

**RULE NUMBER IX.B.1 : GUIDELINES FOR THE FORM AND CONTENT OF  
A PUBLIC COMPANY REGISTRATION  
STATEMENT**

Attachment :

Decision of the Chairman of BAPEPAM

Number : Kep-49/PM/1996

Date : January 17, 1996

Substitute Prior Decision

Number : Kep-20/PM/1991

Date : April 19, 1991

A Registration Statement must include all information and/or material facts about the Public Company, which may influence an investor's decision to invest, that are known or that should reasonably be known.

1. Information that the Registration Statement has been submitted to Bapepam with reference to related Capital Market Law provisions and its implementing regulations;
2. A statement indicating that the Public Company is fully responsible for the truthfulness of all information and fairness of opinions disclosed in the Registration Statement;
3. A statement that all Capital Market Supporting Institutions and Professionals mentioned in the Registration Statement are fully responsible for the data presented relevant with their functions, in accordance with the existing regulations, their respective codes of ethics, standards, and professional standards;
4. The full name, business address, company logo, telephone, telex, facsimile and P.O. Box numbers, business activities of the Public Company (not only the address of the head office, but also of any factory and any representative office);
5. The capital structure at the time the Registration Statement is submitted, including authorized capital, and paid in capital, which includes:
  - a. the number and the total value of shares;
  - b. Information regarding the intent of the Public Company or the existing shareholders to issue or list shares within 12 (twelve) months after the submission date of the Registration Statement;
6. Information regarding details of the capital structure at the date of the Registration Statement (recommended in the form of a table). This table or information should include:
  - a. the authorized capital, and paid-in capital (number and the nominal value of shares);
  - b. a description of share ownership by shareholders owning 5% (five percent) or more of shares, and by directors and commissioners (number of shares, nominal value and percentage); and
  - c. shares in the portfolio including the number and the nominal value of the shares.
7. Discussion and Analysis by the Management

The Public Company must provide a narrative summary discussing and analyzing the financial statements and other information in the Registration Statement, for the purpose of describing the

financial condition and the business activity at the time when the Registration Statement is submitted and expectations for the future.

To the extent important to be able to understand the Public Company's financial condition and the investors' decision to invest in the Company's Securities, the discussion and analysis should include:

- a. A discussion of any known trends, demands, commitments, events or uncertainties that are likely to result in a material increase or decrease of the Public Company's liquidity;
  - b. A discussion of material commitments for capital investments with an explanation of the purpose of such commitments, the sources of funds to fulfill these commitments, the denominating currency, and the company's plan to hedge any foreign currency exposure risks;
  - c. A discussion regarding the extent to which the Public Company's future operating results or financial condition are exposed to risks caused by fluctuations in exchange or interest rates; this must include information on all material unhedged loans and commitments denominated in a foreign currency, or debts for which the interest rate is not fixed in advance;
  - d. A discussion and analysis of anticipated material developments, events, trends, competitive conditions and known uncertainties that may cause the reported financial information not to indicate future operating results and financial condition;
  - e. A description of any events or transactions that are unusual and infrequent or any significant economic changes that may effect the amount of reported income in the financial statements audited by the Accountant, as reflected in the Registration Statement, with an emphasis on the latest financial statements. In addition, a description of any other important components of revenues or other expenses deemed necessary to understand the Public Company's operating results;
  - f. If the financial statements in the Registration Statement disclose material increases in the net sales and revenues, a discussion on the extent of such increases that may be attributable to any increases in prices, volume, or amount of goods and services sold or the availability of new products or services;
  - g. a discussion on the impact of price changes to the company's sales and net revenues, including operating income during the last three years or such shorter period that the company has been in business;
  - h. If desired by the Public Company, a discussion of its prospects may be provided. If financial forecasts or projections are disclosed, they must be prepared carefully and objectively, and based on reason-able assumptions. The methods of calculation of prospective Financial figures and the underlying assumptions must be examined and reported on by the Accountant that audits the company's financial statements. However, the Public Company is directly responsible for the fairness of such financial forecasts and projections.
8. Business Risks

Information on business risks shall be arranged according to the degree of anticipated risk due to, among other things :

- a. competition;
- b. supply of raw materials;

- c. foreign or international rules or regulations; and
  - d. government policy.
9. Important events after the date of the auditor's report

Information about all material events after the date of the Accountant's report.

10. Information about the Public Company:

a. Brief history of the Company :

- 1) Information regarding the Company's establishment, such as, the date of establishment, shareholders, full name and business activity of the Company. Such description shall include a brief history on the establishment of the Company, including the form and name of the Company. A description on the nature and results of any bankruptcy, receivership or similar court proceedings with respect to the Public Company. A description on the nature and results of significant restructuring, merger, or any consolidation of the Public Company or its important Affiliated Companies. A description of material assets acquired other than in the ordinary course of business and any significant changes in the manner of conducting the business;
- 2) A brief chronology of legal documents, related to the establishment of the Public Company and the important changes thereafter, including the deed of establishment, Minister of Justice approval, state court registration, and announcement in the State Gazette Supplement;
- 3) Significant changes of share ownership after establishment (for paid in capital);
- 4) Events related to the development of business activities of the Company, such as a significant addition of production facilities or the adoption of a new technology;
- 5) Important agreements regarding licensing, major buyers, appointment as the sole agent or distributor of significant products, technical agreements, etc;
- 6) A general description of existing facilities owned by the company, such as land, buildings, factories and their status; and
- 7) Relationships with other companies based on ownership, common shareholders or other factors.

b. Management and Supervision :

- 1) names and pictures of the members of the board of directors and the board of commissioners;
- 2) a brief description of each member of the Board of directors and commissioners, including :
  - a) citizenship;
  - b) age;
  - c) present and previous positions;
  - d) relevant work and business experience;
  - e) if education is disclosed, the schools, field of study, and year of graduation must be included.

## c. Human resources :

- 1) a breakdown of employees by position and education (presented in table form );
- 2) education and training facilities (if any);
- 3) foreign employees (if any);
- 4) welfare benefits (if any), such as :
  - a) medical;
  - b) transportation;
  - c) labor agreements;
  - d) employee insurance,(such as ASTEK)
  - e) cooperatives; or
  - f) pension funds.

## 11. Business activities and prospects of the Public Company. A general description with regard to business operation of the company, its principal products and or services, and its position in the industry (if a reliable for such data is available), including:

## a. Production or operations :

- 1) a description of sources and material for production and the degree of dependence on any single supplier;
- 2) a description of the production process and quality control including a general description of the development status of specific products and services, and if such development requires substantial investment. If the description endangers the competitive position of the company it need not be disclosed. This provision is not intended to require the disclosure of non public information, if such disclosure would endanger the competitive position of the Public company;
- 3) capacity and production for the most recent 5 (five) years or since the establishment of the company if that is less than 5 (five) years;
- 4) the company's principal products and services;
- 5) the period of validity of patents, licenses, franchises, and concessions and their importance to the company;
- 6) the extent of the company's dependence on a single or group of customers;
- 7) the seasonality of the business activities of the company (if any);
- 8) business activities of the Public Company related to working capital that present specific risks, such as;
  - a) maintaining a significant amount of supplies;
  - b) offering the option to return merchandise; or
  - c) offering extended payment terms to customers;
- 9) description of unfilled orders, the development of such orders in the last 3 (three) years and the possibility of such orders in the future;

- 10) dependence on the government contracts;
- 11) competitive conditions in the industry including the Public Company's position in such competition (if a reliable source of such data is available);
- 12) summary information regarding research and development expenses;
- 13) a description of marketing activities, including;
  - a) the marketing area for products;
  - b) the selling and distribution system;
  - c) data regarding sales figures for the Public Company and its subsidiaries, in rupiah (in conformity with the financial statements) and in units (if any) for the last 5 (five) years or such shorter period since the establishment of the company (if possible the sales data should be divided into major product classifications);
- 14) a description of the Public Company's prospects in relation to the industry, general economic conditions, the international market, and quantitative supporting data (if a reliable source of such data is available)

## 12. Summary of Important Financial Data

- a. a statement that the financial statements are the source of the data;
- b. a statement of whether the financial statements have been audited by an Accountant and the period covered;
- c. the data presented must be consistent with financial statements, including the names of accounts;
- d. in addition to the financial statement data, relevant financial ratios of the industry must also be presented.

## 13. Equity

Description regarding the equity based on the audited financial statements, including :

- a. a table describing in detail equity as of the financial statement date for all periods presented in the financial statements;
- b. chronological description that reflects capital structure changes in the Public Company, including capital changes authorization by the Minister of Justice, changes in paid-in capital. and nominal value per share; and
- c. changes in capital structure after the date of the latest financial statements (if any).

## 14. Dividend Policy

Information regarding dividend policy, including the range of percentages of cash dividends to net income.

## 15. Taxation

A description regarding current taxes both for the investor and the company, and any special tax advantages that may be applicable.

## 16. Names and addresses of Capital Market Supporting Institutions and Professionals (if any)

## 17. Legal Opinion and Report

The Legal opinion, among other things, shall include:

- a. legality of the deed of establishment and the articles of association, and any amendments;
- b. all licenses and approvals needed by the Public Company in its business activities or proposed business activities;
- c. the ownership status of material assets of the Public Company;
- d. civil, criminal, labor, administrative cases, and other legal actions against the company;
- e. agreements with third Persons;
- f. whether the capitalization of the Public Company and any planned changes are in compliance with existing regulations and have obtained all necessary approvals;
- g. other material things.

18. Financial Statements

- a. an Accountant's Report on the financial statements provided;
- b. the principal financial statements for the last 3 (three) years or such shorter period since the establishment of the company; as follows:
  - 1) balance sheets;
  - 2) income statements;
  - 3) retained earnings statements;
  - 4) cash flow statements;
  - 5) notes to the financial statements; and
  - 6) other reports and explanatory material that are part of the financial statements, if applicable, such as commitments and contingency statements of Public Companies in the banking business.
- c. For a company that has been established legally less than 1 (one) year, the above requirements apply for the period since the establishment date minus 3 (three) months.

19. Appraiser Report (if any)

A summary of the Appraiser's report including the appraisal method, description of the asset appraised and the appraisal results.

20. Articles of Association

The last Articles of Association that approved by Minister of Justice.