



Financial Services Authority of
the Republic of Indonesia

DUPLICATE OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC INDONESIA
NUMBER 54/POJK.04/2017

CONCERNING:

FORM AND CONTENT OF THE PROSPECTUS FOR A PUBLIC OFFERING AND
CAPITAL INCREASE WITH PRE-EMPTIVE RIGHT BY ISSUERS WITH SMALL-
SCALE ASSETS OR ISSUERS WITH MEDIUM-SCALE ASSETS

BY THE GRACE OF GOD ALMIGHTY

BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY,

Considering : a. that in order to improve the quality of transparency of
information in the prospectus for a public offering and
capital increase with pre-emptive right by small-scale
issuers or medium-scale issuers, it is necessary to
enhance the provisions of laws and regulations in the
capital market sector related to the guidelines on the
form and content of prospectus for a public offering by
medium or small companies;

- : b. that according to the consideration as referred to in letter a, the Regulation of Financial Services Authority concerning Form and Content of Prospectus for a Public Offering and Capital Increase with Pre-Emptive Right by Issuers With Small-Scale Assets Or Issuers With Medium-Scale Assets is necessary to be enacted;
- In view of
1. Law Number 8 of 1995 concerning Capital Market (State Gazette of the Republic of Indonesia Number 64, Additional State Gazette of the Republic of Indonesia of 1995 Number 3608);
 2. Law Number 21 of 2011 concerning Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Additional State Gazette of the Republic of Indonesia Number 5253);

HAS DECIDED:

To Enact : REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING FORM AND CONTENT OF THE PROSPECTUS FOR A PUBLIC OFFERING AND CAPITAL INCREASE WITH PRE-EMPTIVE RIGHT FOR SMALL-SCALE ISSUERS OR MEDIUM-SCALE ISSUERS

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regulation of Financial Services Authority, the following terms shall mean:

1. A Prospectus is each written information in relation to a public offering with the purpose to induce other Parties to purchase Securities.
2. An Issuer is a Party conducting a Public Offering.
3. An Issuer with Small-Scale Assets, hereinafter referred to as a Small-Scale Issuer is an Issuer in the form of a legal entity incorporated in Indonesia that:
 - a. has total assets or other equivalent terms of less than IDR 50,000,000,000.00 (fifty billion

- Rupiahs) proven by the financial statements used in the registration statement document; and
- b. is not controlled, either directly or indirectly by:
 - 1) a controller from an Issuer or Public Company which is not a Small-Scale Issuer or an Issuer with medium-scale assets; and/or
 - 2) a company with assets of more than IDR 250,000,000,000.00 (two hundred and fifty billion Rupiahs).
4. An Issuer with Medium-Scale Assets, hereinafter referred to as a Medium-Scale Issuer is an Issuer in the form of a legal entity incorporated in Indonesia that:
- a. has total assets or other equivalent terms, of more than IDR 50,000,000,000.00 (fifty billion Rupiahs) up to IDR 250,000,000,000.00 (two hundred and fifty billion Rupiahs) proven by the financial statements used in the registration statement document; and
 - b. is not controlled, either directly or indirectly by:
 - 1) a controller from an Issuer or a Public Company which is not a Small-Scale Issuer or a Medium-Scale Issuer; and/or
 - 2) a company with assets of more than IDR 250,000,000,000.00 (two hundred and fifty billion Rupiahs).
5. A Public Offering is an offer to sell Securities to the public, made by an Issuer in ways stipulated in Law Number 8 of 1995 concerning the Capital Market and its implementing regulations.
6. A Public Offering by Small-Scale Issuers is a Public Offering conducted by Small-Scale Issuers with the total securities offering value of no more than IDR 50,000,000,000.00 (fifty billion Rupiahs), regardless of the other accompanying securities.

7. A Public Offering by Medium-Scale Issuers is a Public Offering conducted by Medium-Scale Issuers with the total Securities offering value of no more than IDR 250,000,000,000.00 (two hundred and fifty billion Rupiahs), regardless of the other accompanying securities.
8. A Pre-Emptive Right, hereinafter abbreviated as HMETD, is the right attached to the shares, giving the opportunity to the shareholders to purchase shares and/or other equity securities either the ones convertible into shares or the ones granting rights to purchase shares, before offered to other parties.
9. A Registration Statement is a document obligated to be delivered to the Financial Services Authority by the Issuer or Public Company for the purpose of Public Offering.
10. Securities are promissory notes, commercial paper, shares, bonds, evidences of indebtedness, Participation Units of collective investment contracts, futures contracts related to Securities, and all derivatives of Securities.
11. A Business Group of Small-Scale Issuer is the Small-Scale Issuer and all other companies that have their financial statements consolidated with the financial statements of the Small-Scale Issuer.
12. A Business Group of Medium-Scale Issuer is the Medium-Scale Issuer and all other companies that have their financial statements consolidated with the financial statements of the Medium-Scale Issuer.
13. A Standby Buyer is a party that will purchase either a part or the entire remaining shares and/or other equity Securities not taken by the holders of HMETD.
14. A Warrant is Securities issued by a company that grants rights to the holder of Securities to order shares from the company at a certain price after 6 (six) months as of the Securities are issued.

15. An Underwriter is a Party who makes an agreement with an Issuer to conduct a Public Offering, with or without the obligation to purchase Securities that are not sold.
16. A Public Accountant is a person who has obtained a license to provide services as referred to in the provisions of laws and regulations concerning public accountants and is registered at the Financial Services Authority.
17. An Appraiser is a person whose expertise is to perform appraisal activities in the capital market and is registered at the Financial Services Authority.
18. A Trust-Agent is a Party representing the interests of the holders of debt Securities.
19. A Trust-Agent Contract is an agreement between the Issuer and the Trust-Agent in the issuance of debt Securities and/or sukuk made in the form of notarial deed.
20. A Subsidiary is a company that has its financial statements consolidated with the financial statements of the Issuer.
21. The Board of Directors is an organ in the Issuer, authorized and fully responsible for the management of the Issuer for the interests of the Issuer, in accordance with the objectives and purposes of the Issuer, as well as representing the Issuer, either in or outside of the court, in accordance with the provisions in the articles of association.
22. The Board of Commissioners is an organ in the Issuer, with the supervisory duties in general and/or in a special manner, in accordance with the articles of association, as well as giving advice to the Board of Directors.
23. A Securities Exchange is a Party that organizes and provides the systems and/or facilities to bring together offers of those who intend to buy and sell Securities.

24. Material Information or Facts are any important and relevant information or facts concerning events, incidents, or facts that may affect the price of Securities on the Securities Exchange and/or the decisions of investors, prospective investors, or other Parties that have an interest in such information or facts.
25. A Controller is a party that owns shares of more than 50% (fifty percents) of all fully paid-up shares, or a party that has the capability to determine, either directly or indirectly, by any means, the management and/or discretion of the Small-Scale Issuer or Medium-Scale Issuer.

Article 2

- (1) Prospectus is obligated to convey details of Material Information or Facts regarding the Public Offering and information and/or details that may affect investor's decision, which is known or should be known by Small-Scale Issuers or Medium-Scale Issuers and the lead underwriter (if using a lead underwriter).
- (2) The prospectus is prohibited from containing information that does not convey the true information regarding material facts or failing to convey the true details regarding material facts that is necessary so that the Prospectus does not give misleading information.
- (3) The prospectus should be drafted in such a way that it is clear and communicative.
- (4) The presentation and disclosure of important information in the Prospectus is not to be obscured by less important information, which distract the reader's attention from the important information.
- (5) The disclosure of Material Information or Facts and/or the use of pictures, diagrams, and/or tables

in the Prospectus is prohibited from conveying misleading information.

- (6) The disclosure of Material Information or Facts in the Prospectus must be conducted clearly with an emphasis that is appropriate to the business field or industry sector so that the Prospectus is not misleading.

Article 3

In preparing the Prospectus as referred to in Article 2, Small-Scale Issuers or Medium-Scale Issuers may make adjustments to the disclosure of Information or Material Facts so that it is not limited only to the Information or Material Facts that have been stipulated in this Regulation of Financial Services Authority.

Article 4

Members of the Board of Directors and members of the Board of Commissioners of Small-Scale Issuers or Medium-Scale Issuers and the lead underwriter (if hiring a lead Underwriter) at the time the Registration Statement becomes effective, the capital market supporting institutions and professionals or other parties, providing opinion or information and by their approval, listed in the Prospectus, either individually or collectively, are obligated to be responsible for ensuring that the Prospectus has fulfilled the provisions as referred to in Article 2 clause (2).

CHAPTER II

THE FORM OF PROSPECTUS

Article 5

The prospectus as referred to in Article 2 must contain at least the following main sections:

- a. information on the front cover of the Prospectus;
- b. the table of contents;

- c. information on the Securities being offered;
- d. the use of proceeds from the Public Offering or capital increase with HMETD;
- e. management analysis and discussion;
- f. risk factors;
- g. significant events after the date of the Public Accountant report;
- h. information on the Small-Scale Issuer or Medium-Scale Issuer, business activities, as well as business trends and business prospects; and
- i. the Securities subscription procedure.

Article 6

In the event that Small-Scale Issuers or Medium-Scale Issuers conducting a Public Offering of equity Securities, in addition to the main sections as referred to in Article 5, Small-Scale Issuers or Medium-Scale Issuers must add the following sections:

- a. dividend policy;
- b. underwriting (if hiring an underwriter);
- c. legal opinion;
- d. financial statements; and
- e. Appraiser and expert report (if using an Appraiser and an expert).

Article 7

In the event that Small-Scale Issuers or Medium-Scale Issuers conducts a Public Offering of debt Securities, in addition to the main sections as referred to in Article 5, Small-Scale Issuers or Medium-Scale Issuers must add the following sections:

- a. underwriting (if using an Underwriter);
- b. information on the Trust-Agent and the guarantor (if a guarantor is present);
- c. an opinion from a legal perspective;
- d. financial statements; and

- e. Appraiser report and expert report (if hiring an Appraiser and an expert).

Article 8

In the event that Small-Scale Issuers or Medium-Scale Issuers conduct a capital increase with HMETD, in addition to the main sections as referred to in Article 5, Small-Scale Issuers or Medium-Scale Issuers must add the following sections:

- a. dividend policy;
- b. information on the Trust-Agent and the guarantor (if a guarantor is present), in the event of the issuance of HMETD for debt Securities that may or is obligated to be converted into shares;
- c. information on the Standby Buyer and/or prospective Controller of Small-Scale Issuers or Medium-Scale Issuers (if a Standby Buyer and/or a prospective Controller of Small-Scale Issuers or Medium-Scale Issuers is present); and
- d. a summary of key financial data.

CHAPTER III

CONTENTS OF PROSPECTUS

Section One

Information on the Front Cover of the Prospectus

Article 9

Information on the front cover of the Prospectus as referred to in Article 5 letter a at least contains or discloses the main information on:

- a. the effective date of the Registration Statement from the Financial Services Authority;
- b. the allotment date;
- c. the refund date;
- d. the date of Securities distribution;

- e. the listing date, if the Securities are to be listed on the Securities Exchange;
- f. the full name of the Small-Scale Issuer or Medium-Scale Issuer, address, logo (if any), telephone number, facsimile number, electronic mail, website, and post office box including factory and representative office (if any), and the main business activities of the Small-Scale Issuer or Medium-Scale Issuer;
- g. the Prospectus issuance date and place;
- h. the following statements in capital letters that immediately may catch the reader's attention:

“THE FINANCIAL SERVICES AUTHORITY DOES NOT PROVIDE ANY STATEMENT OF APPROVAL OR DISAPPROVAL OF THIS SECURITIES, NOR DOES IT CERTIFY THE TRUTHFULNESS OR ADEQUACY OF THE CONTENTS OF THIS PROSPECTUS. ANY STATEMENT TO THE CONTRARY IS A VIOLATION OF THE LAW.”;

“THIS PROSPECTUS IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. IF ANY DOUBT AS TO THE ACTION TO BE TAKEN OCCURS, CONSULT WITH A COMPETENT PARTY.”;

and

“THIS PUBLIC OFFERING IS CONDUCTED BY ISSUERS WITH SMALL-SCALE ASSETS OR ISSUERS WITH MEDIUM-SCALE ASSETS, IN ACCORDANCE WITH THE REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING REGISTRATION STATEMENT FOR PUBLIC OFFERING AND CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS FOR SMALL-SCALE ISSUERS OR MEDIUM-SCALE ISSUERS.”;

- i. a statement in capital letters stating that the Small-Scale Issuer or Medium-Scale Issuer and the lead Underwriter (if hiring a lead Underwriter) are fully responsible for the truthfulness of all information

and honesty of opinion expressed in the Prospectus as follows:

“THE ISSUER AND THE LEAD UNDERWRITER (if any) ARE FULLY RESPONSIBLE FOR THE TRUTHFULNESS OF ALL INFORMATION, FACTS, DATA, OR REPORTS AND THE HONESTY OF THE OPINIONS CONVEYED IN THIS PROSPECTUS.”;

- j. a short statement in capital letters that immediately catches the reader’s attention, regarding:
 - 1. the main risks faced by the Small-Scale Issuer or Medium-Scale Issuer; and
 - 2. the risk of possible illiquidity of the offered equity Securities (if any);
- k. information that the Registration Statement has been submitted to the Financial Services Authority with reference to the provisions of laws and regulations in the capital market sector;
- l. a statement that all the capital market supporting institutions and professionals mentioned in the Prospectus are fully responsible for the data presented in accordance with their functions and designation, in accordance with the provisions of laws and regulations in the capital market sector, and the code of ethics, norms, and standards of their respective professions;
- m. a statement that in connection with the Public Offering and capital increase with HMETD, each affiliated party is prohibited from providing information or statements on the data which is not disclosed in the Prospectus, without a written approval from the Small-Scale Issuer or Medium-Scale Issuer and the lead underwriter (if hiring a lead Underwriter); and
- n. in the event that the Prospectus includes the name of the party assisting the Small-Scale Issuer or Medium-Scale Issuer in the preparation of the Prospectus, the party must make a statement that a

written consent has been given for listing the name of the party on the Prospectus and no consent revocation has been made.

Article 10

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a Public Offering of equity Securities, in addition to the main information as referred to in Article 9, the Small-Scale Issuer or Medium-Scale Issuer is obligated to add information on:

- a. the offering period;
- b. in the event that the Small-Scale Issuer or Medium-Scale Issuer does not hire an Underwriter service, the Small-Scale Issuer or Medium-Scale Issuer must include the following statement in capital letters which may immediately attract the reader's attention:

"THE ISSUER WITH SMALL-SCALE ASSETS OR ISSUERS WITH MEDIUM-SCALE ASSETS DOES NOT HIRE THE SERVICE OF AN UNDERWRITER IN THIS PUBLIC OFFERING";

- c. in the event that the Securities are to be listed on the Securities Exchange, the Small-Scale Issuer or Medium-Scale Issuer must provide information on the actions that are to be taken by the Small-Scale Issuer or the Medium-Scale Issuer if the Securities Exchange rejects the application for having the Securities listed;
- d. a statement of the Small-Scale Issuer or Medium-Scale Issuer regarding the Securities price stabilization plan, as follows:
 1. if an over-allotment option is planned in the Public Offering, the Issuer must give a statement in capital letters that may immediately attract the reader's attention regarding the plan and purpose of the exercising

of the over-allotment option, including the price stabilization plan; and

2. if it is planned to stabilize the price of certain shares that have been listed on the Securities Exchange to facilitate the sale of equity Securities for a Public Offering, a statement must be given in capital letters that may immediately attract the reader's attention which reads as follows:

"IN ORDER TO MAINTAIN THE MARKET PRICE OF THE SAME SHARES, BOTH THE TYPE AND CLASS, WITH THOSE OFFERED IN THIS PUBLIC OFFERING, THE UNDERWRITER MAY STABILISE THE PRICE AT A PRICE LEVEL HIGHER THAN THAT WHICH WOULD HAVE OCCURRED ON THE SECURITIES EXCHANGE IF NO PRICE STABILISATION HAD BEEN UNDERTAKEN. IF THE UNDERWRITER PERFORMS A PRICE STABILISATION, BOTH THE PRICE STABILISATION AND THE PUBLIC OFFERING MAY BE DISCONTINUED AT ANY TIME."

Article 11

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a Public Offering of debt Securities, in addition to the main information as referred to in Article 9, the Small-Scale Issuer or Medium-Scale Issuer must add information on:

- a. the offering period;
- b. in the event that the Small-Scale Issuer or Medium-Scale Issuer does not hire an Underwriter service, the Small-Scale Issuer or Medium-Scale Issuer must include the following statement in capital letters which may immediately attract the reader's attention:

"THE ISSUER WITH SMALL-SCALE ASSETS OR ISSUERS WITH MEDIUM-SCALE ASSETS DOES NOT HIRE THE SERVICE OF AN UNDERWRITER IN THIS PUBLIC OFFERING."; and

- c. in the event that the Securities are to be listed on the Securities Exchange, the Small-Scale Issuer or Medium-Scale Issuer must provide information on the actions that will be taken by the Small-Scale Issuer or Medium-Scale Issuer if the Securities Exchange rejects the application for having the Securities listed.

Article 12

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a capital increase with HMETD, in addition to the main information as referred to in Article 9, the Small-Scale Issuer or Medium-Scale Issuer must add information on:

- a. the date of general meeting of shareholders;
- b. the date of the list of shareholders entitled to obtain a HMETD;
- c. the date of the HMETD distribution;
- d. the last date of the exercise of HMETD and the last date of the payment of shares and/or other equity Securities in the implementation of HMETD;
- e. the HMETD trading period;
- f. the date of payment for the additional subscription of shares and/or other equity Securities; and
- g. the date of full payment by the Standby Buyer (if any).

Section Two

Table of Contents

Article 13

The table of contents as referred to in Article 5 letter b must include the descriptions of sections and pages.

Section Three
Information on the Securities Being Offered

Article 14

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a Public Offering of equity Securities, in the information section regarding the Securities offered as referred to in Article 5 letter c at least contains or conveys the following information:

- a. the type and number of equity Securities;
- b. the nominal value (if using nominal value);
- c. the bid price;
- d. the total value of the Public Offering;
- e. other accompanying Securities (if any), at least include:
 1. for Warrants, at least include:
 - a) the type and number of the underlying Securities;
 - b) the number of Warrants to be issued;
 - c) the number of Warrants that are and will be outstanding;
 - d) the commencement date and the termination date of exercising the Warrants;
 - e) the new share price upon exercise of the Warrants;
 - f) provisions on the changes of the execution price; and
 - g) other material terms of the referred Warrants;
 2. for Securities that are convertible into shares that may be repurchased, at least include:
 - a) a description of the conversion conditions including whether the conversion rights will expire if not exercised before the date

- disclosed in the repurchase announcement;
- b) the start and end date of the conversion; and
- c) the type, frequency, and time of repurchase announcements including where the announcement will be published;
- f. the amount of equity Securities allocated to employees (if any);
- g. shareholder rights including the right to dividends, HMETD, and other rights, including limitations and/or qualifications on the rights (if any) and the impacts on the shareholders rights;
- h. the restrictions of transfer or voting rights (if any);
- i. information on whether the shares that will be issued and offered to the public are portfolio shares (shares in deposit) and/or shares that have been fully paid-up (divested);
- j. the name of the Securities Exchange (if the Securities are to be listed) and a description of the number and percentage of shares to be listed on the Securities Exchange, as well as the restrictions of the share listing (if any);
- k. information on the plan of Small-Scale Issuer or Medium-Scale Issuer to issue equity Securities within 12 (twelve) months after the effective date (if any);
- l. information on the capital structure and shareholders composition before and after the Public Offering in the form of table, including:
 - 1. the authorized capital and subscribed capital and fully paid-up capital which includes the number of shares, nominal value per share, and total nominal value of shares or number and value of shares in the event of shares without nominal value;

2. the details of shareholders' share ownership with provisions of shareholders who own 5% (five percent) or more, members of the Board of Directors, and members of the Board of Commissioners must disclose the names, number of shares, and total nominal value of shares and percentage of ownership or the number and value of shares and percentage of ownership in the event of shares without nominal value;
 3. shares in portfolio (shares in deposit), which includes the number of shares, nominal value per share, and the total nominal value of the shares or the number and share value in the event of shares without nominal value; and
 4. a pro-forma table of equity as of the date of the latest financial statements that describes the position of the latest changes in capitalization (if any) and Public Offering has occurred on the date of the latest financial statements; and
- m. description of debt Securities that may or is obligated to be converted into shares (if issuing debt Securities that may or is obligated to be converted into shares), at least must contain or disclose:
1. the rights of the holders of debt Securities that may or are obligated to be converted into shares;
 2. the character of debt Securities that may be converted into shares;
 3. the character of debt Securities that may or are obligated to be convertible into shares that allow early repayment at the option of the Small-Scale Issuer or the Medium-Scale Issuer or holders of debt Securities that may or are obligated to be converted into shares;
 4. the prices and interest rates of debt Securities that may or are obligated to be converted into shares;

5. the schedule of repayments or installments including the amount;
6. the interest payment schedule;
7. the conversion schedule of debt Securities into shares;
8. the rating result of debt Securities that may be converted into shares and the name of the Securities rating company;
9. the provisions on repayment funds (if any);
10. the currency in which the debt is denominated and other alternative currencies (if any) that will be used in the issuance of debt Securities that may or are obligated to be converted into shares (if any);
11. a summary of any claims on the assets of Small-Scale Issuer or Medium-Scale Issuer which is used as collateral for debt Securities which may or are obligated to be converted into the shares being offered;
12. a statement on whether the debt Securities that may or is obligated to be converted into shares on the Securities Exchange is to be listed; and
13. the number and percentage of debt Securities that may or is obligated to be converted into shares, in the event that the debt Securities that may or is obligated to be converted into shares as referred to in point 12 are listed on the Securities Exchange.

Article 15

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a Public Offering of debt Securities, in the information section regarding the Securities offered as referred to in Article 5 letter c, at least contains or conveys the following information:

- a. the nominal number and type of debt Securities offered;

- b. the currency in which the debt is denominated;
- c. the price, interest rate, or reward by any other means determined for the debt Securities, including the full description of the method of determining the floating interest rate;
- d. the date of payment of principal debt and the number of principal debt payable on that date;
- e. the date of payment of interest or reward by other means;
- f. book-entry unit and trading unit of debt Securities to be offered in the Public Offering, including the limitation in conducting book-entry;
- g. the Small-Scale Issuer or Medium-Scale Issuer assets which become the debt collateral incurred in regard to the Securities offered, the time when the assets are effective as collateral for the debt Securities holders, and a summary of the appraisal (if any);
- h. the rating result of debt Securities;
- i. a summary of the principal terms of the Trust-Agent Contract;
- j. a summary of the principal terms of the debt guarantee agreement (if using a guarantor); and
- k. other agreements in connection with the debt Securities being offered.

Article 16

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a capital increase with HMETD, in the information section regarding the Securities offered as referred to in Article 5 letter c, in addition to information mentioned in Article 14, except information mentioned in Article 14 letter f and letter i, the additional information at least contains or conveys the following information:

- a. a description of the general meeting of shareholders approving the capital increase with HMETD;
- b. the ratio of the HMETD to shares;

- c. the dilutive impact of the issuance of new shares;
- d. a description of the procedure for the transfer of HMETD;
- e. a description of the handling of shares and/or other equity securities issued in the capital increase with HMETD that are not taken by the entitled party;
- f. a description of the treatment of HMETD in the form of fractions;
- g. the procedures for the issuance and submission of evidence of HMETD and shares and/or other equity Securities;
- h. The eligibility requirements of recipients and holders of HMETD;
- i. a form of HMETD certificate (if any);
- j. a split of HMETD certificate (if any);
- k. the procedures for the execution of HMETD;
- l. the subscription of additional shares and/or other equity Securities;
- m. the allotment of additional shares and/or other equity Securities;
- n. the theoretical value of HMETD;
- o. a statement declaring that the major shareholder will execute or will not execute the HMETD and information on the name of the party that will receive the transfer of HMETD (if any) as well as a brief description of the transfer of HMETD;
- p. a short description on the purchase of the remaining Securities by a Standby Buyer and the full name of the party who acts as a Standby Buyer/prospective Controller (if any); and
- q. a description of the deposit of shares in the other forms than money (if any) which at least contains or disclose:
 - 1. information on the object of deposit; and
 - 2. a summary of the Appraiser assessment results, at least contains or discloses:
 - a) the identity of the party;

- b) the object of appraisal;
- c) the purpose of the appraisal;
- d) assumptions and limiting conditions;
- e) the appraisal approach and method;
- f) the appraisal conclusion; and
- g) fairness opinion on the deposit transaction.

Section Four

Use of Proceeds from the Public Offering or Capital Increase with HMETD

Article 17

In the section of the use of proceeds obtained from Public Offering or capital increase with HMETD as referred to in Article 5 letter d must at least contains or disclose basic information on:

- a. the details of the purpose of the Public Offering or capital increase with HMETD and the use of proceeds obtained from the Public Offering or capital increase with HMETD after deducting the costs, written in detail in the form of numbers and/or percentages with the following provisions:
 - 1. disclose details of the use of proceeds in accordance with the purpose of the Public Offering or capital increase with HMETD;
 - 2. disclose the fact and character of affiliate relationships with the Small-Scale Issuer or Medium-Scale Issuer in terms of:
 - a) the use of proceeds allocated for debt repayment, either fully or partially to affiliated creditors; and
 - b) the use of proceeds allocated for the purchase or investment in another company (if any) if the company is an affiliated party with the Small-Scale Issuer or Medium-Scale Issuer; and

- b. information on other sources of funds that will be used to finance an activity if the proceeds obtained from the Public Offering or capital increase with HMETD is not sufficient;

Article 18

- (1) In the event that there is a party making capital deposit in other form than money as referred to in Article 16 letter q, which may cause the party to become the new Controller of the Small-Scale Issuer or Medium-Scale Issuer and to increase the equity of Small-Scale Issuer or Medium-Scale Issuer by 100% (one hundred percent) or more, the Prospectus must at least contain or disclose:
 - a. in the case of capital deposit is in the form of shares of other companies, the information at least must convey or disclose:
 - 1. the financial statements of the other company;
 - 2. the pro forma financial information examined by a Public Accountant;
 - 3. information on risk factors;
 - 4. information on the other company;
 - 5. management's analysis and discussion on the other company;
 - 6. business activities and prospects; and
 - 7. an opinion on the legal aspects of the other company; and/or
 - b. in the case of capital deposit is in the form of assets, the information that must be disclosed is the details of the asset as well as the business risks and prospects of using the assets.
- (2) The disclosure as referred to in clause (1) shall be made in a separate section in the Prospectus.

Article 19

The Small-Scale Issuer or Medium-Scale Issuer must disclose information on the estimated details of costs paid by the Small-Scale Issuer or Medium-Scale Issuer for a Public Offering and capital increase with HMETD either in the form of a certain percentage or absolute value in currency denomination, which at least convey or discloses:

- a. underwriting fee (if any);
- b. management fee (if any);
- c. selling fee (if any);
- d. capital market supporting professional fees;
- e. service fees for capital market supporting institutions;
- f. financial advisory fee (if any); and
- g. other costs.

Section Five

Management Analysis and Discussion

Article 20

In the section on management analysis and discussion as referred to in Article 5 letter e, at least must convey or disclose:

- a. a discussion that provides a comprehensive description regarding the business activities of the Small-Scale Issuer or Medium-Scale Issuer, including the financial condition and results of operations of the Small-Scale Issuer or Medium-Scale Issuer, as well as the changes and causes of changes in financial condition and results of operations of the Small-Scale Issuer or Medium-Scale Issuer, which at least includes:
 1. the total assets;
 2. the total liabilities;
 3. equity;
 4. sales/operating income;

5. the operating expenses;
 6. the operating profit (loss); and
 7. the net profit (loss);
- b. a discussion regarding the sources and value of cash flows from operating, investing, and financing activities and the pattern of cash flows associated with the characteristics and business cycle of the Small-Scale Issuer or Medium-Scale Issuer;
 - c. a discussion regarding commitments on material investment in capital goods made, with an explanation concerning:
 1. the parties involved in the agreement;
 2. the total value, currency, and portions that have been realized;
 3. the purpose of the investment in capital goods;
 4. the source of funds used;
 5. the estimated period of commencement and completion of development process for investment in capital goods (if any); and
 6. the expected increase in production capacity from the investment in capital goods (if any);
 - d. a discussion regarding the government policies and other institutions in the sectors of fiscal, monetary, public economics, and politics which have a direct or indirect impact on the business activities and investments of the Small-Scale Issuer or Medium-Scale Issuer and its Subsidiaries as reflected in the financial statements;
 - e. a discussion regarding the events or transactions which are not normal and infrequent that may affect the amount of revenue and profitability; and
 - f. a discussion regarding the material events that occurred after the date of the financial statements and the Public Accountant's report.

Section Six
Risk Factors

Article 21

In the section on risk factor as referred to in Article 5 letter f, it must at least convey or disclose the risks compiled based on the weights of the risk encountered.

Section Seven
Significant Events after the Date of Public Accountant
Report

Article 22

In the section on the significant events after the date of the Public Accountant date as referred to in Article letter g, it must at least convey or disclose:

- a. information on all significant events that occurred after the Public Accountant report date until the effective date of the Registration Statement;
- b. a statement on the existence or the non-existence of obligations after the Public Accountant report date until the effective date of the Registration Statement; and
- c. a statement from the management on the absence of significant events after the Public Accountant report date until the effective date of the Registration Statement, in the event that no significant event occurred.

Section Eight
Information on the Small-Scale Issuer or Medium-Scale
Issuer, Business Activities, and Business Trends and
Business Prospects.

Article 23

In the section regarding the information on the Small-Scale Issuer or Medium-Scale Issuer, business activities,

as well as business trends and prospects as referred to in in Article 5 letter h, it must at least convey or disclose:

- a. information on the Small-Scale Issuer or Medium-Scale Issuer, at least include:
 1. the capital and shareholders, at least:
 - a) share ownership and the latest capital structure;
 - b) the position of Small-Scale Issuer or Medium-Scale Issuer and the Subsidiaries in the Business Group of the Small-Scale Issuer or Medium-Scale Issuer made in the form of a diagram accompanied by percentage of ownership; and
 - c) information on the Controller, either directly or indirectly, up to the individual owner, and/or major shareholders presented in the form of schemes or diagram;
 2. management and supervision which includes the names and curriculum vitae of the members of the Board of Directors and members of the Board of Commissioners of Small-Scale Issuer or Medium-Scale Issuer and the company secretary, audit committee, and/or other committees (if any); and
 3. the organizational structure of Small-Scale Issuer or Medium-Scale Issuer;
 4. the affair faced by the Small-Scale Issuer or Medium-Scale Issuer and its Subsidiaries, and the members of the Board of Directors and members of the Board of Commissioners of Small-Scale Issuer or Medium-Scale Issuer, that have a material impact on business continuity of the Small-Scale Issuer or Medium-Scale Issuer (if any);
 5. material information on human resources;
 6. transactions with affiliated parties; and

7. information on Subsidiaries and/or investment in other companies (if any), at least include:
 - a) the name;
 - b) the year of establishment;
 - c) a general description on business activities;
 - d) the capital structure and latest shareholder's composition;
 - e) management and supervision; and
 - f) the highlight of financial data for the last 2 (two) financial years or since the establishment if less than 2 (two) years; and
- b. the business activities of the Small-Scale Issuer or Medium-Scale Issuer, as well as business trends and prospects, at least convey or disclose:
 1. a short description of the main business activities of the Small-Scale Issuer or Medium-Scale Issuer or Business Group of the Small-Scale Issuer or Medium-Scale Issuer (if the Small-Scale Issuer or Medium-Scale Issuer is a holding entity);
 2. important agreements;
 3. a statement from the management on the absence of restrictions that prejudice the rights of public shareholders;
 4. a description of the main products and services offered by the Small-Scale Issuer or Medium-Scale Issuer;
 5. general information on the customers of the Small-Scale Issuer or Medium-Scale Issuer;
 6. a general description of the inventory suppliers of the Small-Scale Issuer or Medium-Scale Issuer;
 7. general information on the production facilities owned or leased from other parties or controlled, such as land rights, buildings and

infrastructure, as well as machinery and equipment and their status;

8. any significant trends in production, sales, inventories, expenses, and selling prices since the last financial year affecting the business activities and financial prospects of the Small-Scale Issuer or Medium-Scale Issuer;
9. any tendency, uncertainty, demands, commitments, or knowable events that may significantly affect net sales or operating income, income from continuing operations, profitability, liquidity or capital resources, or any event that will cause the reported financial information not be indicative of the future operating results or financial condition; and
10. in the absence of tendency, uncertainty, demand, commitment, or event as referred to in number 8 and number 9, the Small-Scale Issuer or Medium-Scale Issuer must provide an adequate statement concerning the matter.

Article 24

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a Public Offering of equity Securities, in addition to main information as referred to in Article 23, the Small-Scale Issuers or Medium-Scale Issuers must add information on:

- a. the establishment of the Small-Scale Issuer or Medium-Scale Issuer, at least include the date of the deed of establishment, shareholder's composition, name of the Small-Scale Issuer or Medium-Scale Issuer, and its business activities, including a brief history of the establishment, form and name of the organization if it is not a company;
- b. significant events in relation to the business developments; and

- c. the timeline of changes in the shareholder's composition and share ownership during the last 2 (two) years or since its establishment if less than 2 (two) years before the submission of the Registration Statement.

Section Nine

Securities Subscription Procedure

Article 25

In the section on Securities subscription procedure, as referred to in Article 5 letter i, it must at least convey or disclose the main information as follows:

- a. the submission of order forms, payment terms, order cancellations, and receipts for the order;
- b. the explanation of restrictions on parties that may place order (if any);
- c. the order commencement and expiry dates; and
- d. the date of refunds of subscription funds, and Securities distribution or other proof of Securities ownership.

Article 26

In the event that a Small-Scale Issuer or Medium-Scale Issuer conducts a Public Offering of equity Securities and/or a Public Offering of debt Securities, in addition to the main information as referred to in Article 25, the Small-Scale Issuers or Medium-Scale Issuers must add information at least concerning the explanation of allotment mechanism as well as the allotment that will be allocated to certain parties (if any).

Section Ten
Dividend Policy

Article 27

In the section on dividend policy as referred to in Article 6 letter a and Article 8 letter a, it must convey or disclose information on dividend policy and dividend payment history.

Section Eleven
Underwriting

Article 28

In the section regarding on underwriting as referred to in Article 6 letter b and Article 7 letter a, it must at least convey or disclose:

- a. a description of the important provisions and requirements of the underwriting agreement;
- b. the name of the lead Underwriter and the Underwriter;
- c. guarantee commitment;
- d. the guarantee percentage and value; and
- e. the affiliate relationship between the Underwriter and the Small-Scale Issuer or Medium-Scale Issuer (if any).

Section Twelve
Legal Opinion

Article 29

In the section on legal opinion as referred to in Article 6 letter c and Article 7 letter c, the legal opinion from legal consultant must at least convey or disclose:

- a. the validity of the deed of establishment;
- b. the conformity of the latest articles of association with the laws and regulations in the capital market sector;

- c. the validity of agreement for a Public Offering or capital increase with HMETD and other important agreements;
- d. the main licenses and approvals required in the implementation of business activities or business activities planned by the Small-Scale Issuer or Medium-Scale Issuer;
- e. the ownership status, expenses, insurance, and disputes over the assets of the Small-Scale Issuer or Medium-Scale Issuer with material value;
- f. significant and relevant affairs, civil or criminal charges, and other legal actions related to the Small-Scale Issuer or Medium-Scale Issuer and Subsidiaries, members of the Board of Directors, or members of the Board of Commissioners (if any);
- g. capital structure and shareholders of the Small-Scale Issuer or Medium-Scale Issuer as well as any changes during the last 2 (two) years prior to the Registration Statement or since its establishment for a Small-Scale Issuer or Medium-Scale Issuer which has been established for less than 2 (two) years in accordance with the provisions of laws and regulations; and
- h. other material legal aspects in relation to the Small-Scale Issuer or Medium-Scale Issuer and the Securities offering that will be conducted.

Section Thirteen

Financial Statements

Article 30

In the section on financial statements as referred to in Article 6 letter d and Article 7 letter d, it must present the financial statements with the provisions as stipulated in the Regulation of Financial Services Authority concerning Registration Statement for Public Offering and capital

increase with HMETD by Small-Scale Issuers or Medium-Scale Issuers.

Section Fourteen Appraiser and Expert Report

Article 31

- (1) In the event that there are Appraiser report and expert report in the section on the Appraiser and expert report as referred to in Article letter e and Article 7 letter e, it must at least contain or disclose:
 - a. a summary of the the appraiser or expert report; and
 - b. for experts, it must also disclose information including the name, address, and qualifications of the expert as well as a statement confirming that the expert has given approval for the inclusion of the summary of the report in the Prospectus in the event that the Prospectus conveys a report from the expert.
- (2) The Appraiser Report as referred to in clause (1) letter a must fulfill the provisions of laws and regulations in the capital market sector on appraisal guidelines and the presentation of appraisal reports in the capital market.

Section Fifteen Trust-Agent and Guarantor

Article 32

In the section on Trust-Agent dan guarantor as referred to in Article 7 letter b and Article 8 letter b, it must at least convey or disclose:

- a. the name, address and description of the party who acts as Trust-Agent dan guarantor (if hiring any guarantor; and

- b. a statement from the guarantor (if hiring any guarantor) confirming that:
 - 1. the guarantor is able to bear the obligation or has the guaranteeing ability as stated in the guaranteeing agreement; and
 - 2. whether there is any financial case for which the guarantor is being prosecuted.

Section Sixteen

Standby Buyer and/or Prospective Controller of the Small-Scale Issuer or Medium-Scale Issuer

Article 33

In the section on Standby Buyer and/or Prospective Controller of the Small-Scale Issuer or Medium-Scale Issuer as referred to in Article 8 letter c, it must at least convey or disclose:

- a. the name and domicile address or head office of the Standby Buyer and/or prospective Controllers of the Small-Scale Issuer or Medium-Scale Issuer;
- b. the field of business (if any);
- c. the status of legal entity (if any);
- d. the composition of the management and supervisory board (if any);
- e. the capital structure or equivalent information;
- f. the beneficiaries of the prospective new Controller (if any);
- g. the source of funds used by the Standby Buyer and/or prospective Controllers of the Small-Scale Issuer or Medium-Scale Issuer;
- h. the affiliate relationship with the Small-Scale Issuer or Medium-Scale Issuer (if any); and
- i. a description of the significant terms of the purchase agreement of the remaining Securities or agreement to purchase Securities by the Standby Buyer.

Section Seventeen
Summary of Key Financial Data

Article 34

- (1) In the section on the summary of significant financial data as referred to in Article 8 letter d, it must at least convey or disclose:
- a. the audited financial statements which become the data source including information on the Public Accountant, the name of the Public Accounting firm, the opinion given, and an explanation of the period of financial statements covered;
 - b. the financial data of the last 2 (two) financial years or since its establishment if less than 2 (two) financial years added by interim (if any);
 - c. in the case of there is an interim period financial data, it is presented in a comparison with the same period of the previous year (not necessarily audited), except for the statement of financial position;
 - d. the form and content of financial data as referred to in letter b must be the same as those presented in the financial statements; and
 - e. the financial data as referred to in letter b includes at least:
 1. revenue;
 2. gross profit (loss);
 3. profit (loss) for the year;
 4. other comprehensive income;
 5. total comprehensive income for the year;
 6. total profit (loss) attributable to owners of the holding entity and non-controlling interests;
 7. total comprehensive income attributable to owners of the holding entity and non-controlling interests;

8. profit (loss) per share;
9. dividends per share (if a dividend distribution is present);
10. total current assets, total non-current assets, and total assets;
11. total current liabilities, total non-current liabilities, and total liabilities;
12. total equity;
13. profit (loss) for the year to total assets ratio;
14. profit (loss) for the year to equity ratio;
15. profit (loss) for the year to revenue ratio;
16. current ratio;
17. debt to equity ratio;
18. debt to asset ratio;
19. other financial information and ratios relevant to the Controller of the Small-Scale Issuer or Medium-Scale Issuer and the type of industry; and
20. the exchange rate information, in the case of financial statements of the Controller of the Small-Scale Issuer or Medium-Scale Issuer are prepared in other currency than Rupiah, at least includes:
 - a) the exchange rate at the most recent date that may be known;
 - b) the highest and lowest exchange rates for each month during the last 6 (six) month period;
 - c) the average exchange rate for each year and interim period presented in the financial statements calculated by using the average exchange rate on the last day of each month in period; and
 - d) the source of information for disclosure of value exchange rate used.

- (2) The summary of significant financial data presented as referred to in clause (1) must be consistent with the financial statements of the Small-Scale Issuer or Medium-Scale Issuer including the name of the account used.

CHAPTER IV OTHER PROVISIONS

Article 35

In the event that a Small-Scale Issuer or Medium-Scale Issuer submits a Registration Statement for sukuk Public Offering, in addition to being obligated to fulfill the provisions in this Regulation of Financial Services Authority, the Small-Scale Issuer or Medium-Scale Issuer is obligated to fulfill provisions as referred to in the Regulation of the Financial Services Authority on the issuance and requirements of sukuk.

Article 36

In the event that the Small-Scale Issuer or Medium-Scale Issuer will issue a convertible debt Securities through a Public Offering, the character of the convertible debt Securities must be a mandatory convertible debt Securities.

CHAPTER V SANCTION PROVISIONS

Article 37

- (1) Without prejudice to the criminal provisions in the Capital Market sector, the Financial Services Authority is authorized to impose administrative sanctions on any party committing violations to the provisions of this Regulation of Financial Services Authority, including the parties who cause such violations in the form of:

- a. written admonition;
 - b. fines, namely the obligation to pay a certain amount of money;
 - c. limitation of business activity;
 - d. suspension of business activity;
 - e. revocation of business license;
 - f. cancellation of consent; and
 - g. cancellation of registration.
- (2) Administrative sanctions as referred to in paragraph (1) letter b, letter c, letter d, letter e, letter f, or letter g may be imposed with or without prior administrative sanctions in the form of written reprimand as referred to in paragraph (1) letter a.
- (3) Administrative sanctions in the form of fines as referred to in paragraph (1) letter b may be imposed separately or jointly with the imposition of administrative sanctions as referred to in paragraph (1) letter c, letter d, letter e, letter f, or letter g.

Article 38

Aside from the administrative sanctions as referred to in Article 37 paragraph (1), the Financial Services Authority may execute certain acts against each party committing violations to the provisions of this Regulation of Financial Services Authority.

Article 39

The Financial Services Authority may announce the imposition of administrative sanctions as referred to in Article 37 paragraph (1) and certain actions as referred to in Article 38 to the public.

CHAPTER VI TRANSITIONAL PROVISIONS

Article 40

For Small-Scale Issuers and Medium-Scale Issuers who have submitted a Registration Statement for Public Offering and capital increase with HMETD to the Financial Services Authority, and yet the Registration Statement has not been effective prior to the enactment of this Regulation of Financial Services Authority, the Prospectus submitted by the Small-Scale Issuers and Medium-Scale Issuers for a Public Offering and capital increase with HMETD remains compliant with Regulation Number IX.C.8, attachment to the Decision of the Chairman of the Capital Market Supervisory Board Number Kep-56/PM/1996 dated on 17 January 1996 concerning Guidelines on the Form and Content of Prospectus for Public Offering by Medium or Small Companies.

CHAPTER VII CLOSING PROVISIONS

Article 41

At the time when this Regulation of Financial Services Authority enters into force, the Decision of the Chairman of the Capital Market Supervisory Agency Number Kep-56/PM/1996 dated on 17 January 1996 concerning Guidelines on the Form and Content of Prospectus for Public Offering by Medium or Small Companies, along with Regulation Number IX.C.8 which is an attachment thereto, are revoked and declared invalid.

Article 42

This Regulation of Financial Services Authority shall enter into force on the date of its promulgation

For public cognizance, it is hereby ordered that this Regulation of Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 19 July 2017

CHAIRMAN OF THE BOARD OF
COMMISSIONERS OF FINANCIAL
SERVICES AUTHORITY

Signed

MULIAMAN D. HADAD

Promulgated in Jakarta
on 27 July 2017

MINISTER OF LAW AND HUMAN RIGHTS OF THE
REPUBLIC OF INDONESIA

Signed

YASONNA H. LAOLY
STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2017 NUMBER 172

This duplicate is in accordance with its original
Director of Law 1
Department of Law

signed

Yuliana

ELUCIDATION
OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 54 /POJK.04/2017
CONCERNING
FORM AND CONTENT OF PROSPECTUS FOR A PUBLIC OFFERING AND
CAPITAL INCREASE WITH PRE-EMPTIVE RIGHT BY ISSUERS WITH SMALL-
SCALE ASSESTS OR ISSUERS WITH MEDIUM-SCALE ASSESTS.

I. GENERAL

As regulated in Article 70 clause (1) of Law Number 8 of 1995 concerning Capital Market, which essentially regulates that every party that will conduct a Public Offering is obligated to submit a Registration Statement to the Financial Services Authority and that the Registration Statement has become effective. Based on Law Number 8 of 1995 concerning Capital Market, the Financial Services Authority has the authority to regulate the documents that is obligated to be submitted at the time of submission of the Registration Statement. The requirement for the form and content of the Prospectus that must be submitted for the submission of the Registration Statement for Public Offering Equity Securities, Debt Securities, and Sukuk of Small-Scale Issuers or Medium-Scale Issuers, are currently regulated by Regulation No. IX.C.8, attachment to the Decision of the Chairman of the Capital Market Supervisory Board Number Kep-56/PM/1996 dated on 17 January 1996 concerning the Guidelines on the Form and Content of Prospectus for Public Offering by Medium or Small Companies. However, in its development it is necessary to make adjustments to the form and content of the Prospectus for Public Offering to facilitate access for Small-Scale Issuers or Medium-Scale Issuers in order to use the capital market as a source of funding.

The adjustment of Rule Number IX.C.8 is conducted to improve the quality of information disclosure in the Prospectus of Small- Scale Issuers or Medium-

Scale Issuers, hence it is expected that the public in investing in Small-Scale Issuers or Medium-Scale Issuers have sufficient knowledge to make informed decisions.

The information adjustments made to the provisions of laws and regulations on the guidelines for the form and contents of the Prospectus for Public Offering by Small-Scale Issuers or Medium-Scale Issuers, among others:

- a. for Public Offering of Equity Securities and Public Offering of Debt Securities to add the following information:
 1. important events after the date of the Public Accountant report;
 2. underwriting;
 3. legal opinion; and
 4. appraiser report and expert report (if any);
- b. specifically for Public Offering of equity Securities, to add information on over-allotment option in the Public Offering;
- c. capital increase with HMETD:
 1. information on the Standby Buyer and/or prospective Controller Small-Scale Issuer or Medium-Scale Issuer (if any);
 2. a summary of key financial data;
 3. the schedule related to capital increase with HMETD;
 4. a description of the Rights being offered;
 5. a deposit of shares in other forms than money;
 6. a statement declaring that the main shareholders will execute or will not execute the HMETD and information on the name of the party that will receive the transfer of HMETD;
 7. the full name of the Party who acts as the Standby Buyer and/or prospective Controller;
 8. a description of debt Securities that may or is obligated to be convertible into shares;
 9. a party that makes a capital deposit in other form than money that may cause the party to become a new Controller of Small-Scale Issuers or Medium-Scale Issuers and increase the equity of Small-Scale Issuer or Medium-Scale Issuer by 100% (one hundred per cent) or more, the Prospectus must at least contain or disclose:
 - a) in the event of capital contribution in the form of shares of other companies, the information that must be contained or disclosed is at least:
 - 1) the financial statements of the other company;

- 2) pro-forma financial information examined by a Public Accountant;
 - 3) information on risk factors;
 - 4) information on the other company;
 - 5) business activities and prospects, and
 - 6) legal opinion of the other company; and/or
- b) in the event that the capital deposit is in the form of an asset, the information that must be disclosed in the asset and the business risks and prospect for the use of the asset.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Self-explanatory.

Article 5

Self-explanatory.

Article 6

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

The examples of the principle terms of the Trust-Agent Contract include:

1. an overview of the rights of the debt Securities holders;
2. an overview of the debt Securities characteristics that provide possibility of early payment based on the decision of Small-Scale Issuers or Medium-Scale Issuers or the debt Securities holders;
3. the right of priority (seniority) compared to other debts of the Small-Scale Issuer or Medium-Scale Issuer that are existing and may arise; and
4. an overview of the requirements for the sinking funds, (if any);

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Letter a

Number 1

The examples of the use of proceeds include the development of existing facilities, diversification, and working capital increase.

Number 2

"Affiliate relationship" means the Affiliation as referred to in Law Number 8 of 1995 concerning Capital Market.

Letter b

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Article 20

Self-explanatory.

Article 21

The risks encountered may include:

1. the main risks having a significant impact on business continuity;
2. business risks;
3. general risks; and
4. any risks for the investor.

Article 22

Self-explanatory.

Article 23

Letter a

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

Number 6

Self-explanatory.

Number 7

Self-explanatory.

Letter b

Number 1

Self-explanatory.

Number 2

"Important agreements", may include:

1. raw material purchase;
2. marketing;
3. distribution; or
4. expenditure.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

Number 6

Self-explanatory.

Number 7

"General information on the production facilities owned or leased from other parties or controlled" consists of:

1. land, building, and leasehold rights; and
2. machinery and equipment and their status.

Number 8

Self-explanatory.

Number 9

Self-explanatory.

Number 10

Self-explanatory.

Article 24

Letter a

Self-explanatory.

Letter b

"Significant events in relation to the business development" consists of:

1. changes of ownership;
2. material capital goods investments made, development of new products or services; and
3. significant marketing activities.

Letter c

Example 1:

In 2012 and 2013 Limited Liability Company (PT) A increased its paid-up capital. In 2014 and 2015 there was no change in the capital structure, however in April 2016 and September 2016, PT A increased its paid-up capital. In 2017 PT A made a Registration Statement to the Financial Service Authority.

Therefore, the changes in the composition of shareholders and share ownership in the last 2 (two) years disclosed prior to the Registration Statement are the changes in capital structure in April 2016, September 2016 and the capital structure in 2015 which refers to the change of capital structure in 2013.

Example 2:

In 2012 and 2013, PT A increased its paid-up capital. In 2014, 2015, and 2016 there was no change in capital structure. In 2017 PT A made a Registration Statement to the Financial Service Authority.

Therefore, the changes in the composition of shareholders and share ownership in the last 2 (two) years disclosed prior to the Registration Statement is the change in capital structure in 2013.

Article 25

Self-explanatory.

Article 26

Self-explanatory.

Article 27

Self-explanatory.

Article 28

Self-explanatory.

Article 29

Self-explanatory.

Article 30

Self-explanatory.

Article 31

Self-explanatory.

Article 32

Self-explanatory.

Article 33

Self-explanatory.

Article 34

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Self-explanatory.

Article 40

Self-explanatory.

Article 41

Self-explanatory.

Article 42

Self-explanatory.

ADDITIONAL STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER
6106