internasional Corporindo sebanyak 1.400.000 saham dengan nilai nominal Rp140.000.000. Akta tersebut telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia. dengan surat keputusan No. AHU-0006777.AH.01.02.Tahun 2017 tanggal 20 Maret 2017.

Berdasarkan pengganti Rapat Umum Pemegang Saham Luar Biasa yang telah diaktakan dengan No. 8 tanggal 6 Maret 2017 yang dibuat dihadapan Fathiah Helmi, S.H., Notaris di Jakarta, sehubungan penurunan nilai nominal dari semula Rp1.000.000 per lembar saham menjadi Rp100 per lembar saham.

**26. SHARES CAPITAL (continued)**

*Based on notarized by deed No. 16 dated December 8, 2015 Notary Martina S.H., in Jakarta, concerning Increase in Authorized Capital, from Rp20,000,000 into Rp160,000,000 and Increase of Issued and paid up capital from Rp20,000,000 become Rp40,000,000.*

*Based on Circular Statement in lieu of the Extraordinary Shareholders' General Meeting, which was notarized by No. 76 and 77 dated September 30, 2016 made before Fathiah Helmi, S.H., Notary in Jakarta, agreed and decided among others :*

- a. *Approved the increase in authorized capital of the Company from Rp160,000,000 divided into 160 shares to Rp600,000,000 divided into 6,000,000 shares in the Company.*
- b. *Approved an increase in paid up capital in the Company's issued capital and capital from Rp40,000,000 divided into 40 shares to Rp150,000,000 divided into 1,500,000 shares in the Company.*
- c. *Increase/ addition of issued and paid-up capital by issuing shares by issuing and placed of 150 shares with a nominal value of Rp150,000,000 , which will be subscribed entirely Djonny Taslim 100,000 shares with a nominal value Rp10,000,000 and PT Alphen Internasional Corporindo 1,400,000 shares with a nominal Rp140,000,000. The deed of amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decree No. AHU-0006777.AH.01.02.Tahun 2017 dated March 20, 2017.*

*Based on the replacement of the Extraordinary General Meeting of Shareholders which was notarized by No. 8 dated March 6, 2017 made before Fathiah Helmi, S.H., Notary in Jakarta, in relation to the decline in the nominal value from Rp1,000,000 per share to Rp100 per share.*

**26. MODAL SAHAM (lanjutan)**

**Manajemen Permodalan**

Tujuan utama dari pengelolaan modal Grup adalah untuk memastikan bahwa Grup mempertahankan rasio modal yang sehat dalam rangka mendukung bisnis dan memaksimalkan nilai pemegang saham. Grup tidak diwajibkan untuk memenuhi syarat-syarat modal tertentu. Tujuan utama dari pengelolaan modal Grup adalah untuk memastikan bahwa Grup mempertahankan rasio modal yang sehat dalam rangka mendukung bisnis dan memaksimalkan nilai pemegang saham. Grup tidak diwajibkan untuk memenuhi syarat-syarat modal tertentu.

Grup mengelola struktur modal dan membuat penyesuaian terhadap struktur modal sehubungan dengan perubahan kondisi ekonomi. Grup memantau modalnya dengan menggunakan analisa *gearing ratio* (rasio utang terhadap modal), yakni membagi utang bersih terhadap jumlah modal. Utang bersih adalah jumlah utang (termasuk utang jangka pendek dan jangka panjang dilaporkan posisi keuangan konsolidasian) dikurangi kas dan setara kas dan deposito berjangka yang dibatasi pencairannya. Modal adalah jumlah ekuitas yang disajikan dalam laporan posisi keuangan konsolidasian.

Rasio utang bersih terhadap ekuitas pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

**26. SHARES CAPITAL (continued)**

**Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group is not required to meet any capital requirements. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group is not required to meet any capital requirements.

The Group manages the capital structure and makes adjustments to the capital structure in relation to changes in economic conditions. The Group monitors its capital by using the *gearing ratio* analysis (debt to equity ratio), in which dividing the net debt to the amount of capital. Net debt is the amount of debt (including short-term and long-term debt in the consolidated statement of financial position) minus cash and cash equivalents and time deposits with limited liquefaction. Capital is the amount of equity presented in the consolidated statements of financial position.

Ratio of net debt to equity as of June 30, 2017, December 31, 2016, 2015 and 2014 are as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Jumlah Utang</b>	<b>496.071.976</b>	<b>561.821.439</b>	<b>748.498.191</b>	<b>733.131.174</b>	<b>Total Payables</b>
Dikurangi:					Less:
Kas dan setara kas	18.824.901	21.910.910	15.877.044	36.842.103	Cash and equivalents
Deposito yang dibatasi penggunaannya	21.548.564	24.380.728	26.782.501	22.089.607	Restricted deposits
<b>Utang neto</b>	<b>455.698.511</b>	<b>515.529.801</b>	<b>705.838.646</b>	<b>674.199.464</b>	<b>Net debt</b>
<b>Jumlah ekuitas</b>	<b>886.532.750</b>	<b>791.441.732</b>	<b>173.012.932</b>	<b>129.152.491</b>	<b>Total – net</b>
Rasio utang neto terhadap ekuitas	51,40%	65,14%	407,97%	522,02%	Net debt to equity ratio

**27. MODAL PROFORMA**

Akun ini merupakan ekuitas dari PT PBP dan entitas anak yang diakuisisi oleh Perusahaan pada bulan Desember 2015 yang disajikan seolah-olah akuisisi terjadi sejak laporan yang diperbandingkan sesuai dengan PSAK 38 (Revisi) 2012.

**28. TAMBAHAN MODAL DISETOR LAINNYA**

Tambahan modal disetor lainnya terdiri atas selisih antara jumlah imbalan yang dialihkan dan jumlah tercatat dari setiap transaksi kombinasi bisnis entitas pengendali dan pengampunan pajak. Per 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

**a. Selisih antara jumlah imbalan yang dialihkan dan jumlah tercatat dari setiap transaksi kombinasi bisnis entitas pengendali**

**Selisih imbalan yang dialihkan dan jumlah tercatat yang timbul dari transaksi kombinasi bisnis entitas sepengendali – pembelian saham PT Panca Budi Pratama/**  
*Difference in the consideration transferred and the carrying amount arising from the business combination of entities under common control – shares acquisition of PT Panca Budi Pratama*

97.003.783

**Penurunan nilai NKP sebagai akibat kombinasi entitas sepengendali – PT Panca Budi Niaga/**  
*Decrease of NCI caused by business combination of entities under common control – PT Panca Budi Niaga*

2.582.288

**Selisih imbalan yang dialihkan dan jumlah tercatat yang timbul dari transaksi kombinasi bisnis entitas sepengendali – penjualan saham PT Panca Budi Plasindo/**  
*Difference in the consideration transferred and the carrying amount arising from the business combination of entities under common control – shares sales of PT Panca Budi Plasindo*

(1.522)

Untuk perhitungan lihat catatan 1d/ *for the calculation see note 1d*

**99.584.549**

**b. Pengampunan pajak**

Perusahaan dan entitas anak/ *The Company and subsidiaries*

14.733.679

**Jumlah tambahan modal disetor lainnya/** *Total additional paid in capital*

**114.318.228**

Pada periode program Pengampunan Pajak (September – Oktober 2016). Grup telah mengikuti program Pengampunan Pajak sesuai Undang-undang No. 11 tahun 2016 yang diterbitkan pada tanggal 1 Juli 2016. Kantor Pajak telah menerbitkan Surat Keterangan Pengampunan Pajak (SKPP) kepada Grup dengan rincian sebagai berikut:

**27. PROFORMA CAPITAL**

*This account represents the equity of PT PBP and subsidiaries and it were acquired by the Company in Desember 2015 is presented as if the acquisition occurred since comparable reports in accordance with PSAK 38 (Revised) 2012.*

**28. ADDITIONAL PAID IN CAPITAL**

*Additional paid in capital consist of difference between consideran transferred and the carrying amount arising from the business combination transaction entities under common control and tax amnesty. As of June 30, 2017, December 31, 2016, 2015 and 2014 are as follow:*

**a. Difference between consideran transferred and the carrying amount arising from the business combination transaction entities under common control**

*In the period of Tax Amnesty program (September – October 2016). Group has been following the Tax Amnesty program in accordance with Law No. 11 year 2016 issued on July 1, 2016. Tax office has issued the tax amnesty approval (SKPP) to Group with detail as follows:*

**28. TAMBAHAN MODAL DISETOR LAINNYA (lanjutan)**

**b. Pengampunan pajak (lanjutan)**

Perusahaan/ Company
PT Panca Budi Idaman
PT Panca Budi Niaga
PT Panca Budi Pratama
PT Prima Bhakti Pratama
PT Panca Buana Plasindo
PT Sekarnusa Kreasi Indonesia
PT Reka Mega Inti Pratama
PT Axis Global Integrasi

**28. ADDITIONAL PAID IN CAPITAL (continued)**

**b. Tax amnesty (continued)**

No. Surat/ Letter number
KET-23173/PP/WPJ.05/2016
KET-11925/PP/WPJ.08/2016
KET-7601/PP/WPJ.08/2016
KET-11988/PP/WPJ.08/2016
KET-13510/PP/WPJ.01/2016
KET-2081/PP/WPJ.32/2016
KET-17745/PP/WPJ.08/2016
KET-10672/PP/WPJ.08/2016

**29. PENDAPATAN KOMPREHENSIF LAINNYA**

Pendapatan komprehensif lainnya terdiri atas selisih atas revaluasi aset tetap dan keuntungan/ (kerugian) pengukuran kembali liabilitas imbalan kerja.

**Selisih atas revaluasi aset tetap**

Pada tahun 2016 Perusahaan dan entitas anak telah melakukan penilaian kembali aset tetap untuk tujuan perpajakan yang dilakukan oleh penilai independen eksternal KJPP Fuadah, Rudi & Rekan dan KJPP Toto Suharto & Rekan yang mengacu pada ketentuan Peraturan Menteri Keuangan (PMK) No. 191/PMK.010/2015 tanggal 15 Oktober 2015, sebagaimana telah diubah dengan PMK No. 233/PMK.03/2015 tanggal 21 Desember 2015. dengan rincian sebagai berikut:

**29. OTHER COMPREHENSIVE INCOME**

Other comprehensive income consist of property, plant and equipment revaluation and gain/ (loss) on remeasurement employee benefit liabilities.

**Property, plant and equipment revaluation**

As of 2016 the Company and subsidiaries have performed the valuation of property, plant and equipment for tax purpose by external independent valuer KJPP Fuadah, Rudi & Partner and KJPP Toto Suharto & Partner in accordance with The Finance Minister Regulation (PMK) No. 191/PMK.010/2015 dated October 15, 2015, as amended by PMK 233/PMK.03/2015 dated December 21, 2015, are as follows:

	Selisih revaluasi bersih/ Net difference revaluation	Entitas induk/ Parent only	Kepentingan non pengendali/ Non controlling interest
Selisih revaluasi bersih diatribusikan untuk/ Net revaluation difference are attributed to	362.987.201	351.848.886	11.138.315
Penyusutan aset surplus revaluasi/ Depreciation of revaluation surplus aset	(6.736.663)	(6.688.514)	(48.149)
<b>Jumlah saldo per 31 Desember 2016/ Total balance as of December 31, 2016 (lihat catatan 11/ see note 11)</b>	<b>356.250.538</b>	<b>345.160.372</b>	<b>11.090.166</b>
Penyusutan aset surplus revaluasi/ Depreciation of revaluation surplus aset	(3.840.747)	(3.730.251)	(110.496)
<b>Jumlah saldo per 30 Juni 2017/ Total balance as of June 30, 2017 (lihat catatan 11/ see note 11)</b>	<b>352.409.791</b>	<b>341.430.121</b>	<b>10.979.670</b>

**30. KEPENTINGAN NON PENGENDALI**

**30. NON-CONTROLLING INTEREST**

**30 Juni 2017/ June 30, 2017**

<b>Entitas Anak/ Subsidiaries</b>	<b>Nilai Tercatat Awal/ Beginning Balance</b>	<b>Penambah (Pengurang)/ Addition (Deduction)</b>	<b>Nilai Tercatat Akhir/ Ending Balance</b>
<b>Hak kepentingan non pengendali atas aset bersih/ Non controlling interest on net assets</b>			
<b>Kepemilikan langsung/ Direct ownership</b>			
PT Panca Budi Pratama	18.129.154	979.204	19.108.358
PT Panca Budi Niaga	734.061	353.865	1.087.926
PT Polytech Indo Hausen	14.411	(170)	14.241
<b>Jumlah/ Total</b>	<b>18.877.626</b>	<b>1.332.899</b>	<b>20.210.525</b>
<b>Kepemilikan tidak langsung melalui PT Panca Budi Pratama/ Indirect ownership from PT Panca Budi Pratama</b>			
PT Sekarnusa Kreasi Indonesia	525.454	55.234	580.688
PT Panca Buana Plasindo	23.684	155	23.839
PT Prima Bhakti Pratama	728.298	129.270	857.568
PT Polypack Indo Meyer	4.838	928	5.766
<b>Jumlah/ Total</b>	<b>1.282.274</b>	<b>185.587</b>	<b>1.467.861</b>
<b>Kepemilikan tidak langsung melalui PT Sekarnusa Kreasi Indonesia/ Indirect ownership from PT Sekarnusa Kreasi Indonesia</b>			
PT Reka Mega Inti Pratama	14.334	2.508	16.842
PT Axis Global Integrasi	(46.346)	(774)	(47.120)
PT Panca Budi Sejahtera	10.000	-	10.000
<b>Jumlah/ Total</b>	<b>(22.012)</b>	<b>1.734</b>	<b>(20.278)</b>
<b>Jumlah kepentingan non pengendali atas aset bersih/ Total non controlling interest on net assets</b>	<b>20.137.888</b>	<b>1.520.220</b>	<b>21.658.108</b>

**30. KEPENTINGAN NON PENGENDALI (lanjutan)**

**30. NON-CONTROLLING INTEREST (continued)**

**30 Juni 2017/ June 30, 2017 (lanjutan/ continued)**

	Penambahan/ <i>Additional</i>			Jumlah/ <i>Total</i>
Entitas Anak/ <i>Subsidiaries</i>	Laba (rugi)/ <i>Profit / (loss)</i>	Pendapatan Komersial Lainnya – Revaluasi Aset/ <i>Other Comprehensive Income – Assets Revaluation</i>	Pendapatan Komersial Lainnya – Keuntungan/ (Kerugian) Imbalan Pasca Kerja/ <i>Other Comprehensive Income – Gain/ (Loss) Employee Benefit</i>	
<b>Hak kepentingan non pengendali atas laba (rugi)/ <i>Non controlling interest on profit (loss)</i></b>				
<b>Kepemilikan langsung/ <i>Direct ownership</i></b>				
PT Panca Budi Pratama	1.032.911	(102.925)	49.218	<b>979.204</b>
PT Panca Budi Niaga	352.467	-	1.398	<b>353.865</b>
PT Polytech Indo Hausen	(19)	(154)	3	<b>(170)</b>
<b>Jumlah/ <i>Total</i></b>	<b>1.385.359</b>	<b>(103.079)</b>	<b>50.619</b>	<b>1.332.899</b>
<b>Kepemilikan tidak langsung melalui PT Panca Budi Pratama/ <i>Indirect ownership from PT Panca Budi Pratama</i></b>				
PT Sekarnusa Kreasi Indonesia	62.889	(6.730)	(925)	<b>55.234</b>
PT Panca Buana Plasindo	772	(577)	(40)	<b>155</b>
PT Prima Bhakti Pratama	129.380	-	(110)	<b>129.270</b>
PT Polypack Indo Meyer	811	(110)	227	<b>928</b>
<b>Jumlah/ <i>Total</i></b>	<b>193.852</b>	<b>(7.417)</b>	<b>(848)</b>	<b>185.587</b>
<b>Kepemilikan tidak langsung melalui PT Sekarnusa Kreasi Indonesia/ <i>Indirect ownership from PT Sekarnusa Kreasi Indonesia</i></b>				
PT Reka Mega Inti Pratama	2.514	-	(6)	<b>2.508</b>
PT Axis Global Integrasi	(774)	-	-	<b>(774)</b>
PT Panca Budi Sejahtera	-	-	-	<b>-</b>
<b>Jumlah/ <i>Total</i></b>	<b>1.740</b>	<b>-</b>	<b>(6)</b>	<b>1.734</b>
<b>Jumlah Kepentingan Non Pengendali Atas Laba Rugi/ <i>Total non controlling interest on profit (loss)</i></b>	<b>1.580.951</b>	<b>(110.496)</b>	<b>49.765</b>	<b>1.520.220</b>

**30. KEPENTINGAN NON PENGENDALI (lanjutan)**

**30. NON-CONTROLLING INTEREST (continued)**

**31 Desember 2016/ December 31, 2016**

<b>Entitas Anak/ Subsidiaries</b>	<b>Nilai Tercatat Awal/ Beginning Balance</b>	<b>Penambah (Pengurang)/ Addition (Deduction)</b>	<b>Nilai Tercatat Akhir/ Ending Balance</b>
<b>Hak kepentingan non pengendali atas aset bersih/ Non controlling interest on net assets</b>			
<b>Kepemilikan langsung/ Direct ownership</b>			
PT Panca Budi Pratama	5.477.600	12.651.554	18.129.154
PT Panca Budi Niaga	229.114	504.947	734.061
PT Polytech Indo Hausen	(626)	15.037	14.411
<b>Jumlah/ Total</b>	<b>5.706.088</b>	<b>13.171.538</b>	<b>18.877.626</b>
<b>Kepemilikan tidak langsung melalui PT Panca Budi Pratama/ Indirect ownership from PT Panca Budi Pratama</b>			
PT Sekarnusa Kreasi Indonesia	69.475	455.979	525.454
PT Panca Buana Plasindo	4.204	19.480	23.684
PT Prima Bhakti Pratama	363.061	365.237	728.298
PT Polypack Indo Meyer	2.073	2.765	4.838
<b>Jumlah/ Total</b>	<b>438.813</b>	<b>843.461</b>	<b>1.282.274</b>
<b>Kepemilikan tidak langsung melalui PT Sekarnusa Kreasi Indonesia/ Indirect ownership from PT Sekarnusa Kreasi Indonesia</b>			
PT Reka Mega Inti Pratama	10.834	3.500	14.334
PT Axis Global Integrasi	(52.177)	5.831	(46.346)
PT Panca Budi Sejahtera	10.000	-	10.000
<b>Jumlah/ Total</b>	<b>(31.343)</b>	<b>9.331</b>	<b>(22.012)</b>
<b>Jumlah kepentingan non pengendali atas aset bersih/ Total non controlling interest on net assets</b>	<b>6.113.558</b>	<b>14.024.330</b>	<b>20.137.888</b>

**30. KEPENTINGAN NON PENGENDALI (lanjutan)**

**30. NON-CONTROLLING INTEREST (continued)**

**31 Desember 2016/ December 31, 2016 (lanjutan/ continued)**

Entitas Anak/ Subsidiaries	Penambahan/ Additional				Jumlah/ Total
	Saldo Laba (Defisit)/ Share in Retained Earnings/ (deficit)	Pendapatan Komprehensif Lainnya – Revaluasi Aset/ Other Comprehensive Income – Assets Revaluation	Pendapatan Komprehensif Lainnya – Keuntungan/ (Kerugian) Imbalan Pasca Kerja/ Other Comprehensiv e Income – Gain/ (Loss) Employee Benefit	Pengampunan Pajak/ Tax Amnesty	
<b>Hak kepentingan non pengendali atas laba (rugi)/ Non controlling interest on profit (loss)</b>					
<b>Kepemilikan langsung/ Direct ownership</b>					
PT Panca Budi Pratama	1.390.449	10.707.387	(21.721)	575.439	<b>12.651.554</b>
PT Panca Budi Niaga	498.810	-	(1.601)	7.738	<b>504.947</b>
PT Polytech Indo Hausen	807	14.217	13	-	<b>15.037</b>
<b>Jumlah/ Total</b>	<b>1.890.066</b>	<b>10.721.604</b>	<b>(23.309)</b>	<b>583.177</b>	<b>13.171.538</b>
<b>Kepemilikan tidak langsung melalui PT Panca Budi Pratama/ Indirect ownership from PT Panca Budi Pratama</b>					
PT Sekarnusa Kreasi Indonesia	83.085	358.655	(2.841)	17.080	<b>455.979</b>
PT Panca Buana Plasindo	5.033	8.284	(29)	6.192	<b>19.480</b>
PT Prima Bhakti Pratama	326.490	-	(6.667)	45.414	<b>365.237</b>
PT Polypack Indo Meyer	995	1.623	147	-	<b>2.765</b>
<b>Jumlah/ Total</b>	<b>415.603</b>	<b>368.562</b>	<b>(9.390)</b>	<b>68.686</b>	<b>843.461</b>
<b>Kepemilikan tidak langsung melalui PT Sekarnusa Kreasi Indonesia/ Indirect ownership from PT Sekarnusa Kreasi Indonesia</b>					
PT Reka Mega Inti Pratama	<b>3.658</b>	-	(231)	73	<b>3.500</b>
PT Axis Global Integrasi	<b>3.041</b>	-	-	2.790	<b>5.831</b>
PT Panca Budi Sejahtera	-	-	-	-	-
<b>Jumlah/ Total</b>	<b>6.699</b>	-	(231)	2.863	<b>9.331</b>
<b>Jumlah Kepentingan Non Pengendali Atas Laba Rugi/ Total non controlling interest on profit (loss)</b>	<b>2.312.368</b>	<b>11.090.166</b>	<b>(32.930)</b>	<b>654.726</b>	<b>14.024.330</b>



**30. KEPENTINGAN NON PENGENDALI (lanjutan)**

**30. NON-CONTROLLING INTEREST (continued)**

**31 Desember 2015/ December 31, 2015**

<b>Entitas Anak/ Subsidiaries</b>	<b>Nilai Tercatat Awal/ Beginning Balance</b>	<b>Penambah (Pengurang)/ Addition (Deduction)</b>	<b>Nilai Tercatat Akhir/ Ending Balance</b>
<b>Hak kepentingan non pengendali atas aset bersih/ Non controlling interest on net assets</b>			
<b>Kepemilikan langsung/ Direct ownership</b>			
PT Panca Budi Pratama	-	5.477.600	5.477.600
PT Panca Budi Plasindo	161.588	(161.588)	-
PT Panca Budi Niaga	1.489.798	(1.260.684)	229.114
PT Polytech Indo Hausen	(762)	136	(626)
<b>Jumlah/ Total</b>	<b>1.650.624</b>	<b>4.055.464</b>	<b>5.706.088</b>
<b>Kepemilikan tidak langsung melalui PT Panca Budi Pratama/ Indirect ownership from PT Panca Budi Pratama</b>			
PT Sekarnusa Kreasi Indonesia	-	69.475	69.475
PT Panca Buana Plasindo	-	4.204	4.204
PT Prima Bhakti Pratama	-	363.061	363.061
PT Polypack Indo Meyer	-	2.073	2.073
<b>Jumlah/ Total</b>	<b>-</b>	<b>438.813</b>	<b>438.813</b>
<b>Kepemilikan tidak langsung melalui PT Sekarnusa Kreasi Indonesia/ Indirect ownership from PT Sekarnusa Kreasi Indonesia</b>			
PT Reka Mega Inti Pratama	-	10.834	10.834
PT Axis Global Integrasi	-	(52.177)	(52.177)
PT Panca Budi Sejahtera	-	10.000	10.000
<b>Jumlah/ Total</b>	<b>-</b>	<b>(31.343)</b>	<b>(31.343)</b>
<b>Jumlah kepentingan non pengendali atas aset bersih/ Total non controlling interest on net assets</b>	<b>1.650.624</b>	<b>4.462.934</b>	<b>6.113.558</b>

**30. KEPENTINGAN NON PENGENDALI (lanjutan)**

**30. NON-CONTROLLING INTEREST (continued)**

**31 Desember 2015/ December 31, 2015 (lanjutan/ continued)**

Entitas Anak/ Subsidiaries	Penambahan/ Addition				Pengurangan/ Deduction	Jumlah/ Total
	Saldo Laba (Defisit)/ Share in Retained Earnings/ (deficit)	Pendapatan Komprensif Lainnya – Keuntungan/ (Kerugian) Imbalan Pasca Kerja/ Other Comprehensive Income – Gain/ (Loss) Employee Benefit	Pembelian PT Panca Budi Pratama dan Entitas Anak/ Purchase of PT Panca Budi Pratama and Subsidiaries			
<b>Hak kepentingan non pengendali atas laba (rugi)/ Non controlling interest on profit (loss)</b>						
<b>Kepemilikan langsung/ Direct ownership</b>						
PT Panca Budi Pratama	34.881	-	5.442.719	-		5.477.600
PT Panca Budi Plasindo	8.581	-	-	(170.169)		(161.588)
PT Panca Budi Niaga	1.308.609	12.995	-	(2.582.288)		(1.260.684)
PT Polytech Indo Hausen	109	27	-	-		136
<b>Jumlah/ Total</b>	<b>1.352.180</b>	<b>13.022</b>	<b>5.442.719</b>	<b>(2.752.457)</b>		<b>4.055.464</b>
<b>Kepemilikan tidak langsung melalui PT Panca Budi Pratama/ Indirect ownership from PT Panca Budi Pratama</b>						
PT Sekarnusa Kreasi Indonesia	-	-	69.475	-		69.475
PT Panca Buana Plasindo	-	-	4.204	-		4.204
PT Prima Bhakti Pratama	-	-	363.061	-		363.061
PT Polypack Indo Meyer	-	-	2.073	-		2.073
<b>Jumlah/ Total</b>	<b>-</b>	<b>-</b>	<b>438.813</b>	<b>-</b>		<b>438.813</b>
<b>Kepemilikan tidak langsung melalui PT Sekarnusa Kreasi Indonesia/ Indirect ownership from PT Sekarnusa Kreasi Indonesia</b>						
PT Reka Mega Inti Pratama	-	-	10.834	-		10.834
PT Axis Global Integrasi	-	-	(52.177)	-		(52.177)
PT Panca Budi Sejahtera	-	-	10.000	-		10.000
<b>Jumlah/ Total</b>	<b>-</b>	<b>-</b>	<b>(31.343)</b>	<b>-</b>		<b>(31.343)</b>
<b>Jumlah kepentingan non pengendali atas laba (rugi)/ Total non controlling interest on profit (loss)</b>	<b>1.352.180</b>	<b>13.022</b>	<b>5.850.189</b>	<b>(2.752.457)</b>		<b>4.462.934</b>

**30. KEPENTINGAN NON PENGENDALI (lanjutan)**

**30. NON-CONTROLLING INTEREST (continued)**

**31 Desember 2014/ December 31, 2014**

Entitas Anak/ Subsidiaries	Nilai Tercatat Awal/ Beginning Balance	Penambah (Pengurang)/ Addition (Deduction)	Nilai Tercatat Akhir/ Ending Balance
<b>Hak kepentingan non pengendali atas aset bersih/ Non controlling interest on net assets</b>			
<b>Kepemilikan langsung/ Direct ownership</b>			
PT Panca Budi Plasindo	137.686	23.902	161.588
PT Panca Budi Niaga	655.215	834.583	1.489.798
PT Polytech Indo Hausen	(100)	(662)	(762)
<b>Jumlah kepentingan non pengendali atas aset bersih/ Total non controlling interest on net assets</b>	<b>792.801</b>	<b>857.823</b>	<b>1.650.624</b>

Entitas Anak/ Subsidiaries	Penambahan/ Addition			Jumlah/ Total
	Saldo Laba (Defisit)/ Share in Retained Earnings/ (deficit)	Pendapatan Komprehensif Lainnya – Keuntungan/ (Kerugian) Imbalan Pasca Kerja/ Other Comprehensive Income – Gain/ (Loss) Employee Benefit	Pengurangan/ Deduction	
<b>Hak kepentingan non pengendali atas laba (rugi)/ Non controlling interest on profit (loss)</b>				
<b>Kepemilikan langsung/ Direct ownership</b>				
PT Panca Budi Plasindo	23.902	-	-	23.902
PT Panca Budi Niaga	836.391	(1.808)	-	834.583
PT Polytech Indo Hausen	(641)	(21)	-	(662)
<b>Jumlah kepentingan non pengendali atas laba (rugi)/ Total non controlling interest on profit (loss)</b>	<b>859.652</b>	<b>(1.829)</b>	<b>-</b>	<b>857.823</b>

**31. PENJUALAN BERSIH**

**31. NET SALES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Lokal</b>						<b>Local</b>
Pihak Ketiga	1.401.456.173	1.383.931.151	2.801.303.295	2.405.451.745	1.938.702.439	Third Parties
Pihak Berelasi	149.858.092	153.766.989	295.963.114	312.656.326	198.642.077	Related Parties
<b>Sub jumlah penjualan lokal</b>	<b><u>1.551.314.265</u></b>	<b><u>1.537.698.140</u></b>	<b><u>3.097.266.409</u></b>	<b><u>2.718.108.071</u></b>	<b><u>2.137.344.516</u></b>	<b>Sub total local sales</b>
<b>Ekspor</b>						<b>Export</b>
Pihak Ketiga	55.980.686	48.617.993	70.711.797	69.477.870	80.791.604	Third Parties
Pihak Berelasi	-	-	-	-	-	Related Parties
<b>Sub jumlah penjualan ekspor</b>	<b><u>55.980.686</u></b>	<b><u>48.617.993</u></b>	<b><u>70.711.797</u></b>	<b><u>69.477.870</u></b>	<b><u>80.791.604</u></b>	<b>Sub total export sales</b>
<b>Jumlah Penjualan Bersih</b>	<b><u>1.607.294.951</u></b>	<b><u>1.586.316.133</u></b>	<b><u>3.167.978.206</u></b>	<b><u>2.787.585.941</u></b>	<b><u>2.218.136.120</u></b>	<b>Total Net Sales</b>

Penjualan untuk periode enam bulan yang berakhir pada 30 Juni 2017 dan 2016 serta tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014 merupakan penjualan biji plastik, produk plastik kantong dan penjualan produk plastik lainnya.

Sales for the six month ended June 30, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, represent the selling plastic resin, plastic bag and other plastic products.

Rincian penjualan berdasarkan produk dan jasa utama adalah sebagai berikut:

Details of sales by major products and services are as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Kantong plastic	991.198.368	989.262.677	1.946.044.761	1.757.519.325	1.658.887.155	Plastic bag
Biji plastik	595.512.312	577.233.719	1.175.542.993	962.120.048	522.255.836	Plastic resin
Lainnya	20.584.271	19.819.737	46.390.452	67.946.568	36.993.129	Others
<b>Jumlah</b>	<b><u>1.607.294.951</u></b>	<b><u>1.586.316.133</u></b>	<b><u>3.167.978.206</u></b>	<b><u>2.787.585.941</u></b>	<b><u>2.218.136.120</u></b>	<b>Total</b>

Penjualan untuk periode enam bulan yang berakhir pada 30 Juni 2017 dan 2016 serta tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014 tidak terdapat penjualan kepada satu pelanggan yang memiliki persentase dari penjualan diatas 10%.

Sales for the six month ended June 30, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, there are no sales to one customers who have percentage of sales above 10%.

**32. BEBAN POKOK PENJUALAN**

**32. COST OF GOODS SOLD**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Persediaan bahan baku</b>						<b>Raw materials inventories</b>
Pada awal tahun	93.665.558	132.200.953	132.200.953	109.755.481	87.173.476	At the beginning of the year
Pembelian	636.717.650	643.246.395	1.340.605.534	1.436.324.248	1.358.891.824	Purchase
Pada akhir tahun	<u>(94.830.965)</u>	<u>(69.058.539)</u>	<u>(93.665.558)</u>	<u>(132.200.953)</u>	<u>(109.755.481)</u>	At the end of the year
Pemakaian bahan baku	635.552.243	706.388.809	1.379.140.929	1.413.878.776	1.336.309.819	Raw materials Used
Tenaga kerja	38.954.538	35.886.083	66.638.957	58.187.098	51.888.344	Labor
Beban pabrikan	44.431.668	51.178.180	81.921.210	81.446.741	74.942.233	Manufacturing overhead
Ongkos kerja	<u>25.011.975</u>	<u>25.229.797</u>	<u>56.428.641</u>	<u>39.075.123</u>	<u>24.862.942</u>	Macloon services
<b>Jumlah beban produksi</b>	<b>743.950.424</b>	<b>818.682.869</b>	<b>1.584.129.737</b>	<b>1.592.587.738</b>	<b>1.488.003.338</b>	<b>Total manufacturing costs</b>
<b>Persediaan barang dalam proses</b>						<b>Work-in-process inventories</b>
Pada awal tahun	6.689.406	9.664.532	9.664.532	7.715.706	8.906.092	At the beginning of the year
Persediaan barang dalam proses – Pengampunan Pajak	-	-	915.971	-	-	Work-in-process inventories – Tax amnesty
Pada akhir tahun	<u>(6.878.359)</u>	<u>(9.674.168)</u>	<u>(6.689.406)</u>	<u>(9.664.532)</u>	<u>(7.715.706)</u>	At the end of the year
<b>Harga pokok produksi</b>	<b>743.761.471</b>	<b>818.673.233</b>	<b>1.588.020.834</b>	<b>1.590.638.912</b>	<b>1.489.193.724</b>	<b>Cost of goods production</b>
<b>Persediaan barang jadi</b>						<b>Finished goods inventories</b>
Pada awal tahun	130.752.110	117.055.611	117.055.611	108.933.242	98.869.425	At the beginning of the year
Persediaan barang jadi – Pengampunan pajak	-	-	2.244.814	-	-	Finished goods inventories – Tax amnesty
Pembelian	61.416.739	32.826.270	78.780.062	91.706.813	85.669.854	Purchases
Pada akhir tahun	<u>(111.257.555)</u>	<u>(107.374.969)</u>	<u>(130.752.110)</u>	<u>(117.055.611)</u>	<u>(113.140.080)</u>	At the end of the year
<b>Beban pokok penjualan pabrikan</b>	<b>824.672.765</b>	<b>861.180.145</b>	<b>1.655.349.211</b>	<b>1.674.223.356</b>	<b>1.560.592.923</b>	<b>Cost of goods sold manufacturing</b>

**32. BEBAN POKOK PENJUALAN (lanjutan)**

**32. COST OF GOODS SOLD (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Persediaan bahan baku untuk dijual</b>						<b>Raw materials for sale</b>
Pada awal tahun	134.733.515	79.998.296	79.998.296	47.746.310	57.643.362	At the beginning of the year
Pembelian	579.725.771	535.188.011	1.176.929.269	957.984.656	497.694.589	Purchases
Pada akhir tahun	<u>(150.901.836)</u>	<u>(72.207.570)</u>	<u>(134.733.515)</u>	<u>(79.998.296)</u>	<u>(47.746.310)</u>	At the end of the year
<b>Beban pokok penjualan – biji plastik</b>	<b>563.557.450</b>	<b>542.978.737</b>	<b>1.122.194.050</b>	<b>925.732.670</b>	<b>507.591.641</b>	<b>Cost of goods sold – plastic resin</b>
<b>Jumlah Beban Pokok Penjualan</b>	<b><u>1.388.230.215</u></b>	<b><u>1.404.158.882</u></b>	<b><u>2.777.543.261</u></b>	<b><u>2.599.956.026</u></b>	<b><u>2.068.184.564</u></b>	<b>Total Cost Of Goods Sold</b>

Pembelian untuk periode enam bulan yang berakhir pada 30 Juni 2017 dan 2016 serta tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014 yang memiliki persentase dari pembelian diatas 10% adalah sebagai berikut:

Purchase for the six month ended June 30, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, who have percentage of purchase above 10% are as follows:

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
PT Indo Thai Trading	160.530.543	167.254.424	323.171.365	352.679.647	-	PT Indo Thai Trading
PT Panca Budi Agro Pratama Penta Strategic Resources Pte Ltd	-	275.674.086	423.150.038	328.431.172	-	PT Panca Budi Agro Pratama Penta Strategic Resources Pte Ltd
PT Alphen Internasional Corporindo	-	-	-	361.392.489	-	PT Alphen Internasional Corporindo
PT Reka Sukses Adipratama	-	191.313.851	-	351.074.165	243.113.130	PT Reka Sukses Adipratama
PT Chandra Asri Petrochemical Tbk	-	-	-	-	383.827.638	PT Chandra Asri Petrochemical Tbk
PT Lotte Chemical Titan Nusantara	-	-	-	-	375.694.305	PT Lotte Chemical Titan Nusantara
<b>Jumlah Pembelian</b>	<b><u>160.530.543</u></b>	<b><u>839.157.657</u></b>	<b><u>1.068.979.180</u></b>	<b><u>1.842.163.958</u></b>	<b><u>1.270.357.568</u></b>	<b>Total Purchase</b>

**33. BEBAN PEMASARAN**

**33. MARKETING EXPENSES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Ekspedisi	15.698.114	14.198.581	26.747.856	22.537.165	17.346.241	<i>Expedition</i>
Gaji dan tunjangan	5.304.955	3.078.662	8.202.583	4.323.879	3.696.834	<i>Salary and allowance</i>
Iklan dan pemasaran	3.768.722	2.255.099	4.715.259	2.333.154	3.292.279	<i>Advertisement and marketing</i>
Komisi	2.926.326	2.570.150	6.379.288	2.681.942	3.420.997	<i>Commission</i>
Bahan bakar, tol dan parkir	1.766.526	1.602.299	3.681.463	2.581.076	1.739.826	<i>Fuel, toll and parking</i>
Perjalanan dinas	529.171	270.996	854.177	641.293	737.809	<i>Business trip</i>
Sewa	518.350	371.000	871.800	672.000	532.000	<i>Rent</i>
Penyusutan	65.201	68.057	129.374	139.176	152.252	<i>Depreciation</i>
Lain-Lain	2.718.359	1.766.950	2.101.496	1.626.188	1.004.096	<i>Others</i>
<b>Jumlah</b>						<b><i>Total</i></b>
<b>Beban Pemasaran</b>	<b>33.295.724</b>	<b>26.181.794</b>	<b>53.683.296</b>	<b>37.535.873</b>	<b>31.922.334</b>	<b><i>Marketing Expenses</i></b>

**34. BEBAN UMUM DAN ADMINISTRASI**

**34. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Gaji dan tunjangan	30.407.219	26.856.189	63.300.505	42.176.566	38.183.449	<i>Salaries and allowance</i>
Penitipan barang	5.938.897	6.196.819	12.274.501	11.479.017	8.421.282	<i>Custody of goods</i>
Beban imbalan kerja	4.391.510	4.328.234	8.656.468	5.135.045	5.043.825	<i>Employee Benefits expenses</i>
Penyusutan	2.373.022	2.018.319	4.265.412	3.504.589	3.496.778	<i>Depreciation</i>
Sewa	2.055.187	1.341.714	3.031.680	2.016.163	1.724.127	<i>Rent</i>
Amortisasi	950.848	26.978	664.788	27.356	20.854	<i>Amortization</i>
Asuransi	741.541	542.090	1.200.068	1.500.660	975.637	<i>Insurance</i>
Perijinan	681.875	3.167.822	3.348.220	2.251.158	2.004.094	<i>License</i>
Biaya pajak	674.146	790.331	1.660.516	1.212.352	1.461.088	<i>Tax expenses</i>
Pemeliharaan aset tetap	649.223	821.333	1.571.198	1.184.968	704.932	<i>Maintenance of property, plant and equipment</i>
Jasa profesional	610.027	319.883	916.840	587.968	847.809	<i>Professional fee</i>
Sumbangan	606.424	1.454.560	1.454.560	1.609.462	665.963	<i>Donation</i>
Alat tulis kantor dan fotokopi	539.720	513.314	1.055.027	855.617	737.655	<i>Stationary and fotocopy</i>

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**  
Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**34. BEBAN UMUM DAN ADMINISTRASI (lanjutan)**

**34. GENERAL AND ADMINISTRATIVE EXPENSES**  
*(continued)*

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
Bahan bakar, tol dan parkir	495.278	316.208	688.911	632.099	807.445	Fuel, toll and parking
Hiburan	480.506	386.434	983.811	496.463	109.114	Entertainment
Listrik, air, telepon dan internet	477.594	706.784	1.137.154	1.090.142	997.175	Electricity, water, telephone and internet
Jasa keamanan dan kebersihan	392.480	315.004	668.136	539.016	643.220	Security and cleaning service
Iuran dan keanggotaan	240.508	312.355	537.939	456.654	609.752	Contributions and Membership fees
Pajak bumi dan bangunan	201.606	23.192	444.866	331.299	334.622	Land and building taxes
Penyusutan properti investasi	13.528	13.528	27.057	27.057	27.057	Depreciation investment properties
Lain-lain	1.562.853	1.625.065	2.862.978	3.864.335	1.945.197	Others
<b>Jumlah Beban Umum dan Administrasi</b>	<b>54.483.992</b>	<b>52.076.156</b>	<b>110.750.635</b>	<b>80.977.986</b>	<b>69.761.075</b>	<b>Total General And Administrative Expenses</b>

**35. PENDAPATAN (BEBAN) LAIN-LAIN**

**35. OTHER INCOME (EXPENSES)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pendapatan Lain-lain:</b>						<b>Other Income:</b>
Laba selisih kurs	3.808.125	36.128.503	50.099.536	89.962.197	104.505.824	Gain on foreign exchange
Pendapatan sewa	1.198.850	706.886	1.681.807	1.089.863	429.408	Rent income
Penitipan barang	496.728	642.300	1.133.362	809.436	267.698	Deposit counter
Laba penjualan aset tetap	470.330	778.609	2.488.821	559.000	840.386	Gain on sales property, plant and equipment
Jasa pengiriman	97.446	49.729	182.779	53.296	34.599	Delivery service
Lain-lain	4.763.861	1.373.666	5.249.233	17.356.627	9.068.905	Others
<b>Jumlah Pendapatan Lain-lain</b>	<b>10.835.340</b>	<b>39.679.693</b>	<b>60.835.538</b>	<b>109.830.419</b>	<b>115.146.820</b>	<b>Total Other Income</b>



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**35. PENDAPATAN (BEBAN) LAIN-LAIN (lanjutan)**

**35. OTHER INCOME (EXPENSES) (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Beban Lain-lain:</b>						<b>Other Expenses:</b>
Rugi selisih						Loss on foreign exchange
Kurs	(1.820.704)	(22.628.507)	(41.701.465)	(126.152.834)	(109.765.843)	
Pajak	(275.340)	(390.958)	(18.810.592)	(780.890)	(1.096.261)	Tax
Lain-lain	(325.826)	(281.300)	-	(318.486)	(618.008)	Others
<b>Jumlah</b>						
<b>Beban Lain-lain</b>	<b>(2.421.870)</b>	<b>(23.300.765)</b>	<b>(60.512.057)</b>	<b>(127.252.210)</b>	<b>(111.480.112)</b>	<b>Total other Expenses</b>
<b>Jumlah</b>						
<b>Pendapatan (Beban) Lain-lain</b>	<b>8.413.470</b>	<b>16.378.928</b>	<b>323.481</b>	<b>(17.421.791)</b>	<b>3.666.708</b>	<b>Total Other Income (Expenses)</b>

**36. PENDAPATAN (BEBAN) KEUANGAN**

**36. FINANCIAL INCOME (EXPENSES)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Pendapatan Keuangan</b>						<b>Financial Income</b>
Pendapatan bunga afiliasi dan pihak ketiga	506.637	3.158.515	7.140.250	10.614.750	5.880.953	Interest income from related parties and third parties
Pendapatan bunga deposito	226.844	245.011	930.711	299.457	165.063	Interest income from deposit
Pendapatan bunga jasa giro	60.162	46.714	98.090	82.327	98.565	Interest income from giro
Pendapatan bunga obligasi	-	-	-	209.950	419.900	Interest income from bonds
<b>Jumlah</b>						<b>Total</b>
<b>Pendapatan Keuangan</b>	<b>793.643</b>	<b>3.450.240</b>	<b>8.169.051</b>	<b>11.206.484</b>	<b>6.564.481</b>	<b>Financial Income</b>

**36. PENDAPATAN (BEBAN) KEUANGAN (lanjutan)**

**36. FINANCIAL INCOME (EXPENSES) (continued)**

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>30 Jun 2016/ Jun 30, 2016</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b>Beban Keuangan</b>						<b>Financial Expenses</b>
Bunga bank	(11.300.238)	(20.157.626)	(39.128.663)	(31.261.321)	(22.293.836)	Interest on bank
Bunga pinjaman	(877.523)	(138.288)	(1.915.475)	(209.975)	(4.421.938)	Interest loans
Administrasi bank	(678.981)	(407.015)	(1.094.571)	(955.306)	(867.049)	Bank administration
Provisi bank	(400.146)	(481.447)	(1.026.837)	(716.231)	(590.011)	Bank provision
Bunga lembaga keuangan lainnya	(114.033)	(270.653)	(468.621)	(392.456)	(291.162)	Interest on loan to other financial institution
<b>Jumlah Beban Keuangan</b>	<u><b>(13.370.921)</b></u>	<u><b>(21.455.029)</b></u>	<u><b>(43.634.167)</b></u>	<u><b>(33.535.289)</b></u>	<u><b>(28.463.996)</b></u>	<b>Total Financial Expenses</b>
<b>Jumlah Pendapatan (Beban) Keuangan</b>	<u><b>(12.577.278)</b></u>	<u><b>(18.004.789)</b></u>	<u><b>(35.465.116)</b></u>	<u><b>(22.328.805)</b></u>	<u><b>(21.899.515)</b></u>	<b>Total Financial Income (Expenses)</b>

**37. LABA BERSIH PER SAHAM**

**37. EARNING PER SHARE**

Berdasarkan pengganti Rapat Umum Pemegang Saham Luar Biasa yang telah diaktakan dengan No. 8 tanggal 6 Maret 2017 yang dibuat dihadapan Fathiah Helmi, S.H., Notaris di Jakarta, sehubungan penurunan nilai nominal dari semula Rp1.000.000 per lembar saham menjadi Rp100 per lembar saham.

Based on the replacement of the Extraordinary General Meeting of Shareholders which was notarized by No. 8 dated March 6, 2017 made before Fathiah Helmi, S.H., Notary in Jakarta, in relation to the decline in the nominal value from Rp1,000,000 per share to Rp100 per share.

Penurunan nilai nominal saham berdasarkan PSAK 56: "Laba per saham", harus dilakukan penyesuaian retropektif dimana perhitungan laba per saham dasar dan dilusi untuk seluruh periode yang disajikan disesuaikan seolah-olah penurunan nilai nominal terjadi sejak laporan awal tahun yang disajikan.

Decrease in par value based on PSAK 56: "Earnings per share", a retroactive adjustment has to be made where the computation of basic and diluted earnings per share for all periods presented is adjusted as if the decrease in nominal value occurred since the report of the beginning of the year presented.

**37. LABA BERSIH PER SAHAM (lanjutan)**

**37. EARNING PER SHARE (continued)**

Perhitungan (rugi) laba per saham dasar adalah  
sebagai berikut:

Calculation of basic (loss)/ gain per share is as follow:

<i>Dalam rupiah penuh/ Expressed in full rupiah</i>						
<b>30 Jun 2017/ Jun 30, 2017</b>	<b>30 Jun 2016/ Jun 30, 2016</b>	<b>31 Des 2016/ Dec 31, 2016</b>	<b>31 Des 2015/ Dec 31, 2015</b>	<b>31 Des 2014/ Dec 31, 2014</b>		
Nilai nominal semula	100	1.000.000	1.000.000	1.000.000	1.000.000	Beginning nominal value
Nilai nominal yang disajikan kembali	100	100	100	100	100	Restated nominal value
Rata-rata tertimbang dari jumlah saham untuk perhitungan rugi dasar per saham semula	1.500.000.000	40.000	76.667	21.667	20.000	Beginning Weighted average numbers to shares to compute basic loss per shares
Rata-rata tertimbang dari jumlah saham untuk perhitungan rugi dasar per saham disajikan kembali	1.500.000.000	400.000.000	766.666.667	216.666.667	200.000.000	Restated Weighted average numbers to shares to compute basic loss per shares
Laba (rugi) bersih entitas induk	96.086.772.568	76.689.962.472	136.113.228.331	12.606.105.565	8.718.015.607	Gain (loss) net parent only
<b>Laba (Rugi) per Saham</b>	<b>64,1</b>	<b>191,7</b>	<b>177,5</b>	<b>58,2</b>	<b>43,6</b>	<b>Gain (Loss) per Shares</b>

Perusahaan tidak memiliki efek yang bersifat *dilutive* pada 30 Juni 2017, 31 Desember 2016, 2015 dan 2014.

The Company does not have any *dilutive* ordinary shares as of June 30, 2017, December 31, 2016, 2015 and 2014.

**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI**

**Sifat hubungan dan transaksi**

Sifat hubungan dengan pihak berelasi adalah hubungan berada di bawah pengendalian bersama melalui sebagian kepemilikan yang sama dan/atau memiliki sebagian direksi dan/atau komisaris yang sama dengan Perusahaan.

Tidak terdapat transaksi dengan pihak berelasi baik yang langsung atau tidak langsung berhubungan dengan kegiatan usaha utama Perusahaan, yang didefinisikan sebagai transaksi benturan kepentingan.

Syarat dan kondisi dengan pihak berelasi kecuali transaksi piutang lain-lain dengan karyawan, memiliki syarat dan kondisi yang sama dengan pihak ketiga.

Transaksi pihak berelasi dilakukan dengan ketentuan yang setara dengan yang berlaku dalam transaksi yang wajar.

Tabel berikut ini adalah ikhtisar pihak-pihak berelasi yang bertransaksi dengan Perusahaan, termasuk sifat hubungan dan sifat transaksinya:

**38. RELATED PARTIES TRANSACTIONS**

**Nature of relationships and transactions**

The nature of related party relationships is mainly due to being under common control. i.e. having the same ownership and/or directors and/or commissioners with the Company.

There were no transactions with related parties either directly or indirectly related to the main business activities of the Company, which is defined as a conflict of interest transaction.

Terms and conditions of transactions with related parties except for other accounts with employees, having the same terms and conditions to third parties.

The related party transactions are conducted on a condition equal to those applicable in fair transactions.

The following table is a summary of related parties who have transactions with the Company, and includes the nature of the relationship and transaction:

<b>Pihak Berelasi/ Related parties</b>	<b>Sifat dari hubungan/ Nature of relationship</b>	<b>Sifat dari transaksi/ Nature of transaction</b>
PT Panca Budi Logistindo	<b>Pemegang saham dan Memiliki kesamaan personil manajemen kunci/ Shareholders and Have a common key management personnel</b>	<b>Piutang Lain-lain, Utang Lain-lain, Sewa Gudang dan Ekspedisi/ Other Receivables, Other Payables, Warehouse Rental and Expedition</b>
PT Panca Budi Agro Pratama	<b>Pemegang saham dan Memiliki kesamaan personil manajemen kunci/ Shareholders and Have a common key management personnel</b>	<b>Piutang Usaha, Piutang Lain-lain, Utang Usaha, Penjualan dan Pembelian/ Account Receivables, Other Receivables, Account payable, Sales and Purchase</b>
Penta Strategic Resources Pte Ltd	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Lain-lain, Utang Usaha, Pembelian/ Other Receivables, Account Payables, Purchases</b>
PT Reka Sukses Adi Pratama	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Lain-lain, Jaminan Bank, Utang Usaha, Penjualan Pembelian/ Other Receivables, Bank Guarantees, Account Payables, Sales Purchases</b>
PT Stellarway Indonesia	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Lain-lain, Utang Usaha, Pembelian, Pendapatan Sewa, Penjualan/ Other Receivables, Account Payables, Purchases, Rental Incomes, Sales</b>

**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI** 38. **RELATED PARTIES TRANSACTIONS** (lanjutan) (continued)

Sifat hubungan dan transaksi (lanjutan)			Nature of relationships and transactions (continued)		
Pihak Berelasi/ Related parties			Sifat dari hubungan/ Nature of relationship		
			Sifat dari transaksi/ Nature of transaction		
PT Gavinco Tri Energi			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Penta Power Indonesia			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Geotechnical Systemindo			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Chemco Prima Mandiri			Memiliki kesamaan personil manajemen kunci dan pemegang saham/ Have a common key management personnel and shareholders		
PT Alphen Internasional Corporindo			Pemegang saham dan Memiliki kesamaan personil manajemen kunci/ Shareholders and Have a common key management personnel		
PT Prima Kreatif Foodindo			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Cahaya Plastindo Sejahtera			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Garda Bhakti Nusantara			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Suntech Polysindo			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		
PT Multi Global Mustika			Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel		

**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI 38. RELATED PARTIES TRANSACTIONS (lanjutan) (continued)**

<b>Sifat hubungan dan transaksi (lanjutan)</b>		<b>Nature of relationships and transactions (continued)</b>
<b>Pihak Berelasi/ Related parties</b>	<b>Sifat dari hubungan/ Nature of relationship</b>	<b>Sifat dari transaksi/ Nature of transaction</b>
PT Istana Plastik Indonesia	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Penjualan/ Sales</b>
CV Mahkota Mas Pratama	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Usaha, Piutang Lain-lain, Utang Usaha, Penjualan, Pembelian, Biaya Jasa Maklon/ Account Receivables, Other Receivables, Account Payables, Sales, Purchases, Macloon Services</b>
CV Adipura Mas Plasindo	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Utang Usaha, Penjualan, Pembelian, Biaya Jasa Maklon/ Account Payables, Sales, Purchases, Macloon Services</b>
PT Rendaplas Andika	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Usaha, Piutang Lain-lain, Utang Usaha, Penjualan, Pembelian, Biaya Jasa Maklon/ Account Receivables, Other Receivables, Account Payables, Sales, Purchases, Macloon Services</b>
PT Andalan Sukses Mandiri	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Usaha, Utang Usaha, Penjualan, Pembelian/ Account Receivables, Account Payables, Sales, Purchase</b>
PT Multi Global Plastindo	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Piutang Usaha, Piutang Lain-lain, Utang Lain-lain, Penjualan/ Account Receivables, Other Receivables, Other Payables, Sales</b>
Yayasan Panca Harapan	<b>Memiliki kesamaan personil manajemen kunci/ Have a common key management personnel</b>	<b>Tanggungjawab Sosial Perusahaan/ Company Social Responsibility</b>
Tn Djonny Taslim	<b>Pemegang saham/ Shareholders</b>	<b>Piutang Lain-lain, Utang Lain-lain, Modal, Biaya Sewa / Other Receivables, Other Payables, Equity, Rental Expenses</b>
Tn Vicky Taslim	<b>Pemegang saham/ Shareholders</b>	<b>Piutang Lain-lain, Utang Lain-lain, Modal / Other Receivables, Other Payables, Equity</b>
Tn Robby Taslim	<b>Pemegang saham/ Shareholders</b>	<b>Piutang Lain-lain, Utang Lain-lain, Modal, Biaya Sewa / Other Receivables, Other Payables, Equity, Rental Expenses</b>

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**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI** 38. **RELATED PARTIES TRANSACTIONS** (lanjutan) (continued)

Pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014. Perusahaan mengadakan transaksi signifikan dengan pihak berelasi rincian saldo dengan pihak berelasi adalah sebagai berikut:

On June 30, 2017, December 31, 2016, 2015 and 2014. the Company entered into significant transactions with related parties The details of balances with related parties are as follows:

		Persentase terhadap jumlah aset/ liabilitas		Persentase terhadap jumlah aset/ liabilitas		Persentase terhadap jumlah aset/ liabilitas		Persentase terhadap jumlah aset/ liabilitas	
		Percentage to total assets/ liabilities		Percentage to total assets/ liabilities		Percentage to total assets/ liabilities		Percentage to total assets/ liabilities	
	30 Jun 2017/ Jun 30, 2017		31 Des 2016/ Dec 31, 2016		31 Des 2015/ Dec 31, 2015		31 Des 2014/ Dec 31, 2014		
<b>Aset</b>									<b>Assets</b>
Piutang usaha	21.638.408	1,565%	14.973.924	1,107%	31.169.795	3,382%	11.505.374	1,334%	Trade receivables
Piutang lain-lain	4.547.510	0,329%	4.292.509	0,317%	39.052.662	4,238%	28.162.561	3,266%	Other receivables
Piutang pihak Berelasi	10.000	0,001%	207.483	0,015%	41.301.272	4,482%	74.254.868	8,611%	Related Parties receivables
<b>Jumlah Aset</b>	<b>1.382.604.727</b>		<b>1.353.263.171</b>		<b>921.511.123</b>		<b>862.283.665</b>		<b>Total Asset</b>
<b>Liabilitas</b>									<b>Liabilities</b>
Utang usaha	7.220.609	1,456%	4.764.199	0,848%	202.176.562	27,011%	198.392.152	27,061%	Account payable
Utang lain-lain	3.125.734	0,630%	2.644.181	0,471%	1.891.688	0,253%	1.128.425	0,154%	Others payables
Utang pihak Berelasi	126.729	0,026%	125.199	0,022%	2.722.224	0,364%	5.999.951	0,818%	Related Parties payables
<b>Jumlah liabilitas</b>	<b>496.071.976</b>		<b>561.821.439</b>		<b>748.498.191</b>		<b>733.131.174</b>		<b>Total liabilities</b>

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**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI 38. RELATED PARTIES TRANSACTIONS (continued)**  
(lanjutan)

a. Penjualan pihak berelasi

a. Sales on related parties

	30 Jun 2017/ Jun 30, 2017	30 Jun 2016/ Jun 30, 2016	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
PT Multi Global Plasindo	66.312.474	71.487.158	136.927.305	80.461.139	42.799.042	PT Multi Global Plasindo
PT Cahaya Plastindo Sejahtera	55.563.862	60.317.628	116.884.450	105.717.768	91.664.288	PT Cahaya Plastindo Sejahtera
PT Andalan Sukses Mandiri	23.364.918	6.252.769	15.910.772	15.395.205	18.619.729	PT Andalan Sukses Mandiri
PT Stellarway Indonesia	1.637.350	-	250.829	-	-	PT Stellarway Indonesia
CV Mahkota Mas Pratama	1.336.584	213	5.923.083	3.263.100	3.130.382	CV Mahkota Mas Pratama
PT Rendaplas Andika	682.890	265.726	3.432.135	1.274.065	4.065.003	PT Rendaplas Andika
PT Panca Budi Agro Pratama	518.562	14.683.284	14.683.284	101.814.899	-	PT Panca Budi Agro Pratama
PT Reka Sukses Adipratama	439.554	520.645	1.512.993	1.511	-	PT Reka Sukses Adipratama
PT Chemco Prima Mandiri	1.489	-	743	7.258	-	PT Chemco Prima Mandiri
Yayasan Panca Harapan	409	-	-	-	-	Yayasan Panca Harapan
CV Adipura Mas Plastindo	-	-	136.044	-	-	CV Adipura Mas Plastindo
PT Panca Budi Logistindo	-	-	35.354	463	-	PT Panca Budi Logistindo
PT Suntech Polysindo	-	-	-	-	4.852.256	PT Suntech Polysindo
PT Alphen Internasional Corporindo	-	100.380	100.380	-	13.578.859	PT Alphen Internasional Corporindo
PT Multi Global Mustika	-	-	-	4.720.918	19.924.274	PT Multi Global Mustika
PT Penta Power Indonesia	-	-	149	-	3.744	PT Penta Power Indonesia
PT Istana Plastik Indonesia	-	139.186	165.593	-	4.500	PT Istana Plastik Indonesia
<b>Jumlah penjualan – Pihak berelasi</b>	<b>149.858.092</b>	<b>153.766.989</b>	<b>295.963.114</b>	<b>312.656.326</b>	<b>198.642.077</b>	<b>Total sales – Related Parties</b>
<b>Jumlah Penjualan</b>	<b>1.607.294.951</b>	<b>1.586.316.133</b>	<b>3.167.978.206</b>	<b>2.787.585.941</b>	<b>2.218.136.120</b>	<b>Total Sales</b>
<b>Prosentase terhadap penjualan</b>	<b>9,32%</b>	<b>9,69%</b>	<b>9,34%</b>	<b>11,22%</b>	<b>8,96%</b>	<b>Percentage of sales</b>



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**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI**  
(lanjutan)

**38. RELATED PARTIES TRANSACTIONS** (continued)

b. Pembelian pihak berelasi

b. Purchase on related parties

	30 Jun 2017/ Jun 30, 2017	30 Jun 2016/ Jun 30, 2016	31 Des 2016/ Dec 31, 2016	31 Des 2015/ Dec 31, 2015	31 Des 2014/ Dec 31, 2014	
CV Mahkota Mas Pratama	17.016.531	13.897.451	29.601.363	23.137.107	19.516.036	CV Mahkota Mas Pratama
CV Adipura Mas Plasindo	13.008.610	3.694.060	13.500.173	6.578.637	5.091.454	CV Adipura Mas Plasindo
PT Andalan Sukses Mandiri	5.991.253	-	170.092	-	604.164	PT Andalan Sukses Mandiri
PT Rendaplas Andika	5.764.268	3.800.097	7.175.667	6.575.239	4.942.992	PT Rendaplas Andika
Penta Strategic Resources Pte, Ltd.	4.613.113	204.915.296	322.657.777	448.586.485	267.722.495	Penta Strategic Resources Pte, Ltd.
PT Alphen Internasional Corporindo	1.863.000	51.033.360	92.623.803	361.392.489	64.100.132	PT Alphen Internasional Corporindo
PT Penta Power Indonesia	1.075.419	1.984.168	3.775.062	2.944.439	517.294	PT Penta Power Indonesia
PT Stellarway Indonesia	544.065	524.154	973.306	685.940	141.581	PT Stellarway Indonesia
PT Reka Sukses Adipratama	6.253	191.313.851	192.804.414	351.074.165	243.113.130	PT Reka Sukses Adipratama
PT Multi Global Plasindo	5.220	8.829	28.296	-	-	PT Multi Global Plasindo
PT Suntech Polysindo	-	-	-	-	2.134.974	PT Suntech Polysindo
PT Cahaya Plastindo Sejahtera	-	-	-	9.546	-	PT Cahaya Plastindo Sejahtera
PT Panca Budi Agro Pratama	-	275.674.086	423.150.038	328.431.172	55.623.867	PT Panca Budi Agro Pratama
<b>Jumlah Pembelian – Pihak Berelasi</b>	<b>49.887.732</b>	<b>746.845.352</b>	<b>1.086.459.991</b>	<b>1.529.415.219</b>	<b>663.508.119</b>	<b>Total Purchase – Related Parties</b>
<b>Jumlah Pembelian</b>	<b>1.299.784.539</b>	<b>1.272.855.133</b>	<b>2.657.406.743</b>	<b>2.491.885.898</b>	<b>1.979.420.111</b>	<b>Total Purchase</b>
<b>Prosentase terhadap pembelian</b>	<b>3,84%</b>	<b>58,67%</b>	<b>40,88%</b>	<b>60,38%</b>	<b>33,52%</b>	<b>Percentage of purchase</b>

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**38. TRANSAKSI-TRANSAKSI PIHAK BERELASI** (lanjutan) **38. RELATED PARTIES TRANSACTIONS** (continued)

c. Piutang Pihak Berelasi

c. Due to related parties

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
<b><u>Rupiah:</u></b>					<b><u>Rupiah:</u></b>
Manajemen dan Karyawan	10.000	136.445	22.248.399	41.003.842	Management and Employee
PT Panca Budi Agro Pratama	-	-	4.433.102	4.436.242	PT Panca Budi Agro Pratama
PT Panca Budi Logistindo	-	-	2.375.150	1.500.000	PT Panca Budi Logistindo
Lain-lain (dibawah Rp500 juta)	-	71.038	10.777	27.314.784	Others (below Rp 500 million)
<b>Sub jumlah – Rupiah</b>	<b>10.000</b>	<b>207.483</b>	<b>29.067.428</b>	<b>74.254.868</b>	<b>Sub total – Rupiah</b>
<b><u>Dollar Amerika:</u></b>					<b><u>US Dollar:</u></b>
PT Gavinco Tri Energi	-	-	12.233.844	-	PT Gavinco Tri Energi
<b>Sub jumlah – Dollar Amerika</b>	<b>-</b>	<b>-</b>	<b>12.233.844</b>	<b>-</b>	<b>Sub total – US Dollar</b>
<b>Jumlah Piutang Pihak Berelasi</b>	<b>10.000</b>	<b>207.483</b>	<b>41.301.272</b>	<b>74.254.868</b>	<b>Total Due from Related Parties</b>

d. Utang Pihak Berelasi

d. Due from related parties

	<u>30 Jun 2017/ Jun 30, 2017</u>	<u>31 Des 2016/ Dec 31, 2016</u>	<u>31 Des 2015/ Dec 31, 2015</u>	<u>31 Des 2014/ Dec 31, 2014</u>	
PT Alphen Internasional Corporindo	5.359	6.666	2.436.710	3.136.710	PT Alphen Internasional Corporindo
Lain-lain (dibawah Rp500 juta)	121.370	118.533	285.514	2.863.241	Others (below Rp500 million)
<b>Jumlah Utang Pihak Berelasi</b>	<b>126.729</b>	<b>125.199</b>	<b>2.722.224</b>	<b>5.999.951</b>	<b>Total Due from Related Parties</b>

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**39. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING**

Aset dan liabilitas Perusahaan dalam mata uang asing pada tanggal 30 Juni 2017, 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

**39. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES**

The Company's assets and liabilities in foreign currencies as of June 30, 2017, December 31, 2016, 2015 and 2014 are as follows:

30 Juni 2017/ June 30, 2017 (Dalam Rupiah Penuh/ Expressed In Rupiah)												Setara dengan Rupiah/ Equivalent to Rupiah	
	USD	EURO	GBP	NTD	AED	AUD	DKK	SGD	THB	PHP			
<b>Aset</b>													<b>Assets</b>
Kas dan setara kas	388.073	5.046	7.709	15.415	78	11	220	1.883	33.746	33.725	5.421.635.541		Cash and cash equivalents
Dana yang dibatasi penggunaannya	1.172.225	-	-	-	-	-	-	-	-	-	15.612.860.992		Restricted Deposits Account
Piutang usaha	501.936	-	25.009	-	-	-	-	-	-	-	7.107.141.405		Receivables Others Account
Piutang lain - lain	104.720	-	-	-	-	-	-	-	-	-	1.394.765.680		Receivables
	<b>2.166.954</b>	<b>5.046</b>	<b>32.718</b>	<b>15.415</b>	<b>78</b>	<b>11</b>	<b>220</b>	<b>1.883</b>	<b>33.746</b>	<b>33.725</b>	<b>29.536.403.618</b>		
<b>Liabilitas</b>													<b>Liabilities</b>
Utang usaha	4.427.272	-	-	-	-	-	-	-	-	-	58.966.836.879		Account payables
Utang bank	7.352.944	-	-	-	-	-	-	-	-	-	97.933.865.766		Bank loans
	<b>11.780.216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156.900.702.645</b>		

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**39. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING (lanjutan)**

**39. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)**

31 Desember 2016 / December 31, 2016 (Dalam Rupiah Penuh/ Expressed In Rupiah)

	USD	EURO	GBP	NTD	AED	AUD	DKK	SGD	THB	Setara dengan Rupiah/ Equivalent to Rupiah	
<b>Aset</b>											<b>Assets</b>
Kas dan setara kas	447.704	7.334	2.558	15.495	78	11	220	2.300	39.987	6.205.067.502	Cash and cash equivalents
Dana yang dibatasi penggunaannya	995.221	-	-	-	-	-	-	-	-	13.371.793.065	Restricted Deposits
Piutang usaha	241.111	-	-	-	-	-	-	-	-	3.239.567.261	Account receivables
	<b>1.684.036</b>	<b>7.334</b>	<b>2.558</b>	<b>15.495</b>	<b>78</b>	<b>11</b>	<b>220</b>	<b>2.300</b>	<b>39.987</b>	<b>22.816.427.828</b>	
<b>Liabilitas</b>											<b>Liabilities</b>
Utang usaha	8.955.313	-	-	-	-	-	-	-	-	120.323.586.308	Account payables
Utang bank	6.211.522	-	-	-	-	-	-	-	-	83.458.012.225	Bank loans
	<b>15.166.835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203.781.598.533</b>	

31 Desember 2015 / December 31, 2015 (Dalam Rupiah Penuh/ Expressed In Rupiah)

	USD	EURO	GBP	NTD	AED	AUD	DKK	SGD	THB	Setara dengan Rupiah/ Equivalent to Rupiah	
<b>Aset</b>											<b>Assets</b>
Kas dan setara kas	354.599	3.754	11.558	15.496	78	7.016	690			5.263.405.872	Cash and cash equivalents
Piutang usaha	353.542	-	-	-	-	-	-	-		4.877.105.624	Account Receivables
Piutang lain-lain	597.538	-	-	-	-	-	-	-		8.243.038.503	Other receivables
Dana yang dibatasi penggunaannya	1.378.942	-	-	-	-	-	-	-		19.022.501.271	Restricted deposit
	<b>2.684.621</b>	<b>3.754</b>	<b>11.558</b>	<b>15.496</b>	<b>78</b>	<b>7.016</b>	<b>690</b>			<b>37.406.051.270</b>	
<b>Liabilitas</b>											<b>Liabilities</b>
Utang usaha	10.579.899	-	-	-	-	-	-	-		145.949.707.297	Account Payables
Utang bank	8.311.861	-	-	-	-	-	-	-		114.662.123.538	Bank loans
	<b>18.891.760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>260.611.830.835</b>	

**39. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING (lanjutan)**

**39. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)**

31 Desember 2014 / December 31, 2014 (Dalam Rupiah Penuh/ Expressed In Rupiah)

	USD	MYR	EURO	GBP	NTD	AED	AUD	DKK	SGD	Setara dengan Rupiah/ Equivalent to Rupiah	
<b>Aset</b>											<b>Assets</b>
Kas dan setara kas	2.463.847	134	4.611	12.002	15.422	78	1.010	690	147	30.972.424.985	Cash and cash equivalents
Piutang usaha	3.928.134	-	-	-	-	-	-	-	-	48.865.986.050	Account receivables
Dana yang dibatasi penggunaannya	1.614.920	-	-	-	-	-	-	-	-	20.089.607.121	Restricted deposit
	<b>8.006.901</b>	<b>134</b>	<b>4.611</b>	<b>12.002</b>	<b>15.422</b>	<b>78</b>	<b>1.010</b>	<b>690</b>	<b>147</b>	<b>99.928.018.156</b>	
<b>Liabilitas</b>											<b>Liabilities</b>
Utang usaha	11.474.422	-	-	-	-	-	-	-	-	142.741.812.894	Account payables
Utang bank	2.540.052	-	-	-	-	-	-	-	-	31.598.247.150	Bank loans
	<b>13.525.274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174.340.060.044</b>	

**40. INFORMASI SEGMENT USAHA**

**40. SEGMENT INFORMATION**

	30 Juni 2017/ June 30, 2017				
	Biji Plastik/ Plastic Resin	Kantong Plastik/ Plastic Bag	Lain-lain/ Other	Konsolidasi/ Consolidations	
<b>Aset</b>					<b>Assets</b>
Aset segmen	380.388.641	265.552.346	671.753	646.612.740	Segment assets
Aset yang tidak dapat dialokasikan	-	-	-	735.991.987	Unallocated assets
<b>Jumlah aset yang dikonsolidasi</b>	<b>380.388.641</b>	<b>265.552.346</b>	<b>671.753</b>	<b>1.382.604.727</b>	<b>Consolidated total assets</b>
<b>Liabilitas</b>					<b>Liabilities</b>
Liabilitas segmen	57.234.354	71.896.648	1.792.759	130.923.760	Segment liabilities
Liabilitas yang tidak dapat dialokasikan	-	-	-	365.148.216	Unallocated Liabilities
<b>Jumlah liabilitas yang dikonsolidasi</b>	<b>57.234.354</b>	<b>71.896.648</b>	<b>1.792.759</b>	<b>496.071.976</b>	<b>Consolidated total liabilities</b>
Penjualan bersih	595.512.312	991.198.368	20.584.271	1.607.294.951	Net sales
Beban pokok penjualan	563.557.450	810.699.225	13.973.540	1.388.230.215	Cost of goods sold
<b>Laba bruto</b>	<b>31.954.862</b>	<b>180.499.143</b>	<b>6.610.732</b>	<b>219.064.736</b>	<b>Gross profit</b>
Beban pemasaran				(33.295.724)	Marketing expenses
Beban umum dan administrasi				(54.483.992)	General and administrative expenses
Pendapatan (beban) lain-lain				8.413.470	Other income (expenses)
<b>Laba usaha</b>				<b>139.698.490</b>	<b>Operating profit</b>
Pendapatan keuangan				793.643	Financial income
Beban keuangan				(13.370.921)	Financial expenses
<b>Laba sebelum pajak penghasilan</b>				<b>127.121.212</b>	<b>Income before tax expense</b>
Pajak penghasilan				(29.453.489)	Income tax
<b>Laba setelah pajak penghasilan</b>				<b>97.667.723</b>	<b>Income after tax expense</b>
Laba (rugi) komprehensif lainnya				(2.576.707)	Other comprehensive income
<b>Jumlah laba (rugi) komprehensif periode berjalan</b>				<b>95.091.016</b>	<b>Total comprehensive income for the period</b>

**40. INFORMASI SEGMENT USAHA (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

	30 Juni 2016/ June 30, 2016				
	Biji Plastik/ Plastic Resin	Kantong Plastik/ Plastic Bag	Lain-Lain/ Other	Konsolidasi/ Consolidations	
Penjualan bersih	577.233.719	989.262.677	19.819.737	1.586.316.133	Net sales
Beban pokok penjualan	542.978.737	847.638.099	13.542.046	1.404.158.882	Cost of goods sold
<b>Laba bruto</b>	<b>34.254.982</b>	<b>141.624.578</b>	<b>6.277.690</b>	<b>182.157.251</b>	<b>Gross profit</b>
Beban pemasaran				(26.181.794)	Marketing expenses
Beban umum dan administrasi				(52.076.156)	General and administrative expenses
Pendapatan (beban) lain-lain				16.378.928	Other income (expenses)
<b>Laba usaha</b>				<b>120.278.229</b>	<b>Operating profit</b>
Pendapatan keuangan				3.450.240	Financial income
Beban keuangan				(21.455.029)	Financial expenses
<b>Laba sebelum pajak penghasilan</b>				<b>102.273.440</b>	<b>Income before tax expense</b>
Pajak penghasilan				(23.567.029)	Income tax
<b>Laba setelah pajak penghasilan</b>				<b>78.706.411</b>	<b>Income after tax expense</b>
Laba (rugi) komprehensif lainnya				354.820.690	Other comprehensive income
<b>Jumlah laba (rugi) komprehensif periode berjalan</b>				<b>433.527.101</b>	<b>Total comprehensive income for the period</b>

**40. INFORMASI SEGMENT USAHA (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

	31 Des 2016/ Dec 31, 2016				
	Biji Plastik/ Plastic Resin	Kantong Plastik/ Plastic Bag	Lain-lain/ Other	Konsolidasi/ Consolidations	
<b>Aset</b>					<b>Assets</b>
Aset segmen	370.715.717	241.792.975	720.545	613.229.237	Segment assets
Aset yang tidak dapat dialokasikan	-	-	-	740.033.934	Unallocated assets
<b>Jumlah aset yang dikonsolidasi</b>	<b>370.715.717</b>	<b>241.792.975</b>	<b>720.545</b>	<b>1.353.263.171</b>	<b>Consolidated total assets</b>
<b>Liabilitas</b>					<b>Liabilities</b>
Liabilitas segmen	84.383.419	95.996.200	1.693.274	182.072.893	Segment liabilities
Liabilitas yang tidak dapat dialokasikan	-	-	-	379.748.546	Unallocated Liabilities
<b>Jumlah liabilitas yang dikonsolidasi</b>	<b>84.383.419</b>	<b>95.996.200</b>	<b>1.693.274</b>	<b>561.821.439</b>	<b>Consolidated total liabilities</b>
Penjualan bersih	1.175.542.993	1.946.044.761	46.390.452	3.167.978.206	Net sales
Beban pokok penjualan	1.122.194.050	1.614.263.054	41.086.157	2.777.543.261	Cost of goods sold
<b>Laba bruto</b>	<b>53.348.943</b>	<b>331.781.707</b>	<b>5.304.295</b>	<b>390.434.945</b>	<b>Gross profit</b>
Beban pemasaran				(53.683.296)	Marketing expenses
Beban umum dan administrasi				(110.750.635)	General and administrative expenses
Pendapatan (beban) lain-lain				323.481	Other income (expenses)
<b>Laba usaha</b>				<b>226.324.495</b>	<b>Operating profit</b>
Pendapatan keuangan				8.169.051	Financial income
Beban keuangan				(43.634.167)	Financial expenses
<b>Laba sebelum pajak penghasilan</b>				<b>190.859.379</b>	<b>Income before tax expense</b>
Pajak penghasilan				(52.433.781)	Income tax
<b>Laba setelah pajak penghasilan</b>				<b>138.425.598</b>	<b>Income after tax expense</b>
Laba (rugi) komprehensif lainnya				343.524.632	Other comprehensive income
<b>Jumlah laba (rugi) komprehensif tahun berjalan</b>				<b>481.950.230</b>	<b>Total comprehensive income for the year</b>



**40. INFORMASI SEGMENT USAHA (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

	31 Des 2015/ Dec 31, 2015				
	Biji Plastik/ Plastic Resin	Kantong Plastik/ Plastic Bag	Lain-lain/ Other	Konsolidasi/ Consolidations	
<b>Aset</b>					<b>Assets</b>
Aset segmen	291.562.257	264.971.536	1.511.860	558.045.653	Segment assets
Aset yang tidak dapat dialokasikan	-	-	-	363.465.470	Unallocated assets
<b>Jumlah aset yang dikonsolidasi</b>	<b>291.562.257</b>	<b>264.971.536</b>	<b>1.511.860</b>	<b>921.511.123</b>	<b>Consolidated total assets</b>
<b>Liabilitas</b>					<b>Liabilities</b>
Liabilitas segmen	133.936.378	124.533.133	2.064.380	260.533.891	Segment liabilities
Liabilitas yang tidak dapat dialokasikan	-	-	-	487.964.300	Unallocated Liabilities
<b>Jumlah liabilitas yang dikonsolidasi</b>	<b>133.936.378</b>	<b>124.533.133</b>	<b>2.064.380</b>	<b>748.498.191</b>	<b>Consolidated total liabilities</b>
Penjualan bersih	962.120.048	1.757.519.325	67.946.568	2.787.585.941	Net sales
Beban pokok penjualan	925.732.670	1.611.410.582	62.812.774	2.599.956.026	Cost of goods sold
<b>Laba bruto</b>	<b>36.387.378</b>	<b>146.108.743</b>	<b>5.133.794</b>	<b>187.629.915</b>	<b>Gross profit</b>
Beban pemasaran				(37.535.873)	Marketing expenses
Beban umum dan administrasi				(80.977.986)	General and administrative expenses
Pendapatan (beban) lain-lain				(17.421.791)	Other income (expenses)
<b>Laba usaha</b>				<b>51.694.265</b>	<b>Operating profit</b>
Pendapatan keuangan				11.206.484	Financial income
Beban keuangan				(33.535.289)	Financial expenses
<b>Laba sebelum pajak penghasilan</b>				<b>29.365.460</b>	<b>Income before tax expense</b>

**40. INFORMASI SEGMENT USAHA (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

31 Des 2015/ Dec 31, 2015 (lanjutan/ continued)				
	Biji Plastik/ Plastic Resin	Kantong Plastik/ Plastic Bag	Lain-lain/ Other	Konsolidasi/ Consolidations
Pajak penghasilan				(8.159.053)
<b>Laba setelah pajak penghasilan</b>				<b>21.206.407</b>
				<i>Income tax</i>
				<b>Income after tax expense</b>
Penyesuaian proforma dari laba perusahaan yang digabung				(7.248.121)
				<i>Proforma adjustments of net profit of merging entities</i>
Laba (rugi) komprehensif lainnya				2.016.658
				<i>Other comprehensive income</i>
<b>Jumlah laba (rugi) komprehensif tahun berjalan</b>				<b>15.974.944</b>
				<i>Total comprehensive income for the year</i>
31 Des 2014/ Des 31, 2014				
	Biji Plastik/ Plastic Resin	Kantong Plastik/ Plastic Bag	Lain-lain/ Other	Konsolidasi/ Consolidations
<b>Aset</b>				
Aset segmen	230.877.388	231.617.337	964.816	463.459.541
				<i>Segment assets</i>
Aset yang tidak dapat dialokasikan	-	-	-	398.824.124
				<i>Unallocated assets</i>
<b>Jumlah aset yang dikonsolidasi</b>	<b>230.877.388</b>	<b>231.617.337</b>	<b>964.816</b>	<b>862.283.665</b>
				<b>Consolidated total assets</b>
<b>Liabilitas</b>				
Liabilitas segmen	103.217.052	221.683.298	1.448.574	326.348.924
				<i>Segment liabilities</i>
Liabilitas yang tidak dapat dialokasikan	-	-	-	406.782.250
				<i>Unallocated Liabilities</i>
<b>Jumlah liabilitas yang dikonsolidasi</b>	<b>103.217.052</b>	<b>221.683.298</b>	<b>1.448.574</b>	<b>733.131.174</b>
				<b>Consolidated total liabilities</b>

**40. INFORMASI SEGMENT USAHA (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

	<b>31 Des 2014/ Des 31, 2014 (lanjutan/ continued)</b>				
	<b>Biji Plastik/ Plastic Resin</b>	<b>Kantong Plastik/ Plastic Bag</b>	<b>Lain-lain/ Other</b>	<b>Konsolidasi/ Consolidations</b>	
Penjualan bersih	522.255.836	1.658.887.155	36.993.129	2.218.136.120	Net sales
Beban pokok penjualan	507.591.641	1.525.466.760	35.126.164	2.068.184.564	Cost of goods sold
<b>Laba bruto</b>	<b>14.664.195</b>	<b>133.420.395</b>	<b>1.866.965</b>	<b>149.951.556</b>	<b>Gross profit</b>
Beban pemasaran				(31.922.334)	Marketing expenses
Beban umum dan administrasi				(69.761.075)	General and administrative expenses
Pendapatan (beban) lain-lain				3.666.708	Other income (expenses)
<b>Laba usaha</b>				<b>51.934.855</b>	<b>Operating profit</b>
Pendapatan keuangan				6.564.481	Financial income
Beban keuangan				(28.463.996)	Financial expenses
<b>Laba sebelum pajak penghasilan</b>				<b>30.035.340</b>	<b>Income before tax expense</b>
Pajak penghasilan				(7.206.740)	Income tax
<b>Laba setelah pajak penghasilan</b>				<b>22.828.600</b>	<b>Income after tax expense</b>
Penyesuaian proforma				(13.250.932)	Proform adjustment
Pendapatan komprehensif lainnya				(694.698)	Other comprehensive income
<b>Jumlah laba (rugi) komprehensif tahun berjalan</b>				<b>8.882.970</b>	<b>Total comprehensive income for the year</b>

#### **41. MANAJEMEN RISIKO KEUANGAN**

##### **Risiko keuangan**

Aktivitas Perusahaan menghadapi berbagai macam risiko keuangan, terutama: risiko nilai tukar mata uang asing dan risiko fluktuasi harga plastik.

Sebagian besar bisnis Perusahaan bergantung pada kondisi pasar komoditas biji plastik dan minyak untuk mendukung stabilitas keuangan operasional. Perusahaan mengambil kebijakan yang sedapat mungkin meminimalisasi dampak risiko keuangan.

Pengelolaan risiko likuiditas dilakukan antara lain dengan memonitor profil jatuh tempo pinjaman dan sumber pendanaan. Menjaga saldo kecukupan kas dan setara kas serta memastikan tersedianya pendanaan dari sejumlah fasilitas kredit yang ada dan kesiapan untuk menghadapi perubahan pasar.

Nilai eksposur maksimal risiko kredit tercermin pada setiap aset keuangan yang tercatat pada laporan posisi keuangan konsolidasian.

Seluruh piutang dilakukan evaluasi secara periodik sehingga dapat diantisipasi kolektibilitasnya.

##### **Risiko Suku Bunga**

Risiko suku bunga adalah risiko dimana nilai wajar atau arus kas kontraktual masa datang dari suatu instrumen keuangan akan terpengaruh akibat perubahan suku bunga pasar. Eksposur Perusahaan yang terpengaruh risiko suku bunga terutama terkait dengan utang bank.

Untuk meminimalkan risiko suku bunga, Perusahaan mengelola beban bunga melalui kombinasi utang dengan suku bunga tetap dan suku bunga variabel dengan mengevaluasi kecenderungan suku bunga pasar. Manajemen juga melakukan penelaahan berbagai suku bunga yang ditawarkan oleh kreditur untuk mendapatkan suku bunga yang menguntungkan sebelum mengambil keputusan untuk melakukan perikatan utang baru.

#### **41. FINANCIAL RISKS MANAGEMENT**

##### **Financial risk**

*The Company's activities are exposed to certain financial risk, mainly: foreign exchange rate and fluctuation of plastic price risks.*

*Majority of the Company's business depends on the rubber market condition and to support its financial stability. The Company adopts a policy to minimize the impact of the financial risks.*

*The liquidity risk management includes managing the profile of loans maturities and funding sources. Maintaining sufficient cash and cash equivalents and ensuring the availability of funding from existing credit facilities and the ability to face the market changes.*

*The maximum exposure of credit risk is reflected in each financial asset recorded in the consolidated statements of financial position.*

*All trade receivables are evaluated periodically in which the collectibility can be anticipated.*

##### **Interest Rate Risk**

*Interest rate risk is the risk that the fair value or contractual future cash flows of financial instruments will be affected due to changes in market interest rates. The Company exposures to interest rate risk related primarily to bank loans.*

*To minimize interest rate risk, the Company manages interest expenses by a combination of debt with fixed interest rates and variable interest rates with tendency to evaluate market interest rates. Management also conducts assessments of interest rates offered by banks to obtain the most favorable interest rate before taking any decision to enter new loan agreement.*

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

Pada tanggal 30 Juni 2017, berdasarkan simulasi yang rasional, jika tingkat suku bunga utang bank lebih tinggi/ lebih rendah 1% (2016;2015;2014: lebih tinggi/ lebih rendah sebesar 1%), dengan seluruh variabel-variabel lain tidak berubah, maka laba sebelum pajak penghasilan untuk tahun yang berakhir pada tanggal 30 Juni 2017 akan lebih rendah/ lebih tinggi sebesar Rp2.851.485 (2016: lebih rendah/ lebih tinggi sebesar Rp2.868.635; 2015: lebih rendah/ lebih tinggi sebesar Rp4.306.579; 2014: lebih rendah/ lebih tinggi sebesar Rp3.555.446), terutama sebagai akibat dari beban bunga utang bank dengan tingkat bunga mengambang yang lebih tinggi/lebih rendah.

**Risiko Kredit**

Risiko kredit adalah risiko bahwa Perusahaan akan mengalami kerugian yang timbul dari pelanggan atau pihak lawan akibat gagal memenuhi liabilitas kontraktualnya. Manajemen berpendapat bahwa tidak terdapat risiko kredit yang terkonsentrasi secara signifikan. Perusahaan mengendalikan risiko kredit dengan cara melakukan hubungan usaha dengan pihak lain yang memiliki kredibilitas, menetapkan kebijakan verifikasi dan otorisasi kredit, serta memantau kolektibilitas piutang secara berkala untuk mengurangi jumlah piutang tak tertagih.

Tabel berikut ini memberikan informasi mengenai maksimum kredit yang dihadapi oleh Grup pada tanggal-tanggal 30 Juni 2017, 31 Desember 2016, 2015, dan 2014.

**41. FINANCIAL RISKS MANAGEMENT (continued)**

As at June 30, 2017, based on a sensible simulation, had interest rates of bank loans been 1% higher/ lower (2016;2015;2014: 1% higher/lower), with all other variables held constant, profit before income tax for the year ended June 30, 2017 would have been Rp2,851,485 lower/higher (2016: Rp2,868,635 lower/ higher; 2015: Rp4,306,579 lower/ higher; 2014: Rp3,555,446 lower/ higher), mainly as a result of higher/lower interest charges on floating rate bank loans.

**Credit Risk**

Credit risk is the risk that the Company will incur a loss arising from the customers or counterparties due to failure to meet contractual liabilities. Management believes that there are no significant concentrations of credit risk. The Company controls the credit risk by doing business relationships with other parties who are credible, setting verification and authorization policies of credit, and monitor the collectibility of receivables on a regular basis to reduce the amount of bad debts.

The following table provides information on the maximum credit faced by the Group on June 30, 2017, December 31, 2016, 2015 and 2014.

	<b>30 Juni 2017/ June 30, 2017</b>	<b>31 Desember 2016/ December 31, 2016</b>	<b>31 Desember 2015/ December 31, 2015</b>	<b>31 Desember 2014/ December 31, 2014</b>
Piutang usaha/ Account receivables	249.438.413	212.014.253	214.723.073	175.048.267
Piutang lain- lain/ Other receivables	11.688.881	10.578.240	52.437.324	54.494.832
<b>Jumlah/ Total</b>	<b>261.127.294</b>	<b>222.592.493</b>	<b>267.160.397</b>	<b>229.543.099</b>

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**Risiko Kredit (lanjutan)**

Kualitas kredit dari aset keuangan baik yang belum jatuh tempo atau tidak mengalami penurunan nilai dan jatuh tempo tetapi tidak mengalami penurunan nilai dapat dinilai dengan mengacu pada peringkat kredit eksternal (jika tersedia) atau mengacu pada informasi historis mengenai tingkat gagal bayar debitur.

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Credit Risk (continued)**

The credit quality of financial assets that are neither past due nor impaired and past due but not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

**30 Juni 2017/ June 30, 2017**

	Belum jatuh tempo atau mengalami penurunan nilai/ Neither past due or impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired			Jumlah/ Total
		Kurang dari 3 bulan/ Less than 3 months	3 bulan - 12 bulan/ 3 months- 12 months	Lebih dari 1 tahun/ More than 1 year	
Kas dan setara kas/ Cash and cash equivalents	18.824.901	-	-	-	18.824.901
Piutang usaha/ Account receivables	158.172.686	91.074.585	191.142	-	249.438.413
Piutang lain-lain/ Other receivables	11.688.881	-	-	-	11.688.881
<b>Jumlah/ Total</b>	<b>188.686.468</b>	<b>91.074.585</b>	<b>191.142</b>	<b>-</b>	<b>279.952.195</b>

**31 Desember 2016/ December 31, 2016**

	Belum jatuh tempo atau mengalami penurunan nilai/ Neither past due or impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired			Jumlah/ Total
		Kurang dari 3 bulan/ Less than 3 months	3 bulan - 12 bulan/ 3 months- 12 months	Lebih dari 1 tahun/ More than 1 year	
Kas dan setara kas/ Cash and cash equivalents	21.910.910	-	-	-	21.910.910
Piutang usaha/ Account receivables	142.203.562	68.632.925	1.177.766	-	212.014.253
Piutang lain-lain/ Other receivables	10.578.240	-	-	-	10.578.240
<b>Jumlah/ Total</b>	<b>174.692.712</b>	<b>68.632.925</b>	<b>1.177.766</b>	<b>-</b>	<b>244.503.403</b>

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Risiko Kredit (lanjutan)**

**Credit Risk (continued)**

<b>31 Desember 2015/ December 31, 2015</b>					
<b>Belum jatuh tempo atau mengalami penurunan nilai/ Neither past due or impaired</b>	<b>Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired</b>				<b>Jumlah/ Total</b>
	<b>Kurang dari 3 bulan/ Less than 3 months</b>	<b>3 bulan - 12 bulan/ 3 months- 12 months</b>	<b>Lebih dari 1 tahun/ More than 1 year</b>		
Kas dan setara kas/ Cash and cash equivalents	15.877.044	-	-	-	<b>15.877.044</b>
Piutang usaha/ Account receivables	156.042.596	57.157.852	1.522.625	-	<b>214.723.073</b>
Piutang lain-lain/ Other receivables	52.437.324	-	-	-	<b>52.437.324</b>
<b>Jumlah/ Total</b>	<b>224.356.964</b>	<b>57.157.852</b>	<b>1.522.625</b>	<b>-</b>	<b>283.037.441</b>
<b>31 Desember 2014/ December 31, 2014</b>					
<b>Belum jatuh tempo atau mengalami penurunan nilai/ Neither past due or impaired</b>	<b>Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired</b>				<b>Jumlah/ Total</b>
	<b>Kurang dari 3 bulan/ Less than 3 months</b>	<b>3 bulan - 12 bulan/ 3 months- 12 months</b>	<b>Lebih dari 1 tahun/ More than 1 year</b>		
Kas dan setara kas/ Cash and cash equivalents	36.842.103	-	-	-	<b>36.842.103</b>
Piutang usaha/ Account receivables	130.907.439	41.275.874	2.864.954	-	<b>175.048.267</b>
Piutang lain-lain/ Other receivables	54.494.832	-	-	-	<b>54.494.832</b>
<b>Jumlah/ Total</b>	<b>222.244.374</b>	<b>41.275.874</b>	<b>2.864.954</b>	<b>-</b>	<b>266.385.202</b>

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**Risiko Nilai Tukar**

Risiko nilai tukar adalah risiko dimana nilai wajar atau arus kas kontraktual masa datang dari suatu instrumen keuangan akan terpengaruh akibat perubahan nilai tukar. Eksposur Perusahaan yang terpengaruh risiko suku bunga terutama terkait dengan pinjaman bank.

Untuk mengelola risiko nilai tukar mata uang asing Perusahaan melakukan konversi utang mata uang asing ke Rupiah.

Perusahaan memiliki eksposur dalam mata uang asing yang timbul dari transaksi operasionalnya. Eksposur tersebut timbul karena transaksi yang bersangkutan dilakukan dalam mata uang selain mata uang fungsional unit operasional atau pihak lawan. Eksposur dalam mata uang asing Perusahaan tersebut jumlahnya tidak material.

Pada tanggal 30 Juni 2017, berdasarkan simulasi yang rasional, jika nilai tukar Rupiah terhadap Dolar AS melemah/ menguat sebesar 1% (2016;2015;2014: melemah/ menguat sebesar 1%), dengan seluruh variabel-variabel lain tidak berubah, maka laba sebelum pajak penghasilan untuk tahun yang berakhir pada tanggal 30 Juni 2017 akan lebih rendah/ lebih tinggi sebesar Rp6.148.047 (2016: lebih rendah/ lebih tinggi sebesar Rp11.094.390; 2015: lebih rendah/ lebih tinggi sebesar Rp14.355.130; 2014: lebih rendah/ lebih tinggi sebesar Rp16.429.177), terutama sebagai akibat dari kerugian/keuntungan selisih kurs atas pembelian dalam Dolar AS.

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Foreign Exchange Risk**

Foreign exchange is risk the risk that the fair value or future contractual cash flows of a financial instrument will be affected due to changes in exchange rates. The Company exposures to foreign exchange risk relates primarily with bank loans.

To manage the risk of foreign currency exchange rates Company converted its debt to the amount of foreign currency to Rupiah.

The Company has transactional currency exposures. The exposure arising from transactions conducted in currencies other than the functional currency of the operating unit or the counter party. The Company's foreign currency exposures are not material.

As at June 30, 2017, based on a sensible simulation, had the exchange rate of Rupiah against the US Dollar depreciated/ appreciated by 1% (2016;2015;2014: depreciated/ appreciated by 1%), with all other variables held constant, profit before income tax for the year ended June 30, 2017 would have been Rp 6.148.047 lower/ higher (2016: Rp11,094,390 lower/ higher; 2015: Rp14,355,130 lower/ higher; 2014: Rp 16,429,177 lower/ higher), mainly as a result of foreign exchange losses/gains on the translation of purchases denominated in US Dollar.



**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**Risiko Likuiditas**

Risiko likuiditas adalah risiko kerugian yang timbul karena Perusahaan tidak memiliki arus kas yang cukup untuk memenuhi liabilitasnya.

Dalam pengelolaan risiko likuiditas, manajemen memantau dan menjaga jumlah kas dan setara kas yang dianggap memadai untuk membiayai operasional Perusahaan dan untuk mengatasi dampak fluktuasi arus kas. Manajemen juga melakukan evaluasi berkala atas proyeksi arus kas dan arus kas aktual, termasuk jadwal jatuh tempo utang dan terus-menerus melakukan penelaahan pasar keuangan untuk mendapatkan sumber pendanaan yang optimal.

Tujuan utama dari pengelolaan modal Perusahaan adalah untuk memastikan bahwa Perusahaan mempertahankan rasio modal yang sehat dalam rangka mendukung bisnis dan memaksimalkan nilai pemegang saham. Perusahaan tidak diwajibkan untuk memenuhi syarat-syarat modal tertentu.

Perusahaan mengelola permodalan untuk menjaga kelangsungan usahanya dalam rangka memaksimalkan kekayaan para pemegang saham dan manfaat kepada pihak lain yang berkepentingan terhadap Perusahaan dan untuk menjaga struktur optimal permodalan untuk mengurangi biaya permodalan.

Tabel dibawah ini menunjukkan analisis jatuh tempo liabilitas keuangan Perusahaan dalam rentang waktu yang menunjukkan jatuh tempo kontraktual untuk semua liabilitas keuangan dimana jatuh tempo kontraktual sangat penting untuk pemahaman terhadap arus kas. Jumlah yang diungkapkan dalam tabel adalah arus kas kontraktual yang tidak terdiskonto (termasuk pembayaran pokok dan bunga).

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Liquidity Risk**

*Liquidity risk is the risk arising when the cash flow position of the Company is not enough to cover the liabilities which become due.*

*In the management of liquidity risk, management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Company operations and to mitigate the effects of fluctuation in cash flows. Management also regularly evaluates the projected and actual cash flows, and continuously assesses conditions in the financial markets for opportunities to obtain optimal funding sources.*

*The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company is not required to meet any capital requirements.*

*The Company manages its capital to safeguard the Company's ability to continue as a going concern in order to maximize the return to shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital.*

*The following table analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities and for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (including principal and interest payment).*

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**Risiko Likuiditas (lanjutan)**

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Liquidity Risk (continued)**

<b>30 Juni 2017/ June 30, 2017</b>					
	<b>Jumlah/ Total</b>	<b>Jatuh Tempo 1 Tahun/ Maturity of 1 Year</b>	<b>1 – 5 Tahun/ 1 – 5 Years</b>	<b>Diatas 5 Tahun/ Over 5 Years</b>	
Utang bank	285.148.528	265.148.528	20.000.000	-	Bank loans
Utang usaha	125.810.233	125.810.233	-	-	Account payables
Utang lain-lain	10.787.933	10.787.933	-	-	Other payables
Biaya yang masih harus dibayar	10.728.348	10.728.348	-	-	Accrued expenses
Liabilitas lainnya	1.599.789	1.323.453	276.336	-	Other liabilities
<b>Jumlah</b>	<b>434.074.831</b>	<b>413.798.495</b>	<b>20.276.336</b>	<b>-</b>	<b>Total</b>
<b>31 Desember 2016/ December 31, 2016</b>					
	<b>Jumlah/ Total</b>	<b>Jatuh Tempo 1 Tahun/ Maturity of 1 Year</b>	<b>1 – 5 Tahun/ 1 – 5 Years</b>	<b>Diatas 5 Tahun/ Over 5 Years</b>	
Utang bank	286.863.487	262.863.487	24.000.000	-	Bank loans
Utang usaha	177.185.460	177.185.460	-	-	Account payables
Utang lain-lain	7.814.274	7.814.274	-	-	Other payables
Biaya yang masih harus dibayar	15.656.367	15.656.367	-	-	Accrued expenses
Liabilitas lainnya	1.705.256	1.507.552	197.704	-	Other liabilities
<b>Jumlah</b>	<b>489.224.844</b>	<b>465.027.140</b>	<b>24.197.704</b>	<b>-</b>	<b>Total</b>
<b>31 Desember 2015/ December 31, 2015</b>					
	<b>Jumlah/ Total</b>	<b>Jatuh Tempo 1 Tahun/ Maturity of 1 Year</b>	<b>1 – 5 Tahun/ 1 – 5 Years</b>	<b>Diatas 5 Tahun/ Over 5 Years</b>	
Utang bank	430.657.884	397.325.753	33.332.131	-	Bank loans
Utang usaha	266.056.371	266.056.371	-	-	Account payables
Utang lain-lain	5.551.775	5.551.775	-	-	Other payables
Biaya yang masih harus dibayar	7.598.022	7.598.022	-	-	Accrued expenses
Liabilitas lainnya	3.120.237	2.069.401	1.050.836	-	Other liabilities
<b>Jumlah</b>	<b>712.984.289</b>	<b>678.601.322</b>	<b>34.382.967</b>	<b>-</b>	<b>Total</b>
<b>31 Desember 2014/ December 31, 2014</b>					
	<b>Jumlah/ Total</b>	<b>Jatuh Tempo 1 Tahun/ Maturity of 1 Year</b>	<b>1 – 5 Tahun/ 1 – 5 Years</b>	<b>Diatas 5 Tahun/ Over 5 Years</b>	
Utang bank	355.544.587	349.178.801	6.365.785	-	Bank loans
Utang usaha	324.318.078	324.318.078	-	-	Account payables
Utang lain-lain	8.242.172	8.242.172	-	-	Other payables
Biaya yang masih harus dibayar	8.155.709	8.155.709	-	-	Accrued expenses
Liabilitas lainnya	3.687.863	2.703.671	984.192	-	Other liabilities
<b>Jumlah</b>	<b>699.948.409</b>	<b>692.598.431</b>	<b>7.349.977</b>	<b>-</b>	<b>Total</b>

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**Estimasi Nilai Wajar**

Nilai wajar aset dan liabilitas keuangan diestimasi untuk keperluan pengakuan dan pengukuran atau untuk keperluan pengungkapan.

PSAK 68, "Pengukuran nilai wajar" mensyaratkan pengungkapan atas pengukuran nilai wajar dengan tingkat hirarki nilai wajar sebagai berikut:

- (a) harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1),
- (b) input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) atau secara tidak langsung (misalnya derivasi dari harga) (tingkat 2), dan
- (c) input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (tingkat 3).

Tabel di bawah ini menggambarkan nilai tercatat dan nilai wajar dari aset dan liabilitas keuangan:

	30 Jun, 2017/ Jun 30, 2017		31 Des, 2016/ Dec 31, 2016		
	Nilai tercatat/ As reported	Estimasi nilai wajar/ Estimated fair value	Nilai tercatat/ As reported	Estimasi nilai wajar/ Estimated fair value	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
Kas dan setara kas	18.824.901	18.824.901	21.910.910	21.910.910	Cash and cash equivalent
Dana yang dibatasi penggunaannya	21.548.564	21.548.564	24.380.728	24.380.728	Restricted deposit
Piutang usaha	249.438.413	249.438.413	212.014.253	212.014.253	Accounts receivables
Piutang lain-lain	11.688.881	11.688.881	10.578.240	10.578.240	Other receivables
<b>Jumlah Aset Keuangan</b>	<b>301.500.759</b>	<b>301.500.759</b>	<b>268.884.131</b>	<b>268.884.131</b>	<b>Total Financial Assets</b>

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PSAK 68, "Fair value measurement" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair values of financial assets and liabilities, together with the carrying amounts, are as follows:

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Estimasi Nilai Wajar (lanjutan)**

**Fair Value Estimation (continued)**

	<b>30 Jun, 2017/ Jun 30, 2017</b> (lanjutan/ continued)		<b>31 Des, 2016/ Dec 31, 2016</b> (lanjutan/ continued)		
	<b>Nilai tercatat/ As reported</b>	<b>Estimasi nilai wajar/ Estimated fair value</b>	<b>Nilai tercatat/ As reported</b>	<b>Estimasi nilai wajar/ Estimated fair value</b>	
<b>Liabilitas</b>					<b>Financial Liabilities</b>
<b>Keuangan</b>					
Utang usaha	125.810.233	125.810.233	177.185.460	177.185.460	Account payables
Utang lain-lain	10.787.933	10.787.933	7.814.274	7.814.274	Other payables
Utang bank	285.148.528	285.148.528	286.863.487	286.863.487	Bank loans
Pinjaman Jangka panjang lainnya	1.599.789	1.599.789	1.705.256	1.705.256	Other long term liabilities
Biaya yang masih harus dibayar	10.728.348	10.728.348	15.656.367	15.656.367	Accrued expenses
<b>Jumlah Liabilitas Keuangan</b>	<b>434.074.831</b>	<b>434.074.831</b>	<b>489.224.844</b>	<b>489.224.844</b>	<b>Total Financial Liabilities</b>
	<b>31 Des, 2015/ Dec 31, 2015</b>		<b>31 Des, 2014/ Dec 31, 2014</b>		
	<b>Nilai tercatat/ As reported</b>	<b>Estimasi nilai wajar/ Estimated fair value</b>	<b>Nilai tercatat/ As reported</b>	<b>Estimasi nilai wajar/ Estimated fair value</b>	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
Kas dan setara kas	15.877.044	15.877.044	36.842.103	36.842.103	Cash and cash equivalent
Dana yang dibatasi penggunaannya	26.782.501	26.782.501	22.089.607	22.089.607	Restricted deposit
Piutang usaha	214.723.073	214.723.073	175.048.267	175.048.267	Accounts receivables
Piutang lain-lain	52.437.324	52.437.324	54.494.832	54.494.832	Other receivables
<b>Jumlah Aset Keuangan</b>	<b>309.819.942</b>	<b>309.819.942</b>	<b>288.474.809</b>	<b>288.474.809</b>	<b>Total Financial Assets</b>
<b>Liabilitas</b>					<b>Financial Liabilities</b>
<b>Keuangan</b>					
Utang usaha	266.056.371	266.056.371	324.318.078	324.318.078	Account payables
Utang lain-lain	5.551.775	5.551.775	8.242.172	8.242.172	Other payables
Utang bank	430.657.884	430.657.884	355.544.587	355.544.587	Bank loans
Pinjaman Jangka panjang lainnya	3.120.237	3.120.237	3.687.863	3.687.863	Other long term liabilities
Biaya yang masih harus dibayar	7.598.022	7.598.022	8.155.709	8.155.709	Accrued expenses
<b>Jumlah Liabilitas Keuangan</b>	<b>712.984.289</b>	<b>712.984.289</b>	<b>699.948.409</b>	<b>699.948.409</b>	<b>Total Financial Liabilities</b>

**41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**Estimasi Nilai Wajar (lanjutan)**

Nilai wajar atas sebagian besar aset dan liabilitas keuangan mendekati nilai tercatat karena dampak pendiskontoan yang tidak signifikan.

Tidak terdapat pengalihan antara tingkat 1 dan 2 selama periode berjalan.

Nilai wajar untuk instrumen keuangan yang diperdagangkan di pasar aktif ditentukan berdasarkan kuotasi nilai pasar pada tanggal pelaporan.

Kuotasi nilai pasar yang digunakan Perusahaan untuk aset keuangan adalah harga penawaran (bid price), sedangkan untuk liabilitas keuangan menggunakan harga jual (ask price). Instrumen keuangan ini termasuk dalam tingkat 1.

Nilai wajar instrumen keuangan yang tidak diperdagangkan di pasar aktif ditentukan dengan menggunakan teknik penilaian tertentu. Teknik tersebut menggunakan data pasar yang dapat diobservasi sepanjang tersedia dan seminimal mungkin mengacu pada estimasi. Apabila seluruh input signifikan atas nilai wajar dapat diobservasi, instrumen keuangan ini termasuk dalam tingkat 2.

Jika satu atau lebih input yang signifikan tidak berdasarkan data pasar yang dapat diobservasi, maka instrumen tersebut masuk ke dalam tingkat 3.

Teknik penilaian tertentu digunakan untuk menentukan nilai instrumen keuangan mencakup:

- penggunaan harga yang diperoleh dari bursa atau pedagang efek untuk instrumen sejenis; dan
- teknik lain, seperti analisis arus kas diskontoan, digunakan untuk menentukan nilai wajar instrumen keuangan lainnya.

**Risiko Pasar**

Berdasarkan surat edaran Nomor:S.1230/PSLB3-PS/2016 tentang Harga dan Mekanisme Penerapan Kantong Plastik Berbayar tidak berpengaruh signifikan terhadap pendapatan Perusahaan.

**41. FINANCIAL RISKS MANAGEMENT (continued)**

**Fair Value Estimation (continued)**

The fair value of most of the financial assets and liabilities approximates their carrying amount, as the impact of discounting is not significant.

There were no transfers between levels 1 and 2 during the period.

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 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 maximise the use of observable market data where it is available and rely as little as possible on estimates. If all significant inputs required to fair value an 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.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- other techniques, such as discounted cash flows analysis, are used to determine fair value for the remaining financial instruments.

**Market Risk**

Based on official government letter No:S.1230/PSLB3-PS/2016 about Price and Mechanism on Paid Plastic Bags have no significant effect on Company's revenue.

## 42. PERJANJIAN PENTING DAN KERJASAMA

Pada tanggal 12 Januari 2017, PBN melakukan Perjanjian Kontrak dengan Pihak Ketiga atas pembangunan gudang persediaan yang berlokasi di Solo, Jawa Tengah, dengan rincian perjanjian sebagai berikut:

- a. Perjanjian Pemborongan Proyek Sarana Penunjang dengan CV Arnoux Nugratama dengan nilai kontrak Rp267.000.000 untuk melakukan pekerjaan sarana penunjang berupa penimbunan dan pengurugan tanah. Jangka waktu pekerjaan selama Tiga Bulan dimulai tanggal 16 Januari 2017.
- b. Perjanjian Pembangunan Struktur dan Arsitektur dengan kontraktor PT Manira Arta Rama Mandiri dengan nilai kontrak Rp6.898.000.000. Jangka waktu pekerjaan selama Enam Bulan sejak penandatanganan instruksi pelaksanaan pekerjaan.
- c. Perjanjian Borongan Penyediaan Material Proyek Sarana Penunjang Gudang PBN dengan nilai kontrak sebesar Rp1.087.000.000. Jangka waktu pekerjaan selama Tiga Bulan dimulai tanggal 16 Januari 2017.

PBN menandatangani perjanjian pinjam meminjam uang dengan PT Panca Budi Pratama tanggal 8 Februari 2017, sehubungan jangka waktu perjanjian untuk 1 tahun, maksimal pinjaman sebesar Rp50.000.000, dengan suku bunga sebesar 9,75% per annum.

PBN menandatangani perjanjian sewa gedung dengan PT Alphen Internasional Corporindo tanggal 13 Februari 2017, sehubungan jangka waktu perjanjian untuk 1 tahun, nilai kontrak sebesar Rp225.000.

PBN menandatangani perjanjian pinjam meminjam uang dengan PT Polytech Indo Hausen tanggal 31 Mei 2017, sehubungan jangka waktu perjanjian untuk 1 tahun, maksimal pinjaman sebesar Rp30.000.000, dengan suku bunga sebesar 9,75% per annum.

## 42. COOPERATION AGREEMENTS

On January 12, 2017, PBN entered into a Contractual Agreement with Third Parties for the construction of a supply warehouse located in Solo, Central Java, with details of the agreement as follows:

- a. Project Supporting Agreement with CV Arnoux Nugratama with contract value Rp267,000,000 to perform supporting supporting works in the form of landfill and landfill. The three month period of work commences on January 16, 2017.
- b. Structure and Architecture Development Agreement with PT Manira Arta Rama Mandiri contractor with contract value of Rp6,898,000,000. Duration of work for Six Months since the signing of the job execution instruction.
- c. Waiver Agreement of Material Provision of Supporting Project of PBN Warehouse with contract value of Rp1,087,000,000. The three month period of work commences on January 16, 2017.

PBN entered into a loan and lending agreement with PT Panca Budi Pratama dated February 8, 2017, in connection with a one-year agreement, a maximum of Rp50,000,000, with interest rate 9,75% annually.

PBN entered into a lease agreement with PT Alphen Internasional Corporindo dated February 13, 2017, in connection with a one-year agreement, the contract value of Rp225,000.

PBN entered into a loan and lending agreement with PT Polytech Indo Hausen on May 31, 2017, in connection with a one-year agreement, a maximum of Rp30,000,000, with interest rate 9,75% annually.

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**42. PERJANJIAN PENTING DAN KERJASAMA**  
 (lanjutan)

PBN menandatangani perjanjian kerjasama penayangan iklan dengan PT Mediate Indonesia tanggal 20 Juni 2017, sehubungan jangka waktu perjanjian untuk 1 tahun sejak tanggal penandatanganan, harga kontrak sebesar Rp.500.000.

PBN menandatangani perjanjian pembangunan gudang dengan PT Manira Arta Rama Mandiri tanggal 22 Juni 2017, sehubungan jangka waktu perjanjian untuk 3 bulan sejak tanggal penandatanganan, nilai kontrak sebesar Rp149.903.

**Perjanjian-perjanjian supply biji plastic**

Pada tahun 2016 dan 2015. Perusahaan menandatangani perjanjian pembelian bahan baku dengan Petronas Chemicals Marketing, SCG Plastics, PT Chandra Asri Petrochemical Tbk, PT Lotte Chemical Titan Nusantara, PT Indo Thai Trading dan Chevron Phillips Singapore Chemicals sebagai berikut:

**42. COOPERATION AGREEMENTS** (continued)

PBN entered into an advertising co-operation agreement with PT Mediate Indonesia dated June 20, 2017, in respect of the terms of the agreement for 1 year from the date of signing, the contract price of Rp.500,000.

PBN entered into a warehouse development agreement with PT Manira Arta Rama Mandiri dated June 22, 2017, in respect of the term of the agreement for 3 months from the date of signing, the contract value amounting to Rp149,903.

**Plastic resin supply agreements**

On 2016 and 2015 the Company signed purchase agreements to buy raw materials from Petronas Chemicals Marketing, SCG Plastics, PT Chandra Asri Petrochemical Tbk, PT Lotte Chemical Titan Nusantara, PT Indo Thai Trading dan Chevron Phillips Singapore Chemicals as follows:

Penjual/ Sales	Jenis bahan baku/ Type of raw material	Jangka waktu/ Time period	Jumlah (ton)/ Total (ton)	Perpanjangan periode/ Extension period	Jumlah (ton)/ Total (ton)
Petronas Chemicals Marketing SDN BHD	Etilinas HD5301AA (HDPE)	1 April 2016 – 31 Desember 2016	2.048	1 Maret 2017 - 31 Desember 2017	2.275
Petronas Chemicals Marketing SDN BHD	Petlin LD C150Y, Petlin LD N125Y (LDPE)	1 April 2016 – 31 Desember 2016	6.426	1 Maret 2017 - 31 Desember 2017	7.140
Petronas Chemicals Marketing SDN BHD	Etilinas LL0209SA	1 April 2016 – 31 Desember 2016	5.508	1 Maret 2017 - 31 Desember 2017	6.120
SCG Plastics Co., Ltd	Polypropylene P600F & P700J	1 Januari 2017 - 30 Juni 2017	1.105		
PT Chandra Asri Petrochemical Tbk	PE Asrene dan/atau PP Trilene	2 Januari 2017 - 2 April 2017	4.485		
PT Lotte Chemical Titan Nusantara	Linear Low Density Polyethylene	1 Januari 2017 - 30 Juni 2017	3.750		
PT Indo Thai Trading	Polypropylene IPP film	1 Januari 2016 – 31 Desember 2016	11.700	1 Februari 2017 - 31 Desember 2017	11.700
PT Indo Thai Trading	Polyethylene	1 Januari 2016 – 31 Desember 2016	2.014	1 Januari 2017 - 31 Desember 2017	11.028
Chevron Phillips Singapore Chemicals	Polyethylene	1 November 2015 - 31 Oktober 2016	1.250	1 November 2016 - 31 Oktober 2017	1.250
<b>Total</b>			<b>38.286</b>		<b>39.513</b>

**42. PERJANJIAN PENTING DAN KERJASAMA**  
(lanjutan)

**Fasilitas kredit yang belum digunakan**

Untuk periode 30 Juni 2017 Perusahaan dan entitas anak memperoleh fasilitas pinjaman dari PT Bank Central Asia Tbk dan PT Bank Permata Tbk. Dari fasilitas yang diberikan tersebut masih terdapat nilai yang belum digunakan dengan rincian tabel sebagai berikut.

<b>Fasilitas/ Facilities</b>	<b>Plafon/ Plafond</b>	<b>Fasilitas sudah digunakan/ Facilities already in use</b>	<b>Fasilitas belum digunakan/ Facilities have not been used</b>
<b>Rupiah – BCA/ Rupiah – BCA</b>			
Kredit lokal, kredit lokal back to back, Time loan revolving, Kredit multi facility, L/C dan Rekening koran	735.000.000	134.435.964	600.564.036
<b>Rupiah – Permata/ Rupiah – Permata</b>			
Overdraft, Revolving loan, Revolving loan 1, Revolving loan 2, PRK	59.000.000	24.588.394	34.411.606
<b>Dolar Amerika – BCA/ U.S. Dollar – BCA (Full Amount)</b>			
Kredit multi facility, Forward line, L/C	12.005.000	4.643.300	7.361.700
<b>Dolar Amerika – Permata/ U.S. Dollar – Permata (Full Amount)</b>			
Revolving loan, FX Line	6.000.000	988.958	5.011.042

**42. COOPERATION AGREEMENTS** (continued)

**Unused credit facilities**

For the period June 30, 2017 the Company and its subsidiaries obtained loan facilities from PT Bank Central Asia Tbk and PT Bank Permata Tbk. From the facilities provided there are still unused values with the following table details.



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pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
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**43. TRANSAKSI NON KAS**

Per tanggal 30 Juni 2017 dan 2016, 31 Desember 2016, 2015 dan 2014. Perusahaan melakukan transaksi investasi dan pendanaan yang tidak mempengaruhi kas dan setara kas dan tidak termasuk dalam laporan arus kas dengan rincian sebagai berikut:

**43. NON CASH TRANSACTION**

As of June 30, 2017 and 2016, December 31, 2016, 2015 and 2014. The Company have investment and financing transactions that did not affect cash and cash equivalents and hence not included in the statements of cash flows with details as follows:

	30 Juni 2017/ 31 March, 2017	30 Juni 2016/ 31 March, 2016	31 Des 2016/ Dec 31. 2016	31 Des 2015/ Dec 31. 2015	31 Des 2014/ Dec 31. 2014	
<b><u>AKTIVITAS INVESTASI YANG TIDAK MEMPENGARUHI ARUS KAS</u></b>						<b><u>NON CASH INVESTING ACTIVITIES</u></b>
Selisih transaksi restrukturisasi entitas sependali	-	-	-	99.584.549	-	Difference in restructuring transaction of controlling entities
Modal proforma	-	-	-	-	97.105.020	Proforma capital
Penambahan aset tetap melalui uang muka	-	-	(599.375)	-	-	Increase in property, plant and equipment through advance payment
Penambahan aset tetap atas surplus revaluasi (catatan 11)	-	-	375.431.547	-	-	Increase in property, plant and equipment through revaluation surplus (note 11)
Penambahan aset tetap atas pengampunan pajak	-	-	1.373.975	-	-	Increase in property, plant and equipment through tax amnesty
Penambahan aset tetap atas merk dagang pengampunan pajak	-	-	5.440.000	-	-	Increase in property, plant and equipment through tax amnesty
Penambahan persediaan atas pengampunan pajak	-	-	6.589.509	-	-	Increase in inventory through tax amnesty
Penambahan piutang atas pengampunan pajak	-	-	25.200	-	-	Increase in account receivables through tax amnesty
<b>Jumlah Transaksi Non Kas</b>	<b>-</b>	<b>-</b>	<b>388.260.856</b>	<b>-</b>	<b>-</b>	<b>Total Non Cash Transaction</b>

**44. PERISTIWA SETELAH TANGGAL PELAPORAN**

Berdasarkan Akta tanggal 17 Juli 2017 yang dibuat dihadapan notaris Veronica Indrawati, S.H. tentang perubahan kedelapan atas perjanjian kredit antara perusahaan (PBI, PBP, PIH dan PBN) dengan PT Bank Central Asia Tbk. Perusahaan mengajukan permohonan melepas agunan berupa:

- Sebagian unit ruko/gudang Multifungsi 3 lantai SHGB No.56, 293, 403, 404, 405, 406, 407, 408 & 411 atas nama Djonny Taslim.
- Sebidang tanah SHM No.8478 atas nama Tan Yuliana.
- *Personal Guarantee* (jaminan pribadi) dari Djonny Taslim.

PBN menandatangani perjanjian (Adendum II) pinjam meminjam uang dengan PT Panca Budi Pratama tanggal 21 Agustus 2017, sehubungan dengan perubahan jumlah pinjaman dari sebesar Rp50.000.000 menjadi Rp200.000.000.

Per tanggal 29 Agustus 2017, PBI, PBP, PBN dan PIH menerima Surat Pemberitahuan Pemberian Kredit dari BCA dimana BCA menyetujui perpanjangan dan penyesuaian jatuh tempo fasilitas Kredit Lokal, Time Loan Revolving, Kredit Multi Facility, dan Forex Forward Line dari 12 September 2017 menjadi 12 Maret 2018.

Per tanggal 11 September 2017, PBP menerima Surat perubahan Perjanjian Kredit dari BCA dengan No. 271/Add-KCK/2017 dimana BCA menyetujui memperpanjang Batas Waktu Penarikan dan/ atau Penggunaan Fasilitas Kredit yang berakhir pada tanggal 12 Maret 2018 dan mengubah beberapa ketentuan di dalam Perjanjian Kredit terkait Agunan.

Per tanggal 11 September 2017, PBI menerima Surat Perubahan Perjanjian Kredit dari BCA dengan No. 272/Add-KCK/2017 dimana BCA menyetujui memperpanjang Batas Waktu Penarikan dan/ atau Penggunaan Fasilitas Kredit yang berakhir pada tanggal 12 Maret 2018 dan mengubah beberapa ketentuan di dalam Perjanjian Kredit terkait Agunan.

**44. SUBSEQUENT EVENTS**

*Based on Deed dated July 17, 2017 made before Veronica Indrawati, S.H. notary of the eighth amendment of credit agreement between the company (PBI, PBP, PIH and PBN) and PT Bank Central Asia Tbk. The Company submitted a request to release the collateral in the form of:*

- *Most of SHGB's 3-storey SHK flooring / shophouse units No.56, 293, 403, 404, 405, 406, 407, 408 & 411 on behalf of Djonny Taslim.*
- *A plot of land SHM No.8478 on behalf of Tan Yuliana*
- *Personal Guarantee from Djonny Taslim*

*PBN entered into an agreement (Adendum II) to borrow money with PT Panca Budi Pratama dated August 21, 2017, in relation to the change in the loan amount from Rp50,000,000 to Rp200,000,000.*

*As of August 29, 2017, the PBI, PBP, PBN dan PIH received a Letter of Credit Notification from BCA where BCA approved the extension and adjustment of maturity of the Kredit Lokal, Time Loan Revolving, Kredit Multi Facility, and Forex Forward Line facilities from September 12, 2017 to March 12, 2018.*

*As of September 11, 2017, PBP received a Letter of Credit Agreement change from BCA with No. 271/Add-KCK/2017 wherein BCA agreed to extend the Withdrawal and/ or Credit Facility Expiry Date that ended on March 12, 2018 and amended several provisions in the Collateral-related Credit Agreement.*

*As of September 11, 2017, the PBI received a Credit Agreement Amendment Letter from BCA with No. 272/Add-KCK/2017 wherein BCA agreed to extend the Withdrawal and/ or Credit Facility Expiry Date that ended on March 12, 2018 and amended several provisions in the Collateral Credit Agreement.*

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30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
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and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
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**44. PERISTIWA SETELAH TANGGAL PELAPORAN**  
(lanjutan)

Per tanggal 11 September 2017, PBN menerima Surat Perubahan Kesembilan atas Perjanjian Kredit dari BCA dengan No. 273/Add-KCK/2017 dimana BCA menyetujui memperpanjang Batas Waktu Penarikan dan/atau Penggunaan Fasilitas Kredit yang berakhir pada tanggal 12 Maret 2018 dan mengubah beberapa ketentuan di dalam Perjanjian Kredit terkait Agunan.

Per tanggal 11 September 2017, PBI menerima Surat Perubahan Kesepuluh atas Perjanjian Kredit dari BCA dengan No. 274/Add-KCK/2017 dimana BCA menyetujui memperpanjang Batas Waktu Penarikan dan/atau Penggunaan Fasilitas Kredit yang berakhir pada tanggal 12 Maret 2018 dan mengubah beberapa ketentuan di dalam Perjanjian Kredit terkait Agunan.

Berdasarkan Akta Notaris Fathiah Helmi, SH No. 28 Tanggal 12 September 2017 dan telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan surat keputusan No. AHU-0018688.AH.01.02.TAHUN 2017 tanggal 12 September 2017, Perusahaan merubah Anggaran Dasar menjadi Perusahaan tertutup.

Berdasarkan Akta Notaris Fathiah Helmi, SH No. 29 Tanggal 13 September 2017, dan telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan surat keputusan No. AHU-0018831.AH.01.02.TAHUN 2017 tanggal 13 September 2017, Perusahaan merubah kembali Anggaran Dasar menjadi Perusahaan terbuka.

Berdasarkan Surat No. 335/CRC-CUST/IX/2017 tanggal 14 September 2017, PT. Bank Permata, Tbk, menyetujui jaminan Perjanjian Jaminan Perusahaan dan Garansi atas nama Djonny Taslim telah dilepas (released) sehingga tidak lagi menjadi jaminan untuk fasilitas kredit/pembiayaan atas nama PT Polypack Indo Meyer dan PT Sekarnusa Kreasi Indonesia di Bank Permata.

Berdasarkan Surat No. 134/Nw-R10/SME-PM/IX/2017 tanggal 18 September 2017, PT. Bank Permata, Tbk, menyetujui pelepasan (release) jaminan Personal Guarantee atas nama Djonny Taslim untuk menjamin fasilitas kredit/pembiayaan debitur atas nama PT Reka Mega Inti Pratama dan PT Panca Buana Plasindo, sehingga tidak lagi menjadi jaminan debitur.

**44. SUBSEQUENT EVENTS (continued)**

As of September 11, 2017, PBN received the Ninth Amendment Letter of Credit Agreement from BCA with No. 273/Add-KCK/2017 wherein BCA agreed to extend the Withdrawal Deadline and/ or Use of Credit Facility which ended on March 12, 2018 and amended several provisions in the Collateral Credit Agreement.

As of September 11, 2017, the PBI received the Tenth Amendment Letter of Credit Agreement from BCA with No. 274/Add-KCK/2017 wherein BCA agreed to extend the Withdrawal Deadline and/ or Use of Credit Facility which ended on March 12, 2018 and amended several provisions in the Collateral Credit Agreement.

Based on the Notarial Deed of Fathiah Helmi, SH. 28 dated 12 September 2017 and has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia, under Decision Letter no. AHU-0018688.AH.01.02.TAHUN 2017 dated September 12, 2017, the Company changed the Articles of Association to a closed company.

Based on the Notarial Deed of Fathiah Helmi, SH. 29 dated 13 September 2017, and has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia, with Decree No. AHU-0018831.AH.01.02.TAHUN 2017 dated September 13, 2017, the Company revised the Articles of Association into an open Company.

Based on letter No. 335/CRC-CUST/IX/2017 dated September 14, 2017, PT. Bank Permata, Tbk, approved the guarantee of the Company Guarantee Agreement and Warranty on behalf of Djonny Taslim has been released so that it will no longer be a guarantee for credit/ financing facility on behalf of PT Polypack Indo Meyer and PT Sekarnusa Kreasi Indonesia at Bank Permata.

Based on letter No. 134/Nw-R10/SME-PM/IX/2017 dated September 18, 2017, PT. Bank Permata, Tbk, approved the release of Personal Guarantee guarantee on behalf of Djonny Taslim to guarantee credit facility/ financing of debtor on behalf of PT Reka Mega Inti Pratama and PT Panca Buana Plasindo, so it is no longer a guarantee of the debtor.

**44. PERISTIWA SETELAH TANGGAL PELAPORAN**  
 (lanjutan)

Per tanggal 5 Oktober 2017, SKI menerima Surat Perubahan atas Perjanjian Kredit dari Permata dengan No. 0025/SK/CG1/WB/10/2017 dimana Permata menyetujui memperpanjang Batas Waktu Penarikan dan/atau Penggunaan Fasilitas Kredit yang berakhir pada tanggal 5 Januari 2018 dan mengubah beberapa ketentuan di dalam Perjanjian Kredit terkait Agunan.

Per tanggal 5 Oktober 2017, PIM menerima Surat Perubahan atas Perjanjian Kredit dari Permata dengan No. 0024/SK/CG1/WB/10/2017 dimana Permata menyetujui memperpanjang Batas Waktu Penarikan dan/atau Penggunaan Fasilitas Kredit yang berakhir pada tanggal 5 Januari 2018 dan mengubah beberapa ketentuan di dalam Perjanjian Kredit terkait Agunan.

**44. SUBSEQUENT EVENTS** (continued)

As of October 5, 2017, SKI received the Letter of Credit Agreement from Permata with No. 0025/SK/CG1/WB/10/2017 wherein Permata agreed to extend the Withdrawal Deadline and/ or Use of Credit Facility which ended on January 5, 2018 and amended several provisions in the Collateral Credit Agreement.

As of October 5, 2017, PIM received the Letter of Credit Agreement from Permata with No. 0024/SK/CG1/WB/10/2017 wherein Permata agreed to extend the Withdrawal Deadline and/ or Use of Credit Facility which ended on January 5, 2018 and amended several provisions in the Collateral Credit Agreement.

**45. CATATAN MENGENAI PENYAJIAN KEMBALI LAPORAN KEUANGAN**

Dalam rangka Penawaran Umum dan penelaahan atas Pernyataan Pendaftaran oleh Otoritas Jasa Keuangan, Perusahaan telah menerbitkan kembali Laporan Keuangan Konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017 dan untuk tahun-tahun yang berakhir pada 31 Desember 2016, 2015 dan 2014 dengan perubahan pada laporan arus kas dan tambahan penyajian dan pengungkapan pada Catatan atas Laporan Keuangan terdahulu, sebagai berikut:

- a. Catatan 8, piutang lain-lain, ditambahkan pengungkapan pemberian pinjaman pada pihak berelasi dan pihak ketiga serta karyawan tidak dikenakan bunga, memiliki jangka waktu kurang dari satu tahun dan tidak terdapat pembatasan untuk pemberian pinjaman tersebut.
- b. Catatan 14, aset tidak berwujud, diperbaiki dengan menyajikan rekonsiliasi jumlah tercatat bruto dan akumulasi amortisasi aset tidak berwujud pada awal dan akhir periode dengan menunjukkan penambahan, pengurangan dan reklasifikasi.
- c. Catatan 18, utang bank, ditambahkan pengungkapan mengenai nomor surat dan tanggal terkait surat Permohonan Pencabutan dari PT Bank Central Asia Tbk dan PT Bank Permata Tbk.

**45. NOTE ON RESTATEMENT OF FINANCIAL STATEMENTS**

In the framework of Public Offering and a review of Registration Statement by Financial Services Authority, the Company has re-issued the Financial Statement for the six-month period ended on June 30, 2017 and for the years ended on December 31, 2016, 2015 and 2014 with changes to statement of cash flow and additional presentations and disclosures in the notes to the previous Financial Statement, as follows:

- a. Note 8, other receivables, are added to the lending to related parties and third parties and employees are not subject to interest, have maturities of less than one year and there are no restrictions on such lending.
- b. Note 14, an intangible assets, amended by presenting a reconciliation of the gross carrying amount and accumulated amortization of intangible assets at the beginning and end of the period by showing addition, deduction and reclassification.
- c. Note 18, bank loan, added disclosure regarding the letter number and date related to the letter of Application for Revocation from PT Bank Central Asia Tbk and PT Bank Permata Tbk.

**PT PANCA BUDI IDAMAN DAN ENTITAS ANAK**  
**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN**

Tanggal 30 Juni 2017 dan 31 Desember 2016, 2015 dan 2014  
serta Periode Enam Bulan yang Berakhir pada Tanggal-tanggal  
30 Juni 2017 dan 2016 (Tidak Diaudit), dan Tahun yang Berakhir  
pada Tanggal-tanggal 31 Desember 2016, 2015 dan 2014  
(Disajikan dalam Ribuan Rupiah, kecuali dinyatakan lain)

**PT PANCA BUDI IDAMAN AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As of June 30, 2017 and December 31, 2016, 2015 and 2014,  
and for the Six-Month Period Ended June 30, 2017  
and 2016 (Unaudited) and the Years Ended  
December 31, 2016, 2015 and 2014  
(Expressed in Thousand Rupiah, unless otherwise stated)

**45. CATATAN MENGENAI PENYAJIAN KEMBALI  
LAPORAN KEUANGAN**

- d. Catatan 21, utang-lain, telah ditambahkan pengungkapan direvisi terkait pengungkapan transaksi pemberian pinjaman sementara dimana utang lain-lain merupakan utang non dagang, yang timbul dari transaksi pembelian aset tetap dari pihak ketiga dan pihak berelasi, transaksi jasa keamanan, jasa ekspedisi, transaksi pembelian sparepart dan bahan pembantu. Dikategorikan sebagai utang lancar karena akan jatuh tempo kurang dari satu tahun. Atas utang lain-lain tersebut tidak terdapat jaminan.
- e. Catatan 32, beban pokok penjualan, ditambahkan pengungkapan mengenai nama pihak penjual dan nilai pembelian yang melebihi 10% dari pembelian.
- f. Catatan 37, laba bersih per saham, ditambahkan mengenai perubahan/ penurunan nilai nominal saham yang diterapkan secara retrospektif didalam perhitungan laba bersih per saham.
- g. Catatan 38, transaksi-transaksi pihak berelasi, ditambahkan pengungkapan bahwa transaksi pihak berelasi dilakukan dengan ketentuan yang setara dengan yang berlaku dalam transaksi yang wajar.
- h. Catatan 42, perjanjian penting dan kerjasama, ditambahkan pengungkapan mengenai tingkat bunga dari masing-masing perjanjian penting.
- i. Laporan arus kas konsolidasian, perubahan pada tahun 2015 dan 2014 pada arus kas pembayaran kas untuk beban operasional, penerimaan (pembayaran) lainnya dan pemabayam kas untuk pajak penghasilan.
- j. Catatan 2j, kebijakan akuntansi aset tetap, penambahan pengungkapan tentang perubahan estimasi manfaat ekonomis aset tetap.
- k. Catatan 11, aset tetap, penambahan pengungkapan pengaruh dari perubahan estimasi manfaat ekonomis aset tetap terhadap beban penyusutan aset tetap tahun 2016 dan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2017.

**45. NOTE ON RESTATEMENT OF FINANCIAL  
STATEMENTS**

- d. Note 21, other payables, has been added to the revised disclosure related to the disclosure of temporary lending transactions in which in other payables represents non-trade payables, arising from transactions in the purchase of property, plant and equipment from third parties and related parties, security services transactions, expedition services, spare parts and auxiliary materials. Categorized as current liabilities due to maturity of less than one year. For these other payables there is no guarantee.
- e. Note 32, cost of goods sold, added disclosure on behalf of the seller and the purchase value exceeding 10% of the purchase.
- f. Note 37, earnings per share, is added to the change/ decrease in par value of shares applied retrospectively in the calculation of earnings per share.
- g. Note 38, related party transactions, are added disclosures that related parties transactions are conducted under conditions equivalent to those applicable in fair transactions.
- h. Note 42, the important agreement and cooperation, added disclosure of the interest rate of each important agreement.
- i. Consolidated statements of cash flows, changes in 2015 and 2014 on cash flow cash flows for operating expenses, other cash receipts (payments) and cash payment for tax income.
- j. Note 2j, the property, plant and equipment accounting policy, the addition of disclosures on changes in the estimated useful economic benefits of property, plant and equipment.
- k. Note 11, property, plant and equipment, additional disclosure of the effects of changes in the estimate of the economic benefits of property and equipment to depreciation of property, plant and equipment in 2016 and for the six-month period ended June 30, 2017.

